

Colusa Local Agency Formation Commission

Regular Meeting Agenda

Thursday – March 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 February 7, 2019

a. Consider approving the February 7, 2019 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 month of February 2019

5. Correspondence: Letter from Special Districts Risk Management Authority(SDRMA)

PUBLIC HEARING

6. Public hearing regarding the initiation of dissolution of the Hazel Court CSA and Century Ranch Water District

a. Consider LAFCo Resolution 2019-0001, a resolution initiating proceedings for the dissolution of the Hazel Court CSA and Century Ranch Water District.

7. **Consider authorizing the Chair to sign letters of Support for AB-213 (Reyes) VLF revenue backfill for inhabited annexations and AB-1253 (Rivas) regarding Grants for LAFCo's with Disadvantaged or Severely Disadvantaged Communities.**

a) Authorize Chair to sign letters of Support

8. **Executive Officer's Report:**

- a) *Fire and EMS MSR and SOI update*
- b) *700 forms – Due April 1st*
- c) *2019-2020 LAFCo Budget Process*

9. **LAFCo 101 Presentation by LAFCo Staff (a general overview of LAFCo)**

10. **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

11. **Next Colusa LAFCo meeting: April 4, 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 are 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
February 7, 2019

PRESENT:

JOHN LOUDON, County Member
SAJIT SINGH, City Member
BRANDON ASH, Public
DENISE CARTER, Chair, County

ALSO PRESENT:

MARY WINTERS, Public, Alt.
P. SCOTT BROWNE, Legal Counsel
JOHN BENOIT, Ex. Officer
LORA CECCON, Clerk
MERCED CORONA, County Alt.

1. Call to Order/Roll Call

The meeting was called to order at 3:01 p.m. There was a quorum present.

2. Consider Minutes for September 6, 2018 and December 6, 2018

September 6, 2018 – **On motion of B. Ash, second by J. Loudon, the commission approved the minutes of September 6, 2018, motion carried by roll call vote.**

December 6, 2018 – **On motion of J. Loudon, second by B. Ash, the commission approved the minutes of December 6, 2018, motion carried by roll call vote.**

3. Public Comment – None

4. Consent Agenda

On motion of J. Loudon, second by B. Ash, the commission approved claims for the months of December 2018 and January 2019, motion carried by roll call vote.

5. Correspondence: None

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

(Skipped to Item #8)

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.

(Skipped to Item #8)

8. Discussion regarding SB 448 Review letters from the State Controller, Letter from LAFCO and County Response regarding the Colusa County FC&WCD, Century Ranch, CSA #3, and Hazel Court CSA.

John advised the commission that a letter was sent to the County Auditor regarding possible dissolution of four districts; Century Ranch Water District, CSA #3, Hazel Court CSA, and Colusa County Flood Control and Water Conservation District.

Peggy Scroggins, County Auditor-Controller presented her letter of response dated January 18, 2019. She stated that the Colusa County Flood Control and Water Conservation District and CSA #3 are both active; however, they are in agreement that Century Ranch Water District and Hazel Court CSA are both inactive.

A public hearing was set for the March 7, 2019 Lafco meeting.

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

John stated that S. Browne will be presenting a workshop during the conference. Once again, costs will be shared with other counties. A short discussion followed on benefits of attending.

On motion of J. Loudon, second by S. Singh, the commission approved the authorization of staff to attend the Calafco Annual Staff Workshop, motion carried by roll call vote.

7. Returned to Item #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.

John provided information on Municipal Service Reviews stating that we want to see efficient, orderly services. How do we make these districts solvent again? What are the goals for these service reviews? John discussed possibly including goals in the MSR's or in the policies.

D. Carter asked that a list be provided of the MSR's that have been completed with the date of completion, for the new members.

John stated that he met with the fire districts last week, and they had a good discussion. He asked the members to plan on a longer meeting next month and to let him know if they have anything to add to the discussion.

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

D. Carter stated that she hoped M. Winters would be willing to sit on the committee again. Mary stated that she would. Denise will sit on the committee with Mary.

10. Executive Officer's Report

- a.) **Fire and EMS MSR and SOI update** – coming along – districts have a due date of mid-February to get responses back to John.
- b.) **700 forms** – Due April 1, 2019

11. Commissioner Reports – Discussion – None

12. Next Colusa LAFCo meeting: March 7, 2019

The meeting adjourned at 3:44 p.m.

