



STRATEGIC WORKSHOP and BOARD MEETING AGENDA PACKET

7-8 February 2013
Irvine, California

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California Association of Local Agency Formation Commissions

Board of Directors
STRATEGIC WORKSHOP
AGENDA

Thursday, 7 February 2013 ♦ 10:00 a.m. - 4:30 p.m.
The "Duck Club" ♦ Irvine Ranch Water District San Joaquin Marsh Campus
3512 Michelson Drive ♦ Irvine



Times are
approximate

- 10:00 Welcome, Introductions and Comments from the Chair
Introduction of Facilitator
- ♦ Ground rules for Participation
 - ♦ Review of the Workshop Agenda
 - ♦ Comments from Guests
- 10:15 **INTRODUCTIONS / DISCUSSION** Service on the CALAFCO Board
- 1) Lesson on governance from first public service
 - 2) Other governing boards you serve (public/non-profit)
- 10:45 **SMALL GROUPS** Role and Responsibilities of CALAFCO Board Members
- 1) What does it mean to serve on the CALAFCO Board?
 - 2) Responsibilities of Board Members: what do you expect; what should be expected?
- 11:30 **CONVERSATION** Accomplishments – Where We've Come Since 2011
- 1) Association structure and operations
 - 2) LAFCo policy, legislation and advocacy
- 12:15 **LUNCH** Continued discussion on CALAFCO accomplishments and opportunities
- 12:45 **DISCUSSION** Challenges, Issues and Opportunities Looking Towards 2015
- 1) For CALAFCO as an Association – Regional Structure
 - 2) For LAFCos as agencies of the State
 - 3) Prioritization of strategies
- 2:00 **DISCUSSION** Policies and Structure to Accomplish Desired Strategies
- 1) Review of Association policies and procedures in context of day's discussion
- 3:30 **DISCUSSION** Review and Update Current CALAFCO Strategic Plan
- 1) Incorporate priorities from day's discussion
 - 2) Review legislative priorities
- 4:15 **NEXT STEPS** Based on the day's discussion:
- 1) Learnings about working effectively together as a Board
 - 2) Review assignments; items for consideration at Board meeting
- 4:30 Adjourn to Board Meeting at 8:30 a.m. on Friday, 8 February 2013 at BB&K, Irvine

2011-2013 Association Strategic Plan

Adopted by the Board of Directors on 29 April 2011



CALAFCO MISSION

CALAFCO provides educational, information sharing and technical support for its members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government, and other organizations, for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

Reaffirmed by Board on 13 February 2009.

2011 POLICY AND LEGISLATIVE PRIORITIES

Primary Issues

Viability of Local Governments Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.

Agriculture and Open Space Protection Preservation of prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth.

Water Availability Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

Authority of LAFCo Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.

Issues of Interest

As these issues relate to and impact orderly growth, sprawl, and local services

Housing Provision of territory and services to support affordable housing and the consistency of regional land use plans with local LAFCo policies.

Transportation Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.

Flood Control The ability and effectiveness of local agencies to maintain and improve levees and the public safety of uninhabited territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes assessment of agency viability in decisions involving new funds for levee repair.

Association Strategic Plan

Municipal Services in Inhabited Territory Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to underserved inhabited communities, including option for annexation of contiguous disadvan-tagged unincorporated communities.nder study and watch by the CALAFCO Legislative Committee and Board of Directors.

2011 ASSOCIATION STRATEGIES

A. Provide Educational Forums and Professional Development Opportunities for Commissioners, LAFCo Staff, Associate Members, and Stakeholders

1. Annual Conference
Provide an annual conference which includes superior educational sessions for Commissioners and staff along with networking opportunities
2. Staff Workshop
Provide an annual staff workshop which includes professional development sessions for all LAFCo staff along with networking opportunities
3. CALAFCO University
Hold up to six University courses per year for staff, commissioners, and stakeholders, which are focused on skill development on LAFCo process and technical issues

B. Build Strong Member LAFCos and a Strong Association

1. Communications
Increase communications with members on Association operations and issues affecting LAFCos through the website, newsletter, personal visits, e-mail updates, list-serves and other channels.
2. Recognition of Volunteer Contributions
Expand efforts which visibly recognize and acknowledge the contributions of member LAFCos, commissioners, and staff to the operations and services of CALAFCO

3. Facilitate Regional Meetings and Communications
Encourage and support regional meetings of LAFCo commissioners and staff. Maintain list-serves for each region on staff and Board members.
4. Regional Communications
Establish quarterly communications with regions through creation of strategies to communicate Board actions, accomplishments, key legislation and other CALAFCO activities to commissioners in each region. Identify role of Board members in the process.
5. Mentoring
Provide assistance to members in transition or moving towards independence with resources and mentors from the membership
6. Association Policies
Modify and update Association polices and election procedures to reflect the regional structure of the Association

C. Provide Value-Added and Timely Resources for Members

1. CALAFCO Website
Continue to grow and enhance the content and quality of the CALAFCO website. Complete update/upgrade of CALAFCO website in 2011.

2. *The Sphere*
Produce three issues of The Sphere per year and continue to enhance the quality and depth of content
 3. *White Papers*
Prepare at least two white papers on a key legal and/or technical issue of importance to member LAFCos (potential topics – protest provisions; agricultural conditions and mitigations)
- D. Support and Sponsor Research Which Shares the Work and Data from Member LAFCos**
1. 2011 Biannual Member Survey
Collect, analyze, and summarize operational data from all member LAFCos and make data available to all members
- E. Serve as a Legislative and Policy Advocate for LAFCo Issues and as an Information Resource to the Legislature and other Stakeholders**
1. Advocate legislative needs and positions
Advocate legislative policy issues and priorities, sponsor or support legislation that affects LAFCo operations, and oppose legislation which limits LAFCo authority or diminishes its effectiveness
- F. Expand Associate Member Involvement and Members**
2. Serve as a resource to the Legislature, reform organizations and state agencies
Serve as an objective resource to the Legislature, organizations seeking to reform local government and state agencies on local government services and organization
 3. Relationships with Peer Associations
Maintain and enhance relationship with peer associations including serving on panels and workshops which help educate their members on the role and responsibilities of LAFCo

1. Expand Associate involvement in conferences and workshops
Encourage greater involvement of associate members as committee members, speakers, participants, and sponsors of workshops, conferences, and University classes
2. Expand membership
Increase associate membership



Board of Directors Meeting

Friday, 8 February 2013

8:30 a.m. to 12:30 p.m.

Best, Best & Krieger, 18101 Von Karman Avenue, Suite 1000
Irvine, California

MEETING AGENDA

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Call to Order and Establish Quorum	Chair Novelli	
CONSENT		
1. Minutes, 12 November 2012 Board Meeting*	Marjorie Blom	9
2. Professional Events Administrative Services Contract*	Pamela Miller	15
ACTION		
3. FY 2012-13 CALAFCO Quarterly Financial Report* and Mid-Year Budget Review	Lou Ann Texeira	21
4. Investment and Bank Account Report*	Lou Ann Texeira	27
5. Adopt 2013 CALAFCO Legislative Policies*	Pamela Miller	29
6. Legislative Committee Report		
a. Update on Current Legislation		
b. Summary of Committee Action*	Harry Ehrlich/Pamela Miller	35
c. §56133 Extension of Service Proposal*	Harry Ehrlich/Pamela Miller	37
7. CALAFCO FY 2013-14 Member Dues*	Pamela Miller	69
8. CALAFCO Board Elections Process (as requested by Board Member Duncan)	Pamela Miller/Clark Alsop	
9. Strategic Plan and Action Items from Strategic Retreat	Pamela Miller	
INFORMATION		
10. 2012 CALAFCO Conference Report*	Pamela Miller	71
11. Staff Workshop and CALAFCO U Update	Stephen Lucas/Marjorie Blom	
12. 2013 Conflict of Interest Reports*	Pamela Miller/Clark Alsop	81
13. Board Member Reports and Announcements		
14. Executive Director's Report	Pamela Miller	

Adjourn to 3 May 2013 Board of Directors Meeting in Marysville at 10:00 a.m.

* Staff Report included in agenda packet. The remaining reports will be given orally at the meeting. If you have any questions or desire additional information please call Pamela Miller at (916) 442-6536.



California Association of Local Agency Formation Commissions

Board of Directors

DRAFT Meeting Minutes for the Friday, 9, November 2012
(Sacramento)

Board Directors Present

Ted Novelli, **Chair**, County (Amador)
Mary Jane Griego, **Vice Chair**, County (Yuba)***
John Leopold, **Secretary**, County (Santa Cruz)*
Stephen Tomanelli, **Treasurer**, Public (Riverside)
Julie Allen, Public (Tulare)
Matt Beekman, City (Stanislaus)
Robert Bergman, City (Nevada)
Louis Cunningham, Public (Ventura)
Larry R. Duncan, District (Butte)
Jerry Gladbach, District (LA)
Juliana Inman, City (Napa)**
Mike Kelley, County (Imperial)
Michael McGill (Contra Costa)
Eugene Montanez, City (Riverside)
Josh Susman, Public (Nevada)

**Participated by Phone
**Arrived at 10:22 am
***Arrived at 11:50 am*

Staff Present

Pamela Miller, Executive Director
Clark Alsop, Legal Counsel, BB&K
Lou Ann Texeira, CALAFCO EO
Marjorie Blom, CALAFCO Deputy EO
Steve Lucas, CALAFCO Deputy EO
Samuel Martinez, CALAFCO Deputy EO

Guests

SR Jones, EO, Nevada
Roseanne Chamberlain, EO, Amador

Board Members/Staff Absent

Gay Jones, District (Sacramento)

Call to Order and Establish Quorum

Chair Ted Novelli called the meeting to order at 10:00 a.m. and a quorum was declared.

CONSENT

1. Minutes, 5 October 2012 Board Meeting

On motion of Director Montanez, seconded by Director Allen, the minutes of the 5 October 2012 Board Meeting were approved.

ACTION

2. Overview of CALAFCO Administrative and Operational Policies

Executive Director Miller provided a brief overview of the CALAFCO administrative and operational policies. She stated that CALAFCO Staff are not employees rather they are volunteers, and that the various committees (Legislative, Conference, Nominations, Awards) are also comprised of volunteers. She also handed out the 2011-2013 Association Strategic Plan, and noted that the Plan will be utilized as a review document at the 2013 Board Retreat.

Director Duncan inquired as to when the Board will receive the details on the Annual Conference. Executive Director Miller responded that several final invoices were still being processed and that she will have a full report at the February 2013 Board Meeting.

On motion of Director McGill, seconded by Director Cunningham, the Board received and filed the report.

3. FY 2012-13 First Quarter Fiscal Report

Executive Officer Teixeira provided a summary of the first quarterly report to the Board. She noted that the Association is in great financial shape at the end of the first quarter of FY 2012-13. Total expenditures to date stand at 17.3% of the budget

On motion of Director Susman, seconded by Director McGill, the Board received the First Quarter Financial Report for FY 2012-13.

4. Investment and Bank Account Report

Executive Officer Teixeira provided a summary of the CALAFCO first quarterly investment bank account report.

On motion of Director Gladbach, seconded by Director Duncan, the Board unanimously accepted the report.

5. Board Committee Appointments

Chair Novelli announced his Board Committee assignments, as follows:

Legislative Committee: Matt Beekman, Robert Bergman, John Leopold, Mike McGill, Eugene Montanez. Alternates: Mary Jane Griego, Juliana Inman, Gay Jones, Mike Kelley, Ted Novelli.

Awards Committee: Julie Allen, Matt Beekman (Co-Chair), Larry Duncan, Jerry Gladbach, Mary Jane Griego, Mike McGill (Co-Chair).

Nominations Committee: Robert Bergman, Jerry Gladbach (Chair), Gay Jones, Mike McGill. Board Appointment - Elliot Mulberg (Associate Member).

Conference Committee: Louis Cunningham, John Leopold, Josh Susman (Chair), Stephen Tomanelli.

On Motion of Director Gladbach and seconded by Director Cunningham, the 2013 Board Committee Appointments were approved, as recommended by Chair Novelli.

6. Legislative Committee Staff Appointments

Executive Director Miller outlined the recommended staff appointments to the 2013 CALAFCO Legislative Committee. She stated that CALAFCO policies require the appointment of 6 Board Members and 10-14 LAFCo Staff to serve on the Legislative Committee. She also added that Harry Ehrlich and Kris Berry would be Co-Chairs of the Legislative Committee.

On Motion of Director Duncan, and seconded by Director Allen, the Board approved the 2013 Legislative Committee Staff Appointments, as recommended by Executive Director Miller.

7. 2013 CALAFCO Legislative Issues and Policies

Director Leopold joined the meeting by phone at 10:56 a.m.

Executive Director Miller provided the Board with an overview of legislative issues and polices for 2013. Director Gladbach advised the Board that the Legislative Committee should prioritize what

legislative platforms they want to carry out and to recognize that Executive Director Miller can only spend a small portion of her time on legislative issues. He also cautioned that there are many new legislators in Sacramento.

Director Allen concurred that there was limited time that can be spent on legislative matters and there would be steep learning curves for the new Executive Director. She also noted that there should be better clarity with regards to SB 244 regarding Disadvantaged Unincorporated Communities (DUCs).

8. Report and Discussion of the 2013 CALAFCO Annual Conference Dates

Executive Director Miller provided a report on possible changes to the 2013 Annual Conference dates, currently scheduled for September 4-6, 2013. She noted that these dates conflict with the Rosh Hashanah Holiday, and then presented the Board with the following options: 1) change the conference dates to August 28-30, 2013; 2) keep the scheduled dates of September 4-6, 2013; or 3) change the dates October 30-November 1, 2013.

Director Leopold stated his apologies for not being at the Board meeting in person, however, he was calling from out of state. He expressed his thanks and appreciation to Pamela and the Board for considering changing the conference date in order to accommodate Jewish members of the CALAFCO family.

A discussion ensued as to the various pros and cons for holding the conference within the various dates outlined by Executive Director Miller. Director Susman stated that if the conference dates were changed to after the Labor Day Holiday, the rates would be higher and one could expect inclement weather.

On motion of Director Leopold, seconded by Director Cunningham, the Board agreed to Option 1 - as the best alternative for changing the conference date so that it would not conflict with the Rosh Hashanah Holiday and to move the 2013 Conference earlier by one week to August 28-30, 2013.

9. Report and Discussion of Election Procedures

Executive Director Miller provided the background to the matter and stated that she has since retracted the approach outlined in the Staff Report, noting this a policy decision and the Board should consider how it wants to interpret the current policy.

Legal Counsel Alsop said that at issue is the interpretation of the election process to require a majority vote of the LAFCoS in any given region to elect a Board member, rather than a majority vote of the LAFCo members present at the caucus meeting. He then stated once the Board has decided its intention of the policy, it can be interpreted or amended if necessary to ensure alignment with the intention of the election process.

A discussion ensued as to whether the Board wanted a plurality vote or a majority of those voting and should the Board wish to change the bylaws, a vote of the full membership is required. Director Susman felt that the current policy meant the majority of the LAFCoS present could elect a Board member.

On motion of Director Susman, seconded by Director Bergman, the Board approved that a majority of the quorum of LAFCoS present at the caucus meeting is needed to elect a Board member, and directed the Executive Director to ensure the language in the nomination letter is clear for all future elections.

INFORMATION

At this time in the agenda, a 30 minute break was announced by Executive Director Miller in order to allow time for lunch.

10. 2012 CALAFCO Conference Briefing

Executive Director Miller provided a summary report on the 2012 Annual Conference, which was held on October 3-5, in Monterey. She noted that the conference was well received by the participants with a total attendance of 239 commissioners, staff, and associate members, and 50 of their guests.

