

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church Street, Suite B, Visalia 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

LAFCO MEETING AGENDA

June 10 @ 2:00 P.M.

**BOARD OF SUPERVISORS CHAMBERS
COUNTY ADMINISTRATIVE BUILDING
2800 West Burrel Avenue
Visalia CA 93291**

COMMISSIONERS:
*Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley*

ALTERNATES:
*Mike Ennis
Dennis Mederos
Craig Vejvoda*

EXECUTIVE OFFICER:
Ben Giuliani

I. Call to Order

II. Approval of Minutes from May 6, 2015 (Pages 1-4)

III. Public Comment Period

At this time, members of the public may comment on any item not appearing on the agenda and that is within the scope of matters considered by the Commission. Under state law, matters presented under this item cannot be discussed or acted upon by the LAFCO Commission at this time. So that all interested parties have an opportunity to speak, any person addressing the Commission may be limited at the discretion of the chair. At all times, please use the microphone and state your name and address for the record.

IV. Consent Calendar

1. Amendment to Policy D-1 (Conflict of Interest and Disclosure) (Pages 5-6)
[No Public Hearing].....Recommended Action: Approval

Currently, Tulare County LAFCo policy requires the annual filing of Form 700 during the month of January for the prior calendar year. This is more restrictive than the current April 1st deadline as set by the California Fair Political Practices Commission (FPPC). The proposed amended policy would match the State deadline.

2. LAFCO Case #1516 Goshen CSD – Protest Hearing Results (Pages 7-10)
[No Public Hearing].....Recommended Action: Approval

The Commission approved a request submitted by Goshen CSD to activate its latent power for public recreation. A protest hearing was held before the Executive Officer on June 10, 2015.

V. New Action Items

1. LAFCO Case #1512-W-20 City of Woodlake Change of Organization (Pages 11-24)
[Public Hearing].....Recommended Action: Approval

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

The City of Woodlake has submitted a request to the annexation of certain territory to the City of Woodlake and the detachment of certain territory from Tulare County CSAs 1 and 2.

2. LAFCO Case# 1513-P-314 City of Porterville Island Annexation (Pages 25-32)
[Public Hearing].....Recommended Action: Approval

The City of Porterville has submitted a request for the annexation of a 96.3 acre County island to the City. The Island is located north of West North Grand Avenue to the alignment of West Merrill Avenue, and west of North Newcomb Street to the existing city limits.

3. LAFCO Case# 1514-P-315 City of Porterville Island Annexation (Pages 33-48)
[Public Hearing].....Recommended Action: Approval

The City of Porterville has submitted a request for the annexation of a 123.1 acre County island to the City. The subject territory is bound by Plano Street to the east and Gibbons Ave to the south, and includes all areas north and west to the existing city limits.

4. LAFCO Case# 1515-P-316 City of Porterville Island Annexation (Pages 49-60)
[Public Hearing].....Recommended Action: Approval

The City of Porterville has submitted a request for the annexation of three County islands to the City. Area A (8.5 acres) is east of Newcomb St, between N Grand Ave and Median Cir. Area B (33.4 acres) is between SR-65 and Prospect St, north of Pioneer Ave. Area C (79.7 acres) is south of the W Morton Ave alignment and west of Westwood Street, north of Vine Ave.

5. 2015/2016 Final Budget and Work Program (Pages 61-84)
[Public Hearing].....Recommended Action: Approval

Pursuant to GC 56381, the Commission must adopt a final budget and work program, for the following fiscal year, by June 15. At the April 6th meeting, the Commission decided to apply \$50,000 to offset the contribution from the County's eight cities and Tulare County. All expenditures and revenues are itemized on a single spreadsheet and the work program provides further detail on how these expenditures and revenues will be allotted during the fiscal year.

6. Response to Tulare County Grand Jury Report, "Special Districts - Audit Failures" (Pages 84-106)
[No Public Hearing].....Recommended Action: Approval

The Tulare County Grand Jury released a report titled "Special Districts - Audit Failures" on May 18, 2015. The report addresses the status of special district audits as required by Government Code (GC) §26909. Many special districts are not in compliance with auditing requirements. The Grand Jury has requested a response from the Commission.

7. Response to Tulare County Grand Jury Report, "Transparency - Open Meeting Law" (Pages 107-112)
[No Public Hearing].....Recommended Action: Approval

The Tulare County Grand Jury released a report titled "Transparency - Open Meeting Law" on May 27, 2015. The report addresses State open meeting laws for cities,

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school districts and special districts. The Grand Jury has requested a response from the Commission.

8. Nomination for 2015/16 CALAFCO Board of Directors (Pages 113-116)
[No Public Hearing].....Recommended Action: Nominate Member

The CALAFCO Recruitment Committee is now seeking nominations for the CALAFCO Board of Directors election scheduled for September 3, 2015. The election will be conducted during the regional caucus at the 2015 CALAFCO Conference. Candidates must be formally nominated by their respective commission. The deadline to submit nominations is August 3, 2015. However, nominations will also be permitted from the floor.

9. Designation of Voting Delegate and Alternate for the CALAFCO Business Meeting (Pages 117-118)
[No Public Hearing].....Recommended Action: Designate Delegate and Alternate

During each CALAFCO Annual Conference, voting delegates appointed by each member LAFCO vote on various CALAFCO policy and procedural matters and vote to elect nominees to the CALAFCO Board of Directors.

10. LAFCO Executive Officer Compensation (Pages 119-120)
[No Public Hearing]..... Recommended Action: Approval

An Ad-Hoc Committee composed of Commissioners Worthley and Ishida is recommending a salary adjustment for the Executive Officer with an effective date of June 28, 2015 (first pay period of FY 15/16). Please see the enclosed resolution.

11. Cancellation of July 2015 Meeting (No Page)
[No Public Hearing].....Recommended Action: Approval

The July LAFCO meeting has been canceled 6 of the last 7 years because the meeting date falls on or near the July 4th holiday and due to a lack of time-sensitive issues to be addressed by the Commission. If the Commission elects to cancel the July 10, 2015 meeting, the next regularly scheduled meeting would be August 5, 2015.

VI. Executive Officer's Report

1. ESAs 2015-06 (Farmersville), -07 and -08 (Porterville) (Pages 121-126)

Pursuant to Policy C-6, the Executive Officer approved three ESAs. One between the City of Farmersville and residents in the Cameron Creek Colony for the provision of domestic water to existing residential development and two between the City of Porterville and single parcel owners for the provision of domestic water to two existing single-family residences.

2. Legislative Update (Pages 127-142)

Enclosed is information on the various state bills that are being tracked by CALAFCO.

3. Upcoming Projects (No Page)

The Executive Officer will provide a summary and tentative schedule of upcoming LAFCO projects.

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

VII. Correspondence

There are no items.

VIII. Other Business

1. Request from LAFCO for items to be set for future agendas

VIII Closed Sessions

1. Personnel (Gov. Code Section 54957)
It is the Intention of the Board to Meet in Closed Session to: Consider Public Employee Performance Evaluation for the Position of: LAFCO Executive Officer

IX. Setting Time and Place of Next Meeting

1. July 1, 2015 or August 5, 2015 @ 2:00 P.M. in the Board of Supervisors Chambers in the County Administration Building.

X. Adjournment

NOTE: Persons wishing to speak on any of the agenda items who have made a political contribution of more than \$250 to any commissioner in the last twelve months must indicate this when speaking.

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
Summary Minutes of the Meeting
May 6, 2015

Members Present: Allen, Mendoza, Ishida, Hamilton

Members Absent: Worthley

Alternates Present: Ennis, Mederos

Alternates Absent: Vejvoda

Staff Present: Giuliani, Echavarria, Blythe

Counsel Present: Tennebaum

I. Call to Order

Chair Allen called the Tulare County Local Agency Formation Commission meeting to order at 2:05 p.m.

II. Approval of the April 1, 2015 Meeting Minutes:

Upon motion by Commissioner Hamilton and seconded by Commissioner Ishida, the Commission unanimously approved the minutes of April 1, 2015.

III. Public Comment Period

Public Comments opened/closed at 2:06 p.m.

IV. Continued Action Items

1. City of Tulare Sphere of Influence (SOI) Update LAFCO Case 1511

Staff Analyst Echavarria informed Commission that staff recommends the SOI update be tabled until the resolution of the City's General Plan EIR lawsuit.

Public comments opened at 2:08 p.m.

Traci Myers, on behalf of City of Tulare, thanked the Commission for considering the City's request.

Public comments closed at 2:08 p.m.

Upon motion by Commissioner Hamilton and seconded by Commissioner Ennis, the Commissioners approved to table the City of Tulare Sphere of Influence (SOI) Update LAFCO Case 1511 until the resolution of the lawsuit.

VI. New Action Items

1. LAFCO Case # 1516 Goshen Community Service District - Activation of Latent Power

SA Echavarria stated a CSD wishing to activate latent powers must first receive LAFCO approval before providing services. Goshen CSD has submitted an application requesting activation of the latent power for public recreation.

SA Echavarria informed the Commission that if the activation of the latent power is approved, a protest hearing would be scheduled and the results of the hearing would be brought back to the Commission for action at the next LAFCO Commission meeting.

SA Echavarria stated it is staff's recommendation the Commission take actions A-E of the staff report.

Public Hearing opened/closed at 2:17 p.m.

Upon motion by Commissioner Ishida and seconded by Commissioner Hamilton, the Commissioners approved LAFCO Case #1516 Goshen Community Service District - Activation of Latent Power.

2. Move Commission Meeting from June 3rd to June 10th

SA Echavarria made the recommendation for the Commission to move the June 3rd LAFCO meeting to June 10th in order to schedule a protest hearing and prepare a summary of results of the protest hearing for the Commission.

Upon motion by Commissioner Ennis and seconded by Commissioner Mendoza, the Commissioners approved to move the June 3rd Commission meeting to June 10th.

3. Response to Tulare County Grand Jury

EO Guiliani reported that after sending a response to the Tulare County Grand Jury (TCGJ) on behalf of the LAFCO Commissioners, TCGJ sent another letter requesting responses to all their findings and recommendations. EO Guiliani presented the letter of response and asked Commission for approval to send the response.

Upon motion by Commissioner Ennis and seconded by Commissioner Ishida, the Commissioners approved the Response with EO Guiliani's amendment to the Tulare County Grand Jury.

4. Legislative Letters

EO Guiliani informed Commission that CALAFCO has requested position letters for five bills and provided drafted letters of support for bills AB851, AB1532, AB448, SB 25 and a draft letter of opposition for SB 239 to be signed by the LAFCO Chair.

Upon motion by Commissioner Ishida and seconded by Commissioner Hamilton, the Commissioners approved, with Commissioner Mendoza abstaining, the Legislative Letters.

VII. Executive Officer's Report

1. ESA's 2015-01, -02, -03, -04, -05 (City of Porterville)

EO Guiliani reported that five ESA's for the City of Porterville have been approved. Four are within one island and the other is within another island and indicated that both islands are coming back for approval for annexation at the next LAFCO meeting. EO Guiliani also stated that in addition, an ESA for Cameron Creek and the City of Farmersville has been approved.

2. Draft Policy D-1 (Conflict of Interest and Disclosure Requirements)

EO Giuliani presented the draft amendment to Policy D-1 with the amended wording “all designated employees shall file annual statements by the date determined by the California Fair Political Practices Commission” and stated the proposed amendment will be brought back to the Commission for action at the June LAFCO Meeting.

3. Legislative Update

Chair Allen reported on the CALAFCO legislative committee regarding the status of the current bills.

4. Upcoming Projects

EO Giuliani stated that at the June LAFCO meeting the following would be presented: 2015 Final LAFCO Budget and Work Program, Woodlake annexation, Porterville annexations and the 2015 CALAFCO Voting Delegates.

IX. Correspondence

None

X. Other Business

1. Request from LAFCO for items to be set for future agendas

None

XI. Closed Sessions

None

XII. Setting Time and Place of Next Meeting

The next meeting will be June 10, 2015 in the Board of Supervisors Chambers in the County Administration Building.

XIII. Adjournment

The meeting was adjourned at 2:58 p.m.

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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ALTERNATES:

*Mike Ennis
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Craig Vejvoda*

EXECUTIVE OFFICER:

Ben Giuliani

June 10, 2015

TO: LAFCO Commissioners, Alternates, Counsel
FROM: Ben Giuliani, Executive Officer
SUBJECT: Amendment to Policy D-1 (Conflict of Interest and Disclosure Requirements)

Background

Government Code section 87100, et al, contains California's conflict of interest laws which include provisions regarding the filing of Form 700s (Statements of Economic Interests). Currently, Tulare County LAFCo policy requires the annual filing of Form 700 during the month of January for the prior calendar year. This is more restrictive than the current April 1st deadline as set by the California Fair Political Practices Commission (FPPC).

Discussion

Government Code §87203 states the following:

Every person who holds an office specified in Section 87200 shall, each year at a time specified by commission regulations, file a statement disclosing his investments, his interests in real property and his income during the period since the previous statement filed under this section or Section 87202.

Tulare County LAFCo Policy D-1.5(D) states the following:

All designated employees shall file annual statements during the month of January of each year. Such annual statements shall cover the period of the preceding calendar year.

The FPPC currently sets a deadline of April 1st for the filing of Form 700s for city and county officials. GC §87203 gives the FPPC flexibility to determine the deadlines.

The following amendment to LAFCo policy is proposed:

All designated employees shall file annual statements by the date determined by the California Fair Political Practices Commission. Such annual statements shall cover the period of the preceding calendar year.

Recommendation

Approve the proposed amendment to Policy D-1.

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Amendment of)
Policy and Procedure D-1, Conflict of)
Interest and Disclosure Requirements)

RESOLUTION NO. 15-0##

Upon motion of Commissioner x, seconded by Commissioner x, Tulare County LAFCO Policy D-1 (Conflict of Interest and Disclosure Requirements) is hereby amended to set the deadline for submitting Form 700s as determined by the California Fair Political Practices Commission, at a regular meeting held on this 10th day of June, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
PROTEST HEARING REPORT**

June 10, 2015

**LAFCO Case # 1516,
Activation of Latent Powers of the Goshen Community Services District**

- PROPOSAL:** The Commission approved a request submitted by Goshen CSD to activate its latent power for public recreation.
- LOCATION:** It is located northwest of the City of Visalia and includes the unincorporated community of Goshen.
- DESCRIPTION:** The Goshen CSD was formed in 1958, and serves a population of 3,006 as of the 2010 US census. The CSD covers 1,143 acres.
- PROJECT STATUS:** On May 6, 2015, LAFCO approved the activation of latent powers of the Goshen Community Services District
- CONSENT:** The reorganization was determined to be inhabited and consent was not received from all property owners and registered voters. Therefore, the protest rules set forth in Government Code Sections 57075(a) and 57078(b) shall apply.
- PROTEST HEARING:** A protest hearing was held before the Executive Officer on June 10, 2015. An addendum report will be provided to the Commission if any protests are been received.
- In accordance with Government Code Section 57052 and 57075, the Commission must now adopt a resolution making a finding regarding the value of written protests filed and not withdrawn for an inhabited change of organization and take one of the following actions:
- 1) Terminate proceedings if a majority protest exists in accordance with subsection (b) of Government Code Section 57078 or;
 - 2) Order the change of organization subject to confirmation by the registered voters within the CSD or;
 - 3) Order the change of organization or reorganization if written protest have been filed and not withdrawn by less than 25% of registered voters and 25% of owners of land who own less that 25% of the total assessed value of land within the CSD.

RECOMMENDATION:

That your Commission adopt the attached resolution, which finds that there were no written protests received and orders the change of organization without an election.

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Protest Hearing for LAFCO)

Case No 1516, Activation of Latent Powers of)

RESOLUTION NO. 15-0XX

The Goshen Community Services District)

WHEREAS, this action is being taken pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and,

WHEREAS, the Local Agency Formation Commission of the County of Tulare adopted its Resolution No. 15-005 on May 6, 2015, making determinations and approving the proposed activation of latent powers; and

WHEREAS, a public hearing on this reorganization was called for and held by the Executive Officer of this Commission on June 8, 2015 at the time and place for which notice was given, and at said hearing the Executive Officer did not hear or receive any oral or written protests, objections, or evidence made, presented or filed;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. No protests were filed or received, therefore, the value of written protests filed and not withdrawn for said annexation represents less than 25% owners of land who own less than 25% of the assessed value of land and less then 25% of registered voters within the affected territory.