Colusa Local Agency Formation Commission

CLAIMS

For February 2019

Authorize payment of the following claims:

FY 2018-2019 EXPENSES:

Claims for February 2019:

Feb 7, 2019	Frontier Phone Feb 7, 2019	\$ 43.55
Feb 7, 2019	Staff Svcs and Exp. – Feb 2019	\$ 7,521.27
1.16-18-2.15.19	Legal Svcs. P. Scott Browne	\$ 2,000.00
Feb 9, 2019	Pioneer Review – Dissolution Notice	\$ 55.00

TOTAL: \$ 9,619.82

DATED: Mar 7, 2019

APPROVED: Mar 7, 2019

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

Attest:

John Benoit
Executive Officer



1112 I Street, Suite 300
Sacramento, California 95814-2865
T 916.231.4141 or 800.537.7790 • F 916.231.4111

Maximizing Protection. Minimizing Risk. • www.sdrma.org

February 22, 2019

Mr. John Benoit
Executive Officer
Local Agency Formation Commission of Colusa
Post Office Box 2694
Granite Bay, California 95746

RE: 2019-20 Property/Liability Program Rate Information

Dear Mr. Benoit,

On behalf of the Special District Risk Management Authority (SDRMA) Board of Directors, we sincerely appreciate your safety/loss prevention efforts and continued support of SDRMA.

SDRMA continues to make every effort to reduce operating costs and minimize rate increases while ensuring the financial integrity of the Property/Liability Program. Unfortunately, due to catastrophic fires within California and increasing liability court judgements, our excess carriers are imposing a rate increase on all their clients, including SDRMA. Based on those factors and overall pool claims costs over the past several years, after considerable review and discussion on February 6, 2019, the Board approved a 5% increase for the liability rates and a 11% increase for property rates for 2019-20. This increase will still leave a revenue shortfall that will require the use of reserves and investment income to fully fund the program.

Also, after intensive pricing review, the Board approved a change to the calculation of the Volume Discount that is applied to Property, Mobile Equipment and Auto Liability. SDRMA will no longer use a member's general liability contribution as a factor in determining the percentage of Volume Discount given.

New for 2019-20, as communicated in the Renewal Questionnaire packet, effective July 1, 2019, scheduled property values (building and contents) were automatically "trended" based on specific inflationary factors provided by Marshall & Swift. Properties added during the current policy or appraised within the last year were exempt from this process.

In addition, your agency's actual contribution amount for 2019-20 may vary compared to 2018-19 due to the rate increases, any coverage limit changes, outside policy pricing, scheduled item additions/deletions, risk factor adjustments and Credit Incentive Program (CIP) points earned.

Other Important Items to Note:

- No Longevity Distribution is declared for the Property/Liability Program this year.
- Our Multi-Program Discount provides members a great opportunity to save money. Members receive an automatic multi-program discount of 5% per program (Property/Liability and Workers' Compensation) while they belong to both programs.
- SDRMA's Spring Education Day/Annual Membership Meeting is Tuesday, March 26 at the Hilton Sacramento Arden West Hotel and is FREE to SDRMA members including meals. For more information, please visit our website at www.sdrma.org and click on "Register for a Training Workshop" on the right side of the page.
- Your annual contribution provides your agency with access to safety and loss prevention services, resources, and trainings that are provided at no additional cost, including Target Solutions, AB 1825/AB 1234 training, ergonomic assessments, and safety DVDs.
- Members considering withdrawal from coverage with SDRMA for the 2019-20 program year are required to submit a "Notice of Intent to Withdraw" by April 1 in accordance with SDRMA Bylaws.

On behalf of the Board of Directors and our entire risk management team, we thank you for your continued participation in our programs! If you have any questions, please contact Heather Thomson, Chief Financial Officer at hthomson@sdrma.org or 800.537.7790.

Sincerely,
Special District Risk Management Authority



Mike Scheafer, President
Board of Directors

RESOLUTION NO. 2019-0001

A RESOLUTION OF THE COLUSA LOCAL AGENCY FORMATION COMMISSION INITIATING PROCEEDINGS FOR THE DISSOLUTION OF THE HAZEL COURT CSA AND CENTURY RANCH WATER DISTRICT IN COLUSA COUNTY, CALIFORNIA

WHEREAS, the Hazel Court CSA and Century Ranch Water District are districts existing and operating pursuant to County Service Area Law (California Government Code section 25210.1 *et seq.*) and Section 30000 *et seq.* of the Water Code; and

WHEREAS, on November 6, 2018, a letter from the Office of the State Controller was received by LAFCo requesting dissolution of the Century Ranch Water District, CSA #3, Hazel Court CSA and the Colusa County Flood Control and Water Conservation District; and

WHEREAS, on December 21, 2018, a letter from LAFCo was mailed to the Colusa County Auditor and Public Works along with a copy of the SCO letter explaining LAFCo is mandated to dissolve the CSA #3, the Colusa County Flood Control and Water Conservation District, the Hazel Court CSA and Century Ranch Water District. The County responded affirming the Hazel Court CSA and Century Ranch Water District were inactive and CSA #3 and the Colusa County Flood Control and Water Conservation District were not inactive and provided documentation accordingly.

