

Colusa Local Agency Formation Commission

Regular Meeting Agenda

Thursday – February 7, 2019

3:00 PM

**Board of Supervisors Chambers
546 Jay Street
Colusa, CA.**

1. Call to Order/Roll Call

Commissioners

Denise Carter (Chair, County)
John Loudon (Vice-Chair, County)
Brandon Ash (Public)
Tom Reische (Colusa, City)
Sajit Singh, (Williams, City)

Alternates

Merced Corona (County Alternate)
Roberto Mendoza (City Alternate)
Mary Winters, (Public Member Alternate)

Staff

John Benoit, Executive Officer
P. Scott Browne, Legal Counsel
Lora Ceccon, Clerk to the Commission

2. Consider Minutes from Sept 6, 2018 and December 6, 2018

- a. *Consider approving the September 6, 2018 LAFCo minutes (tabled from 12.6.18)*
- b. *Consider approving the December 6, 2018 LAFCo minutes*

3. Public Comment

This is the time for the public to address the Commission on any matter not on the agenda. Testimony related to an item on the agenda should be presented at the time that item is considered

4. Consent Agenda

- a. *Payment of claims for the months of November and December 2018*

5. Correspondence:

6. Authorize staff to attend the Calafco Annual Staff Workshop April 10-13, 2019 in San Jose, Ca.

- a. *Authorize staff to attend the annual Calafco Staff Workshop.*

7. Review Service Review requirements and conduct a goal setting workshop for Colusa LAFCO with regards to Colusa LAFCO's role in orderly growth in Colusa

County and discuss the need and methods of achieving reorganization of various services.

- 8. Discussion regarding SB 244 Review letters from the State Controller, Letter from LAFCo and County Response regarding the Colusa County FC&WCD, Century Ranch CSA 1 & 2, CSA #3, and Hazel Court CSA.**

a. Set public hearing for the LAFCo initiation to dissolve Century Ranch Water District and Hazel Court CSA for the March 7, 2019 LAFCo meeting.

- 9. Appoint 2019-2020 Ad Hoc Budget Committee for Colusa LAFCo**

a) Appoint 2019-2020 Ad. Hoc Budget Committee for Colusa LAFCo

- 10. Executive Officer's Report:**

- a) Fire and EMS MSR and SOI update
b) 700 forms – Due April 1st*

- 11. Commissioner Reports - Discussion**

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters

- 12. Next Colusa LAFCo meeting: March 7, 2019**

Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1

Pursuant to Government Code Section 54954.2, Commission members may make a brief announcement or report on activities. Commission members may also provide a reference to staff or other resources for factual information, request staff to report back to the Commission at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).
- The total amount of time allotted for receiving public comment may be limited to 15 minutes.
- Any individual's testimony may be limited to 5 minutes. Time to address the Commission will be allocated on the basis of the number of requests received.

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to 5 minutes. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda area available for review for public inspection in the Colusa County Clerk's office located at the Colusa County Courthouse 546 Jay Street, Colusa CA. [such documents are also available on the Colusa LAFCO website as noted below to the extent practicable and subject to staff's ability to post the documents prior to the meeting].

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting. The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Pursuant to Government Code Sections 56100.1, 56300(b), 56700.1, and 81000 et seq., and Colusa LAFCO's Policies and Procedures for the Disclosure of Contributions and Expenditures in Support of and Opposition to Proposals, any person or combination of persons who directly or indirectly contribute \$1000 or more or expend \$1000 or more in support of or opposition to a change of organization or reorganization that has been submitted to Colusa LAFCO must comply with the disclosure requirements approved by Colusa LAFCO. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Colusa County Elections Department 546 Jay Street, Colusa, CA 95932. (530) 458-0500

A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding.

Contact LAFCO Staff LAFCO staff may be contacted at (530) 458-0593 or by mail at Colusa LAFCO P.O. Box 2694, Granite Bay Ca 95746 or by email at lafco@countyofcolusa.com or j.benoit4@icloud.com

Webpage Reports, agendas, minutes and general information about LAFCO are available on the LAFCO Webpage at www.colusalafco.org

LOCAL AGENCY FORMATION COMMISSION
COLUSA COUNTY
MINUTES OF MEETING
September 6, 2018

PRESENT:

JOHN LOUDON, County Member
ALFRED SELLERS, JR., City Member
TOM REISCHE, City Member
BRANDON ASH, Chair, Public

ALSO PRESENT:

LORA CECCON, Clerk
JOHN BENOIT, Ex. Officer
P. SCOTT BROWNE, Legal

1. Call to Order/Roll Call

The meeting was called to order at 3:02 p.m. There was a quorum present.