2. The reason for this change of organization is the activation of latent powers of the Goshen Community Services District is to provide recreation services.

3. The change of organization referred to as LAFCO Case No. 1516, Activation of Latent Powers of the Goshen Community Services District, is hereby ordered without an election.

The foregoing resolution was adopted upon motion of Commissioner_____, and seconded by Commissioner _____, at a regular meeting held on this 10 day of June, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Benjamin Giuliani, Executive Officer

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**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

June 10, 2015

**LAFCO Case Number 1512-W-20
City of Woodlake Change of Organization**

PROPOSAL: East Naranjo Annexation, Annexation 14-01, the annexation of certain territory to the City of Woodlake and the detachment of certain territory from Tulare County CSAs 1 and 2.

PROPONENT: The City of Woodlake by resolution of its City Council (Resolution No.15-21).

SIZE: 46.74 acres

LOCATION: The annexation site consists of approximately 46.74 acres on the east side of Woodlake and the detachment of certain area from CSAs No. 1 and No. 2.

**ASSESSOR'S
PARCEL NOS:** 061-070-008; 061-070-034, 033, 011, 027, 028 and 029; 061-070-013; and 061-070-035 a portion of the abandoned Visalia Railroad right-of-way.

NOTICE: Notice has been provided in accordance with GC §§56153 & 56154
(Figure 2) (published), §§ 56158 & 56159 (posted), and §§ 56155 & 56157 (mailed).

GENERAL ANALYSIS:

1. Land Use (Figure 3):

A. Site Information

	Existing	Proposed
Zoning Designation	A-1 (County)	CN (Neighborhood Commercial), RA (Rural Residential), A (Agriculture) and O (Open Space)
General Plan Designation	Service Commercial (City) Neighborhood Commercial & Residential Reserve (County)	Neighborhood, Commercial, Very Low Density Residential, Agriculture and Open Space
Uses	neighborhood store, rural residences, citrus, and Bravo Lake Garden Trail	Maintain existing uses

B. Surrounding Land Uses and Zoning and General Plan Designations

	Zoning Designation	General Plan Designation	Existing Use
North	PRD/R-2 (city) and RA (county)	Medium density residential (county)	Fallow land (city) rural residential uses (county)
South	O (open space)	Open space (city)	Bravo Lake
East	R-1-7 (single family residential, one unit 7,000 square feet)	Agriculture (county)	Agriculture
West	AE-20 (exclusive agriculture, 20 acre minimum)	Low density residential (city)	Residential

C. Topography, Natural Features and Drainage (Figure 4):

The remains site is relatively flat. There exist a slight slope from northeast to the southwest. Bravo Lake and a small ditch that runs from east to west forms the southern boundary of the subject territory. State Highway 216 forms the northern boundary of the territory.

D. Conformity with General Plans and Spheres of Influence (Figure 5):

The entire site is within the City and County-adopted Urban Development Boundaries as well as the LAFCO established SOI.

2. Impact on Prime Agricultural Land, Open Space and Agriculture:

The site will be zoned CN, RA, A and O and will maintain the existing use. Thus, this annexation will not result in the eventual conversion of prime agricultural soils into urban uses.

Williamson Act and Agricultural Preserves:

The site is not under a Williamson Act or Farmland Security Zone contract.

Open Space Land Conversion (G.C. § 56377):

The site is a neighborhood store, rural residence, citrus, and Bravo Farms Lake Garden trail. Uses are planned to remain the same. A land supply analysis is not warranted for this case.

3. Population:

Based on 2010 US Census block data, there are 7 persons residing in the subject site. The County Elections Department has indicated that fewer than 12 registered voters reside within the subject site; thus, the annexation site is considered uninhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

The City has indicated that the following services will be required in order to support the proposed uses on the site and will be available upon annexation or as development takes place:

Agency providing service

Service	Now	After
Police Protection	County Sheriff	City Police
Fire Protection	Woodlake Fire District	Woodlake Fire District
Water Supply	Wells	City of Woodlake
Sewage Disposal	Septic tanks	Sewer line (city)
Street Lighting	NA	NA
Street Maintenance	Caltrans/County of Tulare	Caltrans/City of Woodlake
Planning/Zoning	County of Tulare	City of Woodlake
Garbage Disposal	Mid Valley Disposal	Mid Valley Disposal
Other Services:	NA	NA

Need:

The City has purchased the northeastern most parcel within the annexation area which will remain in agricultural production as part of the City's Botanical Gardens. In addition, the City's Botanical Gardens trail already extends into the annexation area along the abandoned Visalia Railroad parcel, also owned by the City. The existing residences will remain on domestic wells and septic tanks but will have the option, subject to connection fees, to connect to the City's lines on the north side of SR-216.

Cost:

Once development (if any) does take place, service recipients will be subject to existing city taxes and fees. The following is a list of the services that will be extended or made available to site costumers and their respective funding source:

Service	Method of finance
Police Protection	General fund
Fire Protection	Property tax
Water Supply	Connection fees
Sewage Disposal	Connection fees
Street Lighting	NA
Street Maintenance	Gas tax and transportation funds
Planning/Zoning	General fund
Garbage Disposal	Solid waste fees
Other Services:	NA

Wastewater

The Woodlake wastewater treatment facility is a treatment and disposal system is an advanced secondary treatment system, which contains main and lateral lines and lift stations. The plant is located in the southwest section of the community, west of State Route 245 and north of the St. Johns River. The plant was upgraded in 2006.

The city's sewer collection system is composed of 6-inch and 8-inch collection lines; trunk lines, which range in size from 10 to 18-inches and lift stations. This system transports effluent to the treatment plant that is located southwest of the city.

Domestic Water

Groundwater levels in the region are 20 to 30 feet below ground surface. Woodlake water system is composed of water lines, domestic water wells and a storage tank located on a small hill above Woodlake. The water lines range in size from 6 to 18 inches. Water supply is provided by five wells, all of which are located in the city limits. The newest well, installed in 2000, is located north of the St. Johns River adjacent to the Woodlake Airport.

Availability:

All City operated public facilities/services will be available upon annexation and will be extended as development takes place.

5. Boundaries and Lines of Assessment:

The boundaries of the proposed project site are definite and certain and conform to the lines of assessment and ownership.

The applicant has filed a map and legal description sufficient for filing with the State Board of Equalization (BOE). A BOE filing fee will need to be submitted by the City if the change of organization is approved by the Commission.

6. Assessed Value, Tax Rates and Indebtedness:

If annexation is approved, the area will be assigned to a new tax rate area. The site is currently within TRAs 161-001 and 161-012. The total assessed valuation of the proposal area is as follows:

Land	\$ 491,344
Improvements	\$ 19,858
Estimated per capita assessed valuation	\$ 130,240

7. Environmental Impacts:

In compliance with the CEQA, the City of Woodlake prepared an initial study/negative declaration for the proposed reorganization. As a Responsible Agency, LAFCO will consider the initial study/negative declaration before any action is taken.

8. Landowner and Annexing Agency Consent:

Consent to this annexation has not been received from each affected landowner within the site. If no protests are received by the end of the public hearing, the Commission may waive the protest hearing. If protests are received by the end of the public hearing, a protest hearing will be held following the 30 day reconsideration period if the reorganization is approved.

9. Regional Housing Needs:

Pursuant to GC §56668 (I), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments. Although this proposal, if approved, would aid the City in achieving its fair share of regional housing needs, there is no project proposed; thus, it is unknown how many units will be constructed within the site and which income levels these units will accommodate. Any potential future development is limited due to the size of the area and the rural residential zoning.

10. Discussion:

The proposed annexation will add city-owned land into the Woodlake city limits. A segment of an abandoned railroad right-of-way (old Visalia Electric Railroad) and a recently purchased citrus grove (14.9 acres) are both owned by the City and are outside the city limits. This annexation will resolve this condition.

The City wishes to amend its general plan to re-designate the subject territory from the service commercial designation to the very low density residential, neighborhood commercial, agriculture and open space designations. The neighborhood commercial designation would be applied to the small grocery

store that exists on the west end of the subject territory. The railroad right-of-way, which contain a portion of the Bravo Lake Botanical Garden, will be designated O (open space), and the city-owned citrus grove will be designated A (agriculture). The balance of the subject territory encompasses five parcels, containing 26.56 acres, will be designated very low density residential. This land use designation is generally consistent with the existing land use just north of the subject property. City staff feels that the service commercial designation currently applied to the subject territory would generate a number of unsightly uses that would line Woodlake's eastern entryway. Furthermore, potential service commercial uses could conflict with the existing residential uses on the north side of State Highway 216.

The City wishes to amend its zoning ordinance to reclassify the subject property from the county's A-1 (agriculture, 5-acre minimum) zone district to Woodlake's CN (neighborhood commercial), RA (rural residential), A (agricultural) and O (open space) districts (see Exhibit C, Zoning Ordinance Amendment 14-01). The CN district would be applied to property that currently contains a small neighborhood store that has existed at the current location for over 40 years. The RA district would be applied to five parcels, containing 26.56 acres. Three of the parcels contain single-family residences; two of the parcels are vacant and free of structures. Potentially, these parcels could be divided into smaller rural residential parcels; however, they would be required to connect to city sewer and water. Further, they may have to install on-site roadway improvements depending upon the number of home sites being proposed.

The two city-owned parcels - the 4.94 acres of railroad right-of-way and the 14.9-acre citrus grove - will be used for open space and agricultural uses. The railroad right-of-way is part of the Bravo Lake Botanical Garden and the citrus grove will be integrated into the Garden as a working farm. The railroad right-of-way will be zoned O (open space) while the recently purchased citrus grove will be zoned A (agriculture).

Wells Tract

The proposed annexation is adjacent to the Wells Tract, an identified disadvantaged unincorporated community (DUC). Pursuant to GC §56375(a)(8), the Commission shall not approve an annexation of greater than 10 acres that is adjacent to a DUC unless there is an application to annex the DUC or written evidence is provided that registered voters within the DUC do not want to be annexed. In addition, Tulare County LAFCO Policy C-1.3 also requires evidence that land owners within the DUC do not want to be annexed.

The City surveyed land owners and registered voters within the Wells Tract using the template survey forms provided by Tulare County LAFCO in both Spanish and English. For the property owners, 21 responses were received out of a total of 58 identified land owners. Thirteen (62%) were against annexation, 4 (19%) were for annexation and 4 (19%) responded don't know. There were only 3

responses received from registered voters. One was against annexation and two responded don't know. Based on the combined evidence from property owners and registered voters, an attempted annexation of the Wells Tract would likely fail.

Creation of a County Island

The approval of this annexation would result in the creation of a substantially surrounded County Island consisting of 4.8 acres and 6 residentially developed parcels. Tulare County LAFCO Policy C-10 requires an annexation survey of registered voters and land owners of areas that would result in the creation of a County island. This area is also within the Wells Tract and was included in the survey for the DUC. Of the 6 parcels within the potential County island, 3 responded to the survey. All 3 responded against annexation. Based on the survey results, it is recommended not to include this area into the proposed annexation.

Detachment from County Service Area No. 1 and 2

The City of Woodlake has determined that detachment of the area from CSAs No.1 and No. 2 is appropriate at this time and included this action within its resolution of application. No services are being provided through CSA No. 1. One parcel is part of CSA No. 2 which provides sewer and domestic water service under contract with the City of Woodlake. Detachment from CSAs No. 1 and No. 2 will not result in any loss of services.

Woodlake Fire Protection District

The City of Woodlake is unique in Tulare County with respect to the provision of fire protection services in that the City is served by a fire protection district rather than a city fire department. The Woodlake Fire Protection District encompasses the entire City and some surrounding unincorporated areas. The entire proposed annexation area is already within Woodlake FPD's boundaries.

Recommended Actions

Based on the fact that growth will eventually take place on the site and that said growth can best be accommodated by the City, the fact that annexation will;

1. Certify that the Commission has reviewed and considered the Negative Declaration approved by the City of Woodlake for this project and find that the project will not have a significant effect on the environment.
2. Find that the proposed reorganization for the City Woodlake complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, GC §56377.

3. Approve the detachment of the subject area from County Service Area #1 and #2.
4. Pursuant to LAFCO Policy and Procedure Section C-1.2, find that:
 - a. The boundaries of the proposed reorganization are definite and certain and conform to lines of assessment whenever possible.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

Approve the reorganization as proposed by the City of Woodlake, to be known as LAFCO Case Number 1512-W-30, East Naranjo Annexation, Annexation 14-01.

- A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - B.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.
5. Waive the protest hearing for this proposal in accordance with subsection (c) of Government Code section 56663(c) and order the detachment without an election.
 6. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

Figures & Exhibits:

Figure 1 Site Location Map

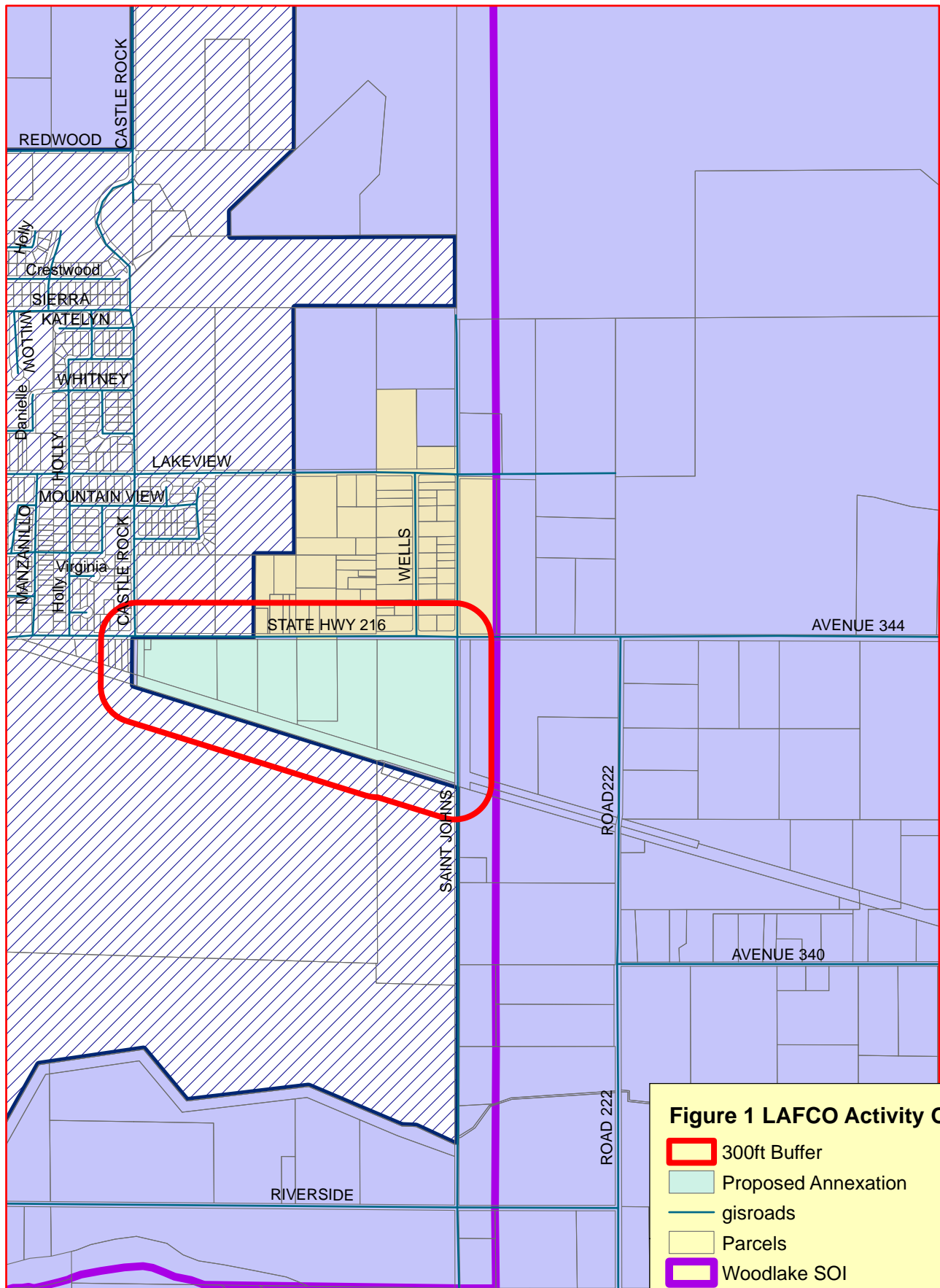


Figure 1 LAFCO Activity Overview

- 300ft Buffer
- Proposed Annexation
- gisroads
- Parcels
- Woodlake SOI
- county service area 1
- County Service Area 2
- City of Woodlake

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the matter of the proposed reorganization to the)
City of Woodlake and detachment of the same)
Territory from CSA No. 1 and CSA No. 2.) **RESOLUTION NO. 15-0XX**
LAFCO CASE #1512-W-20)

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for approval of a proposal to annex certain territories described in attached Exhibit “A” made a part hereof; and

WHEREAS, this Commission has read and considered the Resolution of Application and application materials, the report of the County Surveyor and the report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on June 10, 2015, this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application, the report of the County Surveyor, and the report of the Executive Officer (including any corrections), have been received and considered in accordance with Government Code

§56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The Commission hereby finds that there is no substantial evidence that said reorganization will have a significant effect on the environment, and certifies that the Commission has independently reviewed and considered the information contained in the Negative Declaration approved by the City of Woodlake for the proposed reorganization in compliance with the California Environmental Quality Act of 1970, as amended, prior to taking action on said reorganization. Accordingly, said Negative Declaration is hereby incorporated by reference herein.