11. 2013 Conflict of Interest Reports

Executive Director Miller distributed the CALAFCO Conflict of Interest Forms, which are due back to the CALAFCO Office by 4 January 2013.

12. Board Member Reports and Announcements

Chair Novelli stated that he enjoyed the conference and the regional meeting that he co-chaired with Director Allen. He said that the Central Region group was concerned about water issues that would be more of an issue with ACWA. Director Allen noted that there was a lot of energy in the room. As a follow-up to the Central roundtable, she thanked Roseanne and Marjorie for the meeting notes.

Director Susman said that he was very impressed and pleased with the conference in Monterey.

Director Griego said that she appreciated the “hands-on” mobile workshop (artichoke field) and it was nice to see the spotlight on successful projects. Director Cunningham stated his concurrence.

13. Executive Director’s Report

Executive Director Miller informed the Board on her activities since the last Board meeting including reviewing and updating organizational documents, working with Harry Ehrlich on getting the Legislative Committee started, and preparation and distribution of the Quarterly Bulletin from the Board. She also reported on introductory meetings scheduled with stakeholder groups, various Executive Officers, the planning work being done for the Staff Workshop, and the recruitment for hiring the replacement of the Executive Assistant.

Pamela provided the Board with a handout of the 2011-2013 Association Strategic Plan. She asked the Board to consider what topics they would like to discuss at the 2013 Board Retreat, to be held on February 7th in Irvine. She said that Bill Chiat has agreed to be a facilitator. She then requested the Board’s consensus to have Bill facilitate the Retreat. She also informed the Board that she would follow-up with an e-mail regarding any ideas for the Retreat.

Chair Novelli stated it was important to keep the Association strong and moving forward. He appreciated Bill’s assistance to Pamela to support her efforts with the Legislators and local LAFCOs.

Director Gladbach said he wants to see CALAFCO recognized as the “go-to” agency in the State.

Director Montanez stated that he would be happy to facilitate connections and/or meetings with Pamela and the new legislators in his region.

Director Susman inquired as to what may be the concerns of the Executive Officers, and how the regional issue is going. He also noted he was glad that Kris and Harry would be Co-Chairs of the Legislative Committee, and that continuity was important to maintain CALAFCO's presence in the State legislature.

Director Griego inquired as to whether there could be a CALAFCO U course with regards to project tools or project conditions with an emphasis in the northern region.

Director Susman added that he felt succession planning was important for the CALAFCO Board and/or strategies to maintain the integrity of the Board.

Adjourn

Chair Novelli adjourned the meeting at 12:53 p.m. to the 7 February 2013 Board of Directors Strategic Retreat in Irvine at 10:00 a.m.; followed by the Board Meeting on 8 February 2013, at 8:30 a.m.

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 2 Professional Events Administrative Contract Services

Prepared By: Pamela Miller, Executive Director

Date: 8 February 2013

RECOMMENDATION

1. Ratify the execution of a one year contract with Professional Events, a California sole proprietorship, for contract administrative services at a not-to-exceed amount of \$33,000 plus authorized expenses.

DISCUSSION

Since July 2007 the Association has had administrative support services through a contract with Ms. Jamie Szutowicz (first with JFDC then JEAS, both owned by Ms. Szutowicz). In February 2012, Ms. Szutowicz announced she would leave CALAFCO after the annual conference in October of that same year. As a result of the transition of Executive Directors at that same time, she agreed to stay on for several months until the new Executive Director could find her replacement.

The new Executive Director contacted a number of sources in search of an individual or firm that could provide the part-time administrative support services. The search resulted in the selection of Ms. Jeni Tickler, owner of Professional Events, a sole proprietorship. By the end of December 2012, Ms. Szutowicz had extended her services three months and was ready to begin the transition of her responsibilities. Given the timing of the transition and the need for continuity in administrative services, and the fact that your Board would not be meeting until 8 February, staff worked with CALAFCO Legal Counsel and Board Chair to complete the contractual transition. Staff prepared the attached contract with Professional Events, which contains the same terms as previous contracts with JEAS, the previous provider of CALAFCO administrative services, with the exception of one minor change in a slight reduction in the hourly rate. The contract was then sent to CALAFCO's Legal Counsel Clark Alsop and CALAFCO Board Chair Ted Novelli, for review. After both reviewed and approved the contract, Chair Novelli gave his approval as the Board Chair for the Executive Director to execute the contract. The Executive Committee of the Board was informed of the process and voiced no objection. This process allowed for as seamless a transition in services as possible.

Professional Events is owned by Ms. Jeni Tickler who will be providing all services to CALAFCO on behalf of Professional Events. Ms. Tickler is an experienced business owner, administrator, conference planner, and professional. In addition to her extensive business management experience she brings experience in a wide range of software including Word, Excel, Access, and Quickbooks. Ms. Tickler also brings expertise in conference and event planning as well as marketing and project management. Ms. Tickler earned a Bachelor of Arts degree in Journalism with an emphasis in Public Relations at California State University, Fresno.

The hours for the administrative services continue at an approximate average of 20/week. This contract is consistent with the funds budgeted for administrative services in the adopted FY2012-13 CALAFCO budget. This contract for administrative services has added a valuable member resource to

the Association and has significantly expanded the capabilities and capacity of CALAFCO to serve its members and stakeholders. Staff recommends ratification of the contract.

ATTACHMENT

- 2.a Contract for Administrative Services with Professional Events, a California sole proprietorship.



California Association of Local Agency Formation Commissions

**An Agreement between
The California Association of Local Agency Formation Commissions
and
Professional Events**

This Agreement for professional services ("Agreement") is between the California Association of Local Agency Formation Commissions, a California nonprofit Corporation, hereinafter referred to as "the Association," and Professional Events, a California sole proprietorship, 3490 Cooper Island Road, West Sacramento, CA 95691. Professional Events is hereinafter referred to as "Contractor."

WHEREAS, Contractor is prepared and uniquely qualified to assume the responsibility of providing services as herein specified by the Association as set forth under this agreement;

Now, THEREFORE, the parties agree:

1. TERM OF THE AGREEMENT:

The term of this Agreement shall be from 1 Jan 2013 to 31 December 2013 unless CALAFCO and Contractor agree in writing to terminate, renew or extend the Agreement.

2. SCOPE OF SERVICES:

Contractor agrees to perform said professional services for the Association, and to perform those services in consultation with the Executive Director of the Association.

1. Function

Contractor shall provide services to assist with the administrative duties of the Association. It is estimated that the Contractor will work no more than an average of 15 hours per week and will be determined by need and circumstances. Scheduled hours shall be flexible, however will be set each week. On occasion weekly hours shall be increased for conferences and workshops. The specific tasks for the Contractor include but are not limited to the following:

- a. Establish and maintain Association member and associate member databases and mailing lists.
- b. Establish and maintain Association files and records.
- c. Prepare Association mailings and correspondence.
- d. Process registrations and maintain registration records for Association conferences, workshops and CALAFCO University courses.

- e. Maintain Association accounting records, input revenues and expenses into QuickBooks, prepare checks for Executive Director signature, and prepare quarterly reports for the Board.
- f. Work with Association CPA for quarterly review of accounting records, and with Executive Officer for payments to the Executive Director.
- g. Other administrative as assigned by the Executive Director or Executive Officer.

The Contractor's work shall be supervised by the Executive Director.

3. COMPENSATION:

The Contractor shall be compensated at a rate of \$35.00 per hour with the total compensation not exceeding \$33,000 plus authorized expenses. This limit may be increased upon written notification from the Association. The Contractor shall invoice labor charges on an hours worked basis and submit invoices in a format acceptable to the Association, on a monthly basis.

4. EXPENSES

The Association shall reimburse Contractor for reasonable travel and other business expenses incurred by Contractor in the performance of services, in accordance with CALAFCO's policies, and with the prior approval of the Executive Director.

5. INDEPENDENT CONTRACTOR:

- A. Contractor is an independent contractor and, as such, assumes full liability for any agents and subcontractors, if any, under this Agreement. Contractor shall not have employee status with the Association, nor be entitled to participate in any plans, arrangements, or distributions by the Association pertaining to or in connection with any retirement, health or other benefits that the Association may offer its employees. Contractor is liable for the acts and omissions of herself, her employees, or her agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same.
- B. All work performed under this Agreement will comply with applicable federal, state, and local laws and regulations.
- C. Contractor shall be solely responsible for all compensation and expenses of individuals providing services pursuant to this Agreement.

6. INDEMNIFICATION:

Contractor shall hold harmless, defend and indemnify the Association, and their agents, contractors and employees, from any and all damages, including costs and attorney fees, resulting in whole or in part from the Contractor's or its agents' activities under this Agreement.

7. MODIFICATION:

Any modification of the terms of this Agreement, including assignment of rights or obligations, shall be in writing and signed by all parties.

8. TERMINATION:

Contractor shall serve at the pleasure of the Association's Executive Director, who may terminate this Agreement, without prior notice, before the expiration date of 31 December 2013. The Association's Board may terminate this contract at will and is not required to establish any cause for early termination. In such event, Contractor shall continue to perform services until the termination effective date, and Contractor will be paid for those services adequately performed through such date.

Contractor may also terminate this Agreement without cause, however any such termination shall be accompanied by a written notice to the Association Executive Director prior to the intended effective date of termination, and a detailed transition schedule for her work that is acceptable to the Association.

9. CONFIDENTIALITY:

In the course of doing business, the Association may disclose certain confidential information to the Contractor. The Contractor agrees that the confidential information is to be considered confidential to the Contractor and shall hold the information in confidence and shall not use the confidential information for any purpose other than performing its business with the Association. The Contractor agrees not to disclose, use, reveal or otherwise benefit from any of the confidential information received for any purpose whatsoever except with the specific prior written authorization of the Association. The obligation to maintain the confidentiality of information extends beyond the term of this agreement.

10. OWNERSHIP OF RESULTS:

Any interest of the Contractor or its subcontractors, in drawings, databases, specifications, reports, memoranda, graphics, computations sheets, media or other documents prepare by Contractor in connection with services to be performed under this Agreement, shall become property of and will be transmitted to the Association. However, Contractor may retain and use copies for reference and as documentation of her experience and capabilities.

11. NOTICE:

Any notice or communication permitted or required by this Agreement shall be deemed effective when personally delivered, deposited, postage prepaid, by first-class regular mail, addressed to the other party's last known business address, or sent via digitally-signed electronic mail (email).

12. ARBITRATION:

Both parties agree that in the event a dispute cannot be resolved without outside assistance, that matters will be resolved through Arbitration administered by the American Arbitration Association. Each party will bear its own attorney fees and costs, and the Arbitrator will determine reimbursement of arbitration fees. Arbitration will be held within 30 miles of Sacramento, California. Discovery is permitted. Judgment of the award rendered may be entered in any court having jurisdiction.

13. GOVERNING LAW

The laws of the state of California shall govern this Agreement. The invalidity or unenforceability of any provision of the Agreement shall not affect the validity or enforceability of any other provision.

14. ENTIRE AGREEMENT:

This Agreement, including any Exhibits, constitutes the entire Agreement between the parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the parties respecting the subject matter hereof, and supersedes any and all prior understandings, representations, warranties, agreements or contracts (whether written or oral) between the Association and the Contractor respecting the subject matter hereof. This Agreement may only be amended by an agreement in writing executed by the parties hereto. Nothing in this Agreement shall be construed to permit the assignment by Contractor of any of its rights or obligations hereunder to any third party without the Association's prior written consent.

The parties agree to all terms and conditions contained in this Agreement by signing below.



Authorized signature:

CALAFCO
Pamela Miller, Executive Director
1215 K Street, Ste. 1650
Sacramento, CA 95814
Phone Number: (916) 442-6536

Date 1-1-13



Authorized signature:

CONTRACTOR
Jeni Tickler, Professional Events
3490 Cooper Island Road
West Sacramento, CA 95691
Phone Number: (916) 997-7002

Date 12/31/12

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No.3 FY 2012-13 Second Quarter Financial Report

Prepared By: Lou Ann Texeira, Executive Officer
Date: 8 February 2013

RECOMMENDATION

1. Receive and file the Second Quarter Financial Report.

DISCUSSION

The FY 2012-13 CALAFCO Adopted Budget shows the year-to-date actuals and percent of budget as of December 31, 2012, the end of the second quarter. The Balance Sheet as of December 31, 2012 shows total assets, total liabilities, and equity for the Association (see attachments).

In terms of the adopted budget and revenues, much of the income for the first two quarters is derived from the payment of 2012-13 CALAFCO member dues and revenues from the 2012 Annual Conference. All CALAFCO members have now remitted dues for FY 2012-13, and Associate member dues are received throughout the year. The Staff Workshop is scheduled for April 10-12 of this year and revenues for that event will be booked in the second half of the fiscal year.

Total expenditures stand at 53.1% of the budget. Expenses which appreciably exceed 50% of budgeted amounts include the following: *Insurance* - reflecting payment of the annual premiums for the officers and directors liability and general liability insurance; *Publications* - reflecting costs associated with printing the directory and newsletter, as well as purchase of the CKH updated publication for resale to CALAFCO members; *Website* - reflecting one-time costs associated with the website upgrade; *Conferences* - as would be expected with annual conference costs booked; and *Administrative Services* - reflecting costs associated with staffing transitions. *Legal Service* costs also exceed 50% of the budgeted amount due to one-time costs incurred in the selection of the new Executive Director as previously authorized by the Board, and additional conference costs. CALAFCO staff has been working with Legal Counsel and CPA in analyzing the legal invoices to ensure proper categorization of expenses in occurring. CALAFCO staff will work to ensure that the annual professional service costs (legal and administrative) do not exceed the budgeted amounts. Additionally, Legal Counsel has agreed to not exceed the budgeted amount with the exclusion of the Board approved additional expenses incurred as a result of the Executive Director search.

Overall CALAFCO is in sound financial shape at the end of the second quarter of FY 2012-13.