2. Consider Minutes for August 9, 2018

On motion of B. Ash, second by T. Reische, the commission approved the minutes for August 9, 2018, motion carried by roll call vote.

3. Public Comment – None

4. Consent Agenda

On motion of T. Reische, second by A. Sellers, Jr., the commission approved claims for the month of August 2018, motion carried by roll call vote.

5. Correspondence: None

6. Public Hearing regarding Reclamation, Levee and Flood Control Districts MSR and SOI (hard copies handed out at the June 7, 2018 LAFCo meeting)

3:08 – Opened Public Hearing

John presented the Executive Officer’s memo stating that the MSR and SOI were distributed at the June 2018 meeting and reviewed at the July 2018 meeting. Several comments were brought up, and he stated that the following paragraph will be added to Section 2.1.1 on page 11:

“When Shasta Dam was built in the late 1940s, the newly constructed Central Valley Project created uncertainty for the historic water users on the Sacramento River. The issue was that the stored water from the reservoir was co-mingled with the rivers natural flows. The stored water was considered to be property of the Bureau of Reclamation (USBR) and the natural flows included the water rights of historic water users. In 1964 USBR entered into a water right Settlement Contract with Sacramento River Water Users that preserved their prior and historic water rights and provided for some supplemental water during the

summer months from the Central Valley Project. RD 108 has a 232,000 acre-foot under this USBR contract that covers April 1 through October 31. The District also has a winter water right and other senior water rights and riparian water rights that cover the winter months for decomposed rice straw and winter floodplain habitat.”

John spoke with Terry Bressler at RD 1004 and he indicated the RD 1004 Board of Directors does not desire to annex other territory into its district at this time. Therefore, the RD 1004 SOI map is to remain as proposed.

The addresses and phone numbers for members of the District Board of Directors shall be removed throughout the document (pg. 37).

3:15 – closed Public Hearing

Commissioner B. Ash moved to approve Resolution 2018-0007, the Municipal Service Review for Reclamation, Flood Control, and Levee Districts in Colusa County and Resolution 2018-0008, the Sphere of Influence update for Reclamation, Flood Control, and Levee Districts in Colusa County, second by Commissioner A. Sellers, Jr., motion carried by roll call vote.

7. Hold a General Discussion regarding the Legislative Intent of LAFCo’s and LAFCO’s authority.

John provided a handout on the legislative intent of LAFCo and the definition of a district. Lafcos serve as umpires between agencies/districts and determine which agency/district would be the best service provider. Some discussion followed.

8. Executive Officer’s Report

a) Fire and EMS MSR and SOI – John will be meeting with the fire chiefs association to update information; good idea to update after 10 years.

b) Policies Update

c) Finance Policy Update

Upcoming project: CIP/City of Colusa

9. Commissioner Reports – Discussion - None

10. Consider having the next Colusa LAFCo meeting on November 1st instead of October 4th, 2018 due to the CALAFCO Conference.

Next Meeting: November 1, 2018.

The meeting was adjourned at 4:15 p.m.

LOCAL AGENCY FORMATION COMMISSION
COLUSA COUNTY
MINUTES OF MEETING
December 6, 2018

PRESENT:

JOHN LOUDON, County Member
KENT BOES, County Alternate
BRANDON ASH, Chair, Public

ALSO PRESENT:

MARY WINTERS, P.M. Alternate
P. SCOTT BROWNE, Legal Counsel
JOHN BENOIT, Ex. Officer
LORA CECCON, Clerk

1. Call to Order/Roll Call

The meeting was called to order at 3:03 p.m. There was a quorum present.

2. Consider Minutes for September 6, 2018 and November 1, 2018

September 6, 2018 – Tabled until the next Lafco meeting.

November 1, 2018 – **On motion of K. Boes, second by B. Ash, the commission approved the minutes of November 1, 2018, motion carried by roll call vote.**

3. Public Comment – None

4. Consent Agenda

On motion of B. Ash, second by K. Boes, the commission approved claims for the month of November 2018, motion carried by roll call vote.