3. The Commission has reviewed and considered, in accordance with Government Code §56668, the information, materials and facts presented by the following persons who appeared at the Public Hearing and commented on the proposal:

XXXXXXX

4. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.

5. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. This proposal is for the annexation of territory consisting of 46.74 acres of land.
- b. Less than 12 registered voters reside in the affected territory and landowner consent was not received.
- c. No parcels are within the proposal area are under Williamson Act Contract.

- d. The proposal is consistent with the findings and declarations of GC §56001.

6. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:

- a. The boundaries of the proposed reorganization (annexation to the City of Woodlake and detachment from County Service Area #1 and #2) are definite and certain and conform to lines of assessment.
- b. There is a demonstrated need for municipal services and controls and that the City has the capability of meeting this need.
- c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
- d. The proposed annexation is compatible with the City's General Plan.
- e. The proposed reorganization represents a logical and reasonable expansion of the annexing municipality.
- f. The proposed reorganization complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, GC §56377.
- g. There will be no loss of services resulting from the detachment from County Service Area No.1 and No. 2.
- h. The proposed reorganization promotes the mutual social and economic interests of the people in the area and will contribute to the logical, orderly and reasonable development of the local government in the community.

7. Waive the protest hearing for this proposal in accordance with GC §56662(a) and order the change of organization without an election.

8. Approve the change of organization, to be known as LAFCO Case No. 1512-W-20 subject to the following conditions:

- A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
- B.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.

8. The following short form designation shall be used throughout these proceedings:

LAFCO Case No. 1512-W-20, City of Woodlake Annexation No. 2014-01

9. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as required by law.

10. The Executive Officer is hereby authorized and directed to sign the Notice of Determination on behalf of the Commission and file said notice with the Tulare County Clerk pursuant to Section 21152 (a) of the Public Resources Code.

The forgoing resolution was adopted upon motion of Commissioner X and seconded by Commissioner X, at a regular meeting held on this 10th day of June, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

ce

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

June 10, 2015

**LAFCO Case Number 1513-P-314
City of Porterville Annexation No. 474**

PROPOSAL: City of Porterville Reorganization

PROPONENT: The City of Porterville by resolution of its City Council

SIZE: 96.3 acres

LOCATION: The Island is located north of West North Grand Avenue to the
(Figure 1) alignment of West Merrill Avenue, and west of North Newcomb Street
to the existing city limits.

ASSESSOR'S PARCEL NOS:

243-201-001 to 016	243-240-014 to 015	243-260-005
243-202-001 to 016	243-240-017 to 018	243-260-007 to 015
243-203-001 to 012	243-240-020 to 028	243-260-018 to 020
243-203-015	243-240-032	243-260-028 to 035
243-203-019 to 022	243-240-034	243-270-001 to 010
243-204-001 to 018	243-240-036 to 039	243-270-014 to 017
243-240-001 to 004	243-250-001 to 010	243-270-020 to 025
243-240-006 to 009	243-250-012 to 014	243-270-027 to 028
243-240-011 to 012	243-250-019 to 023	243-270-031 to 032

NOTICE: Notice has been provided in accordance with GC §§56660 & 56661.

GENERAL ANALYSIS:

1. Land Use:

A. Site Information

	<i>Existing</i>	<i>Proposed</i>
<i>Zoning Designation</i>	<i>RS-1-Very Low Density Residential (26.32 acres), RS-2- Low Density Residential (56.12 acres), CN- Neighborhood Commercial (5.21 acres)</i>	<i>No Change</i>

General Plan Designation	<i>Low Density Residential (82.95 acres), Neighborhood Commercial(4.71 Acres)</i>	<i>No Change</i>
Uses	<i>Low Density Residential (approx. 160+ residences total), Retail Centers (restaurants, convenience stores)</i>	<i>No Change</i>

B. Surrounding Land Uses and Zoning and General Plan Designations

All areas are surrounded by City RS-1, RS-2, zoning. The south has Neighborhood Commercial, Retail Centers and Public and Semi Public zoning and east includes Retail Center zoning.

C. Topography, Natural Features and Drainage (Figure 2):

The site is generally flat with a subtle westward slope.

D. Conformity with General Plans and Spheres of Influence:

The entire site is within the City and County-adopted Urban Development Boundaries and Sphere of influence.

2. Impact on Prime Agricultural Land, Open Space and Agriculture:

Williamson Act and Agricultural Preserves:

The site is not under a Williamson Act or Farmland Security Zone contract.

Open Space Land Conversion (GC §56377):

The site is a zoned Neighborhood Commercial, Very Low and Low Density Residential and is substantially developed. Uses are planned to remain the same. A land supply analysis is not warranted for this case.

3. Population:

Based on 2010 U.S. Census block data, an estimated 588 persons reside within the project area. The County Elections Division has indicated that there are more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC §56046, the annexation area is inhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

Agency providing service

Service	Now	After	Method of finance
Police Protection	Tulare County Sheriff's Office	Porterville Police Department	Utility Users Tax will offset some costs of additional personnel needed
Fire Protection	Automatic Aid-City assist County with 1 engine + manning	Automatic Aid-County assist County with 1 engine + manning	General Fund, within existing budget
Water Supply	City water, private wells, private water companies	Same. Connection to City water will be available if requested.	Applicant/developer fees
Sewage Disposal	Individual septic systems, some City connections	Same. Connections to City sewer will be available if requested Connection will be mandatory at such time as a property's septic system fails if a property is within ¼ mile of a City Trunk line	Applicant/ developer fees
Street Lighting	SCE provides some intersection lights	SCE/City of Porterville	Associated street improvements
Street Maintenance	County Maintained	City Maintained	Capital Improvement Project funds
Planning/Zoning	County of Tulare RMA	City of Porterville	Applicant/developer fees
Garbage Disposal	Western Waste Management	City of Porterville, although residents may continue to use Western Waste Mgmt. for up to five years after annexation	User fees
Other Services Code enforcement :	County of Tulare RMA	City of Porterville Fire Department	General Fund, Citation fees when applicable
Fire Inspection	County of Tulare RMA	City of Porterville Fire Department	Applicant/developer fees

5. Boundaries and Lines of Assessment:

The boundaries of the proposal area are definite and certain and conform to the lines of assessment and ownership. A map sufficient for filing with the State Board of Equalization has been received from the proponent.

6. Assessed Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land and Improvements	\$ 14,874,708
Estimated per capita assessed valuation	\$ 28,827

7. Environmental Impacts:

The City of Porterville is the lead agency for this proposal. The City prepared an initial study/environmental checklist and on the basis of that study, a Mitigated Negative Declaration was approved for use with this proposal. A copy of the document is included in the application materials.

8. Landowner and Annexing Agency Consent:

Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) provides for an expedited process for cities to request LAFCOs to annex islands of unincorporated territory that are less than 150 acres in size (GC56375.3) that allows for the waiver of protest proceedings. Therefore a protest hearing may be waived.

9. Regional Housing Needs:

Pursuant to GC §56668 (I), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments. Although this proposal, if approved, would aid the City in achieving its fair share of regional housing needs, the area is substantially developed and there is no project proposed; thus, it is unknown how many units will be constructed within the site and which income levels these units will accommodate. Any potential future development is limited due to the size of the area and the rural residential zoning.

10. Discussion:

County Islands

The annexation of the subject island will further LAFCo goals and policies, and serves to improve this disadvantaged community in many ways. The subject territory is substantially developed, substantially surrounded, and an inhabited island of County jurisdiction in the city of Porterville and qualifies for the streamlined island annexation process and waiver of protest hearing pursuant to GC section 56375.3. Many of the properties within the subject island already receive city services, such as municipal water service and emergency response. The reasons supporting annexation of this island include creation of a more definitive and organized city boundary, efficient provision of government services,

and to ensure the provision of services and facilities needed to accommodate planned population densities in the project area.

Combined Impact of Island Annexations

Case	Islands	Acres	People	Housing Units	Road Miles
1513-P-314	1	96.3	588	155	1.4
1514-P-315	1	123.1	471	148	2.5
1515-P-416	3	121.6	871	281	1.9
TOTAL	5	341.0	1,930	584	5.8

Detachment from County Service Area No. 1

As mentioned in previous Staff Reports, SB 1458, which rewrote the County Service Area Law, took effect January 1, 2009. The old version of the CSA Law provided for automatic detachment from a CSA whenever annexation to a city was approved. However, the rewritten version does not include this provision. It has been determined that detachment from CSA No.1 (which is County wide and excludes cities) should be specifically referenced in a city's resolution of application to LAFCO. The detachment wasn't mentioned in the original application submitted by the City of Porterville. However, it can still be included by Commission action and the City will need to provide an updated map and legal description including the detachment.

Recommended Actions

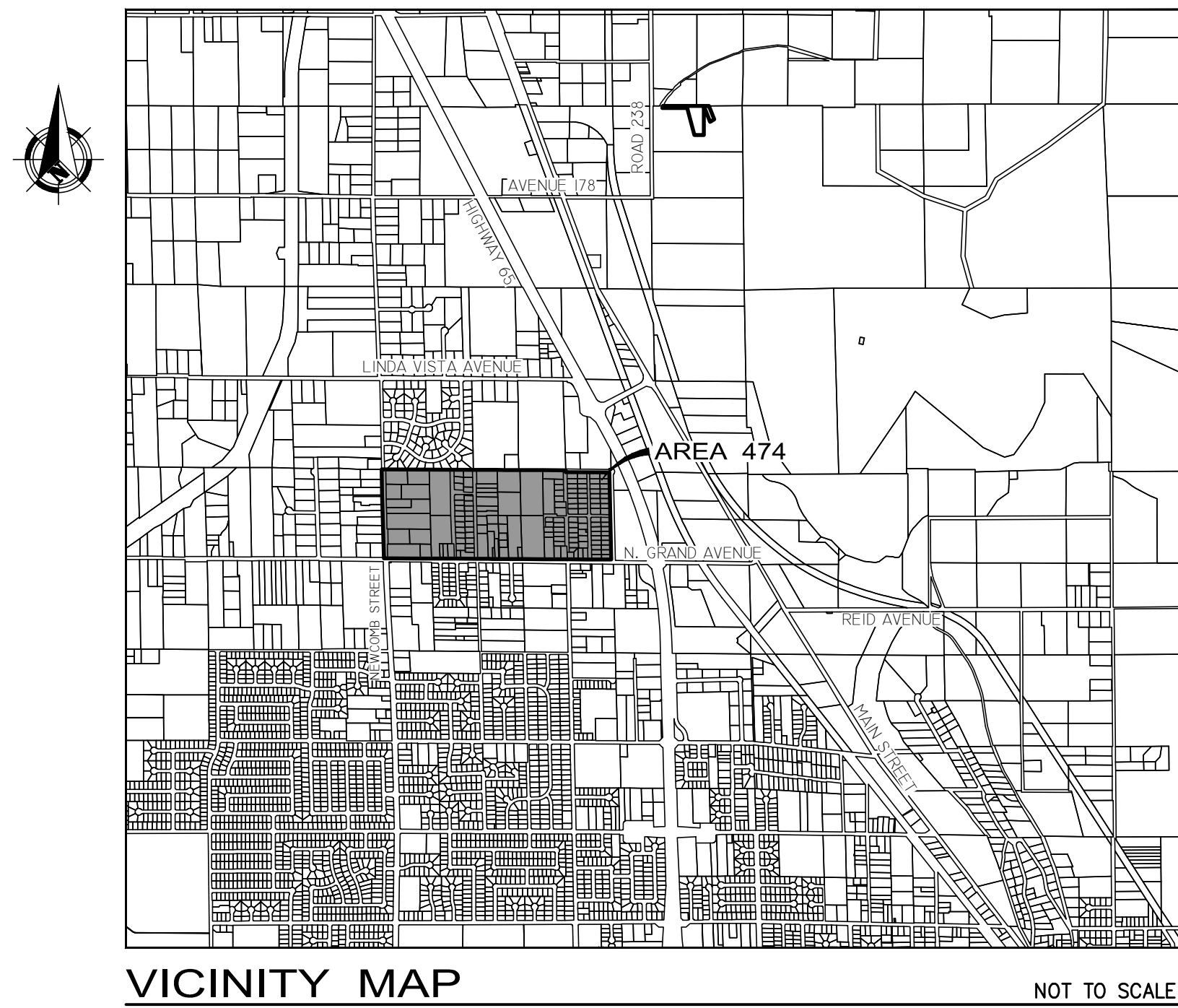
It is recommended that this proposal be approved and that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the Negative Declaration approved by the City of Porterville for this project and find that the project will not have a significant effect on the environment.
2. Find that the proposed annexation to the City of Porterville complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, GC §56377.
3. Find that the proposed annexation conforms to the criteria for "island" annexations as described in Government Code Section 56375.3 and find that the territory:
 - a. does not exceed 150 acres in size
 - b. comprises the entire island of unincorporated territory
 - c. was substantially surrounded by the City as of 1/1/2014
 - d. is substantially developed or developing

- e. is not considered prime agricultural land as defined in Government Code Section 56064
 - f. will benefit from the annexation or is receiving benefits from the City
4. Pursuant to LAFCO Policy and Procedure Section C-1.2, find that:
- a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
5. Approve the annexation, to be known as LAFCO Case No. 1513-P-314, Porterville Annexation No. 474, subject to the following conditions:
- A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the City Council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - B.) The Certificate of Completion shall not be recorded until corrections are completed to the map and legal description that include the detachment form CSA No.1
 - C.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.
6. Waive the protest hearing for this proposal in accordance with Government Code section 56375.3(a) and order the change of organization without an election.
7. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

Figures & Exhibits:

- Figure 1 Site Location Map
- Figure 2 Aerial



LINE TABLE AREA 474		
LINE	DIRECTION	DISTANCE (FT.)
(A1)	SOUTHERLY	30±
(A2)	EASTERLY	626.34±
(A3)	SOUTHERLY	1247.19±
(A4)	WESTERLY	3279±
(A5)	NORTHERLY	1274±
(A6)	EASTERLY	30±
(A7)	EASTERLY	2642±