ATTACHMENTS

- 3a Quarterly Budget Report
- 3b Quarterly Balance Sheets



CALAFCO Adopted Budget
Fiscal Year 2012-2013

	Actuals 12-31-12	Adopted FY 12-13 Budget	% of Budget
INCOME			
4000 · DUES			
4100 · Member Dues			
4110 · Member LAFcos	164,273	164,277	100.0%
4220 · Associate Members			
4221 · Gold Associate	4,000	5,000	80.0%
4222 · Silver Associate	5,100	7,000	72.9%
Total 4220 · Associate Members	9,100	12,300	74.0%
Total 4100 · Member Dues	173,373	176,577	98.2%
5000 · CONFERENCES/WORKSHOPS/TRAINING			
5100 · Conferences	113,487	115,000	98.7%
5200 · Workshops	0	26,000	0.0%
5300 · Training Classes - CALAFCO U	4,090	8,000	51.1%
Total 5000 · CONFERENCES/WORKSHOPS/TRAINING	117,577	149,000	78.9%
5400 · OTHER REVENUES			
5500 · Publication sales	909	1,500	60.6%
5600 · Miscellaneous revenue	174	250	69.6%
5700 · Dividends & interest	304	900	33.8%
Total 5400 · OTHER REVENUES	1,387	2,650	52.3%
Total Operating Revenues	292,337	328,227	89.1%
Carryover from all prior years	50,965	50,965	100.0%
Total Income	343,302	379,192	90.5%
EXPENDITURES			
7000 · BOARD EXPENSES			
7010 · Board Meeting Expenses	460	5,000	9.2%
7020 · Board Legal Services	5,895	7,000	84.2%
Total 7000 · BOARD EXPENSES	6,354	12,000	53.0%
7100 · PROFESSIONAL SERVICES			
7110 · Executive Director			
7111 · Executive Director Contract	54,108	105,000	51.5%
7112 · Executive Director Expenses	2,043	4,500	45.4%
7115 · Executive Director Transportation	700	1,200	58.3%
Total 7110 · Executive Director	56,852	110,700	51.4%
7120 · Legal Services - General	2,846	3,000	94.9%
7130 · Tax and Accounting Services	3,000	6,000	50.0%
7140 · LAFco Stipends - Staff			
7141 · Executive Officer stipend	0	3,000	0.0%
7142 · Dep Executive Officer stipend	0	6,000	0.0%
Total 7140 · LAFco Stipends - Staff	0	9,000	0.0%
7150 · Administrative Services	14,882	25,000	59.5%
Total 7100 · PROFESSIONAL SERVICES	77,579	153,700	50.5%

	Actuals 12-31-12	Adopted FY 12-13 Budget	% of Budget
7500 · OFFICE EXPENSES			
7510 · Office Rent	6,714	14,100	47.6%
7520 · Use of Equipment	1,050	1,800	58.3%
7530 · Supplies and Other Office	1,080	2,000	54.0%
7540 · Printing-Copying-Postage	1,246	2,500	49.8%
7550 · Communications	530	1,200	44.2%
7560 · Insurance Expenses	1,617	2,500	64.7%
7570 · Bank & Investment Expenses	209	500	41.7%
7580 · Accreditations & Subscriptions	555	1,600	34.7%
8510 · Web Site Expenses	4,600	5,500	83.6%
8520 · Publications Expenses			
8521 · Newsletter Expenses	1,115	5,000	22.3%
8522 · Member Directory	1,630	2,000	81.5%
8523 · LAFCo Brochures	1,239	0	0.0%
Total 8520 · Publications Expenses	3,984	7,000	56.9%
8540 · Tax & Corp Filing Expense	0	175	0.0%
Total 7500 · OFFICE EXPENSES	21,584	38,875	55.5%
8000 · CONFERENCES			
8010 · General	70,075	84,000	83.4%
8020 · Legal	6,178	3,000	205.9%
8030 · Administrative Services	4,710	4,000	117.7%
Total 8000 · CONFERENCES	80,962	91,000	89.0%
8100 - WORKSHOPS			
8110 · General	30	20,000	0.1%
8120 · Legal	-1,041	4,000	-26.0%
8130 · Administrative Services	16	3,500	0.5%
Total 8100 · WORKSHOPS	-995	27,500	-3.6%
8200 · TRAINING - CALAFCO U			
8210 · General	1,890	4,000	47.2%
8220 · Legal		0	0.0%
8230 · Administrative Services	814	2,500	32.6%
Total 8200 · TRAINING - CALAFCO U	2,704	6,500	41.6%
8300 · LEGISLATIVE SERVICES			
8310 · Legis Comm - Exec Director Expense	0	0	0.0%
8320 · Legis Comm - General Exp	225	750	30.0%
8330 · Legis - Bill Tracking Service	319	2,000	16.0%
8340 · Legis - Legal Services	2,070	6,500	31.8%
Total 8300 · LEGISLATIVE SERVICES	2,614	9,250	28.3%
8400 · RESEARCH & INFORMATION			
8410 · Best Practice/White Papers	0	5,000	0.0%
Total 8400 · RESEARCH & INFORMATION	0	5,000	0.0%
Subtotal Expenses	190,803	343,825	55.5%
Contingency		15,367	0.0%
Total Expense	190,803	359,192	53.1%
Transfer to Fund Reserve	20,000	20,000	100.0%
Net Balance	132,499	0	

For Internal Use Only

**California Association of Local Agency Formation Commissions
Statement of Financial Position
December 31, 2012**

Assets	
Current Assets	
Checking/Savings	
1000 · CASH	
1050 · US Bank - Checking	17,709
1060 · US Bank - Savings/Overdraft	5,000
1090 · LAIF - Short Term Investments	249,742
Total 1000 · CASH	272,451
Total Checking/Savings	272,451
Accounts Receivable	
1100 · ACCOUNTS RECEIVABLE	
1110 · Associate Member Dues	1,500
1130 · Conferences/Workshops/Trainings	-1,419
Total 1100 · ACCOUNTS RECEIVABLE	81
Total Accounts Receivable	81
Other Current Assets	
1400 · OTHER ASSETS	
1299 · Undeposited Funds	0
1460 · Deposits	1,000
Total 1400 · OTHER ASSETS	1,000
Total Other Current Assets	1,000
Total Current Assets	273,532
TOTAL ASSETS	273,532

**California Association of Local Agency Formation Commissions
Statement of Financial Position
December 31, 2012**

Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · ACCOUNTS PAYABLE	20,279
Total Accounts Payable	20,279
Other Current Liabilities	
2100 · ACCRUED LIABILITIES	
2160 · Deferred Conf/Wrk Rev and Exp	0
2170 · Deferred Membership Dues	0
2180 · Accrued Expenses	0
Total 2100 · ACCRUED LIABILITIES	0
Total Other Current Liabilities	0
Total Current Liabilities	20,279
Total Liabilities	20,279
Equity	
3900 · Unrestricted Net Assets	30,965
3910 · Fund Reserve	120,754
Net Surplus	101,534
Total Equity	253,253
TOTAL LIABILITIES & EQUITY	273,532
Net Balance - All prior and current year surpluses	132,499
Fund Reserve	120,754
Total Equity	253,253

#REF!

For Internal Use Only

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 4 Investment and Bank Account Report

Prepared By: Lou Ann Texeira, Executive Officer

Date: 8 February 2013

RECOMMENDATION

1. Receive and file report.

DISCUSSION

The Association's reserve funds remain the Local Agency Investment Fund (LAIF) account. The balance in the LAIF account as of December 31, 2012, was \$239,742. Interest rates for the LAIF are currently 0.326%. Interest generated during the first quarter of FY 2012-13 and reflected during the second quarter was \$146. Interest with the LAIF is credited on a quarterly basis; FY 2012-13 second quarter interest will be posted in the third quarter of FY 2012-13.

The LAIF account balance is sometimes higher in the first half of the year as it reflects member dues, conference registrations and sponsorships, and major expenses have not yet been reflected. A transfer to the checking account of \$10,000 in the second quarter occurred to cover expenses.

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

**Agenda Item No. 6
2013 CALAFCO Legislative Policies**

Prepared By: Pamela Miller, Executive Director and Legislative Committee Vice-Chair
Harry Ehrlich, Legislative Committee Co-Chair

Date: 8 February 2013

RECOMMENDATION

1. Consider recommended language from the Legislative Committee and adopt the 2013 Legislative policies.

DISCUSSION

At the November, 2007 meeting your Board adopted a new, comprehensive set of legislative policies and procedures. These serve as the guideposts for your Legislative Committee and the work of staff during the legislative session. The CALAFCO legislative procedure calls for the Board's annual review and adoption of the policies at its fall meeting. The Policies were briefly considered at your November meeting and you requested the Legislative Committee bring any recommendations forward prior to your Board adopting the 2013 policies.

The Legislative Committee met on 7 December 2012 and reviewed the policies. The Committee recommended several minor wording changes to reflect current law and provide clarity to the policy statements.

ATTACHMENT

5a 2013 Proposed CALAFCO Legislative Policies (with tracked changes)



CALAFCO 2013 Legislative Policies

Draft for review by Board of Directors on 8 February 2013

1. LAFCo Purpose and Authority

- 1.1. Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Government Code §56000 et. seq.
- 1.2. Support authority for each LAFCo to establish local policies to apply Government Code §56000 et. seq. based on local needs and conditions, and oppose any limitations to that authority.
- 1.3. Oppose additional LAFCo responsibilities which require expansion of current local funding sources. Oppose unrelated responsibilities which dilute LAFCo ability to meet its primary mission.
- 1.4. Support alignment of responsibilities and authority of LAFCo and regional agencies which may have overlapping responsibilities in orderly growth, preservation, and service delivery, and oppose legislation or policies which create conflicts or hamper those responsibilities.
- 1.5. Oppose grants of special status to any individual agency or proposal to circumvent the LAFCo process.
- 1.6. Support individual commissioner responsibility that allows each commissioner to independently vote his or her conscience on issues affecting his or her own jurisdiction.

2. LAFCo Organization

- 2.1. Support the independence of LAFCo from local agencies.
- 2.2. ~~Oppose the re-composition of any or all LAFCos without respect to the existing balance of powers that has evolved within each commission or the creation of special seats on a LAFCo.~~ Oppose the re-composition of any LAFCo to create special seats and

recognize the importance of balanced representation provided by cities, the county, the public, and special districts in advancing the public interest.

- 2.3. Support representation of special districts on all LAFCos in counties with independent districts and oppose removal of special districts from any LAFCo.
- 2.4. Support communication and collaborative decision-making among neighboring LAFCos when growth pressures and multicounty agencies extend beyond a LAFCo's boundaries.

3. Agricultural and Open Space Protection

- 3.1. Support legislation which clarifies LAFCo authority to identify, encourage and insure the preservation of agricultural and open space lands.
- 3.2. Encourage a consistent definition of agricultural and open space lands.
- 3.3. Support policies which encourage cities, counties and special districts to direct development away from prime agricultural lands.
- 3.4. Support policies and tools which protect prime agricultural and open space lands.
- 3.5. Support the continuance of the Williamson Act and restore restoration of program funding through State subvention payments.

4. Orderly Growth

- 4.1. Support the recognition and use of spheres of influence as the a management tool to provide better planning of growth and development, and to preserve agricultural, and open space lands.

- 4.2. Support ~~adoption~~ **recognition** of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.
- 4.3. Support orderly boundaries of local agencies and the elimination of islands within the boundaries of agencies.
- 4.4. Support communication ~~between~~ **among** cities, counties, and special districts through a collaborative process that resolves service, housing, land use, and fiscal issues prior to application to LAFCo.
- 4.5. Support cooperation between counties and cities on decisions related to development within the city's designated sphere of influence.

- 5.5. Support collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff and facilities to provide more efficient and cost effective services. Support ~~proposals~~ **legislation** which provides LAFCo with additional ~~tools~~ **opportunities** to encourage shared services.

5. Service Delivery and Local Agency Effectiveness

- 5.1. Support the use of LAFCo resources to prepare and review Regional Transportation Plans and other growth plans to ensure reliable services, orderly growth, sustainable communities, and conformity with LAFCo's legislative mandates.
- 5.2. Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options, including the authority to impose conditions that assure a proposal's conformity with LAFCo's legislative mandates.
- 5.3. Support the creation or reorganization of local governments in a deliberative, open process which will fairly evaluate the proposed **new or successor** agency's long-term financial viability, governance structure and ability to efficiently deliver proposed services.
- 5.4. Support the availability of tools for LAFCo to insure equitable distribution of revenues to local government agencies consistent with their service delivery responsibilities.

2013 Legislative Priorities

Primary Issues

Viability of Local Governments	Support legislation that maintains or enhances LAFCo's ability to review and act to assure the efficient and sustainable delivery of local services and the financial viability of agencies providing those services to meet current and future needs. Support legislation which provides LAFCo and local communities with options for local governance and service delivery, including incorporation as a city or formation as a special district. Support efforts which provide tools to local agencies to address fiscal challenges and maintain services.
Authority of LAFCo	Support legislation that maintains or enhances LAFCo's authority to condition proposals to address any or all financial, growth, service delivery, and agricultural and open space preservation issues.
Agriculture and Open Space Protection	Preservation of Preserve prime agriculture and open space lands that maintain the quality of life in California. Support policies that recognize LAFCo's ability to protect and mitigate the loss of prime agricultural and open space lands, and that encourage other agencies to coordinate with local LAFCos on land preservation and orderly growth.
Water Availability	Promote adequate water supplies and infrastructure planning for current and planned growth. Support policies that assist LAFCo in obtaining accurate and reliable water supply information to evaluate current and cumulative water demands for service

CALAFCO Legislative Policies

expansions and boundary changes including impacts of expanding private and mutual water company service areas on orderly growth.

Issues of Interest

Housing	Provision of territory and services to support affordable housing and the consistency of regional land use plans with local LAFCo policies.
Transportation	Effects of Regional Transportation Plans and expansion of transportation systems on future urban growth and service delivery needs, and the ability of local agencies to provide those services.
Flood Control	The ability and effectiveness of local agencies to maintain and improve levees and the public safety of territory proposed for annexation to urban areas which is at risk for flooding. Support legislation that includes security of the delta and assessment of agency viability in decisions involving new funds for levee repair.
Adequate Municipal Services in Inhabited Territory	Expedited processes for inhabited annexations should be consistent with LAFCo law and be fiscally viable. Funding sources should be identified for extension of municipal services to disadvantaged unincorporated communities, including option for annexation of contiguous disadvantaged unincorporated communities.

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 6b CALAFCO Legislative Committee Report

Prepared By: Harry Ehrlich, Legislative Committee Co-Chair
Pamela Miller, Executive Director and Legislative Committee Vice Chair

Date: 8 February 2013

RECOMMENDATION

- a. Receive and file report.

DISCUSSION

Since the last Board meeting the CALAFCO Legislative Committee has met twice, on 7 December, 2012 and 25 January, 2013. (Minutes of the 25 January, 2013 meeting were not yet completed at the time of this writing. Minutes of the 7 December, 2012 meeting are attached to item 6c.) The Legislative Committee is working on a robust set of proposed legislation, with the hope of placing most of it in either the 2013 Assembly Committee on Local Government Omnibus Bill or a Committee bill.

2013 is the first year of the Legislature's two-year session and there are a large number of new legislators getting settled. State Democrats have a supermajority in the Legislature. After a slow start, they are starting to work on a broad range of legislative issues. Several bills have already been introduced that could impact LAFCoS although nothing of significance as of now. The deadline for submitting bill requests to the Office of Legislative Counsel for write-up was 25 January, so we anticipate additional bills will be introduced in the next few weeks. The deadline for members to introduce bills is 22 February. The exceptions are committee bills which can be introduced through early May. Beyond legislation introduction and behind-the-scenes negotiations on bills, little legislative action is anticipated until March and April when the policy committees begin considering and moving bills. July 12th is the last day for Policy Committees to act on bills. August 30st is the last day for action on legislation.

The Legislative Committee's December and January meetings included a review of the CALAFCO 2013 Legislative Policies, extensive conversation on potential Omnibus bill items, and dialogue on a number of potential LAFCo legislative items proposed by LAFCo staff. Additionally at the January meeting there was discussion on several bills which have been introduced into the Legislature. Minutes of both of those meetings are included as attachments to this report.

Legislative Committee Projects

It's Time to Draw the Line: A Citizen's Guide to LAFCoS. A Legislative Committee work group was formed last October to work with staff of the Senate Governance and Finance Committee to update this publication. It has been ten years since the last update and as this is the 50th anniversary of LAFCo it was the perfect time to revise the publication. The work group submitted their updates and revisions and is currently reviewing and commenting on the first draft, which is expected to be completed by 8 February. Second round revisions and reviews will occur likely mid-late February.

In addition to general clean-up of *Cortese-Knox-Hertzberg items*, the Legislative Committee is working on several substantial issues this year with the goal to make them consensus items and placed in the Omnibus or a Local Government Committee bill:

1. **Island Annexation Provisions - §56375.3.** This proposal has been discussed by the Legislative Committee for some time, and it was decided last year to take it up in the 2013 session. In 2004 the Legislature approved legislation (GC sections 56375.3 and 56375.4) to allow for cities to propose to annex islands of unincorporated territory up to 150 acres in size without the need for costly protests or elections in order to implement logical and efficient jurisdictional boundaries. A “sunset provision” of January 1, 2014 was included in the legislation. It is proposed to eliminate the sunset provision and increase the island eligibility size to 300 acres. Inconsistent development of urban type services and annexations to cities resulted in many relatively small areas in “islands” or pockets of often underserved properties in county areas substantially surrounded by city(s). One sponsor has been identified and a second is being sought. The language has been submitted to Legislative Counsel as an unbacked bill.
2. ***MSR Cycles §564258(g) schedule of SOI Updates.*** This would extend the SOI update cycle from every five (5) to seven (7) years beginning January 1, 2014 and give LAFCOs the authority by statute to confirm a sphere as it exists, without having to conduct a municipal service review, should they deem one is not necessary. A bill sponsor is still being sought, and the language has been submitted to Legislative Counsel as an unbacked bill.
3. ***Dissolutions with Concurrent Annexations - §57077.1(c).*** In 2011, AB 912 streamlined the dissolution process for a district if the district was recommended for dissolution in a prior LAFCO action and if it met certain other criteria. However, that provision only covers a district dissolution process and does not cover a situation where the territory of a dissolved district is concurrently annexed to another district. There has been some initial concern raised by CSDA and staff is working with them. The language has been submitted to Legislative Counsel as an unbacked bill.