5. Correspondence: None

6. Consider updated LAFCo Finance Policies and procedures for Colusa LAFCo.

John reviewed Exhibit “A” – Colusa LAFCO Finance and Expenditure Policies – A Bylaw Amendment replacing Section 3.3 “Budgeting Policies” with new Section 3.3 “LAFCo Finance Policies”

John advised the commission that he is working on getting a reserve fund of \$100,000. LAFCo has no fixed assets, and probably never will.

B. Ash moved to adopt Resolution No. 2018-0009, A Resolution Amending Bylaws to Adopt an Updated Finance, Revenue and Travel Policy, second by K. Boes, motion carried by roll call vote.

7. Hold General Discussion regarding Municipal Service Reviews: Purpose, intent and content of Service Reviews.

John stated that he would like the MSRs to be useful. A general discussion was held regarding what should be included in the MSRs. There are 7 fire districts in Colusa County, and data is needed from each district. Do we want to see consolidation of fire districts? Further discussion was held regarding JPAs, the cost of services, insurance coverage, and how board members are chosen. K. Boes asked if John wanted to meet with all of the Fire Chiefs. John responded yes, he would like to meet and distribute the reviews. John will get a list of contacts and go from there.

8. Discussion regarding SB 244 Review letters from the State Controller sent to LAFCO regarding the Colusa County FC&WCD, Century Ranch CSA 1&2, CSA #3, and Hazel Court CSA.

John advised the commission that it is SB 448, not 244. John has received correspondence from the State Controller that includes a list of districts that have not submitted audits. There are no independent districts on the list. Dependent districts are included in the county audit. CSA #3 is not active. There may be a couple districts we can dissolve, and get off the books.

The State Controller wants to get rid of inactive districts, and they want to get their audits. John will respond to the letter.

9. 2019 Regular Meeting Schedule for Colusa LAFCo

B. Ash moved to approve the 2019 regular meeting schedule for Colusa LAFCo, second by K. Boes, motion carried by roll call vote.

10. Executive Officer's Report

- a.) **Fire and EMS MSR and SOI** – previously discussed
- b.) **Policies Update** – There are a few things to update per Lafco law; will most likely hold some workshops on this issue.

Colusa Industrial Park – will require a sphere amendment; need to complete a fiscal analysis before entering into a tax agreement. This is a large annexation, and there are numerous things that need to be done. John has advised them that Lafco will need to respond to the CEQA documents.

11. Commissioner Reports – Discussion – None

12. Next Colusa LAFCo meeting: January 3, 2019

B. Ash moved to amend the 2019 meeting schedule and cancel the January 3, 2019 meeting, second by K. Boes, motion carried by roll call vote.

Next meeting: February 7, 2019. The meeting adjourned at 4:00 p.m.

Colusa Local Agency Formation Commission

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CLAIMS

For December 2018- January 2019

Authorize payment of the following claims:

FY 2018-2019 EXPENSES:

Ratify December 2019 Claims:

Jan 4, 2019	Staff Svcs and Expenses – Dec 2018	\$ 5,481.02
Jan 4, 2018	Frontier Phone Dec 7, 2018	\$ 43.38
11.16.18- 12.15.2018	Legal Services P. Scott Browne	\$ 2,000.00

Claims for February 2019:

Feb 7, 2019	Frontier Phone Jan 7, 2019	\$ 41.97
Feb 7, 2019	Staff Svcs and Exp. – Jan 2019	\$ 6,625.08
12.16-18-1.15.19	Legal Svcs. P. Scott Browne	\$ 2,000.00

TOTAL: **\$ 16,057.51**

DATED: Feb 7, 2019

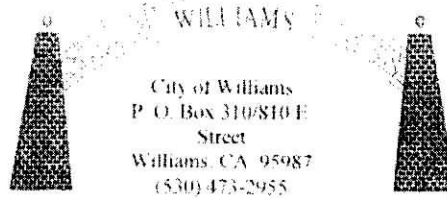
APPROVED: Feb 7, 2019

Denise Carter, Chair or John Loudon, Vice-Chair
Colusa Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

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December 14, 2018

Local Agency Formation
Commission of Colusa County
P.O. Box 2694
Granite Bay, CA 95746


RE: Membership

Dear Sir/Madam:

At the meeting of the City Council of the City of Williams held on December 12, 2018, Council approved the appointment of Council Member Sajit Singh as the primary member with Council Member Roberto Mendoza as the alternate member to represent the City of Williams as members on the Local Agency Formation Commission of Colusa County, effective immediately.

All materials should be sent to City Hall at the above post office box for distribution to the members as necessary.