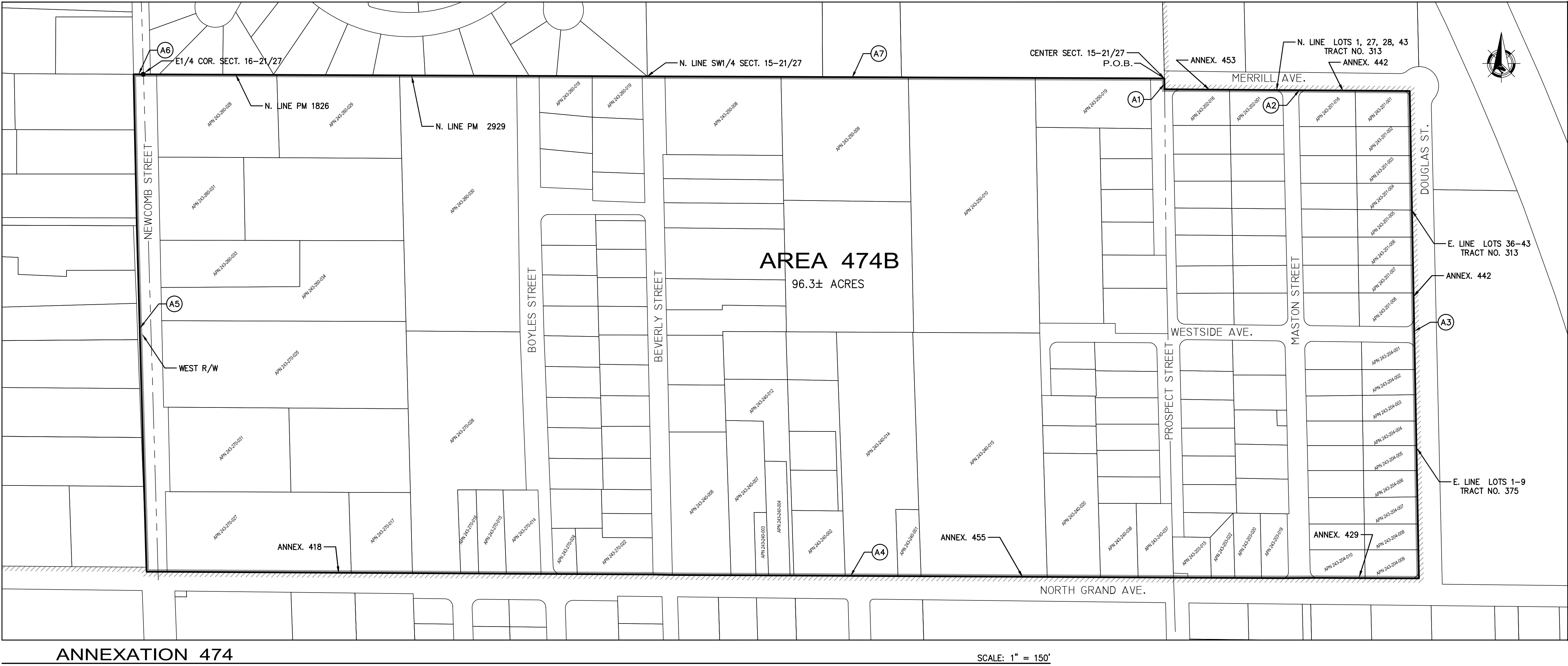
LEGEND

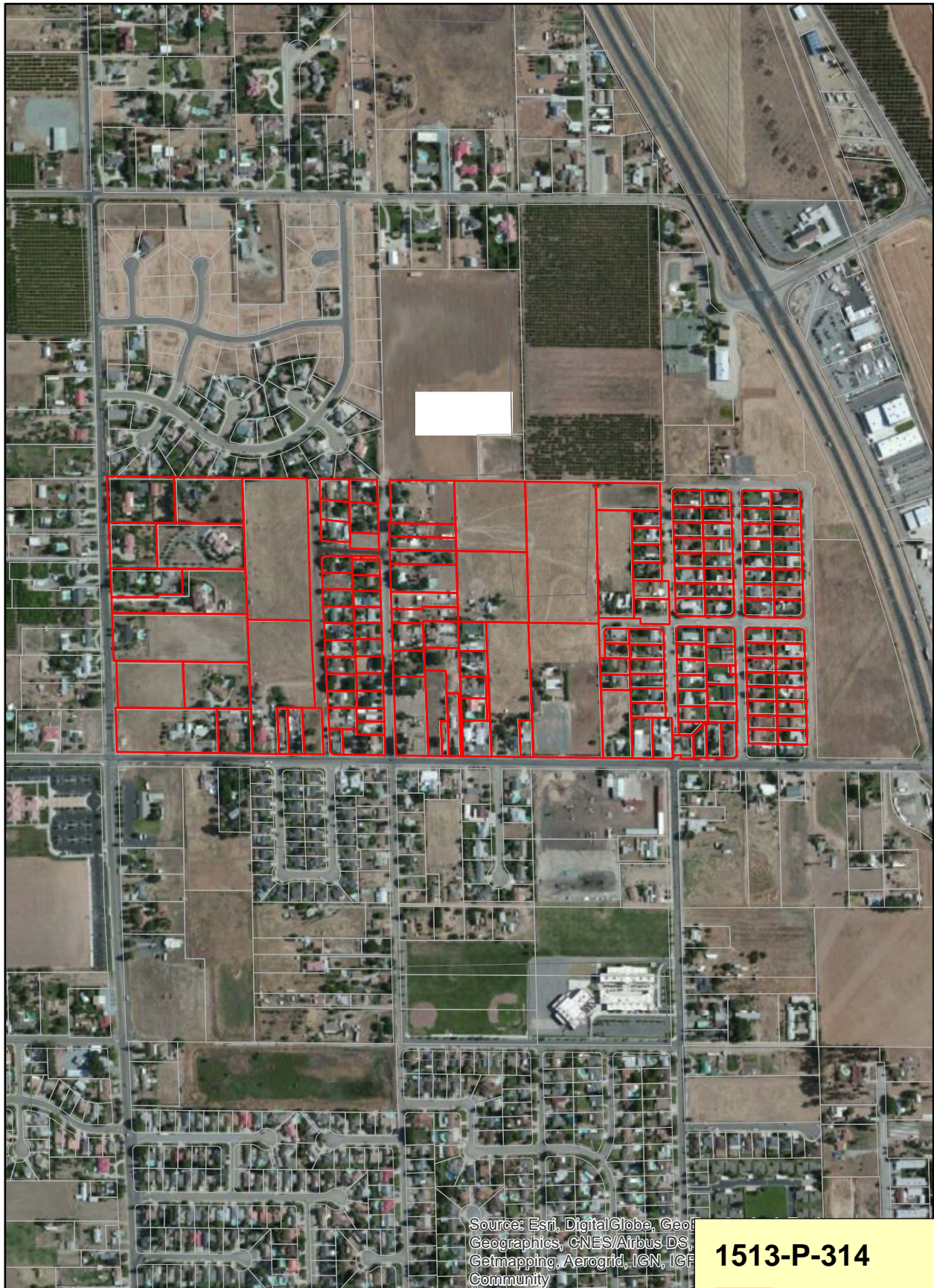
———— ANNEXATION BOUNDARY

////// EXISTING CITY LIMITS

DISCLAIMER



"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."





Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, AeroGRID, IGN, ICG, Community

1513-P-314

-  Proposed Annexation
-  parcels

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

June 10, 2015

**LAFCO Case Number 1514-P-315
City of Porterville Annexation No. 476**

PROPOSAL: City of Porterville Reorganization

PROPONENT: The City of Porterville by resolution of its City Council

SIZE: 123.1 acres

LOCATION: The subject territory is bound by Plano Street to the east and Gibbons Ave to the south, and includes all areas north and west to the existing city limits.
(Figure 1)

ASSESSOR'S PARCEL NOS:

269-060-006 to 007	270-140-001 to 003	270-140-070 to 073
269-060-013 to 015	270-140-006 to 008	270-140-077 to 085
269-060-034	270-140-011 to 012	270-150-001 to 008
270-010-004 to 014	270-140-016 to 025	270-160-001
270-010-016 to 018	270-140-031	270-160-003 to 007
270-010-021 to 022	270-140-035 to 036	270-160-009 to 014
270-010-025 to 026	270-140-045	270-160-016 to 018
270-130-001 to 009	270-140-048 to 050	270-160-021 to 022
270-130-011	270-140-057 to 058	270-160-026
270-130-019 to 021	270-140-060	
270-130-023 to 045	270-140-062 to 067	

NOTICE: Notice has been provided in accordance with GC §§56660 & 56661.

GENERAL ANALYSIS:

1. Land Use:

A. Site Information

	Existing	Proposed
Zoning Designation	<i>Low Density Residential (RS-2), Retail Centers(CR), General Industrial (IG), High Density Residential (DRM-3)</i>	<i>Low Density Residential(RS-2), Retail Centers(CR), General Industrial (IG), High Density Residential (DRM-3)</i>
General Plan Designation	Density Residential (86.02 acres), RM-3 High Density	Density Residential (86.02 acres), RM-3 High Density

EXECUTIVE OFFICER'S REPORT

1514-P-315

PAGE 1

33

	Residential (3.94 acres) CR Retail Center (3.27 acres), IG General Industrial (12.25 acres)	Residential (3.94 acres) CR Retail Center (3.27 acres), IG General Industrial (12.25 acres)
Uses	<i>Low Density Residential (88.16 acres), Retail Center (3.27 acres), Industrial (12.25 acres)</i>	Low Density Residential (88.16 acres), Retail Center (3.27 acres), Industrial (12.25 acres)

B. Surrounding Land Uses and Zoning and General Plan Designations

All areas are surrounded by City PS, PK, RR, RS-1, RS-2 and IG, zoning. The north has education and parks, to the south there is residential and general Industrial, to the east there is rural residential and to the west there is general industrial and industrial.

C. Topography, Natural Features and Drainage (Figure 2):

The site is generally flat with a subtle westward slope consistent with the terrain of the City of Porterville.

D. Conformity with General Plans and Spheres of Influence:

The entire site is within City and County-adopted Urban Development Boundaries and the Sphere of influence.

2. Impact on Prime Agricultural Land, Open Space and Agriculture:

Williamson Act and Agricultural Preserves:

The site is not under a Williamson Act or Farmland Security Zone contract.

Open Space Land Conversion (GC §56377):

The site is substantially developed and zoned Low and Low-Medium Density Residential, general industrial and retail centers. Uses are planned to remain the same. A land supply analysis is not warranted for this case.

3. Population:

Based on 2010 U.S. Census block data, 471 persons reside within the project area. The County Elections Division has indicated that there are more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC §56046, the annexation area is inhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

There will be minimal demands for City services and controls since land use will remain the same.

Agency providing service

Service	Now	After	Method of finance
Police Protection	Tulare County Sheriff's Office	Porterville Police Department	Utility Users Tax will offset some costs of additional personnel needed
Fire Protection	Automatic Aid-City assist County with 1 engine + manning	Automatic Aid-County assist County with 1 engine + manning	General Fund, within existing budget
Water Supply	City water, private wells, private water companies	Same. Connection to City water will be available if requested.	Applicant/developer fees
Sewage Disposal	Individual septic systems, some City connections	Same. Connections to City sewer will be available if requested Connection will be mandatory at such time as a property's septic system fails if a property is within ¼ mile of a City Trunk line	Applicant/ developer fees
Street Lighting	SCE provides some intersection lights	SCE/City of Porterville	Associated street improvements
Street Maintenance	County Maintained	City Maintained	Capital Improvement Project funds
Planning/Zoning	County of Tulare RMA	City of Porterville	Applicant/developer fees
Garbage Disposal	Western Waste Management	City of Porterville, although residents may continue to use Western Waste Mgmt. for up to five years after annexation	User fees
Other Services Code enforcement :	County of Tulare RMA	City of Porterville Fire Department	General Fund, Citation fees when applicable
Fire Inspection	County of Tulare RMA	City of Porterville Fire Department	Applicant/developer fees

5. Boundaries and Lines of Assessment:

10. Discussion:

County Islands

The annexation of the subject island will further LAFCo goals and policies, and serves to improve this disadvantaged community in many ways. The subject territory is substantially developed, substantially surrounded, and an inhabited island of County jurisdiction in the city of Porterville and qualifies for the streamlined island annexation process and waiver of protest hearing pursuant to GC section 56375.3. Many of the properties within the subject island already receive city services, such as municipal water service and emergency response. The reasons supporting annexation of this island include creation of a more definitive and organized city boundary, efficient provision of government services, and to ensure the provision of services and facilities needed to accommodate planned population densities in the project area.

Combined Impact of Island Annexations

Case	Islands	Acres	People	Housing Units	Road Miles
1513-P-314	1	96.3	588	155	1.4
1514-P-315	1	123.1	471	148	2.5
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TOTAL	5	341.0	1,930	584	5.8

Detachment from County Service Area No. 1

As mentioned in previous Staff Reports SB 1458, which rewrote the County Service Area Law, took effect January 1, 2009. The old version of the CSA Law provided for automatic detachment from a CSA whenever annexation to a city was approved. However, the rewritten version does not include this provision. It has been determined that detachment from CSA No.1 (which is County wide and excludes cities) should be specifically referenced in a city's resolution of application to LAFCO. The detachment wasn't mentioned in the original application submitted by the City of Porterville. However, it can still be included by Commission action and the City will need to provide an updated map and legal description including the detachment.

Plano Street

It is recommended, with City staff concurrence, that the isolated segment of Plano Street to the northeast of the annexation area be included into the annexation. The island is currently 54.3% surrounded by the City. With the inclusion of this portion of Plano Street, the island would be 54.1% surrounded and would still qualify for the streamlined island annexation procedures.

The boundaries of the proposal area are definite and certain and conform to the lines of assessment and ownership. A map sufficient for filing with the State Board of Equalization has been received from the proponent.

6. Assessed Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land and Improvements	\$ 9,213,477
Estimated per capita assessed valuation	\$ 23,994

7. Environmental Impacts:

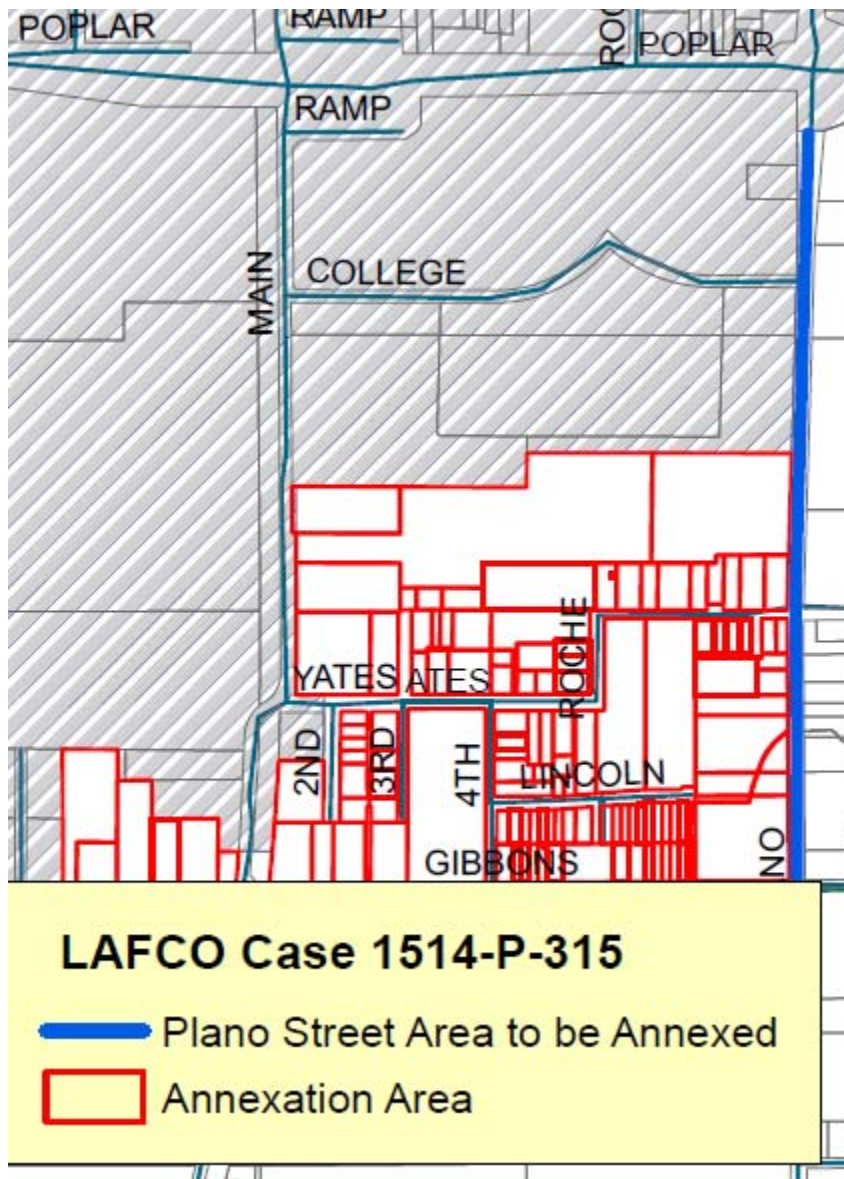
The City of Porterville is the lead agency for this proposal. The City prepared an initial study/environmental checklist and on the basis of that study, a Mitigated Negative Declaration was approved for use with this proposal. A copy of the document is included in the application materials.