Staff will update the Board at the meeting on the status of these proposals as well as other legislation or legislative proposals that have surfaced.

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 6c §56133 Extension of Services Legislative Proposal

Prepared By: Pamela Miller, Executive Director

Date: 8 February 2013

RECOMMENDATION

1. Receive report, consider the recommendation of the Legislative Committee, review member comments, and direct staff as appropriate.

DISCUSSION

Previously the CALAFCO Legislative Committee and Board of Directors have supported legislation to modify LAFCo authority in certain cases to extend services outside boundaries and spheres for reasons other than health and safety. In November 2009, the Legislative Committee formed a working group on the issue and in March 2011 the Legislative Committee approved the proposed amendments and moved the proposal forward for your Board's consideration.

At your April 2011 meeting your Board considered the report and approved the proposed language changes, and directed staff and the Legislative Committee to distribute the proposed changes to the general CALAFCO membership and external stakeholders. A copy of the language is attached to this report. Your Board further directed the Legislative Committee to report back to your Board on the outreach efforts and to provide you with any new information as it became available.

The topic was presented at the 2011 Staff Workshop (April 2011). In the summer of 2011, Keene Simonds, Napa LAFCo, sent a packet of information to all member LAFCos, a copy of which is attached to this report for your reference. Additionally, presentations on the topic were made at several LAFCos as requested. Staff sent out the information to the Executive Officers via the list serve in June 2011 and posted an information packet on the CALAFCO website in the members section for educational and outreach purposes.

At the 18 November 2011 and 20 January 2012 meetings, the Legislative Committee again addressed the item and discussed how and when to proceed with introducing the language. There was some concern raised that all LAFCos had not yet considered the language. The Committee also discussed whether it was better to introduce legislation during that legislative cycle or wait until the beginning of the next two-year session in 2013. Given the concern raised, staff circulated the proposed language to all LAFCos and worked with Assembly Local Government Committee staff, League of Cities, Building Industry Association and the California Rural Legal Assistance Foundation. Concern grew in the environmental community regarding the proposal. At that meeting, in light of the feedback and concerns, the Legislative Committee decided to send the discussion back to your Board to re-affirm CALAFCO's support of the proposed language, which had been modified at the January meeting to accommodate the recommendations from the Assembly committee staff.

In February 2012, your Board again considered the report from the Legislative Committee, the letters in support and opposition from member LAFCOs, and the options provided to your Board for moving forward. (1 - Sponsor legislation in 2013; 2 - Support legislation in 2013 or 2014 if sponsored by others; 3 - Introduce legislation in 2013; or 4 - Do not proceed with legislation.) Staff's recommendation at the time was to introduce the legislation in 2013 to provide time to work with the environmental and agricultural communities to seek common ground on language.

At your February 2012 meeting, after considering all of the information, your Board requested staff initiate conversations with environmental and agricultural communities with the goal of introducing the legislation in 2013.

Concerns continued to grow in several member LAFCOs on the issue, and in light of the growing internal discord, staff felt it was not in the best interest of the Association to continue external outreach at that time. As a way to facilitate additional member outreach, the topic was presented at the 2012 Annual Conference in a debate-style format with both sides of the issue being presented and discussed.

The Legislative Committee again took up the issue of whether or not to proceed with the proposed language changes at their first meeting of the 2013 session on 7 December, 2012. There were two sides of the issue presented at the meeting, and both the support and opposition reports are included as attachments to this report for your consideration. After much robust dialogue on the matter, the Legislative Committee agreed to send a report back to your Board on all of the outreach activities that have occurred since receiving that direction in April 2011 and February 2012, and to include both of the reports presented to the Legislative Committee at that meeting. Furthermore, the Legislative Committee, on a 10-8 vote, approved sending the proposed language changes to your Board with a recommendation to pursue the code change.

Since the 7 December, 2012 Legislative Committee meeting, staff has received additional letters from LAFCo members for inclusion with this report and for your consideration (three in support, and one requesting your Board delay action for 60 days). They are attached to this report.

The item is again before your Board for consideration. Staff is recommending that upon review of all of the information and feedback, consideration of the Legislative Committee's recommendation, and upon discussion, your Board direct staff (and the Legislative Committee) as appropriate.

ATTACHMENTS

- 6c-1 Current proposed language as approved by the Legislative Committee on 7 December, 2012
- 6c-2 Report from the 7 December, 2012 Legislative Committee meeting
- 6c-3 Minutes from the 7 December, 2012 Legislative Committee meeting
- 6c-4 Information packet distributed in Summer 2011
- 6c-5 LAFCo Letters received since 7 December, 2012

Proposed Amendments to G.C. Section 56133

(Approved by the CALAFCO Board on April 29, 2011 and reapproved by the Legislative Committee on December 7, 2012)

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional ~~boundaries~~ boundary only if it first requests and receives written approval from the commission ~~in the affected county~~. The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries~~ boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted commission policy, ~~The~~ commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries~~ boundary and outside its sphere of influence under any of the following circumstances:

(1) ~~To~~ respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

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

(2) ~~(B)~~ The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(2) To support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing that includes all of the following determinations:

(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.

(B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.

(C) A later change or organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.

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

(e) This section does not apply to ~~contracts or agreements solely involving~~ two or more public agencies where the commission determines the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(f) This section does not apply to ~~contracts for~~ the transfer of nonpotable or nontreated water.

(g) This section does not apply to ~~contracts or agreements solely involving~~ the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(h) This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.

(i) This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(j) The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of the service is proposed.

AGENDA REPORT

December 7, 2012

TO: Pamela Miller, CALAFCO Director
CALAFCO Legislative Committee

FROM: Keene Simonds, Napa LAFCO

SUBJECT: **Update on Proposed Amendments to Government Code Section 56133**
The Legislative Committee will review an update on activities tied to disseminating information to the general membership on the proposed amendments to Government Code Section 56133. The Legislative Committee will consider making recommendations to the CALAFCO Board with respect to whether additional outreach efforts are warranted.

A. Overview

California Government Code (G.C.) Section 56133 was enacted in 1994 and requires cities and special districts to request and receive written approval from Local Agency Formation Commissions (LAFCOs) before providing new or extended services by contract outside their jurisdictional boundaries. Approval must comply with one of two geographic requirements. First, LAFCOs may only approve outside service extensions within the affected agencies' spheres of influence in anticipation of future changes of organization. Second, LAFCOs may only approve outside service extensions beyond the affected agencies' spheres of influence to respond to existing or impending public health or safety threats. Exceptions in which cities and special districts do not need LAFCO approval are outlined under subsection (e).

B. Background

Problem Statement / Working Group

In 2009, the CALAFCO Legislative Committee considered a request from Napa LAFCO if there was interest in exploring amendment language to G.C. Section 56133. The request was predicated on the central assertion the statute is problematic to administer because it does not recognize circumstances when it is sensible for cities and special districts to provide new or extended services outside their sphere based on local conditions as deemed appropriate by the commission. A working group was subsequently formed among volunteers and tasked with drafting amendments for review by the Legislative Committee.¹

¹ Members of the working group have included Brown (Nevada), Bottarini (Sonoma), Braitman (Santa Barbara), Henriquez (El Dorado), Lucas (Butte), Palacherla (Santa Clara), and Simonds (Napa).

Review / Approval by Legislative Committee

In March 2011, the Legislative Committee completed two years of review and unanimously approved amendments proposed by the working group to G.C. Section 56133. The approved amendments include three distinct changes as summarized below.

- **Expand LAFCO Approval Authority for New or Extended Services Beyond Spheres**
Amend subsection (c) to include a new division – (2) – to establish a second allowance for LAFCOs to approve new or extended services beyond affected agencies’ spheres of influence. Specifically, the new division under subsection (c) would authorize new or extended services to public or private properties without making a public health or safety threat finding so long as LAFCO determines at a noticed public hearing the extension:
 - (A) was considered/addressed in a municipal service review;
 - (B) will not result in adverse impacts on open-space and agricultural lands or growth; and
 - (C) a later change of organization is not expected or desirable based on local policies.

* Public hearings are proposed to be required for the new allowance. The Legislative Committee is not proposing to require public hearings to approve requests relating to public health or safety threats given Executive Officers may already be delegated this responsibility by their respective LAFCOs.
- **Specify LAFCOs Shall Determine Application of G.C. Section 56133**
Add a new subsection – (j) – clarifying the application of the entire statute rests solely within the domain of LAFCO of the county in which the service extension is proposed. A related amendment involves revising subsection (e) to state the commission determines whether contracts between two or more public agencies in which the services to be provided are either an alternative or substitute for services already provided are exempt.
- **Emphasize Service Authorization in G.C. Section 56133**
Amend all subsections beginning with (b) and thereafter to strike references to contract or agreement approval in favor of emphasizing service authorization by LAFCO. These amendments would be consistent with practice in which only major proposed service extensions have prepared contracts at the time of the LAFCO review. Notably, most proposed service extensions only have a will-serve letter from the affected service provider when the proposal is before LAFCO. The “contract” generally occurs later when the landowner pays the actual connection fee.

Review / Approval by CALAFCO Board

In April 2011, the CALAFCO Board reviewed the recommendations of the Legislative Committee to approve the proposed amendments to G.C. Section 56133. The Board unanimously approved the amendments as presented with the request the Legislative Committee disseminate information on the changes to the general membership and other interested stakeholders. It was also requested the Legislative Committee report back to the Board on these outreach efforts as new information becomes available.

C. Discussion

Outreach to Date

Consistent with Board direction, the Legislative Committee has since been working on disseminating information regarding the Board-approved amendments to G.C. Section 56133. Premising the outreach program involves two specific goals: inform and explain the approved amendments to all 58 LAFCOs and solicit feedback with respect to questions or comments. These efforts have been highlighted by (a) circulating an informational packet to all member agencies and (b) convening a session at the most recent CALAFCO Annual Conference. A summary of takeaways associated with these three outreach efforts follows.

- **Informational Packet (Summer 2011)**

All member agencies received a copy of an informational packet outlining the key changes and accompanying rationales for the Board-approved amendments to G.C. Section 56133. The packet included a solicitation for member agencies to submit written comments as well as an invitation to schedule a presentation to their respective commission. The informational packet preceded the following:

- Presentations were made at regular meetings of Santa Barbara and Sonoma LAFCOs.
- Letters were received from Butte (opposed), Napa (support), San Luis Obispo (support), Santa Barbara (opposed), Monterey (comments), and Sonoma (comments).

- **Conference Session (October 2012)**

A breakout session on the Board-approved amendments G.C. Section 56133 was conducted during the CALAFCO Annual Conference in Monterey. The session was moderated by former CALAFCO Chair Chris Tooker and oriented in a debate format between proponents (Simonds and Spiliotis) and opponents (Lucas and Luoma). The session was attended with approximately 70 registrants and included extensive discussion/comments among audience members. No discernible takeaways were generated from the session given there appeared to be an equal division among commenters between support, oppose, and undecided.

Next Steps

It is respectfully requested the Legislative Committee consider what – if any – additional outreach efforts are warranted in addressing the Board’s previous direction to inform the membership of the proposed amendments to G.C. Section 56133. It may also be beneficial for the Legislative Committee to discuss and forward observations/suggestions to the Board with regards to legislation that does not generate unanimous support among members (i.e. is there an appropriate threshold of support/oppose among the membership to inform whether to advance or cede a specific item).

To: CALAFCO Legislative Committee
From: Stephen Lucas, Butte
Kai Luoma, Ventura
Date: December 1, 2012 for the Leg Committee Meeting of December 7, 2012
Subject: Proposed revisions to 56133

NOTE: *This memo is a by-product of the 2012 Annual Conference at which we participated in a session concerning 56133 and were asked to provide some follow-up product for review. It is of course from the "con" side of the discussion and we believe represents a view held by a number of LAFCOs based on feedback from the Conference session. The memo is two part - **part one** is a narrative argument against the proposed changes and **part two** is a more detailed analysis of the proposal designed to generate further discussion and demonstrate the unintended consequences that may arise from the proposal should it become law.*

PART ONE

Background

The proposed revisions to the extension of services provisions in CKH have been discussed for a couple of years now. Initially, the proposal was floated by a few LAFCOs who felt there were **unique circumstances** in their counties that could not be effectively addressed by the current 56133 language and that it would be helpful *locally* to allow for **greater flexibility** in applying the statute.

To restate this simply - with the actual effect of the proposal applied - some LAFCOs want the ability to extend services beyond spheres of influence for *whatever local reason they feel is appropriate based on local circumstances* unrelated to a health and safety issue.

At the outset, there was not much interest in the proposal beyond those LAFCOs who introduced the proposal. Over time, as more LAFCOs reviewed the proposal, there developed a sincere resistance to this very broad and significant expansion of LAFCO authority.

Historical Context

Cities and counties were required to establish comprehensive long range plans (general plans) in order to effectively plan for services and provide the public with predictable outcomes.

LAFCOs were created to consider these growth plans and apply the principles of logical boundaries, ag/open space protections, and efficient service delivery by conducting MSR's and creating SOIs that provide **predictability** in the planning process. This process acts as a check on city general plan ambitions based on **comprehensive evaluations (MSRs)** that result in **predictable, logical, comprehensive plans (SOI)** and restricts agencies from reaching beyond their boundaries without methodically amending the **comprehensive SOI plan**. Without

comprehensive plans, decisions are more likely to be made *in the moment, based on immediate desires and emotions*, and be subjected to *political expediency and pressures*.

The key question turns on the reason for 56133 when introduced in 1993. It was ostensibly to reign in unchecked service expansions while providing a mechanism to allow services outside of jurisdictional boundaries BUT within spheres, where annexation may not have been immediately possible – but in anticipation of a later change of organization. No mention of health or safety issues or services outside of spheres. Not until 1999/2000 did the health and safety issues arise or the ability to consider areas outside of a sphere. It could be argued that LAFCOs needed a way to address legitimate public health issues so this language was added. But it was clear, that going outside of a sphere was **not routine** and required an **elevated public policy reason** to do so – specifically a legitimate health or safety concern.

Problem

The current proposal continues the mission creep from 1999 by allowing services without the anticipation of a later change of organization AND outside of spheres based on local commission policies. Essentially, a commission can abandon its core objectives in CKH and allow decisions based on the **immediate needs, political pressure and short term economic gain** of landowners and/or developers.

Peter Detwiler offered his opinion on the proposal and believes, as do many others, that this major concession on service extensions will undermine the policy (and political) integrity of spheres of influence and with a vote of 4 commissioners on any given day, this “flexibility” will certainly lead to leapfrog development that will not be able to be undone. This scenario is precisely the result that the Legislature wanted to avoid when it created LAFCOs in 1963.

Peter also observed as have several other executive officers, that if there is some other important reason other than public health risks to extend services outside a sphere, then a **specific**, well thought through **defined exception** could be incorporated into Section 56133 rather than opening up Pandora's box of flexibility based on local circumstances.