Sincerely yours,


Alma Trosky, Administrative Clerk

COLUSA

COUNTY

Office of
Peggy Scroggins
County Auditor-Controller

Robert Zunino
Asst. Auditor-Controller



AUDITOR - CONTROLLER

546 Jay Street, Suite #202
Colusa, CA 95932

Phone: 530-458-0400
Fax: 530-458-0402

January 18, 2019

Colusa Local Agency Formation Commission
John Benoit, Executive Officer
P. O. Box 2694
Granite Bay, CA 95746

Subject: Possible Dissolution of Four Special Districts as a Result of SB 448

Dear John:

This letter is in response to your January 7, 2019, "possible dissolution" letter for the following four special districts:

- Century Ranch Water District
- CSA #3
- Hazel Court CSA
- Colusa County Flood Control and Water Conservation District

We understand the State Controller provided LAFCO with a list of possible inactive special districts and it is the Commission's duty to determine if the districts meet the criteria set forth in Government Code 56042, which states:

56042. "Inactive district" means a special district that meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

Based on the definition of an "inactive district", we agree that the following two special districts are inactive:

- Century Ranch Water District
- Hazel Court CSA

However, based on the same Government Code, the two remaining special districts are still "active".

The **Colusa County Flood Control and Water Conservation District** has been active for decades. As proof of the district's active status, I have enclosed the following documentation for 2016-17, 2017-18, and 2018-19 fiscal years.

1. Board Agenda for the Budget Public Hearing
2. Signed Board Resolution Adopting the District's Budget and the related Exhibit
3. Revenue and Expenditure Status Reports

I have also enclosed a June 30, 2018 Balance Sheet that shows the District has a \$300 cash balance.

As evidenced by these financial documents, the Colusa County Flood Control and Water Conservation District is considered "active". The district does not meet the definition of an "inactive district" pursuant to Government Code 56042(b) or 56042(c) and should not be dissolved.

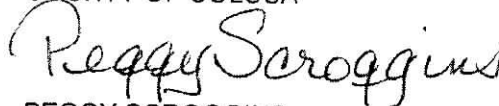
The **CSA #3** has been active since it was formed in 1989 to address health and safety issues related to contaminated private wells. Although this special district has not necessarily had any annual financial activity, pursuant to 56042(d) it is an "active" district because it has an outstanding contract. I have enclosed the 1991 agreement between the City of Colusa and CSA #3, "Agreement for the Operation, Maintenance, Financing and Use of Colusa County CSA No. 3 Water System".

CSA #3 was formed to obtain financing through various sources to build infrastructure connected to City water supplies. To that end, the CSA entered into a 50 year agreement with the City to have the City manage and construct the necessary infrastructure. In exchange, the CSA provided the City with \$59,000 for the project. Under the terms of the agreement the City is required to make charges and provide the CSA with excess revenues. (See Section 4.1 of the Agreement). Additionally, the City is required to provide reports, receipts and accounting an annual basis. (See Section 6.1 of the Agreement). The contract does not terminate until 2040 or until the area is annexed into the City; which has not occurred. The CSA #3 contract with the City of Colusa for the operation and maintenance of the water infrastructure is considered an asset. Therefore, the district does not meet the definition of an "inactive district" pursuant to Government Code 56042(c) or 56042(d) and should not be dissolved.

Please advise if you require additional documentation prior to the February 7th LAFCO meeting. I want to ensure the Commission has sufficient evidence that the Colusa County Flood Control and Water Conservation District and the CSA #3 are "active" special districts and should not be dissolved.

Sincerely,

COUNTY OF COLUSA



PEGGY SCROGGINS
Auditor-Controller

cc: Wendy Tyler, County Administrative Officer
Marcos Kropf, County Counsel
Scott Lanphier, Public Works Director
Rose Gallo-Vasquez, County Clerk-Recorder

COLUSA LOCAL AGENCY FORMATION COMISSION

January 7, 2019

Peggy Scroggins, Colusa County Auditor
546 Jay Street, Suite 202
Colusa, CA 95932

Scott Lanphier, Public Works Director
Dept. of Public Works
1215 Market Street
Colusa, CA 95932

Subject: Possible Dissolution of the Century Ranch Water District, CSA #3, Hazel Court CSA and the Colusa County Flood Control and Water Conservation District

Dear Peggy and Scott:

The Colusa Local Agency Formation Commission (LAFCo) received the two attached letters from the State Controller's Office (SCO) regarding the dissolution of the Century Ranch Water District, CSA #3, Hazel Court CSA and the Colusa County Flood Control and Water Conservation District. Last year, SB 448 was signed into law by the Governor requiring the SCO to create a list of "inactive" special districts and mandating LAFCo's to dissolve districts that have not completed an audit.