8. Landowner and Annexing Agency Consent:

Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) provides for an expedited process for cities to request LAFCOs to annex islands of unincorporated territory that are less than 150 acres in size (GC56375.3) that allows for the waiver of protest proceedings. Therefore a protest hearing may be waived.

9. Regional Housing Needs:

Pursuant to GC §56668 (I), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments. Although this proposal, if approved, would aid the City in achieving its fair share of regional housing needs, there is no project proposed; thus, it is unknown how many units will be constructed within the site and which income levels these units will accommodate. Any potential future development is limited due to the size of the area and the rural residential zoning.



Recommended Actions

It is recommended that this proposal be approved and that the Commission take the following actions:

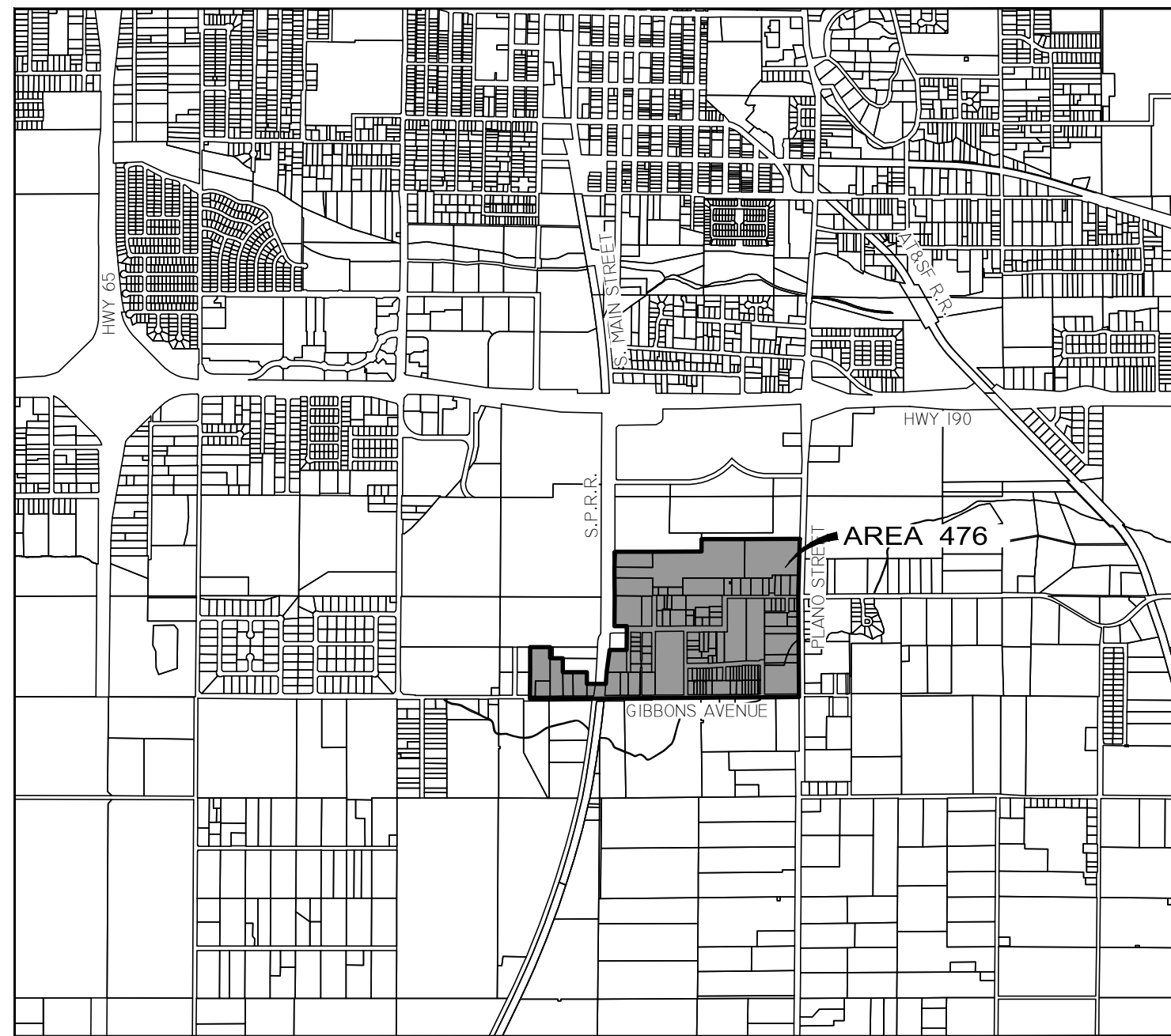
1. Certify that the Commission has reviewed and considered the Negative Declaration approved by the City of Porterville for this project and find that the project will not have a significant effect on the environment.
2. Find that the proposed annexation to the City of Porterville complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, GC §56377.

3. Find that the proposed annexation conforms to the criteria for "island" annexations as described in Government Code Section 56375.3 and find that the territory:
 - a. does not exceed 150 acres in size
 - b. comprises the entire island of unincorporated territory
 - c. was substantially surrounded by the City as of 1/1/2014
 - d. is substantially developed or developing
 - e. is not considered prime agricultural land as defined in Government Code Section 56064
 - f. will benefit from the annexation or is receiving benefits from the City
4. Pursuant to LAFCO Policy and Procedure Section C-1.2, find that:
 - a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
5. Approve the annexation, to be known as LAFCO Case No. 1514-P-315, Porterville Annexation No. 476, subject to the following conditions:
 - A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the City Council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - B.) The Certificate of Completion shall not be recorded until corrections are completed to the map and legal description that include the detachment form CSA No.1
 - C.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.

6. Waive the protest hearing for this proposal in accordance with Government Code section 56375.3(a) and order the change of organization without an election.
7. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

Figures & Exhibits:

- Figure 1 Site Location Map
Figure 2 Aerial Map



VICINITY MAP

NOT TO SCALE

LEGEND

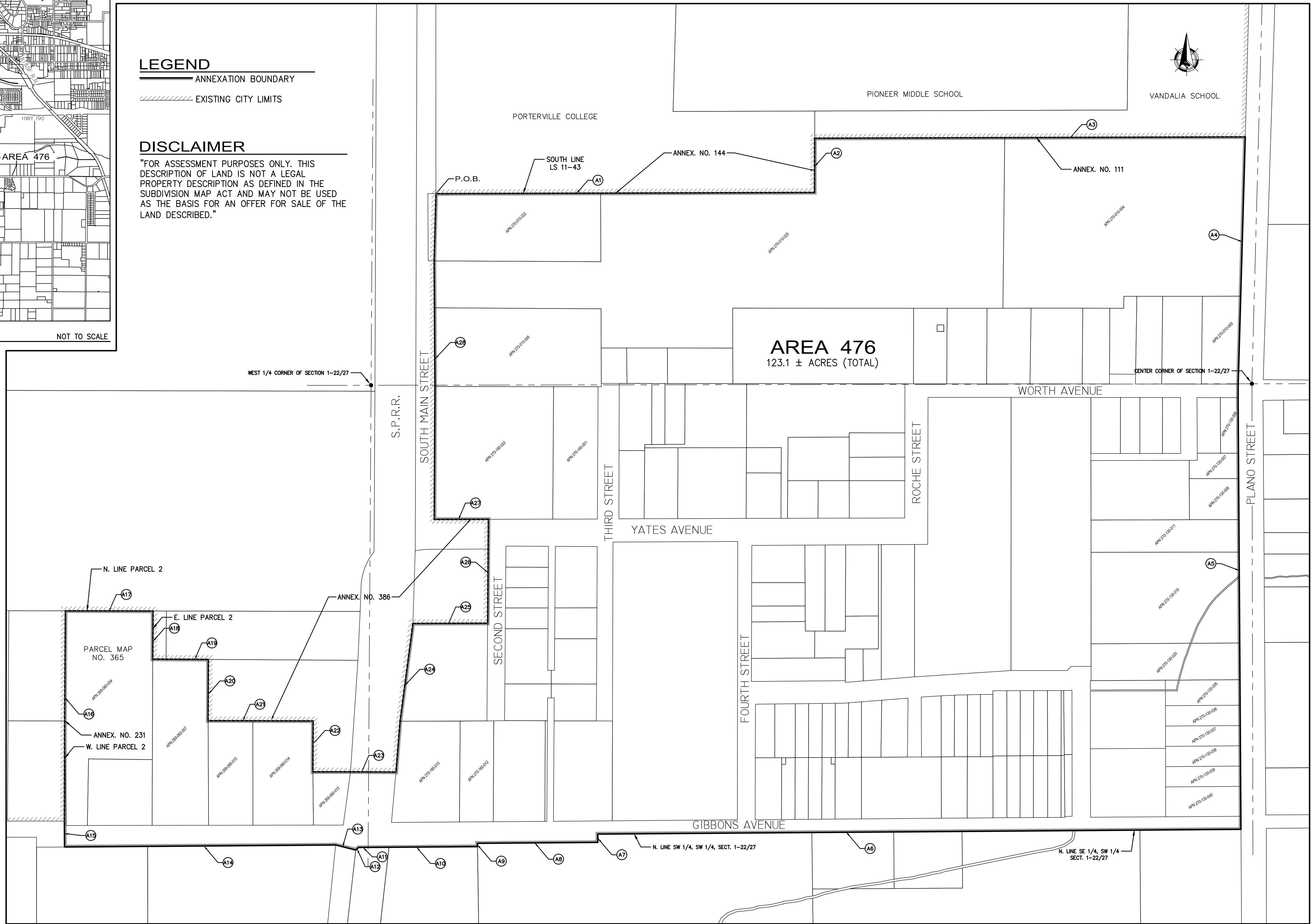
- ANNEXATION BOUNDARY
- EXISTING CITY LIMITS

DISCLAIMER

"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."

LINE TABLE AREA 476

LINE	DIRECTION	DISTANCE (FT.)
A1	EASTERLY	1120±
A2	NORTHERLY	165±
A3	EASTERLY	1290±
A4	SOUTHERLY	757±
A5	SOUTHERLY	1323±
A6	WESTERLY	1935±
A7	SOUTHERLY	25±
A8	WESTERLY	310.35±
A9	SOUTHERLY	10±
A10	WESTERLY	349±
A11	WESTERLY	5.33±
A12	SOUTHWESTERLY	29.65±
A13	NORTHWESTERLY	65±
A14	WESTERLY	843±
A15	NORTHERLY	55±
A16	NORTHERLY	632.76±
A17	EASTERLY	264±
A18	SOUTHERLY	140±
A19	EASTERLY	167.5±
A20	SOUTHERLY	187±
A21	EASTERLY	317±
A22	SOUTHERLY	153±
A23	EASTERLY	290±
A24	NORTHERLY	455±
A25	EASTERLY	235±
A26	NORTHERLY	303±
A27	WESTERLY	154±
A28	NORTHERLY	990±



ANNEXATION 476

SCALE: 1" = 150'

CITY OF PORTERVILLE
ENGINEERING DIVISION

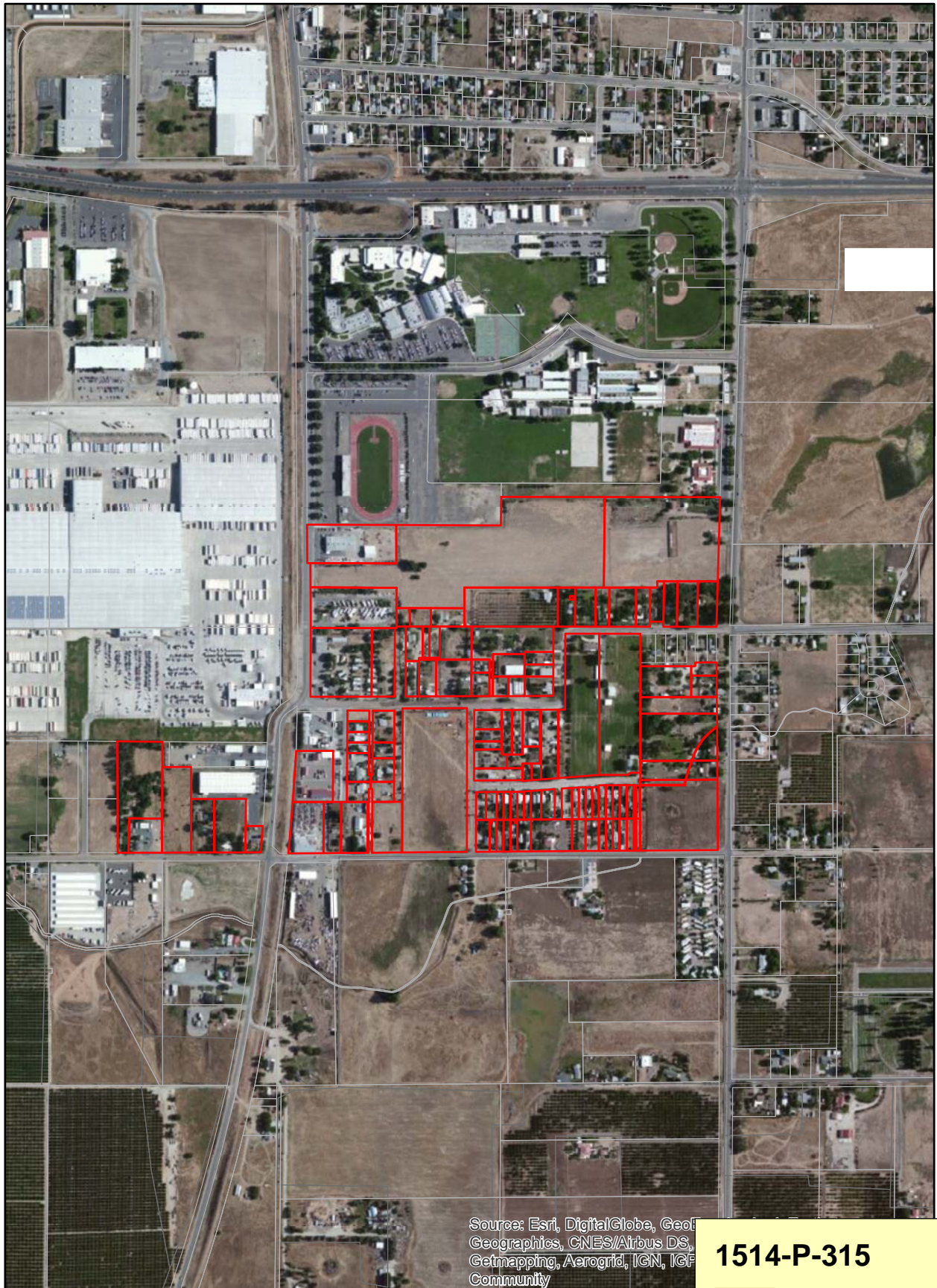
291 N. MAIN ST. PORTERVILLE, CALIFORNIA 93257 559 782-7462

SCALE	AS INDICATED
DRAWN BY	AV
CHECKED BY	DB/MKR
DATE	3/30/15

REVISION NO.	
DATE	



CITY OF PORTERVILLE
ANNEXATION No. 476

SHEET
1
OF
1



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, AeroGRID, IGN, IGA, Community

1514-P-315

-  Proposed Annexation
-  parcels

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Annexation)

To the City of Porterville and Detachment from)

CSA #1, LAFCO Case 1514-P-315,) **RESOLUTION NO. 15-XXX**

City of Porterville Annexation No. 476)

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for approval of a proposal to annex certain territories described in attached Exhibit "A" made a part hereof; and

WHEREAS, this Commission has read and considered the Resolution of Application and application materials, the report of the County Surveyor and the report, the addendum report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on June 10, 2015 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application, the report of the County Surveyor, and the report and addendum report of the Executive Officer (including any corrections), have been received and considered in accordance with

Government Code Section 56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The Commission hereby finds that there is no substantial evidence that said annexation will have a significant effect on the environment, and certifies that the Commission has independently reviewed and considered the information contained in the Negative Declaration approved by the City of Porterville for the proposed annexation in compliance with the California Environmental Quality Act of 1970, as amended, prior to taking action on said annexation. Accordingly, said Negative Declaration is hereby incorporated by reference herein.

3. The Commission has reviewed and considered, in accordance with Government Code Section 56668, the information, material and facts presented by the following persons who appeared at the meeting and commented on the proposal:

XXXXXXX
XXXXXXX

4. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.

5. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. This proposal is for the annexation of a surrounded unincorporated islands consisting of approximately 123.1 acres. The territory contains 133 parcels and is more than 80% developed with single family residences and commercial businesses.
- b. More than 12 registered voters reside in the affected territory, which is considered inhabited.
- c. The subject territory is within the Sphere of Influence of the City of Porterville.

- d. The unincorporated islands existed as described above as of January 1, 2014, as provided in GC §56375.4.

6. The annexation is proposed by resolution of the City of Porterville, and meets the following requirements for annexation of unincorporated islands as set forth in Government Code Section 56375.3:

- a. The annexation was initiated on or after January 1, 2000.
- b. The annexation is proposed by resolution adopted by the affected city.
- c. The territory contained in the annexation meets all of the requirements set forth in GC §56375.3(b):
 - i. The territory does not exceed 150 acres in area and that area constitutes the entire island.
 - ii. The territory constitutes an entire unincorporated island located within the limits of a city.
 - iii. The territory is surrounded or substantially surrounded by the city which annexation is proposed.
 - iv. The territory is substantially developed or developing based on consideration of the availability of public utilities, the presence of public improvements or physical improvements upon the parcels.
 - v. The territory is not considered prime agricultural land, as defined by GC §56064.
 - vi. The territory will benefit from annexation or is receiving benefits from the annexing city.

7. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:

- a. The boundaries of the proposed annexation territory are definite and certain and conform to lines of assessment.

- b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
- c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
- d. The proposed annexation is compatible with the City's General Plan.
- e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
- f. The inclusion of the isolated segment of Plano Street into the area proposed for annexation will not cause any additional environmental impacts.

8. The Commission hereby waives the protest hearing proceedings pursuant to Part 4 (commencing with GC §57000) entirely in accordance with Section 56375.3 (a) (1) of the Government Code and orders the annexation without an election.

9. The proposed annexation of the territory described in Exhibit "A," attached hereto, to the City of Porterville is hereby approved, subject to the following conditions:

- a. No change shall be made to land-use designations or zoning for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstance that necessitate a departure from the designation or zoning.
- b. Include the isolated section of Plano Street from the northeast corner of the requested annexation to SR-190 in this annexation.
- c. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.
- d. The Certificate of Completion shall not be recorded until corrections are completed to the map and legal description that include the detachment form CSA No.1.

10. The following short form designation shall be used throughout these proceedings:

LAFCO Case No. 1514-P-315, City of Porterville Annexation No. 476

11. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as required by law.

The foregoing resolution was adopted upon motion of Commissioner_____, seconded by Commissioner _____, at a regular meeting held on this 10th day of June, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

ce

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**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT**

June 10, 2015

**LAFCO Case Number 1515-P-316
City of Porterville Annexation No. 478**

PROPOSAL: City of Porterville Reorganization

PROPONENT: The City of Porterville by resolution of its City Council

SIZE: Area A (8.5 acres) Area B (33.4 acres) Area C (79.7 acres)

LOCATION: The proposal consists of the annexation of three County islands in western Porterville. Area A is east of Newcomb St, between N Grand Ave and Median Cir. Area B is between SR-65 and Prospect St, north of Pioneer Ave. Area C is south of the W Morton Ave alignment and west of Westwood Street, north of Vine Ave.
(Figure 1)

ASSESSOR'S PARCEL NOS:

243-280-024 to 025 246-051-027
243-290-019 to 020 246-051-03

NOTICE: Notice has been provided in accordance with GC §§56660 & 56661.

GENERAL ANALYSIS:

1. Land Use:

A. Site Information

	<i>Existing</i>	<i>Proposed</i>
<i>Zoning Designation</i>	<i>RM-1 Very low Density Residential (6.86) RS-2- Low Density Residential (50.32 acres), RM-3 High Density Residential (26.7 acres) CR Retail Center (13.69 acres), PS Public and Semi Public (0.18 acres)</i>	<i>No Change</i>
<i>General Plan Designation</i>	<i>Low Density Residential (57.18 acres), Medium Density Residential (17.69 acres), High Density Residential (26.88 acres), Retail Center (13.69 acres), Industrial (12.25 acres)</i>	<i>No Change</i>

Uses	<i>Low Density Residential (approx. 256+/- residences total), apartments, Retail Centers (Total Commercial; gas station/convenience store, bar, convenience store, offices, transmission tower)</i>	<i>No change</i>

B. Surrounding Land Uses and Zoning and General Plan Designations

All areas are surrounded by City CR, PD, PS, PK, RR, RS-1, RS-2, and RS-3 zoning. The north has a church and rural residential, to the south there is rural residential and vacant land, to the east there is rural residential, City proposed storm drain basin, and elementary school, to the west church, low density residential, agriculture-row crops, service commercial and a car wash.

C. Topography, Natural Features and Drainage:

The site is generally flat with a subtle westward slope consistent with the terrain of the City of Porterville.

D. Conformity with General Plans and Spheres of Influence:

The entire site is within City and County-adopted Urban Development Boundaries and Sphere of influence.

2. Impact on Prime Agricultural Land, Open Space and Agriculture:

Williamson Act and Agricultural Preserves:

The site is not under a Williamson Act or Farmland Security Zone contract.

Open Space Land Conversion (GC §56377):

The site is a zoned *Very low Density Residential, Low Density Residential, High Density Residential, Retail Center, Public and Semi Public and are substantially developed*. Uses are planned to remain the same. A land supply analysis is not warranted for this case.

3. Population:

Based on 2010 U.S. Census block data, an estimated 871 persons reside within the project area. The County Elections Division has indicated that there are more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC §56046, the annexation area is inhabited.

4. Services and Controls - Need, Cost, Adequacy and Availability:

Agency providing service

Service	Now	After	Method of finance
Police Protection	Tulare County Sheriff's Office	Porterville Police Department	Utility Users Tax will offset some costs of additional personnel needed
Fire Protection	Automatic Aid-City assist County with 1 engine + manning	Automatic Aid-County assist County with 1 engine + manning	General Fund, within existing budget
Water Supply	City water, private wells, private water companies	Same. Connection to City water will be available if requested.	Applicant/developer fees
Sewage Disposal	Individual septic systems, some City connections	Same. Connections to City sewer will be available if requested Connection will be mandatory at such time as a property's septic system fails if a property is within ¼ mile of a City Trunk line	Applicant/ developer fees
Street Lighting	SCE provides some intersection lights	SCE/City of Porterville	Associated street improvements
Street Maintenance	County Maintained	City Maintained	Capital Improvement Project funds
Planning/Zoning	County of Tulare RMA	City of Porterville	Applicant/developer fees
Garbage Disposal	Western Waste Management	City of Porterville, although residents may continue to use Western Waste Mgmt. for up to five years after annexation	User fees
Other Services Code enforcement :	County of Tulare RMA	City of Porterville Fire Department	General Fund, Citation fees when applicable
Fire Inspection	County of Tulare RMA	City of Porterville Fire Department	Applicant/developer fees

5. Boundaries and Lines of Assessment:

The boundaries of the proposal area are definite and certain and conform to the lines of assessment and ownership. A map sufficient for filing with the State Board of Equalization has been received from the proponent.

6. Assessed Value, Tax Rates and Indebtedness:

Upon completion of this annexation the area will be assigned to a new tax rate area. The total assessed valuation of the proposal area is as follows:

Land and Improvements	\$ 4,370,385
Estimated per capita assessed valuation	\$ 5,336

7. Environmental Impacts:

The City of Porterville is the lead agency for this proposal. The City prepared an initial study/environmental checklist and on the basis of that study, a Mitigated Negative Declaration was approved for use with this proposal. A copy of the document is included in the application materials.

8. Landowner and Annexing Agency Consent:

Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) provides for an expedited process for cities to request LAFCOs to annex islands of unincorporated territory that are less than 150 acres in size (GC56375.3) that allows for the waiver of protest proceedings. Therefore a protest hearing may be waived.

9. Regional Housing Needs:

Pursuant to GC §56668 (I), LAFCO shall consider the extent to which the proposal will assist the receiving city and the County in achieving its fair share of regional housing needs as determined by the appropriate council of governments. Although this proposal, if approved, would aid the City in achieving its fair share of regional housing needs, the area is substantially developed and there is no project proposed; thus, it is unknown how many units will be constructed within the site and which income levels these units will accommodate. Any potential future development is limited due to the size of the area and the rural residential zoning.

10. Discussion:

County Islands

The annexation of the subject island will further LAFCo goals and policies, and serves to improve this disadvantaged community in many ways. The subject territory is substantially developed, substantially surrounded, and an inhabited island of County jurisdiction in the city of Porterville and qualifies for the streamlined island annexation process and waiver of protest hearing pursuant to GC section 56375.3. Many of the properties within the subject island already receive city services, such as municipal water service and emergency response. The reasons supporting annexation of this island include creation of a more definitive and organized city boundary, efficient provision of government services,

and to ensure the provision of services and facilities needed to accommodate planned population densities in the project area.

Combined Impact of Island Annexations

Case	Islands	Acres	People	Housing Units	Road Miles
1513-P-314	1	96.3	588	155	1.4
1514-P-315	1	123.1	471	148	2.5
1515-P-416	3	121.6	871	281	1.9
TOTAL	5	341.0	1,930	584	5.8

Detachment from County Service Area No. 1

As mentioned in previous Staff Reports, SB 1458, which rewrote the County Service Area Law, took effect January 1, 2009. The old version of the CSA Law provided for automatic detachment from a CSA whenever annexation to a city was approved. However, the rewritten version does not include this provision. It has been determined that detachment from CSA No.1 (which is County wide and excludes cities) should be specifically referenced in a city's resolution of application to LAFCO. The detachment wasn't mentioned in the original application submitted by the City of Porterville. However, it can still be included by Commission action and the City will need to provide an updated map and legal description including the detachment.

Recommended Actions

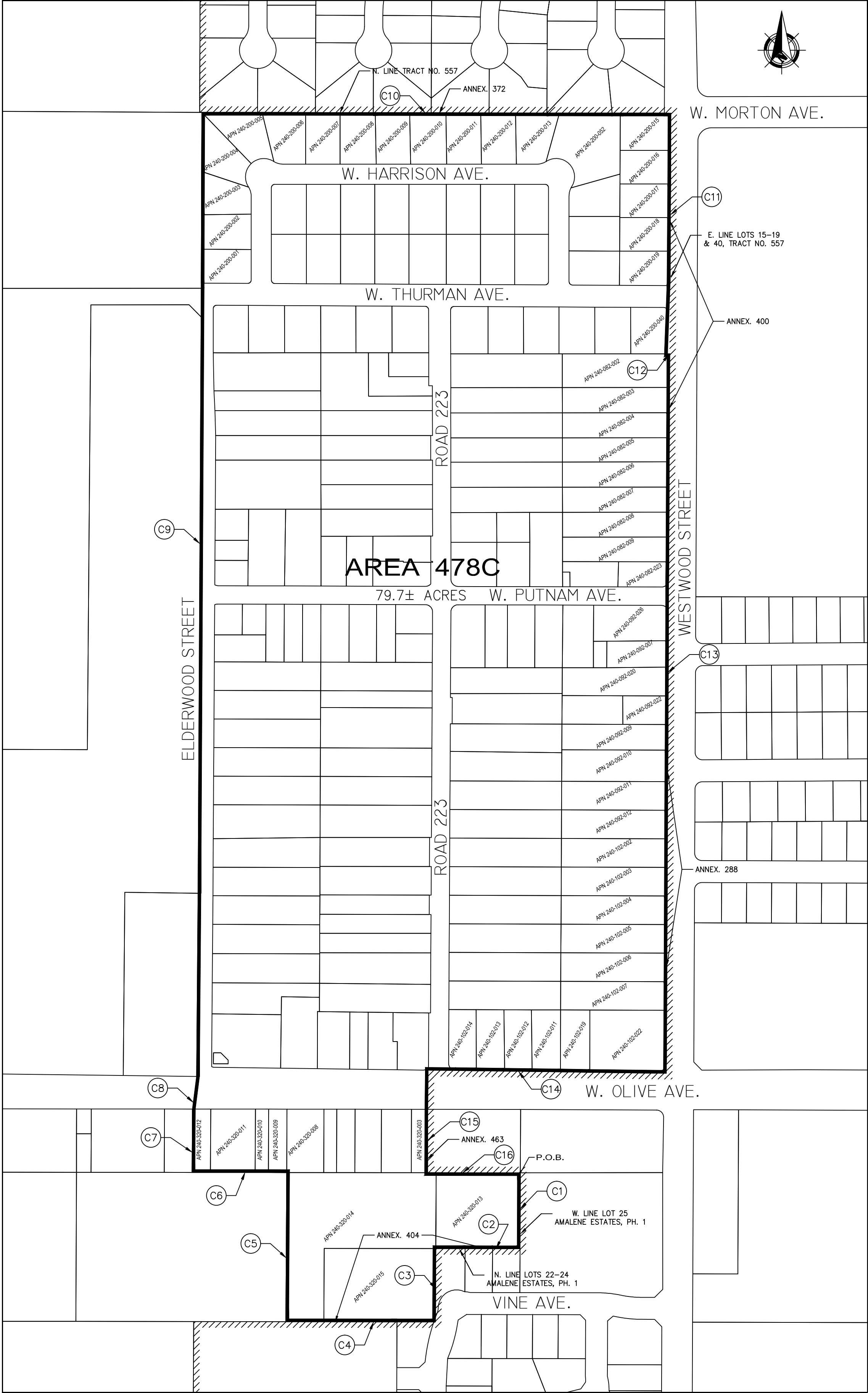
It is recommended that this proposal be approved and that the Commission take the following actions:

1. Certify that the Commission has reviewed and considered the Negative Declaration approved by the City of Porterville for this project and find that the project will not have a significant effect on the environment.
2. Find that the proposed annexation to the City of Porterville complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, GC §56377.
3. Find that the proposed annexation conforms to the criteria for "island" annexations as described in Government Code Section 56375.3 and find that the territory:
 - a. does not exceed 150 acres in size
 - b. comprises the entire island of unincorporated territory
 - c. was substantially surrounded by the City as of 1/1/2014
 - d. is substantially developed or developing

- e. is not considered prime agricultural land as defined in Government Code Section 56064
 - f. will benefit from the annexation or is receiving benefits from the City
4. Pursuant to LAFCO Policy and Procedure Section C-1.2, find that:
- a. The boundaries of the proposed annexation are definite and certain and conform to lines of assessment.
 - b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
 - c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
 - d. The proposed annexation is compatible with the City's General Plan.
 - e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.
5. Approve the annexation, to be known as LAFCO Case No. 1515-P-316, Porterville Annexation No. 478, subject to the following conditions:
- A.) No change be made to land use designations or zoning for a period of two years after the completion of the annexation, unless the City Council makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the designation or zoning.
 - B.) The Certificate of Completion shall not be recorded until corrections are completed to the map and legal description that include the detachment form CSA No.1
 - C.) The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.
6. Waive the protest hearing for this proposal in accordance with Government Code section 56375.3(a) and order the change of organization without an election.
7. Authorize the Executive Officer to sign and file a Notice of Determination with the Tulare County Clerk.