PART TWO

To assuage some of the aforementioned concerns, proponents of the proposal point to three determinations that have been included that will serve as “measured safeguards to protect against inappropriate urban development.” However, a close examination of these “safeguards” reveals that they will do little or nothing to actually prevent inappropriate urban development. Each is discussed below.

- One of the determinations provides *“A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.”*

This determination can be made if LAFCO finds that annexation of the property that is to receive the service “is not feasible”. This determination applies only to a request to extend a service to territory located outside an agency’s sphere of influence. LAFCO law prohibits the annexation of territory that is located outside an agency’s sphere of influence. Therefore, the annexation of the territory to be served will never be feasible because it would violate state law. This determination is self-fulfilling and can hardly be considered a “safeguard” against inappropriate development.

- Another determination provides, *“The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.”*

In short, LAFCO law (56016) defines “agricultural lands” as land being used for commercial agricultural production, land left fallow under a crop rotational program, or fallow land enrolled in a subsidy or set aside program. Therefore, if a farmer simply stops farming the land, not as part of a rotational or set aside program, the land is no longer considered to be “agricultural land”. LAFCO could approve a service extension that will result in the development of any amount of this former agricultural land (even if it is prime farmland) and this determination could still be made because no “agricultural land”, as defined by LAFCO law, would be adversely impacted.

Furthermore, the use of the word “or” in this determination can be interpreted to mean that the determination can be made if there are no adverse impacts to only one of the listed criteria (open space, agricultural lands, or growth inducement), not necessarily all three. Under this interpretation, as long there are no adverse impacts to one criterion, adverse impacts to the other two could be acceptable. For instance, if a new service does not impact open space, the determination can be made even if there are adverse impacts to agricultural lands or growth inducement.

- The final determination provides, *“The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to Section 56430.”*

Though this determination requires that a MSR evaluate the service or service deficiency, it contains no requirement that the evaluation actually conclude that there is a need for the service, that the agency has the ability or capability to provide the service, that the agency can finance the service, that the service is logical, that it will result in orderly development, etc. Because the determination can be made regardless of the conclusions of a MSR, it essentially serves no purpose and provides no “safeguard” against inappropriate development.

Furthermore, the determination’s requirement that a service deficiency be identified makes little sense. All property not receiving a service is deficient of that service. If there weren’t

already a service deficiency, there would be no reason to request LAFCO approval of a new service.

Moreover, MSRs are informational documents that are prepared in order to establish or update a sphere of influence: they are required for no other purpose. Spheres of influence are the means by which LAFCO implements state law and policies regarding an agency's service area. Under the proposed revisions, the MSR supplants the sphere of influence as the means by which an agency's service area is determined. Thus, the MSR is elevated from an informational document to a policy document, which was never the intent. This would be akin to a city approving a development project based solely on an EIR, which is an informational document, and not on consistency with its General Plan and zoning policies. Elevating MSRs to policy documents in lieu of a sphere of influence would result in the following unintended consequences:

- Basing service extensions on MSRs allows LAFCO to circumvent all of the processes, requirements, considerations, and factors contained in CKH regarding the provision of services. No longer would annexation be the preferred method of service delivery. Because these service extensions are not considered to be a "change of organization" (56021) or a "proposal" (56069), there would be no requirement for a resolution of application, a plan for services, a notice of receipt of application, a certificate of filing, consideration of the factors contained in 56668, consideration of Williamson Act contracts, protest proceedings, general plan consistency, or any of the other provisions in LAFCo law that normally apply to the provision of new services.
- If MSRs are transformed from informational documents to policy documents they would likely no longer meet the CEQA exemptions that most (if not all) LAFCOs currently utilize to accept them. If MSRs become the basis for LAFCo to approve new services into areas where services are currently prohibited, thus accommodating new development and allowing for new development potential, MSRs would likely be subject to the preparation of EIRs (and associated legal challenges).

It is also important to note that the proposal language contains no limitations on the size or scale of new development that could receive extended services. This would further incentivize the development of unincorporated, urban communities and thus interfere with the fundamental purpose of the CKH Act: "to encourage orderly growth and a development...with a preference granted to accommodating additional growth **within, or through the expansion of, the boundaries of those local agencies** which can best accommodate and provide necessary governmental services and housing for persons and families of all incomes in the most efficient manner feasible." (CKH 56001)

LAFCO law already contains a measured safeguard to protect against disorderly growth and development: the prohibition on authorizing service extensions outside of spheres of influence, except under very narrow circumstances. The proposal will remove this unambiguous standard

and replace it with three ambiguous standards which have the potential to induce sprawl development and inefficient extensions of governmental services.

Summary

It was originally argued that the proposal was warranted to address **unique local circumstances** and would allow for **greater flexibility** in applying the statute. So why not focus on the unique circumstances as Peter Detwiler suggests?

As to flexibility, without comprehensive plans, decisions are more likely to be made in the moment, based on immediate desires and emotions, and be subjected to political expediency and pressures. Arguably, the greatest value of any plan is in its predictability and the greatest weakness is the degree of uncertainty allowed. Uncertainty is often presented as **flexibility** which translates into allowances for not having to follow the plan.

Comprehensive Planning = Improved Modeling for Services = Greater Efficiencies = Predictable Outcomes = Good Public Policy!

Greater "Flexibility" = Greater Variability = Less Efficient Modeling = Unintended Outcomes = Bad Public Policy

Request

Stop and reevaluate the proposal and focus on why the change is needed and not pursue such a sweeping expansion of the originally narrow legislative objective.

Should the committee elect to pursue the proposal, a white paper should be prepared. The white paper should provide an impartial analysis of the following:

- The issue that the proposal is intended to address
- Alternatives to addressing the issue
- The benefits, drawbacks, and the potential unintended consequences of each alternative

The white paper should then be distributed to member LAFCOs for consideration. Only when member LAFCOs are provided with such an impartial analysis can they make an informed decision.



California Association of Local Agency Formation Commissions

CALAFCO Legislative Committee SUMMARY MEETING

Date Friday 7 December 2012

Location BB&K, Sacramento

Participants Clark Alsop (Counsel), **Matthew Beekman**, **Robert Bergman**, Kris Berry (Co-Chair), Marjorie Blom, Bob Braitman, Scott Browne*, David Church*, Carole Cooper, Harry Ehrlich (Co-Chair), **Juliana Inman***, **Gay Jones*** (at beginning of call). **John Leopold***, Steve Lucas, **Michael McGill**, Pamela Miller (Vice Chair), **Eugene Montanez**, Paul Novak, Neelima Palacherla, Mona Palacios, Paula deSousa*, Kathleen Rollings-McDonald, Keene Simonds, George Spiliotis, and Lou Ann Texeira.

Others: Rich Botarrini*, Christine Crawford, Commissioner Craig Geyer*, Kai Luoma*, SR Jones*, Kim Uhlich*

*participated by phone

Recorders Kris Berry, Pamela Miller

1. **Welcome, Roll Call, Review Agenda**

A quorum was determined to be present at 10:02 a.m. and the agenda was reviewed. One additional item was added to the agenda per a prior email request: Applicable Code Version related to islands. As this was the first meeting of this Legislative Committee, each member introduced themselves to the group.

2. **Minutes – 16 November 2012.**

MOTION: Mike McGill motioned to approve the minutes as amended (changing item 2 to reflect generic motion). The motion was seconded by Matthew Beekman and passed with Bob Braitman, Carole Cooper, and Kathleen Rollings-McDonald abstaining.

3. **CALAFCO Legislative Policies 2013 Update**

Polices reviewed with the following changes suggested:

4.1 – “Support the recognition and use of spheres of influence as ~~the~~ **a** management tool to provide better planning of growth and development, and to preserve agriculture and open space lands.

4.2 – Support ~~adoption~~ **recognition** of LAFCo spheres of influence by other agencies involved in determining and developing long-term growth and infrastructure plans.

5.5 – Support collaborative efforts among agencies and LAFCOs that encourage opportunities for sharing of services, staff and facilities to provide more efficient and

cost effective services. Support proposals legislation which provides LAFCo with additional opportunities to encourage shared services.

Primary Issues – Agriculture and Open Space Protection – Preservation of Preserve prime agriculture and open space lands that maintain the quality of life in California.

2.2 – Revision language to be presented to the Committee by Pamela via email for consideration at the next meeting.

MOTION: Clark Alsop motioned to approve the recommended changes and move them forward to the Board. The motion was seconded by Mike McGill and passed unanimously by the members present.

ACTION: Pamela to prepare draft language to clarify Section 2.2 for consideration at the next meeting.

4. 2013 Omnibus Bills*

a. Assembly Omnibus Proposed Items (CKH only)

i. Definition of Independent Special District Officer*

CONSENSUS: There was consensus to add the changes in this report to the Omnibus bill as presented with an amendment so that 56332(d) reads as follows:

The [S]ervice on the commission representation by a regular district member who is a special district officer shall not disqualify, or be cause for disqualification of, the member from acting on a proposals affecting the special district on whose legislative body the member serves. The special district selection committee may, at the time it appoints a member or alternate, provide that the member or alternate is disqualified from voting on proposals affecting the district of which the member is an elected or appointed member on whose legislative body the member serves.

A question was raised about other code sections in which “representation” exists, and Harry requested the information be sent to him for review and possible inclusion. He will send out a final draft.

ii. Definition of Dependent and Independent Special District*

MOTION: Neelima Palacherla motioned to add the changes to the Omnibus bill as presented so that the current language is replaced with the definition from 2010, so that it reads as noted below. The motion was seconded by George Spiliotis and passed unanimously by the members present.

56044. "Independent district" or "independent special district" includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms.

"Independent special district" does not include any district excluded from the definition of district contained in Section 56036.

b. Other items to consider

§56866 – resident voter district.

ACTION: Mona will send something to Harry for consideration.

§56757 – language regarding reorganizations.

ACTION: Neelima will submit something for review.

Lou Ann inquired about the use of email rather than certified mail for notification.

ACTION: Lou Ann and Carole will look into the idea and report back.

5. Discussion of Proposed Potential LAFCo Legislation Items

a. Revenue and Tax Code Sunset Date*

Keene requested CALAFCO take the lead on this issue. After lengthy discussion, an ad-hoc committee was formed to scope the idea to determine if it is worth pursuing and report back to the full committee. Due to the timing, this is not expected to result in a bill in 2013 session.

ACTION: Committee members: Pamela Miller (convener), Lou Ann Texeira, Keene Simonds, Paul Novak, and Kathleen Rollings-McDonald.

b. Island Provisions Sunset §56375.3*

There were two issues raised regarding this item. First, the removal of the sunset date related to the expedited process to annex small islands, and second, increasing the acreage from 150 to 300 acres. There are concerns that there may be opposition from the League, some Counties, and perhaps CSAC. Paul went on record that LA will likely oppose as they like the idea of having the protest provision. Steve went on record that Butte supports the elimination of the sunset and increase in acreage, and they have already contacted a Legislator to support the proposal. The strategy is to propose both actions and if needed, pull back to a five year extension position.

MOTION: Steve Lucas motioned to approve moving forward with pursuing legislation to amend §56375.3 to remove the sunset provision and increase the acreage from 150 to 300 acres. The motion was seconded by Mike McGill and passed with Paul Novak opposing.

c. Service Extension Outside Boundaries (Expansion of §56133 Authority)*

Keene provided his report, after which Steve and Kai presented their report. Lengthy discussion ensued, during which it was pointed out that the CALAFCO Board previously approved the proposed amendments to §56133, and requested the Legislative Committee disseminated information and changes to the general membership, then report back to the Board of the outreach efforts and any additional information that may present itself. It was suggested that in the future when providing information to the general membership on an issue, that both the pro and con side of the issue is clearly reported simultaneously. Several options on how to move forward were considered, and after further discussion, the Committee agreed to provide a report back to the board on the outreach efforts and to include both reports provided in this packet.

MOTION: Steve Lucas motioned to provide a report back to the CALAFCO Board on the outreach efforts and to include both reports provided in this packet. The motion was seconded by Neelima Palacherla and passed with Harry Ehrlich and Bob Braitman opposing.

ACTION: Pamela to prepare follow up report for the Board at their next meeting on 8 February.

The specific language proposed was then discussed. There was a request to insert the word “prime” before agriculture in (c) (2) (B) as follows:

(2) To support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing that includes all of the following determinations:
(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.
(B) The effect of the extension of service would not result in adverse impacts on open space or prime agricultural lands or result in adverse growth inducing impacts.

MOTION: Harry Ehrlich motioned to approve all of the proposed language changes in the report for §56133 with the inclusion of “prime” as noted above. The motion was seconded by Kris Berry and passed with Neelima Palacherla, Lou Ann Texeira, and Carole Cooper opposing, and Bob Braitman abstaining.

MOTION: Paul Novak motioned to move the item to the CALAFCO Board with a recommendation to pursue the code change with the language as approved (and noted above). The motion was seconded by Kathleen Rollings-McDonald and failed on a tie vote as follows:

Yes: Harry Ehrlich, Paul Novak, Eugene Montanez, George Spiliotis, Kathleen Rollings-McDonald, Matthew Beekman, Keene Simonds, Clark Alsop, and Mike McGill.

No: Bob Braitman, Carole Cooper, Steve Lucas, Neelima Palacherla, Robert Bergman, Kris Berry, John Leopold, Scott Browne, and Lou Ann Texeira.

Abstain: Pamela Miller

MOTION: Paul Novak motioned to move the item to the CALAFCO Board with a recommendation to pursue the code change with the language as approved, minus the word “prime”, as originally presented. The motion was seconded by Mike McGill and passed with a 10-8 vote as follows:

Yes: Harry Ehrlich, Paul Novak, Eugene Montanez, George Spiliotis, Kathleen Rollings-McDonald, Matthew Beekman, Keene Simonds, Clark Alsop, Mike McGill, and Lou Ann Texeira.

No: Bob Braitman, Carole Cooper, Steve Lucas, Neelima Palacherla, Robert Bergman, Kris Berry, John Leopold, and Scott Browne.

Abstain: Pamela Miller

ACTION: Pamela to present to the Board at the next meeting on 8 February.

d. Municipal Service Review cycles §56425(g) schedule of SOI updates*

There were two parts to the proposed change in language in section 56425(g) of the Cortese-Knox-Hertzberg Act. First was to add the word “confirm” as noted below:

“(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update or confirm each sphere of influence.”

CONSENSUS: There was consensus to move forward with this proposed change.

The second part of the proposed change related to the timeframe requirements of updates. The Committee chose to change the timeframe from five to seven years, and make the other changes as noted below:

~~“(g) On or before January 1, 2008, and e~~Every five **seven** years thereafter, the commission shall, as necessary, review and update **or confirm** each sphere of influence.” If need be, add at the beginning, **On or before January 1, 2014, and**

MOTION: Keene Simonds motioned to approve the language as noted. The motion was seconded by Steve Lucas and passed unanimously by the members present.

e. Definition of “Disadvantaged Unincorporated Community”*

This item was withdrawn for consideration by the Committee at this time.

f. Dissolutions with Concurrent Annexation §57077.1(3)(c)*

After some discussion, the Committee voted to approve the proposed language changes as noted below to §57077.1(3)(c)

(c) Notwithstanding subdivisions (a) and (b) and Section 57102, if a change of organization consists of the dissolution of a district **or if a reorganization consists of dissolution of one or more districts and annexation of all or substantially all of the territory to another district that is consistent with a prior action of the commission pursuant to Section 56378, 56425, or 56430,** the commission may do either of the following:

(1) If the dissolution **or reorganization** is initiated by the ~~district~~ **board of the district to be dissolved,** immediately approve and order the dissolution without an election or protest proceedings pursuant to this part.