The California Association of LAFCo's and the California Special District's Association were successful in amending SB 448 to include a definition of an "inactive special district" but were not successful in defeating the legislation.

As required in SB 448, LAFCo is now mandated to dissolve the Century Ranch Water District, CSA #3, Hazel Court CSA and the Colusa County Flood Control and Water Conservation District unless the district is able to provide evidence that the Districts have had financial transactions in the previous fiscal year (2016-2017 or 2017-2018), the Districts have assets and liabilities, and the Districts have outstanding debts, judgments, litigation, contracts, liens or claims.

LAFCo is requesting the district provide information demonstrating the Century Ranch Water District, CSA #3, Hazel Court CSA and the Colusa County Flood Control and Water Conservation District are not in fact inactive by providing the information stated above.

LAFCo is required to initiate dissolution of the district within 90 days of receipt of the SCO's letter unless LAFCo determines the district does not meet the requirements in

C/O John Benoit, Executive Officer P.O.Box 2694 Granite Bay, California 95746 - ph.
(530) 458.0593 email: j.benoit4@icloud.com

G.C. 56042. At this time, LAFCo intends on placing an item to discuss the timeline to initiate dissolution of the districts or to respond to the SCO at its next agenda scheduled for February 7, 2019.

Please provide any information you have to LAFCo **prior to February 7, 2019**. You may email the information to j.benoit4@icloud.com or mail it to Colusa LAFCo, P.O. Box 2694, Granite Bay, CA 95746. Do not hesitate to call me if you have any questions or wish to discuss this new requirement.

Yours sincerely,



John Benoit,
Executive Officer, Colusa LAFCo

Attachments: Notification Letter from the State Controller's Office



BETTY T. YEE
California State Controller

October 31, 2018

John Benoit
Colusa Local Agency Formation Commission
P.O. Box 2694
Granite Bay, CA 95746

SUBJECT: Notification of Inactive Special Districts in County.

Dear Mr. Benoit:

Chapter 334, Statutes of 2017 (Senate Bill 448) added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding special districts that are inactive. SB 448 requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Reports (FTR), publish the list of inactive special districts on its website annually, and notify a local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

Within 90 days of receiving this notice, the commission is required to initiate dissolution of inactive special district(s), unless you determine that the district(s) does not meet the criteria set forth in GC section 56042. The commission shall also notify the SCO if you determine that the district(s) does not meet the criteria set forth in GC section 56042.

The enclosed document lists the special districts within your jurisdiction that are inactive, based on financial data in the special district's fiscal year 2016-17 FTR. The complete list of inactive special districts is found here: https://www.sco.ca.gov/ard_local_rep_freq_requested.html

John Benoit
October 31, 2018
Page 2

If you have any questions or need assistance, please contact Derek Miller by telephone at (916) 322-5579, or by email at dmiller@sco.ca.gov.

Sincerely,



PHILLIP PANGILINAN
Manager
Local Government Reporting Section

Enclosure: 2016-17 County Inactive Districts List

**State Controller's Office
2016-17 Inactive Districts for Colusa County**

County Name	District Name	District Type	Email Address	Street Address 1	Street Address 2	P.O. Box	City	Zip
Colusa	Colusa County Flood Control and Water Conservation District	Dependent	jdawley@countyofcolusa.org	Auditor-Controller Suite 202	546 Jay Street,		Colusa	95932

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.

**State Controller's Office
2016-17 Inactive Districts for Colusa County**

County Name	District Name	District Type	Email Address	Street Address 1	Street Address 2	P.O. Box	City	Zip
Colusa	Century Ranch Water District	Dependent	jdawley@countyofcolusa.org	Auditor-Controller	546 Jay Street, Suite 202		Colusa	95932
Colusa	County Service Area No. 3 (Colusa)	Dependent	jdawley@countyofcolusa.org	Auditor-Controller	546 Jay Street, Suite 202		Colusa	95932
Colusa	Hazel Court County Service Area (Colusa)	Dependent	jdawley@countyofcolusa.org	Auditor-Controller	546 Jay Street, Suite 202		Colusa	95932

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.