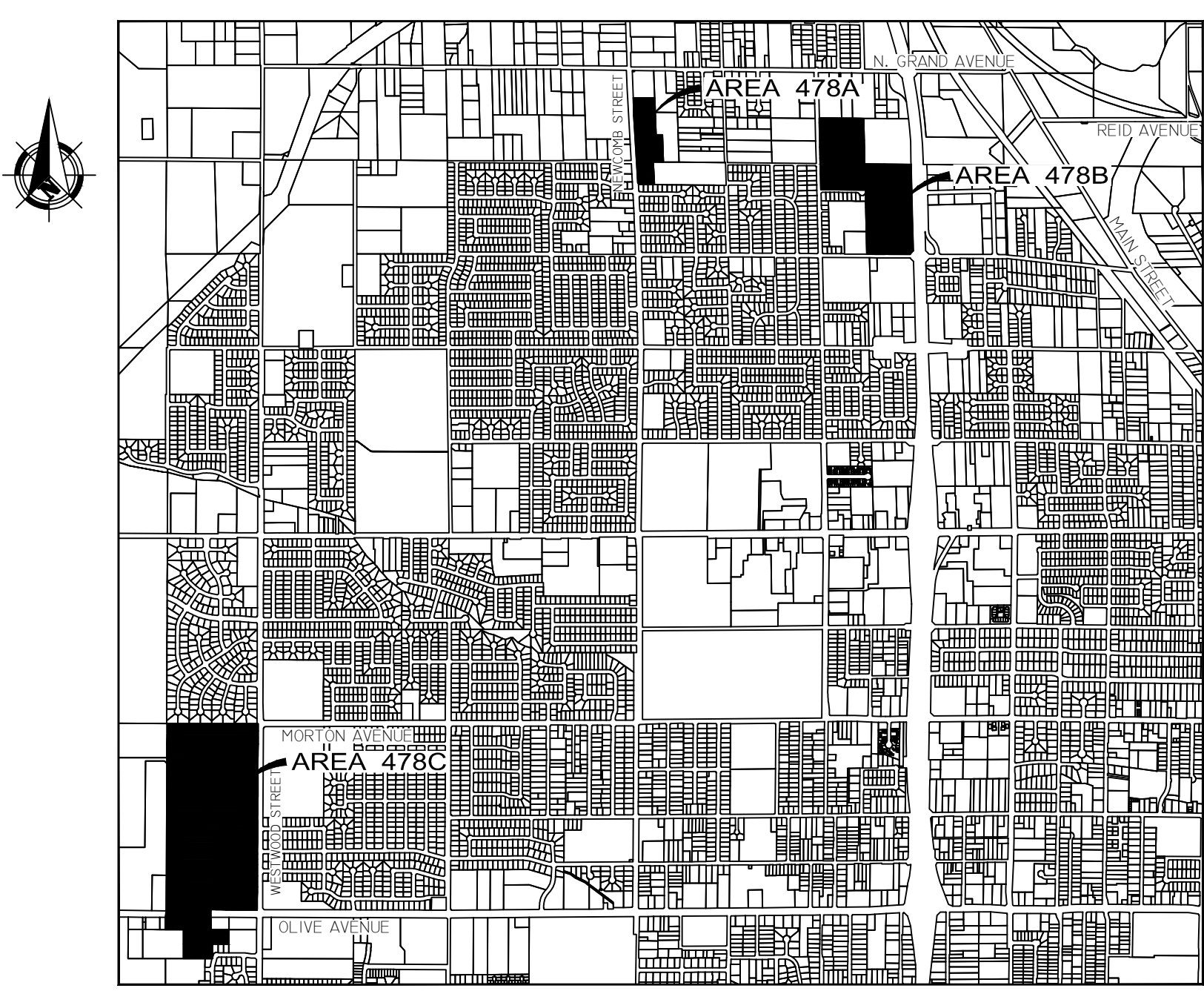
Figures & Exhibits:

Figure 1 Site Location Map



AREA C, ANNEXATION 478

SCALE: 1" = 200'



VICINITY MAP

NOT TO SCALE

LEGEND

- ANNEXATION BOUNDARY
- EXISTING CITY LIMITS



AREA A, ANNEXATION 478

SCALE: 1" = 150'

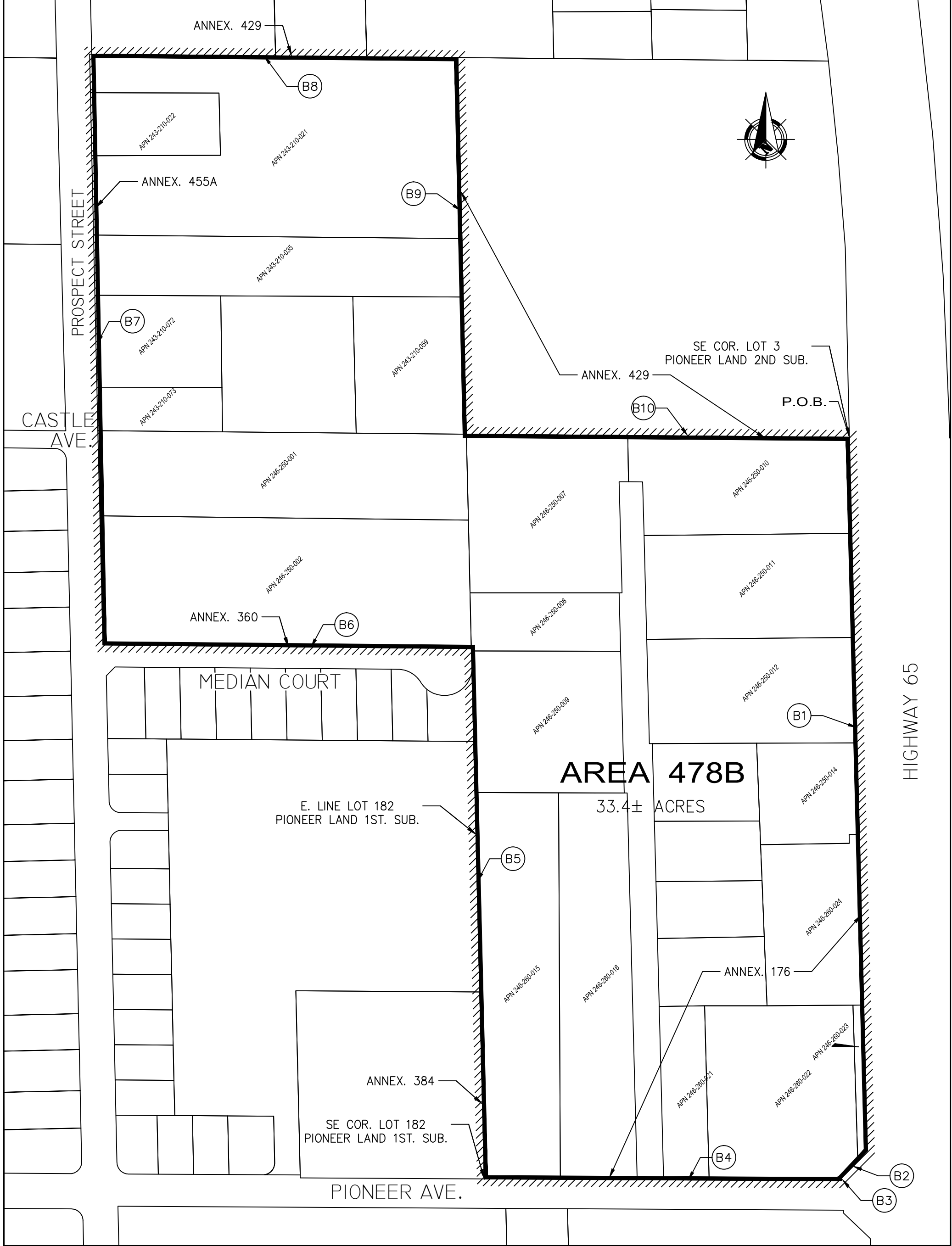
LINE TABLE AREA 474A		
LINE	DIRECTION	DISTANCE (FT.)
(A1)	NORTHERLY	896±
(A2)	EASTERLY	298±
(A3)	SOUTHERLY	515±
(A4)	EASTERLY	90.10±
(A5)	SOUTHERLY	380.43±
(A6)	WESTERLY	143±
(A7)	SOUTHERLY	300±
(A8)	WESTERLY	220±
(A9)	NORTHERLY	300±

LINE TABLE AREA 474B		
LINE	DIRECTION	DISTANCE (FT.)
(B1)	S00°19'50"W	1216.45±
(B2)	S45°20'37"W	62.85±
(B3)	S00°20'37"W	5.00±
(B4)	WESTERLY	610±
(B5)	NORTHERLY	910±
(B6)	WESTERLY	622.50±
(B7)	NORTHERLY	1,002±
(B8)	EASTERLY	623±
(B9)	S00°32'10"W	641.45±
(B10)	S87°43'17"E	652.23±

LINE TABLE AREA 479C		
LINE	DIRECTION	DISTANCE (FT.)
(C1)	SOUTHERLY	207.00±
(C2)	WESTERLY	230.00±
(C3)	SOUTHERLY	200.00±
(C4)	WESTERLY	415±
(C5)	NORTHERLY	407±
(C6)	WESTERLY	258±
(C7)	NORTHERLY	173±
(C8)	NORTHEASTERLY	111±
(C9)	NORTHERLY	2,610±
(C10)	EASTERLY	1276.60±
(C11)	SOUTHERLY	660±
(C12)	EASTERLY	2.00±
(C13)	SOUTHERLY	1940±
(C14)	WESTERLY	641.50±
(C15)	SOUTHERLY	253±
(C16)	EASTERLY	253.5±

DISCLAIMER

"FOR ASSESSMENT PURPOSES ONLY. THIS DESCRIPTION OF LAND IS NOT A LEGAL PROPERTY DESCRIPTION AS DEFINED IN THE SUBDIVISION MAP ACT AND MAY NOT BE USED AS THE BASIS FOR AN OFFER FOR SALE OF THE LAND DESCRIBED."



AREA B, ANNEXATION 478

SCALE: 1" = 150'

SCALE	AS INDICATED
DRAWN BY	AV
CHECKED BY	DB/MKR
DATE	3/30/15

REVISION NO.	DATE

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of the Proposed Annexation)

To the City of Porterville and Detachment from)

CSA #1, LAFCO Case 1515-P-316,) **RESOLUTION NO. 15-XXX**

City of Porterville Annexation No. 478)

WHEREAS, application has been made to this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) for approval of a proposal to annex certain territories described in attached Exhibit "A" made a part hereof; and

WHEREAS, this Commission has read and considered the Resolution of Application and application materials, the report of the County Surveyor and the report, the addendum report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, on June 10, 2015 this Commission heard, received, and considered testimony, comments, recommendations and reports from all persons present and desiring to be heard concerning this matter.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The information, material and facts set forth in the application, the report of the County Surveyor, and the report and addendum report of the Executive Officer (including any corrections), have been received and considered in accordance with

Government Code Section 56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The Commission hereby finds that there is no substantial evidence that said annexation will have a significant effect on the environment, and certifies that the Commission has independently reviewed and considered the information contained in the Negative Declaration approved by the City of Porterville for the proposed annexation in compliance with the California Environmental Quality Act of 1970, as amended, prior to taking action on said annexation. Accordingly, said Negative Declaration is hereby incorporated by reference herein.

3. The Commission has reviewed and considered, in accordance with Government Code Section 56668, the information, material and facts presented by the following persons who appeared at the meeting and commented on the proposal:

XXXXXXX
XXXXXXX

4. All notices required by law have been given and all proceedings heretofore and now taken in this matter have been and now are in all respects as required by law.

5. Based upon the evidence and information on the record before it, the Commission makes the following findings of fact:

- a. This proposal is for the annexation of a surrounded unincorporated islands consisting of approximately 127.5 acres. The territory contains 6 parcels and is more than 80% developed with single family residences and commercial businesses.
- b. More than 12 registered voters reside in the affected territory, which is considered inhabited.
- c. The subject territory is within the Sphere of Influence of the City of Porterville.

- d. The unincorporated islands existed as described above as of January 1, 2014, as provided in GC §56375.4.
6. The annexation is proposed by resolution of the City of Porterville, and meets the following requirements for annexation of unincorporated islands as set forth in Government Code Section 56375.3:
- a. The annexation was initiated on or after January 1, 2000.
 - b. The annexation is proposed by resolution adopted by the affected city.
 - c. The territory contained in the annexation meets all of the requirements set forth in GC §56375.3(b):
 - i. The territory does not exceed 150 acres in area and that area constitutes the entire island.
 - ii. The territory constitutes an entire unincorporated island located within the limits of a city.
 - iii. The territory is surrounded or substantially surrounded by the city which annexation is proposed.
 - iv. The territory is substantially developed or developing based on consideration of the availability of public utilities, the presence of public improvements or physical improvements upon the parcels.
 - v. The territory is not considered prime agricultural land, as defined by GC §56064.
 - vi. The territory will benefit from annexation or is receiving benefits from the annexing city.
7. Based upon the evidence and information on the record before it and the findings of fact made above, the Commission makes the following determinations:
- a. The boundaries of the proposed annexation territory are definite and certain and conform to lines of assessment.

- b. There is a demonstrated need for municipal services and controls and that the city has the capability of meeting this need.
- c. There is a mutual social and economic interest between the residents of the city and the proposed annexation territory.
- d. The proposed annexation is compatible with the City's General Plan.
- e. The proposed annexation represents a logical and reasonable expansion of the annexing municipality.

8. The Commission hereby waives the protest hearing proceedings pursuant to Part 4 (commencing with GC §57000) entirely in accordance with Section 56375.3 (a) (1) of the Government Code and orders the annexation without an election.

9. The proposed annexation of the territory described in Exhibit "A," attached hereto, to the City of Porterville is hereby approved, subject to the following conditions:

- a. No change shall be made to land-use designations or zoning for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing that a substantial change has occurred in circumstance that necessitate a departure from the designation or zoning.
- b. The Certificate of Completion shall not be recorded until corrections are completed to the map and legal description that include the detachment form CSA No.1.
- c. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE prior to the recording of the Certificate of Completion.

10. The following short form designation shall be used throughout these proceedings:

LAFCO Case No. 1515-P-316, City of Porterville Annexation No. 478

11. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution as required by law.

The foregoing resolution was adopted upon motion of Commissioner_____,
seconded by Commissioner _____, at a regular meeting held on this 10th day of June,
2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

ce

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION
BUDGET ORG 794**

	Object No.	Adopted Budget FY 14/15	AS of 5/26/15	Projected Expenses FY 14/15	Budget FY 15/16
EXPENDITURES					
Services and Supplies					
Board Director's Fees	6008	\$1,000	\$660	\$1,000	\$1,000
Memberships	7027	\$3,045	\$3,045	\$3,045	\$3,106
Office Expenses	7036	\$1,500	\$538	\$1,500	\$1,500
Professional and Specialized	7043	\$400	\$0	\$0	\$0
Publication - Public Hearing Notices	7059	\$1,000	\$1,293	\$1,293	\$1,000
Training	7073	\$3,000	\$2,439	\$2,439	\$3,000
Transportation and Travel	7074	\$5,750	\$3,061	\$4,000	\$5,750
Total Services and Supplies		\$15,695	\$11,036	\$13,277	\$15,356
Other Charges					
I/F Workers Compensation	9300	\$1,300	\$1,637	\$1,637	\$1,726
I/F Expenses - Property	9302	\$80	\$0	\$80	\$81
I/F Expenses - Special Liability Insurance	9303	\$1,700	\$2,127	\$2,127	\$2,169
I/F ADP Payroll	9310	\$150	\$0	\$150	\$150
Rent	7062	\$11,446	\$10,626	\$15,500	\$15,810
Alarm Services	7036	\$37	\$28	\$30	\$30
Telecom	9312	\$300	\$386	\$400	\$443
Utilities	9312	\$2,000	\$1,077	\$2,000	\$2,060
Custodial Services	9313	\$1,500	\$414	\$1,500	\$1,590
I/F RMA - Printing	7036	\$500	\$64	\$100	\$500
I/F RMA - Mail	7036	\$1,000	\$430	\$1,000	\$1,030
Total Other Charges		\$20,013	\$16,789	\$24,524	\$25,589
Agency Charges					
County Counsel Charges	9315	\$5,000	\$3,946	\$5,000	\$5,150
Services from Other Dpts.	9316	\$2,500	\$2,209	\$2,500	\$2,575
COWCAP Charges	9317	\$8,000	-\$14,481	-\$14,481	\$5,000
GIS Services	9324	\$1,000	\$0	\$1,000	\$1,000
Intra Agency Service Received (Contracted Salaries)	9333	\$165,000	\$59,945	\$120,000	\$165,000
Total Agency Charges		\$181,500	\$51,619	\$114,019	\$178,725
Contingencies					
	7432	\$21,721	\$0	\$0	\$21,967
TOTAL EXPENDITURES				\$151,820	\$241,637
REVENUES					
Other - Government Agency Contributions	5801	\$172,857	\$172,857	\$172,857	\$174,495
Planning and Engineering Services	5421	\$16,072	\$17,398	\$17,398	\$17,142
Prior Year Revenue Accruals Adjustment	5999				
TOTAL REVENUES		\$188,929	\$190,255	\$190,255	\$141,637
NET COST				-\$38,435	\$50,000

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TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 737-4246

COMMISSIONERS:

*Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley*

ALTERNATES:

*Mike Ennis
Dennis Mederos
Craig Vejvoda*

EXECUTIVE OFFICER:
Ben Giuliani

June 10, 2015

TO: LAFCO Commissioners, Alternates, Counsel,
and Executive Officer

FROM: Cynthia Echavarria, LAFCO Staff Analyst

SUBJECT: FY 2015/16 Final Budget and Work Program

Enclosed for your review are the Fiscal Year 2015/16 Final Budget and Work Program. LAFCO is required to adopt its preliminary budget by May 1st and its final budget by June 15th of each year.