(2) If the dissolution **or reorganization** is initiated by an affected local agency, by the commission pursuant to Section 56375, or by petition pursuant to Section 56650, order the dissolution after holding at least one noticed public hearing, and after conducting protest proceedings in accordance with this part. Notwithstanding any other law, the commission shall terminate proceedings if a majority protest exists in accordance with Section 57078. If a majority protest is not found, the commission shall order the dissolution without an election.

MOTION: Neelima Palacherla motioned to approve the proposed language changes as noted. The motion was seconded by Lou Ann Texeira and passed unanimously by the members present.

It was suggested that §57103 also be included in the proposed change.

ACTION: Agendize that discussion for the next meeting.

MOTION: Harry Ehrlich motioned to approve Santa Clara LAFCo approaching Assembly Member Gordon to author the bill. The motion was seconded by Mike McGill and passed unanimously by the members present.

ACTION: Neelima to contact Assembly Member Gordon.

g. Sustainable Communities Planning Grant PRC §75128*

After consideration of the proposal, it was decided that given the lateness in the grant cycle this would not be worth the time and effort required.

6. Discussion of other LAFCo-Related Legislation

a. SB244 – Disadvantaged Unincorporated Communities*

There was no action related to this item, as it was for informational purposes.

7. Sub Committee Reports and Recommendations

a. It's Time to Draw the Line Publication update

Pamela provided an update.

8. Review Legislature Calendar for Milestones to Submit Bills

Harry reviewed the draft calendar and bill submittal dates with the Committee. Upcoming milestones in the draft calendar (not yet adopted by the Legislature) were noted as:

01/25/13 – Last day to submit bill requests to the Office of Legislative Counsel

02/22/13 – Last day for bills to be introduced

At the request of Christine (who had left the meeting by the time this item was added and addressed), Harry covered the intent of the request to add language to C-K-H Act (most likely in §56658), to provide that a commission may adopt a policy fixing the effective date of a proposal being final for processing and not subject to changes in Government Code or other laws unless authorized by the commission. (This would be similar to such a clause in the Subdivision Map Act for processing of zoning and maps, etc.)

CONSENSUS: The Committee stated consensus for Harry to move ahead with this proposal (hopefully) as an Omnibus Bill item.

ACTION: Harry will coordinate exact language with Christine.

9. Committee Meeting Schedule

a. Proposed dates in 2013: January (25-Ontario), March (22-Sacramento or Bay area LAFCo), May (17-San Diego), and July (26-Conference Call)

CONSENSUS: There was consensus to change the meeting times to 9:30 a.m. – 2:00 p.m., and change the May date to May 10. The remainder of the meeting dates will remain the same.

ACTION: Mona to check the availability of her facility to host the 22 March meeting.

10. Items for Next Meeting

- a. CALAFCO Legislative Policies Section 2.2 revised language**
- b. Inclusion of §57103 with the proposed changes in §57077.1(3)**

The meeting was adjourned at 2:50 p.m. The next meeting is Friday, 25 January 2013 at the BB&K offices in Ontario.

June 17, 2011

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TO: LAFCo Executive Officers
FROM: CALAFCO Legislative Committee
REPORT BY: Keene Simonds, Napa LAFCo
SUBJECT: **Board-Approved Amendments to Government Code Section 56133**

On April 29, 2011, the CALAFCO Board unanimously approved a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133 and its provisions governing the LAFCo approval process for cities and special districts to provide new and extended outside services. Three substantive changes underlie the Board-approved amendments. The first change expands LAFCos' existing authority in approving new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats. The second change clarifies LAFCos' sole authority in determining the application of the statute. The third change deemphasizes the approval of contracts or agreements in favor of emphasizing the approval of service extensions.

The Board-approved amendments would – if passed into law – significantly expand LAFCos' individual discretion in administering G.C. Section 56133. Markedly, enhancing discretion highlights the Legislative Committee's principal motive in proposing the amendments given the current statute limits LAFCos' ability to accommodate new and extended services beyond spheres of influence that are otherwise logical given local conditions unless addressing public health or safety threats. The Legislative Committee, nevertheless, recognizes the importance of establishing specific safeguards to help uniformly guide LAFCos in exercising their expanded discretion consistent with our collective responsibilities to facilitate orderly and efficient municipal growth and development. Most notably, this includes explicitly tying the expanded discretion with the municipal service review process.

Additional materials are attached to this communication further detailing the Board-approved amendments to G.C. Section 56133. This includes a one-page informational flyer summarizing the key changes with implementing examples as well as addressing frequently asked questions that have been raised in the two plus years the Legislative Committee has expended on this important rewrite. The Legislative Committee welcomes your questions and comments. Towards this end, to help expedite follow up, these regional coordinators are available to discuss the Board-approved amendments as well as make presentations to individual LAFCos if interested:

- | | | | |
|------------------|--|------------------|---|
| Northern: | Scott Browne, Nevada
Steve Lucas, Butte | Coastal: | Neelima Palacherla, Santa Clara
Keene Simonds, Napa |
| Central: | Marjorie Blum, Stanislaus
Ted Novelli, Amador | Southern: | Kathy McDonald, San Bernardino
George Spiliotis, Riverside |

Thank you again for your attention to this matter and the Legislative Committee looks forward to working with you on any questions or comments.

1215 K Street, Suite 1650
Sacramento, CA 95814

Voice 916-442-6536
Fax 916-442-6535

www.calafco.org

- Attachments: 1) Informational Flyer on the Board-Approved Amendments to G.C. Section 56133
2) Board Approved Amendments to G.C. Section 56133 (Track-Changes)

**Proposed Amendments to G.C. Section 56133
(Approved by the CALAFCO Board on April 29, 2011)**

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional ~~boundaries-boundary~~ only if it first requests and receives written approval from the commission ~~in the affected county~~. The commission may delegate approval of requests made pursuant to subdivisions (b) and (c)(1) below to the Executive Officer.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries-boundary~~ but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, ~~the~~ commission may authorize a city or district to provide new or extended services outside its jurisdictional ~~boundaries-boundary~~ and outside its sphere of influence under any of the following circumstances:

(1) ~~to~~ To respond to an existing or impending threat to the public health or safety of the residents of the affected territory if both of the following requirements are met:

(4A) The entity applying for ~~the contract~~ approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2B) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(2) To support existing or planned uses involving public or private properties subject to approval at a noticed public hearing that includes all of the following determinations:

(A) The extension of service or service deficiency was identified and evaluated in a municipal service review prepared by the commission pursuant to section 56430.

(B) The effect of the extension of service would not result in adverse impacts on open space or agricultural lands or result in adverse growth inducing impacts.

(C) A later change of organization involving the subject property and the affected agency is not feasible or desirable based on the adopted policies of the commission.

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

(e) This section does not apply to ~~contracts or agreements solely involving~~ two or more public agencies where the commission determines the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(f) This section does not apply to ~~contracts for~~ the transfer of nonpotable or nontreated water.

(g) This section does not apply to ~~contracts or agreements solely involving~~ the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(h) This section does not apply to an extended service that a city or district was providing on or before January 1, 2001.

(i) This section does not apply to a local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(j) The application of this section rests solely within the jurisdiction of the commission in the county in which the extension of service is proposed.

June 2011

The Proposal: Three Changes ...

The CALAFCO Board has unanimously approved a proposal from the Legislative Committee to amend Government Code (G.C.) Section 56133 and its provisions governing the LAFCo approval process for cities and districts to provide new and extended outside services. Three key changes underlie the Board-approved amendments. The first and most significant change expands LAFCos' existing authority in approving new and extended services beyond agencies' spheres of influence irrespective of public health and safety threats so long as LAFCos make three findings at noticed public hearings. These findings involve determining the extension 1) was contemplated in a municipal service review and 2) will not result in adverse impacts on open-space and agricultural lands or growth nor is a 3) later change of organization expected or desired based on local policies. The second change clarifies LAFCos' sole authority in determining the application of the statute. The third change deemphasizes the approval of contracts and emphasizes the approval of service extensions.

Why the Changes ...

The CALAFCO Board and Legislative Committee believes the three changes proposed for G.C. Section 56133 will measurably strengthen LAFCos' ability to effectively regulate outside service extensions in concert with our evolving role in regional growth management. Specifically, if passed into law, the changes will provide LAFCos more flexibility in accommodating service extensions lying beyond spheres of influence that are otherwise sensible given local conditions while clarifying the determination of when the statute and its exemptions apply rests solely with LAFCos. The changes would also strike unnecessary references to "contract or agreement approval" given these documents are generally prepared only after the proposed service extensions have been considered and approved by LAFCos. Examples showing how these changes could be implemented follow.

- LAFCos would have the authority to approve new or extended outside services beyond spheres of influence for public facilities, such as fire stations and schools, where the connection to the affected agency's infrastructure is the most reasonable, cost effective, and/or environmentally sensitive option.
- LAFCos would have the authority to approve new or extended outside services beyond spheres of influence for private uses supporting permitted intensity increases, such as residential construction or commercial additions.
- LAFCos would avoid delays and other transaction costs tied to disagreements with agencies regarding the constitution of "new" and "extended" services as well as determining when exemptions apply. Notably, this includes determining when a contract service proposed between two public agencies qualifies for exemption if it is "consistent with the level of service contemplated by the existing provider."

FAQs

Does providing LAFCos with more flexibility to approve services beyond spheres of influence undermine LAFCos' ability to curb sprawl?

No. The proposed changes include measured safeguards to protect against inappropriate urban development by requiring LAFCos make three specific findings (consistency with a municipal service review, no adverse agricultural or growth inducing impacts, and no expectation of future annexation) at noticed hearings before approving new or extended services beyond spheres.

Will these changes create new pressures on LAFCos to accommodate development beyond agencies' spheres they would otherwise reject?

The proposed changes do not effect LAFCos' existing right and duty to deny outside service requests deemed illogical and inconsistent with their policies.

How long has CALAFCO been discussing the proposal?

The Legislative Committee has spent two plus years working on the proposal before Board approval in April 2011.

Questions or Comments

The following regional coordinators are available for questions or comments on the proposed changes to G.C. Section 56133. The regional coordinators are also available to make presentations to interested LAFCos.

- Scott Browne, Nevada
- Steve Lucas, Butte
- Marjorie Blom, Stanislaus
- Ted Novelli, Amador
- Neelima Palacheria, Santa Clara
- Keene Simonds, Napa
- Kathy McDonald, San Bernardino
- George Spiliotis, Riverside

Contact: William Chiat, Director
(916) 442-6536
wchiat@calafco.org

From: McKenna, Kate 754-5838
To: [Pamela Miller \(pmiller@calafco.org\)](mailto:pmiller@calafco.org)
Cc: "[Lou Ann Texeira](#)"
Subject: Proposed Revisions to GC 56133 (Service Extension Outside Boundaries)
Date: Thursday, January 17, 2013 3:53:11 PM

Dear Pamela,

The Monterey LAFCO has not yet taken an official position on the proposed code amendments. It was helpful to receive today the two memos and minutes from the December 7, 2012 Legislative Committee meeting. Given the significance of the proposal, and the dissension among the CALAFCO membership, I request that all LAFCOs be afforded the opportunity to review the current status and available information, and provide comments to the CALAFCO Board of Directors within 60 days.

The subject will be considered at the next regular meeting of the Monterey LAFCO on February 25.

Thank you,

Kate

Kate McKenna, AICP, Executive Officer
Local Agency Formation Commission of Monterey County
Tel: (831) 754-5838
Cell: (831) 682-0157
mckennak@monterey.lafco.ca.gov



Local Agency Formation Commission of Napa County
Subdivision of the State of California

1030 Seminary Street, Suite B
Napa, California 94559
Telephone: (707) 259-8645
Facsimile: (707) 251-1053
www.napa.lafco.ca.gov

We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture

January 29, 2013

Delivered by Electronic Mail

Board of Directors
California Association of Local Agency Formation Commissions (CALAFCO)
c/o Pamela Miller, Executive Director
1215 K Street, Suite 1650
Sacramento, California 95814
pmiller@calafco.org

SUBJECT: Support for Proposed Amendments to Government Code Section 56133

Board of Directors:

This letter reaffirms the Local Agency Formation Commission (LAFCO) of Napa County's support for the proposed amendments to Government Code Section 56133 agendized for consideration by the CALAFCO Board on February 8, 2013. The proposed amendments – which were first approved by the Board in April 2011 with direction for additional review and comment by member agencies – represents a collaborative approach in strengthening LAFCO law to become more responsive to local conditions and needs.

Anchoring the proposed amendments is the authorization for LAFCOs to approve new or extended services beyond spheres of influence irrespective of documented public health or safety threats so long as certain “safeguard” findings are made at public hearings. The safeguards have been drafted with input from past and present members of the Legislative Committee to explicitly support existing directives by requiring LAFCOs to premise any approvals on their conformance to municipal service reviews, avoidance of any adverse impacts on growth and agriculture, and consistency with local policies. These safeguards, consequently, help to ensure any new or extended outside service approvals engendered by the proposed amendments are measured exceptions to the general – but not absolute – expectation spheres of influence demark the appropriate service areas of local agencies.

In considering the proposed amendments, it is important to highlight the underlying policy issue before the Board is whether it is appropriate to delegate more discretion to LAFCOs in overseeing outside service extensions. This added discretion is welcome and consistent with the latitude all 58 members already exercise in designating spheres of influence and determining the timing of boundary changes. It appears the central argument against the proposed amendments, in contrast, suggests the delegation of more discretion is problematic

Lewis Chilton, Commissioner
Councilmember, Town of Yountville

Brad Wagenknecht, Chair
County of Napa Supervisor, 1st District

Brian J. Kelly, Vice Chair
Representative of the General Public

Joan Bennett, Commissioner
Councilmember, City of American Canyon

Bill Dodd, Commissioner
County of Napa Supervisor, 4th District

Gregory Rodeno, Alternate Commissioner
Representative of the General Public

Juliana Inman, Alternate Commissioner
Councilmember, City of Napa

Mark Luce, Alternate Commissioner
County of Napa Supervisor, 2nd District

Keene Simonds
Executive Officer

because it would subjugate LAFCOs to external pressures in approving otherwise ill-advised outside service extension requests. This argument, respectfully, appears without merit given it infers LAFCOs are not already subject to external pressures in fulfilling existing duties and responsibilities. The reality is external pressures already exist; delegating more discretion in overseeing outside service extensions is not going to be the proverbial straw that breaks LAFCOs' backs. Put another way, saying "no" remains a right and responsibility of all LAFCOs in response to illogical proposals and requests with or without moving forward with the proposed amendments.

Finally, and in response to recent comments to the contrary, please note the proposed amendments before the Board have been subject to an open review and outreach. The Legislative Committee alone has performed no less than 10 formal reviews of the proposed amendments and their earlier draft versions starting in December 2009 when an initial proposal was presented by a subcommittee. Related presentations on the proposed amendments were also made to the membership at the 2010 Workshop (Santa Rosa), 2011 Workshop (Ventura), and 2012 Conference (Monterey). Further, an informational packet on the proposed amendments following the Board's initial approval was electronically circulated for review and comment to all 58 LAFCOs. The informational packet was also posted on the CALAFCO website and included an invitation for a Legislative Committee member to make a presentation to any interested member agency; the latter resulting in presentations at Orange, Santa Barbara, and Sonoma LAFCOs. Accordingly, assertions the membership is largely unaware of the proposed amendments does not seem accurate so long as it is reasonable to assume most LAFCOs have participated in one or more CALAFCO event and/or have been subscribers to the list-serve over the last two plus years.

With the preceding comments in mind, and on behalf of Napa LAFCO, I respectfully ask for the Board to reaffirm its approval of the proposed amendments.