WHEREAS, the Colusa Local Agency Formation Commission has never prepared a Municipal Service Review and Sphere of Influence since the "Hazel Court CSA and Century Ranch Water District" have no facilities and provide no services": and

WHEREAS, Chapter 334, Statutes of 2017 (Senate Bill 448) added provisions to the LAFCo Act requiring the State Controller's Office (SCO) to create a list of inactive special districts based on information in the district's Financial Transactions Reports and to annually publish a list of inactive districts; and

WHEREAS, Pursuant to Government Code Section 56042 an inactive district must meet all of the following criteria to be considered inactive:

- (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".

WHEREAS, on February 13, 2019, a notice of intent to adopt this resolution at the February March 7, 2019 LAFCo meeting was published and provided to each interested and subject agency; and

NOW THEREFORE the Colusa Local Agency Formation Commission hereby resolves, orders and determines the following:

The Colusa Local Agency Formation Commission hereby initiates proceedings for the dissolution of the Hazel Court CSA and Century Ranch Water District as required by Chapter 334, Statutes of 2017 (Senate Bill 448) for being inactive districts.

PASSED AND ADOPTED, by Colusa LAFCo on this 7th day of March 2019

AYES:

NOES:

ABSENT:

ABSTAIN:

Denise Carter, Chair
Colusa Local Agency Formation
Commission

Attest:

John Benoit
Colusa LAFCo Executive Officer

COLUSA LOCAL AGENCY FORMATION COMMISSION

March 7, 2019

The Honorable Robert Rivas
California State Assembly
State Capital Room 5158
Sacramento, CA 95814

Subject: Support of AB 1253

Dear Assembly Member Rivas:

The Colusa Local Agency Formation Commission (LAFCo) is pleased to join the California Association of Local Agency Formation Commissions (CALAFCO) in support for Assembly Bill 1253. Sponsored by CALAFCO, the bill establishes a five-year pilot grant program to provide grants to LAFCos to address known service and governance concerns in disadvantaged communities. This program provides grants to LAFCos for conducting special 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, 2025.

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.

According to census data, approximately one-half of the Communities in Colusa County are Disadvantaged or Severely Disadvantaged having Median Household Incomes (MHI) of less than 80% or 60% of the MHI of the state.

By establishing this one-time grant funding, AB 1253 provides an additional tool for LAFCos to address known service and governance concerns in disadvantaged communities by conducting detailed studies and potentially implementing greater efficiencies in delivering local services based on local circumstances and conditions. For these reasons, Colusa LAFCo is pleased to support AB 1253.

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

COLUSA LOCAL AGENCY FORMATION COMMISSION

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

Sincerely yours,

Denise Carter
Colusa LAFCo Chair

Cc: Senator Robert Hertzberg, co-author
Senator Anna Caballero, co-author
Pamela Miller, Executive Director, CALAFCO

COLUSA LOCAL AGENCY FORMATION COMMISSION

March 7, 2019

The Honorable Eloise Gómez Reyes
California State Assembly
State Capital Room 2175
Sacramento, CA 95814

Subject: Support for AB 213

Dear Assembly Member Reyes:

The Colusa Local Agency Formation Commission (LAFCo) is pleased to support **Assembly Bill 213**. This bill would restore funding to approximately 140 cities that had annexed inhabited territory in reliance on previous financial incentives, then suffered significant fiscal harm when those funds were swept away due to the passage SB 89 (2011). The bill also offers similar incentives to support future annexations of inhabited territory to improve services to affected residents consistent with state LAFCo policies.

The VLF gap created by SB 89, one of the 2011 budget bills, created a financial disincentive for future city incorporations and annexations of inhabited territory. Further, it created severe fiscal penalties for those communities which chose to annex inhabited territories, particularly unincorporated islands. In several previous legislative acts the Legislature had directed LAFCos to work with cities to annex unincorporated inhabited islands. The loss of financial incentive for these inhabited annexations has made it difficult for LAFCos to follow this legislative directive.

Colusa LAFCo approved an inhabited annexation to the City of Colusa since the passage of SB 89. This annexation was due to a water quality concern. While the water quality concern was address, the City of Colusa was shorted revenue for miscellaneous city services due to the creation of the VLF Gap.

Reinstating revenues for annexations is consistent with statewide LAFCo legislative policies of providing communities with local governance and efficient service delivery options, including the ability to annex. The inability to do so creates a tremendous detriment to the creation of logical development boundaries and to the prevention of urban sprawl. Because **AB 213** reinstates a critical funding component to cities who previously annexed inhabited territory and did so relying on this financing, and to those cities who annex inhabited territory in the future, Colusa LAFCo supports this bill.

Thank you for carrying this important legislation. Please do not hesitate to contact me with any questions you may have on our position.

Sincerely,

Denise Carter
Colusa LAFCo Chair

Cc: Pamela Miller, Executive Director, CALAFCO
Dan Carrigg, Deputy Executive Director and Legislative Director, League of CA Cities

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