Sincerely,



Keene Simonds
Executive Officer

cc: Napa LAFCO Commissioners
Lou Ann Texeira, Executive Officer, CALAFCO
Harry Ehrlich, Chair, CALAFCO Legislative Committee



January 17, 2013

Chair Ted Novelli
CALAFCO Board of Directors
1215 K Street, Suite 1650
Sacramento, CA 95814

CHAIR
SUSAN WILSON
Representative of
General Public

VICE CHAIR
JOE CARCHIO
Councilmember
City of Huntington Beach

PAT BATES
Supervisor
5th District

PETER HERZOG
Councilmember
City of Lake Forest

JOHN MOORLACH
Supervisor
2nd District

CHARLEY WILSON
Santa Margarita
Water District

JOHN WITHERS
Director
Irvine Ranch Water District

ALTERNATE
BILL CAMPBELL
Supervisor
3rd District

ALTERNATE
JAMES FISLER
Director
Mesa Consolidated
Water District

ALTERNATE
DEREK J. MCGREGOR
Representative of
General Public

ALTERNATE
BOB RING
Councilmember
City of Laguna Woods

CAROLYN EMERY
Interim Executive Officer

Subject: CALAFCO Board Approved Amendments to Government Code Section 56133

Dear Chair Novelli:

Orange County LAFCO is supportive of the proposed amendments to Government Code Section 56133 drafted by the CALAFCO legislative committee and approved by the CALAFCO Board on April 29, 2011. Our Commission commends the Board on its effort to address the diverse circumstances of each LAFCO as it relates to the provision of municipal services outside of an agency's jurisdictional boundaries and sphere of influence.

The CALAFCO Board and Legislative Committee may want to consider the use of alternative language for the proposed amendment referencing the term "growth inducing." Since this term is not presently defined in state law, there may be alternative language that would provide greater clarity to LAFCOs should the Board approved amendments become law.

Once again, the Commission expresses its appreciation of the Board's effort and will continue to participate with CALAFCO on legislative activities.

Sincerely,

Susan Wilson
Chair, Orange County LAFCO

CC: CALAFCO Board
CALAFCO Executive Director



January 25, 2013

To: CALAFCO Board of Directors

Re: Board approved proposed amendments to Government Code Sec. 56133

The Riverside LAFCO has taken a position in support of the subject changes to the statute governing extraterritorial service provision. This letter provides support to that position.

Perhaps the most compelling reason to support the proposed amendment is that it is entirely consistent with adopted Board legislative policy:

1.1 Support legislation which enhances LAFCo authority and powers to carry out the legislative findings and authority in Govt. Code Sec. 56000 et seq.

The proposal would enhance LAFCo ability to efficiently provide government services based on local circumstances as directed by Government Code Sec. 56001 and 56301. The Legislature concludes Sec. 56001 by indicating regardless of what agency or agencies propose to provide services, LAFCo should give that responsibility to the agency or agencies that can best provide the service. The current statute limits the authority of LAFCo to approve the extension of services outside of a SOI even in those limited circumstances when it is the most efficient method of service delivery.

1.2 Support authority for each LAFCo to establish local policies to apply Govt. Code Sec. 56000 et seq. based on local needs and conditions, and oppose any limitations to that authority.

The proposed amendment unanimously approved by the Board relies on each LAFCo to define the circumstances under which extraterritorial service extensions would apply or, alternatively, to determine that no such extensions shall occur. Why should we limit our own ability to judiciously apply the law to allow the most efficient method of service delivery?

5.2 Support LAFCo authority and tools which provide communities with local governance and efficient service delivery options ...

The proposed amendment would provide LAFCo with precisely what is called for, ability to authorize an efficient service delivery option in unusual circumstances.

5.5 Support collaborative efforts among agencies and LAFCos that encourage opportunities for sharing services, staff and facilities to provide more efficient and cost effective services. Support proposals which provide LAFCo with additional tools to encourage shared services.

The language in the current statute can be an obstacle to interagency collaboration. How can we encourage shared services and cooperative efforts between other agencies to achieve efficiencies when we are erecting, or at least maintaining, barriers in our own backyard?

Arguments presented in opposition to the proposed changes either raise unwarranted fears or claim municipal service reviews will be transformed or undermined. Opponents argue that the changes "will certainly lead to leapfrog development". Prior to the enactment of Sec. 56133, service provision beyond an agency's boundaries via agreement was unregulated. Some local agencies were using such agreements to avoid LAFCo oversight. LAFCos were neither the culprit nor the target of the

statute. The current proposal does not deregulate extraterritorial services. It does not leave the decision up to the local service providers. It merely extends LAFCo's authority to areas outside the subject agency's SOI. The amendments increase LAFCo ability to exercise discretion consistent with legislative intent. If we cannot trust ourselves, who can we trust? Why are we reinforcing obstacles to our own discretion?

If the opponents fear a rogue LAFCo will use the expanded authority to open the floodgates of sprawl, then it is already too late. LAFCOs have enormous discretion now to expand areas of potential growth. What is to stop a commission now from expanding a sphere of influence miles from an agency's current boundaries? We have to assume that LAFCOs will act with a reasonable degree of rationality. The Legislature has done so and we must show the same confidence in our decision-making ability.

Opponents also raise the specter of unintended consequences. Admittedly, it is impossible to have foreknowledge of all consequences of an action. We do the best we can. If problems arise later, we correct them. If guaranteed perfection was a requirement for all legislative proposals, there would not be any.

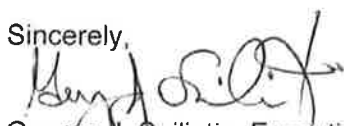
Concerns about MSRs have also been expressed. Several commissioners and staff spent nearly two years working on language that would provide reasonable assurances that the new authority would be limited and rational. One concern that had been expressed was that the proposed authority to allow services beyond a SOI bypassed the LAFCO "planning" function. This was addressed by tying approval of a service extension to a determination that the service deficiency or service extension was identified and evaluated in a MSR.

Opponents argue, however, that there is no requirement for a MSR to conclusively determine in all respects the service extension is required and feasible. First, this is akin to evaluating individual annexations in an MSR, which is not the function of an MSR. Second, the proposed required determination is similar to many other areas of CKH. One of our "core" statutes, Section 56668, sets out a list of factors that must be considered. The statute does not indicate to what extent they are to be considered, how they are to be weighted or attach quantitative or qualitative criteria to the factors. It merely requires that the commission exercise its good judgment in its consideration.

An argument is also made that somehow MSRs are magically transformed from an informational document to a policy document. No such transformation occurs. MSRs have been used from their onset to provide information and suggest possible future actions, such as district reorganizations. Nothing different is proposed here. Service extensions would still require additional analysis and review and approval by the commission.

In summary the current law restricts LAFCO authority to authorize logical and efficient service provision and needs modification. The real world is a messy place. Everything doesn't always fit within the lines we draw. It is our responsibility to give ourselves the tools, or hone the ones we have, to accomplish the job the Legislature has set before us. To abandon this proposal now because we do not trust ourselves sends a horrible message and sets a dangerous precedent. I trust my Commission and the other 57 LAFCOs represented by the Board to implement the proposed modifications in a responsible and beneficial manner. I urge the Board to continue on the path it has laid out and pursue the proposed amendments to Section 56133.

Sincerely,



George J. Spiliotis, Executive Officer
Riverside LAFCO

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 7 2013-14 CALAFCO Member Dues

Prepared By: Pamela Miller, Executive Director

Date: 8 February 2013

RECOMMENDATION

1. Adopt the CALAFCO member dues for FY 2013-2014.

DISCUSSION

In April, 2006 your Board approved a recommendation to the membership to amend the Bylaws in order to increase member dues. The recommendation included a three-year phase-in of the dues increase and a policy commitment from the Board not to increase the dues beyond an annual cost of living adjustment for five years following the phase-in.

In September, 2006 the members approved the recommended by-laws change at the 2006 CALAFCO Annual Meeting. The dues increase phase-in began in FY 2006-07 and was completed in FY 2008-09. The Bylaws call for subsequent annual dues to be increased each year to reflect changes in the Consumer Price Index (CPI).

FY 2009-10 was the first year the dues could be increased by the CPI (which was 1.3% for FY 2008-09). The Board voted in February 2009 not to increase dues by the CPI due to economic conditions. In May, 2010 your Board adopted a dues structure for FY 2010-11 which again maintained dues at the 2008-09 level, without the .7% CPI increase. The economic crisis obviously continued, and again for FY 2011-12 the Board voted to not implement the CPI dues increase for the fourth year, which would have been 1.7%. In February 2012 your Board again carefully considered whether or not to raise dues by the CPI, which at the time was forecasted at 2.2% (actual ended at 2.4%). After four years of maintain dues at the 2008-09 level, and considering the increasing Association costs and limited reserves, your Board approved a 2.2 percent increase in membership dues for the FY 2012-13.

The forecasted California CPI for FY 2013-14 is 2.3%. As your Board is well aware, the economic crisis not only continues for local agencies. Many LAFCos have reduced staffing and implemented other cost savings such as furloughs. Considering any increase in dues is a difficult decision. Nevertheless CALAFCO had gone four years without increasing dues while the CPI increased nearly 5% along with Association costs. Your Board may recall one of the reasons the significant increase in dues was required in 2006 was in part because the Association had gone a number of years without increasing dues.

In considering any action on Association dues, it may be helpful to review the basic revenues and expenses of the Association. CALAFCO has three main revenue sources: 1) member dues; 2) conference and workshop registrations; and 3) carry over from the previous year. The basic breakdown of the FY 2012-13 revenues and expenses include:

Revenues

Dues	\$176,577	(93% of dues comes from Member LAFcos)
Conference/Workshop	\$149,000	
Carryover	\$50,695	
Miscellaneous	\$2,650	

Expenses

Operating	\$218,825
Conference/Workshop	\$125,000

As the Board has previously discussed, dues do not cover the operational costs of the Association. To fund the \$42,248 difference the budget relies on the return from the conference and the carryover from the previous year to balance the budget. Fortunately because of careful management of conference and operational expenses, the previous fiscal year ended with a carryover large enough to cover all operating costs. However, reliance on the carry over to balance the budget will reduce gap and may create a situation in which the Association is required to use reserves to balance the budget. A 2.3% CPI increase would generate \$4,061. While it would not solve the difference it moves dues closer to covering operating expenses.

Because of the continued financial crisis it may be prudent for the Board to maintain dues at the 2012-13 level and forego the increase for this year. However, it may require the Association to use of reserves to balance the FY 2013-14. CALAFCO Bylaws state:

2.2.3 Dues will be increased by the Board on an annual basis for fiscal year 2009-2010 and following to reflect changes in the Consumer Price Index (CPI).

The Board has the option to: (a) increase LAFCo member dues 2.3%; or (b) maintain dues at the 2012-13 level.

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 10 2012 Annual Conference Report

Prepared By: Pamela Miller, Executive Director

Date: 8 February 2013

RECOMMENDATION

1. Receive and file report

DISCUSSION

The Association's 2012 Annual Conference was held on October 3rd through 5th at the Hyatt Regency Hotel and Spa in Monterey, and hosted by Monterey LAFCo. Participant evaluations and the final accounting point to another successful conference.

Total attendance was 233 registrants with 50 guests. Despite the financial challenges facing most local agencies, our members saw value in attending the conference. We continued seeing a large percent of members attending, with 50 of the 57 member LAFCos represented.

The conference committee did an exceptional job of managing the presentations and the diverse line-up of speakers keeping the majority of them LAFCo-focused and collecting electronic versions of handouts and presentations. All conference materials are now posted on the CALAFCO website.

Participants rated the conference highly. The overall rating in the evaluations was 5.2 on a six point scale. Of the 283 in attendance, 67 completed the evaluation for an overall return rate of 24%. Of the 67 completing the survey, none were guests.

Written comments highlighted the quality of the speakers and topics, the mobile workshop and LAFCo 101 session, the value of networking opportunities, organization of the conference, location, the wine and beer competition, and the banquet dinner. The attached evaluation summary includes all of the written comments received. Participants also offered suggestions for improvement. There were comments on the quality of food and location. Several commented on wanting speakers whose topic was more related to LAFCo, others suggested topics that were more of a challenge such as water and ag preservation, while others suggested more nuts-and-bolts sessions for newer commissioners and staff, as well as a more structured and planned regional roundtable agenda.

Financially the conference was more of a success than anticipated. Although there was slightly less revenue realized than budgeted, expenses were less than expected. The conference brought in \$113,487 in revenues and incurred \$80,962 in expenses. The net was \$32,525 (29%). The Board's policy is to achieve at least a 15% return. CALAFCO staff worked closely with the Hyatt, the audio/visual vendor, the host committee and the program committee to carefully manage costs. The conference included six sponsors which brought in \$6,500 in sponsorships. Conference revenues were \$1,513 less than the adopted budget; expenses were \$10,038 less than the adopted budget, resulting in a surplus of \$8,525.

The 2013 Annual Conference is scheduled for August 28th through the 30th at the Resort at Squaw Creek in North Lake Tahoe.

ATTACHMENTS

- 10a – Summary of Conference Evaluations
- 10b – Nine Year Conference Summary

CALAFCO 2012 Conference EVALUATION

Thank you for attending the 2012 CALAFCO Conference. The planning committee, staff, and the Board appreciate your feedback on this conference. It will help us continue to improve!

Please check the appropriate box to describe yourself:

35 Commissioner **24** LAFCo Staff **4** Associate Member/Sponsor **4** Other Agency staff Guest

Please use a scale of 1-6, with **1 = Poor** and **6 = Outstanding**, to respond to the following:

- | | | | |
|------------------------|------------|------------------------------|------------|
| 1. Meeting Facilities | 5.3 | 4. Preconference Information | 5 |
| 2. Location (Monterey) | 5.6 | 5. Networking Opportunities | 5.4 |
| 3. Food Quality | 5.1 | 6. Conference Materials | 4.9 |

Please tell us about the quality and content of the sessions you attended, using the same 1-6 scale.

		QUALITY	CONTENT
7. <i>Pre Session:</i>	<input type="checkbox"/> Mobile Workshop or	5.3	5.6
	<input type="checkbox"/> LAFCo 101 (if attended)	5.2	5.1
8. <i>General Session:</i> Preserving California's Agriculture (Wed.)		5.0	4.9
9. <i>Regional Roundtable Discussion</i> (Wed.)		4.4	4.5
10. <i>Opening Network Reception</i> (Wed.)		5.3	5.4
11. CALAFCO Regional Caucuses and Annual Meeting (Thur.)		4.9	4.9
12. <i>Concurrent Session (please indicate the session you attended on Thursday morning)</i>			
	<input type="checkbox"/> Sustaining Agriculture	5.0	5.2
	<input type="checkbox"/> Shared Services	5.2	5.0
	<input type="checkbox"/> Municipal Services	4.9	4.8
	<input type="checkbox"/> Spheres of Influence	4.8	4.6
13. <i>General Session:</i> LAFCo's Role in Oversight of Local Agencies (Thur.)		5.0	5.0
14. <i>Luncheon Session:</i> Global Perspective of Local Government		4.4	4.4
15. <i>Concurrent Session (please indicate the session you attended on Thursday afternoon)</i>			
	<input type="checkbox"/> State Resources	4.9	4.8
	<input type="checkbox"/> Sustainable Communities Strategies	5.0	4.9
	<input type="checkbox"/> Independent Judgment	5.3	5.3
	<input type="checkbox"/> Health Care Districts	5.3	5.0
16. <i>Achievement Awards Reception and Banquet</i> (Thur.)		5.3	5.3
17. <i>General Session:</i> Strategic Thinking & Adaptive Leadership (Fri.)		5.1	5.2
18. <i>General Session:</i> Legislative Update (Fri.)		5.0	5.2
Overall Rating of the Conference:		5.2	
Was this time well-spent for you?		Yes	

Two things you really liked:

Commissioner:

Location - rooms close to conference center. Location is excellent - great staff - good food - interesting informative sessions. Conference this year seemed very efficient, quality of food and amenities (golf/tennis) were excellent. Mobile Workshop, Regional Roundtable Discussion. Location, facilities and most of the "content". Lunch on Thursday, Mobile Workshop was excellent set the stage for whole meeting. Location, breakout sessions. Like the location, enjoyed Secretary of Agriculture on Wednesday. A timely, well-run awards ceremony/wine/beer competition. First workshop, LAFCo 101. Mobile lab and the receptions/food quality. LAFCo 101, networking very friendly. Breakout sessions, staff dedication. The facilities and staff, and overall quality. The changes in response to last year's input, Wednesday night reception/Thursday banquet. The sessions and wine/beer reception. LAFCo 101 and Strategic Thinking sessions. LAFCo 101 for a new commissioner and Shared Services. LAFCo's role in oversight of local agencies and SCS session were really good! Monterey is a fantastic location, it is mid-state and easy to go, and the Mobile Workshop has become a highlight at the past two conferences. The Mobile Workshop. The location and Mobile Workshop. LAFCo 101 course and Shared Services. It was a fabulous Mobile Workshop. The food and speakers; it was a good mix of sessions on good topics, good location and weather. The session on MSR's and Legislative. Good topics in breakouts and mix of presenters. The Mobile Workshop, wine tasting. Mobile Workshop. The convenience to workshops, flow of conference, and openness of attendees. Ag. Secretary Karen Ross' presentation and Mark Nechodom's presentation - both had "global" perspectives.

LAFCO Staff:

Facilities, excellent speakers and excellent food. The wine and beer was a lovely setting! Nice to get outside. Great that the awards ceremony was quick, good concurrent session topics. Session length and time frames and the location is great. The debate format of 56133 session. The shorter awards banquet, quality and friendliness of everyone. Karen Ross speaker, beer and wine camp. Strategic Thinking session. The awards dinner is great now so is the wine tasting. The shorter dinner, generally a very good session. The awards banquet - short & sweet! Mobile Workshop - excellent tour! Excellent and informative sessions. The Mobile Workshop and Sylvia Panetta. The location, Strategic Thinking and Adaptive Leadership sessions. The case studies, technical information on conditions/process; and the big session. When it was good it was very, very good. The wine competition. The breakout sessions and LAFCo's oversight general session. The focus and networking, and the conference facility and rooms.

Associate Members:

The wine competition. I really liked the "debate" format of the "Providing Municipal Services Outside Agency Boundaries", it was very effective. The wine tasting is good because people can really circulate and mix.

Other Agency Staff:

Monterey as the location and Sylvia Panetta. The Shared Services discussion, and Roundtable. The session What is the role for LAFCO's? As commissioners we need to do governing in future. More action - fewer awards, and a longer lawyer's meeting.

Two things you'd like to see changed:**Commissioner:**

More on water it's a big issue for CA and more success stories on Ag. Preservation and Sphere changes. Keeping Bill and Jaime! Compactness of conference rooms to all being the same general area. Friday morning sessions were far too general to be useful. Less biased material presented. Item 12 had some repeat of Mobile Workshop i.e. same presentation, too much time on awards and acknowledgements and to "organization" is content. Add karaoke after beer and wine tasting. Thursday breakfast quality and a more interesting principal speaker, the speaker on Thursday. Cheaper meal costs for guests and more hands-on. A driving Tour would have been nice. Better info before the conference for first timers. Have 2 conferences every year and offer more educational web classes. Better Wi-Fi, and better Mobile Workshop information before signing up. The location back to Bay front. The Roundtable content. Have PowerPoints and handouts on CALAFCO website prior to conference so attendees could print, download to computer or iPad if they wanted - would be very helpful for a lot of people. The hotel. Global Perspective of local gov't with Panetta was not valuable. This hotel was awful - I like to walk Monterey from the downtown locations and the food quality was very poor - stale cookies, cold eggs, and bad coffee. They waved the resort fee but charged for internet. The location of Monterey. PowerPoint slide printouts to write notes on and cookies that aren't stale. An ongoing update on municipal bankruptcies, fall-out, lessons learned. Better focus on preservation of Ag land and open space as part of integrated landscape; better structure in Regional Break-Out session; Sphere of Influence session room too small to fit everyone; better prepared caucus/prep session, instead of "free flow"; Regional Roundtable/elections were a little raggedy, provide handouts prior to presentations.

LAFCo Staff:

More educational courses for beginners. In addition to content, speakers need to focus on engaging an audience. Nothing - well organized and run. Offer cold water available in all meeting rooms. Better planning of the Regional Roundtable session, a longer or 2-part LAFCo 101 seminar. The Regional Roundtable would have been better with some planning perhaps solicit topics for discussion. The Wednesday afternoon Roundtables - let staff have its own instead of combining with commissioners; I wouldn't change anything - Good job! Change the attorney Roundtable to the same time as the annual meeting, this way attorneys can attend the Regional Roundtable discussions. Roundtable is normally my favorite but no this year. Have a general session or luncheon speaker who can discuss the history of the region in which the conference is located and significant land use issues in that area - like Margarite Mondovi. The breakout rooms were crowded. Offer a couple more topic sessions and increase the quality of the sessions and speakers.

Associate Members:

More networking opportunity, along with more review of presentations for obvious bias and at minimum proving for alternative view on panel.

Other Agency Staff:

Lack of diversity, no focus on minority-majority community's needs. Share more success and failure stories.

Comments:

Commissioner:

While the Hyatt is very nice (expensive), we were in Monterey just a few years ago for a conference. One thing I like about LAFCo conferences is the ability to see other areas of our state and how they manage land use and LAFCo complexities. While Monterey may be a good draw I'm sure we can find other areas of California that can compete. Santa Barbara? Sutter? El Dorado? Nevada? San Luis Obispo? Mendocino? San Bernardino? etc. Can CALAFCO take on the sensitive issue of Prop. 13? When we talk about consolidations of agencies for more efficient service delivery and/or dissolutions of special districts, one of the key elements/factors of the discussion is the tax base and where it will go, or, some areas paying a different percent than another. This is particularly challenging w/ fire consolidations. Can we drive the legislature to talk about updating proportionment of the 1 % AV? As we are charged by the legislature to fix local sort. Give LAFCo the ability to re-apportion via MSR's; copies of presentations especially Atty Walker, he made a very excellent presentation but I couldn't write fast enough to keep up; Bias C/B printed in handout. Too long to read from the dais. More "nuts and bolts" sessions; Put name on tokens and draw 1 winner from each TA B/C for free bottle of wine or beer; it seems too many delegates left early on Friday; I didn't care for the speaker for the lunch on Thurs. sounded like an infomercial; choose a more central downtown venue in Monterey to be closer to amenities; panel on 101 was extremely great; hope it is better next year; Breakfast should be improved; first class food service; need handouts for LAFCo 101 couldn't take notes quick enough, hotel staff did an outstanding job especially awards banquet; great conference - keep up the good work; Monterey is an awesome venue - access is more remote yet worth it!; Being disrespectful to a legislator that traveled to participate should not be in this venue; a hotel with reasonably priced eating location on site or easy walk; the annual conference is the most important service CALAFCO provides - I would like the legislative update at the beginning instead of the end. It would give us an opportunity to discuss issues throughout the conference. This is a minor thing, but in past years the conference raffled prizes were fun - bottles of wine, gift certificates, added fun; liked spare time in between!! ; Keep on keeping on!, Our annual conference is a winner; I know it is hard to know what we want to attend - Hotel - food comment - Don't use coffee urns for hot water for tea, the tea tastes like weak coffee; I was very pleased with the content of the conference; make the sessions less than 90 minutes - it

is rude to leave in the middle of a talk and my guess is about fifty percent of the people take a water pill;
No mics in prep/caucus - no use of poster paper for take home messages – C for CAUCUSES! ;

LAFCo Staff:

Please have speakers present all their material before allowing questions. For LAFCo 101, the audience went off on a tangent and the course materials were not covered fully. Overall, it was a fabulous conference! The facilitation of the Roundtable. There were no introductions, no context, and no agenda. Great job and great location. Going to miss Bill and Jamie! Thursday's lunch speech. For the hotel, no control over air in room. It was an added benefit that conference site is close to an airport and the facilities were fabulous, Hyatt staff was OUTSTANDING, would have been great if some of the AC could have been channeled to our rooms. Historically Roundtable has been an opportunity for staff and commissioners to discuss current LAFCo issues and get a feeling for how the issues are being handled. This year it was not that. Overall it was excellent!

Associate Members:

Overall, a great job by CALAFCO staff and program committee and balance between social events and important topical content.

Other Agency Staff:

The face of LAFCo (CALAFCO) all over the State doesn't reflect the face of California.

CALAFCO Annual Conference Summary 2004 - 2012

	2012	2011	2010	2009	2008	2007	2006	2005	2004
	Monterey	Silverado	Palm Springs	Tenaya	Los Angeles	Sacramento	San Diego	Monterey	Anaheim
Registration									
Participants	233	247	199	230	231	230	279	235	214
Guests	50	55	28	55	31	39	21	38	23
LAFcos Represented	50	49	49	48	42	48	45	47	45
Finances									
Total Income	\$113,487	\$ 123,605.96	\$ 92,615.00	\$ 112,510.00	\$ 129,090.00	\$ 123,543.00	\$ 114,819.32	\$ 106,744.32	\$ 91,400.00
Total Expenses	\$80,962	\$ 91,941.30	\$ 65,223.39	\$ 78,296.10	\$ 97,284.16	\$ 86,437.82	\$ 89,297.15	\$ 84,188.74	\$ 52,419.28
Net Balance	\$ 32,525.00	\$ 31,664.66	\$ 27,391.61	\$ 34,213.90	\$ 31,805.84	\$ 37,105.18	\$ 25,522.17	\$ 22,555.58	\$ 38,980.72
Evaluation									
Overall Rating	5.2	5.3	5	5.2	4.7	5.6	4.9	5.1	
Time Well Spent (six point scale)	All Yes		51 out of 55		5.1	5.9			

BOARD OF DIRECTORS MEETING STAFF REPORT

8 February 2013

Agenda Item No. 12 Conflict of Interest Report

Prepared By: Pamela Miller, CALAFCO Executive Director
Clark Alsop, CALAFCO Counsel

Date: 8 February 2013

RECOMMENDATION

1. Receive and File Report.

DISCUSSION

In 2008 the Internal Revenue Service issued a new Form 990 annual tax return/report that must be submitted by most federal 501(c)(3) income tax exempt organizations, including CALAFCO. The new Form 990 requirements became effective with the Association's filing in October, 2009. Part of the new IRS rules required the annual disclosure of conflicts of interest for Board Members and key staff. In February, 2008 your Board adopted Policy 3.18 which includes an annual update on conflict disclosure.

All Board members, contract staff, and volunteer officers have completed the disclosure form for 2013 and they are attached to this report. No new disclosures were reported. The only potential conflict reported was Best Best and Krieger, LLP which provides legal services to the Association. This has been reported previously to the Board and procedures are in place to prevent any potential conflict.

ATTACHMENT

- 12.a Conflict of Interest Disclosure Forms

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

This form must be filed annually by all specified parties, as identified in the Association's Conflict of Interest Policy Statement (see opposite side).

I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Juliet B. Allen
Signature

Juliet B. Allen
Printed Name

11-9-12
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

This form must be filed annually by all specified parties, as identified in the Association's Conflict of Interest Policy Statement (see opposite side).

I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

My Law Firm, Best Best & Krieger LLP is the contract
counsel for CALAFCO. Other than that, I have
no conflicts

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

Clark H. Nisip
Printed Name

11-9-12
Date

CALAFCO Conflict of Interest Disclosure Form


For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

MATT BEEKMAN
Printed Name

11/9/2012
Date

CALAFCO Conflict of Interest Disclosure Form

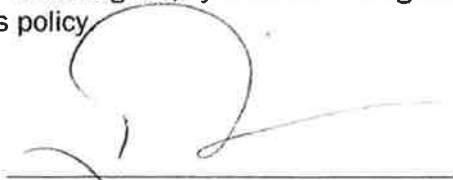
For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

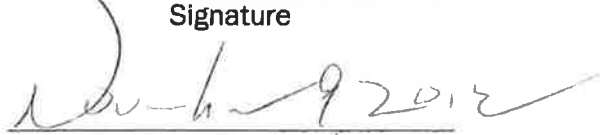
The undersigned, by their affixed signature, note their understanding of the implications of this policy.



Signature



Printed Name



Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Margie Blom
Signature

Margie Blom
Printed Name

11/9/2012
Date

CALAFCO Conflict of Interest Disclosure Form

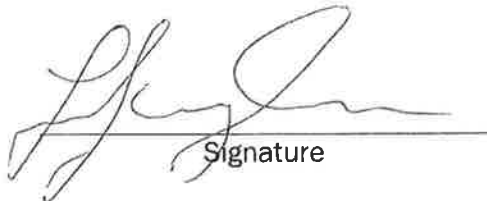
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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

Louis J. Cunningham
Printed Name

11-9-2012
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Larry R. Dungan
Signature

LARRY R. DUNGAN
Printed Name

11-09-12
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Edward G. "Jerry" Glasbach ^{Edward G. "Jerry"}
Signature Printed Name

11/9/12
Date

CALAFCO Conflict of Interest Disclosure Form

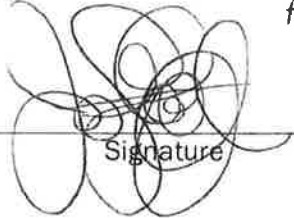
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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

ALTA MESA GROUP, LLC.

JAMES GLADFELTER
Printed Name

12-19-12
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature
11-10-12
Date

Mary Jane Griego
Printed Name

CALAFSCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

This form must be filed annually by all specified parties, as identified in the Association's Conflict of Interest Policy Statement (see opposite side).

I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Juliana Inman
Signature

JULIANA INMAN
Printed Name

9 NOVEMBER 2012
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.



Signature

MARJORIE GAY JONES

Printed Name

12.19.12

Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Michael W. Kelley Michael W. Kelley
Signature Printed Name

11-9-12
Date

CALAFCO Conflict of Interest Disclosure Form

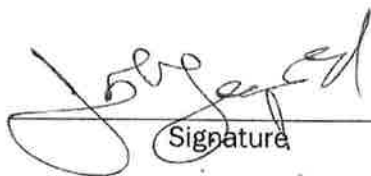
For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

John Leopold
Printed Name

1/3/13
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

Stephen Lucas
Printed Name

11-9-12
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

SAMUEL MARTINEZ
Printed Name

NOV. 9, 2012
Date

CALAFCO Conflict of Interest Disclosure Form


For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.



Signature



Printed Name

11/8/12

Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

Pamela A. Miller
Printed Name

December 18, 2013
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: _____

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

EUGENE MONTANER
Printed Name

11/9/12
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Ted Shively
Signature

Theodore Frank Novelli
Printed Name

NOV. 9 - 2012
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

Ms. Jamie M. Szutowicz
Printed Name

18 December 2012
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.

Joshua J. Sasman
Signature

JOSHUA J. SASMAN
Printed Name

11/9/2012
Date

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.



Signature

11-9-12

Date

LouAnn Teixeira

Printed Name

CALAFCO Conflict of Interest Disclosure Form

For the Calendar Year: 2013

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I have no conflict of interest to report.

I have the following conflicts of interest to report (please specify):

The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature
1/15/2013
Date

Jeni Tiekler
Printed Name

CALAFCO Conflict of Interest Disclosure Form

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The undersigned, by their affixed signature, note their understanding of the implications of this policy.


Signature

Stephen J. Tomanelli
Printed Name

11-9-2012
Date