BUDGET 794

REVENUES

5801 Income from Other Agencies - \$174,495 is the amount estimated for FY 2015/16 as income from eight cities and the County as required by Government Code Section 56381. For 2014/15, \$50,000 of reserve funds was used to help offset the contribution amount from the cities and the County. It is estimated that there is currently \$100,000 in available reserve funds.

The Commission elected to apply \$50,000 of the surplus funds to offset some of the cost to the cities and County in FY 2015/16. The \$50,000 scenario would leave contribution levels very similar to FY 2014/15.

5421 Planning and Engineering Services –The total estimated revenue is \$16,104. For fiscal year 2015/16, based on feedback from city staff, staff has estimated processing 6 cases for a total estimated revenue of \$17,142.

EXPENDITURES- Services and Supplies

6008 Director's Fees - \$1,000 is budgeted for reimbursing the public member and alternate public member for expenses incurred as a result of attending monthly LAFCO meetings. For FY 2014/15, \$660 in expense claims have been submitted.

Estimated expenditure for current FY - \$1,000.

7027 Memberships – The 2015/16 CALAFCO membership fee for suburban counties is estimated to be \$3,106. In 2015, CALAFCO increased membership fees for 2015/16 by 2%.

Estimated expenditure for current FY - \$3,045

7036 Office Expenses - \$1,500 was allocated for office supplies and other office equipment expenses in FY 14/15. \$1,500 is budgeted for FY 15/16.

Estimated expenditure for current FY - \$1,500

7043 Professional and Specialized Services – \$0 is budgeted for FY 2015/16. These are funds used to contract with outside vendors, such as professional services or consultants. The need for consultant services is likely to remain low in FY 15/16 as the reduced projected workload is expected to continue.

Estimated expenditure for current FY - \$0

7059 Publications and Notices - Staff estimates spending \$1,000 of the budgeted amount for FY 2015/16. The caseload is expected to decrease slightly in FY 2015/16.

Estimated expenditure for current FY - \$1,293

7073 Staff and Commission Member Training – Training costs of \$3,000 are proposed for FY 2015/16 to cover registration expenses for attending the annual CALAFCO Conference, Executive Officers Workshop and Staff Conference, and other conferences and workshops. The estimated expenditures will include the possible attendance of 2 staff persons and 2 Commissioners for the LAFCO conference and 4 staff members for the LAFCO workshop and other conferences and workshops commissioners and/or staff may attend.

Estimated expenditure for current FY - \$3,000

7074 Staff and Commission Transportation / Travel – Transportation/Travel costs of \$5,750 are proposed for FY 2015/16 to accommodate travel by staff and Commission members to and from the various LAFCO related conferences and workshops. The funds in this budget line are used for lodging, meal, and mileage costs incurred by attending the various events. The item also takes into account Commissioner Allen's travel expenses associated with her membership on the CALAFCO Board of Directors. To date approximately \$3,061 has been spent on transportation and travel. In April four staff members attended the CALAFCO staff workshop.

Estimated expenditure for current FY - \$5,750

Expenditures – Other Charges

9315 Worker's Compensation – A total of \$1,726 has been budgeted for FY 2015/16 to cover expenses for worker's compensation.

Estimated expenditure for current FY - \$1,637

9302 Property – \$81 is proposed for FY 2015/16.

Estimated expenditure for current FY - \$80

9303 Liability Insurance – A total of \$2,169 has been budgeted for FY 2015/16 to cover expenses for general liability insurance.

Estimated expenditure for current FY - \$2,127

7062 Rent – A total of \$15,810 has been budgeted for FY 2015/16 this includes a 2% increase from FY 2014/15.

Estimated expenditure for current FY - \$15,500

ADP Payroll – A total of \$150

Estimated expenditure for current FY - \$150

9312 Telecomm – A total of \$443 has been budgeted for FY 2015/16 to cover expenses for telephone service. Service charges are expected to increase in FY 2015/2016.

Estimated expenditure for current FY - \$350

9312 Utilities - \$2,060 is budgeted for utility expenses for FY 2015/16.

Estimated expenditure for current FY - \$2,000

9313 Custodial- \$1,590 is budgeted for custodial services during FY 2015/16

Estimated expenditure for current FY - \$1,500

7036 RMA Printing Services – \$500 is budgeted for FY 2015/16. This covers costs associated with duplication of LAFCO documents such as the special district inventory, policy and procedure manual, and assistance with public hearing notice mail outs.

Estimated expenditure for current FY - \$100

7036 RMA Mail Services - \$1,030 is budgeted for FY 2015/16. This covers costs for processing mail for LAFCO public hearing notices and other correspondence.

Estimated expenditure for current FY - \$1,000

Expenditures – Agency Charges

9315 LAFCO Legal Counsel- AB 2838 establishes LAFCO as an independent agency which means it will be charged an hourly rate for the services of County Counsel to act as LAFCO legal counsel. \$5,150 is proposed for FY 2015/16.

Estimated expenditure for current FY - \$5,000

9316 Services from Other Departments- This charge includes services provided by other County departments such as TCAG, the County Auditor, Surveyor, Elections, etc. The charges predominately stem from review of LAFCO proposals by County departments. \$2,575 has been allotted for FY 2015/16.

Estimated expenditure for current FY - \$2,500

9317 COWCAP Charges - The amount budgeted for FY 2015/06 is \$5,000. In FY 2014/15 \$14,481 was refunded to LAFCO due to COWCAP overcharges in previous years.

Estimated expenditure for current FY- \$5,000

9324 G.I.S.-Arcview Services - The budgeted amount for 2015/16 is \$1,000.

Estimated expenditure for current FY - \$1,000

3795 Intra Agency Services Received- This item reflects Staff salaries. Staffing services are provided by the Tulare County Association of Governments. \$165,000 in salaries is estimated for FY 2015/16. This includes a half-time Executive Officer, a 25% Clerk, and a 75% Staff Analyst

Estimated expenditure for current FY – \$120,000

CONTINGENCY/CARRYOVER

8508 Contingency - A contingency of 10% of the expenses is proposed for 2015/16 in order to provide a “cushion” to offset any unforeseen expenditures or failure to receive anticipated fee revenue. It is not anticipated that contingency funds will be used in the current fiscal year. The contingency for FY 2014/15 is \$21,721. The contingency proposed for FY 2015/16 is \$21,967.

Budget Reserve – Carryover – The budget reserve is accounted for in the LAFCO's 794 cash account. The revenue and expenses lines in the actual spreadsheet will only show transactions for the current FY which means that we still do not have the most up to date reserve numbers. For FY 2014/15, \$50,000 was used to offset the cities and County contribution. Staff estimates that LAFCO will have a reserve of approximately \$100,000 at the end of FY 2014/15. This reserve was generated through Planning and Engineering Services and charges to funding agencies from previous years. The Commission may again consider applying a specified amount of this reserve for the coming year. Attached is a spreadsheet showing different contribution amounts based on differing amounts of reserve funds being used. Also attached, is a table showing city and County contributions and applied reserve from FY01/02 to present.

In considering this matter the Commission may also wish to provide policy direction as to the appropriate amount to retain as a reserve on a year-to-year basis. In making this decision the Commission should be aware that under GC Section 56381(c), the Board of Supervisors is authorized to loan the Commission funds if during the fiscal year the Commission is without funds to operate. The Commission must then appropriate sufficient funds in its budget for the subsequent year to repay the loan.

Carryover applied: \$50000					
			PROPOSED		
	POPULATION	PERCENT OF	15/16	14/15	
	(DOF 1/1/2014)	POPULATION	CONTRIBUTION	CONTRIBUTION	DIFFERENCE
CITY OF DINUBA	23,096	5.06%	\$8,837	\$8,687	\$150
CITY OF EXETER	10,495	2.30%	\$4,016	\$3,998	\$18
CITY OF FAMERSVILLE	10,893	2.39%	\$4,168	\$4,153	\$15
CITY OF LINDSAY	12,533	2.75%	\$4,796	\$4,707	\$88
CITY OF PORTERVILLE	55,526	12.18%	\$21,246	\$21,148	\$99
CITY OF TULARE	61,238	13.43%	\$23,432	\$23,276	\$156
CITY OF VISALIA	128,525	28.18%	\$49,178	\$48,698	\$480
CITY OF WOODLAKE	7,671	1.68%	\$2,935	\$2,838	\$97
COUNTY OF TULARE	146,060	32.03%	\$55,887	\$55,551	\$336
TOTAL	456,037	100.00%	\$174,495	\$173,057	\$1,438
			+ \$200.00 billing fee to County Auditor		
(794) LINE 5900	\$174,495				

	FY 2001/02	FY 2002/03	FY 2003/04	FY 2004/05	FY 2005/06	FY 2006/07	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
CITY OF DINUBA	\$9,838	\$6,716	\$4,325	\$3,455	\$0	\$6,584	\$8,929	\$6,904	\$6,068	\$5,235	\$4,764	\$8,855	\$8,606	\$8,687
CITY OF EXETER	\$5,404	\$3,627	\$2,336	\$1,873	\$0	\$3,534	\$4,850	\$3,704	\$2,788	\$2,629	\$2,295	\$4,193	\$3,910	\$3,998
CITY OF FAMERSVILLE	\$4,827	\$3,467	\$2,229	\$1,802	\$0	\$3,494	\$4,751	\$3,613	\$2,747	\$2,655	\$2,351	\$4,355	\$4,059	\$4,153
CITY OF LINDSAY	\$5,681	\$4,064	\$2,566	\$2,052	\$0	\$3,764	\$5,101	\$3,857	\$3,071	\$2,880	\$2,613	\$4,849	\$4,164	\$4,707
CITY OF PORTERVILLE	\$23,626	\$15,675	\$10,133	\$8,177	\$0	\$15,181	\$20,624	\$17,765	\$15,790	\$12,833	\$12,028	\$22,124	\$20,688	\$21,148
CITY OF TULARE	\$26,235	\$17,408	\$11,192	\$9,020	\$0	\$16,881	\$23,478	\$19,308	\$17,610	\$14,423	\$13,164	\$24,175	\$22,816	\$23,276
CITY OF VISALIA	\$60,715	\$36,375	\$23,674	\$19,274	\$0	\$36,694	\$50,702	\$40,643	\$37,780	\$30,487	\$27,635	\$50,736	\$47,887	\$48,698
CITY OF WOODLAKE	\$4,042	\$2,666	\$1,691	\$1,350	\$0	\$2,453	\$3,332	\$2,552	\$1,785	\$1,915	\$1,616	\$2,957	\$2,858	\$2,838
COUNTY OF TULARE	\$90,577	\$55,677	\$35,561	\$28,291	\$0	\$51,257	\$70,071	\$49,113	\$43,361	\$35,779	\$31,728	\$58,012	\$54,421	\$55,551
TOTAL	\$230,945	\$145,675	\$93,707	\$75,294	\$0	\$139,841	\$191,838	\$147,459	\$131,000	\$108,834	\$98,195	\$180,257	\$169,409	\$173,057
Surplus Applied	\$0	\$0	\$100,000	\$150,000	\$150,000	\$30,000	\$40,000	\$60,000	\$70,000	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000

2015/16 LAFCO WORK PROGRAM

Prepared by: Cynthia Echavarria
Tulare County LAFCO
210 N. Church St., Suite B
Visalia, CA 93277
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Introduction

Overview of LAFCO

The Tulare County Local Agency Formation Commission (LAFCO) is responsible for coordinating logical and timely changes in local government boundaries, for conducting special studies which review ways to reorganize, simplify and streamline governmental structure, and for preparing Municipal Service Reviews and Spheres of Influence for each city and special district within Tulare County. The Commission's efforts are directed to seeing that services are provided efficiently and economically while agricultural and open-space lands are protected. LAFCO is independent of the government of Tulare County or any of the cities; however, funding to operate the agency is required to be provided by the county and the cities.

State law first established LAFCOs in each county in 1963. LAFCOs were given regulatory authority over local boundary changes. The agencies currently function under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Government Code Section 56375 sets forth the powers and duties of the commission. It gives LAFCO the authority to "review and approve or disapprove with or without amendment, wholly, partially, or conditionally" proposals concerning the formation of cities and special districts, annexation or detachment of territory to cities and special districts, and other changes in jurisdiction or organization of local governmental agencies. In reviewing proposals, LAFCO is required to consider certain factors such as the conformity with city or county plans, current levels and need for future services, the social, physical and economic effects on the community, the effect on existing agricultural lands and open space, the timely availability of adequate water supplies, and the extent to which each proposal will assist the receiving city and the County in achieving its fair share of the regional housing needs.

LAFCO must consider the effect that any proposal will produce on existing agricultural lands. By guiding development towards vacant urban land and away from agricultural preserves, LAFCO assists with the preservation of Tulare County's valuable agricultural resources. LAFCO also works to discourage urban sprawl, a pattern of development characterized by inefficient delivery of important urban services and unnecessary loss of agricultural land. By discouraging sprawl, LAFCO discourages the misuse of land resources and promotes a more efficient system of local government agencies.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires each LAFCO to adopt an annual budget. The 2015/16 Work Program for the Tulare County LAFCO outlines the anticipated work to be accomplished by LAFCO during the fiscal year and is prepared to accompany the annual budget.

Description of Region

Tulare County, comprised of 12,595 km², is located in the southern portion of the San Joaquin Valley. The Valley is bounded on the west by the Coast Range and on the east by the Sierra Nevada Mountains. The Valley extends from Sacramento on the north, to the Tehachapi Mountains on the south. The San Joaquin Valley is the richest farmland in the world.

Tulare County has approximately one third of its land area in the Valley. The remaining portion is in the Sierra Nevada Mountains. This offers an abundance of scenic and recreational opportunities for residents and visitors. The land in the Valley produces a wide variety of agricultural products. Tulare County ranks as one of the largest agricultural producing counties in the nation.

The population of Tulare County is concentrated in the Valley area. There are eight incorporated cities, which account for 68% of the total county approximate population of 459,176 (DOF – 7/1/14). The eight cities are: Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia and Woodlake. There are also numerous special districts in the county, including various Community

Service Districts, Irrigation Districts, Hospital Districts, Cemetery Districts, Public Utility Districts, and Resource Conservation Districts.

Organization of LAFCO

The Tulare County Local Agency Formation Commission is composed of two county supervisors selected by the Board of Supervisors, two city council representatives selected by the mayors in the county, and one public member selected by the other four members. Commission members serve four-year terms. There is an alternate member for each category – city, county, and public. Tulare County LAFCO does not have special district members; however, the law does provide for the addition of two special district members and one alternate if the Commission so orders or the special districts petition for such representation.

LAFCO Commissioners

Juliet Allen, Chair	Public representative
Rudy Mendoza, Vice Chair	City representative
Allen Ishida	County representative
Cameron Hamilton	City representative
Steve Worthley	County representative
Mike Ennis	Alternate, County representative
Craig Vejvoda	Alternate, City representative
Dennis Mederos	Alternate, Public representative

LAFCO Executive Officer

Ben Giuliani

LAFCO Staff

Cynthia Echavarria, Staff Analyst
Doreen Alvez, LAFCO Clerk
Alyssa Blythe, LAFCO Clerk
Lisa Tennenbaum, LAFCO Counsel

LAFCO Abbreviations and Acronyms

CALAFCO	<i>California Association of Local Agency Formation Commissions</i>
C-K-H	<i>Cortese-Knox-Hertzberg Local Government Reorganization Act Of 2000</i>
CSD	<i>Community Services District</i>
GC	<i>Government Code</i>
LAFCO	<i>Local Agency Formation Commission</i>
MSR	<i>Municipal Service Review</i>
PUD	<i>Public Utility District</i>
SOI	<i>Sphere of Influence</i>

LAFCO Work Program Elements

SUBCATEGORY: 100 ADMINISTRATION

WORK ELEMENT: **100.01 LAFCO
Administration**

PURPOSE: To manage and coordinate LAFCO staff work in Tulare County, including development and implementation of the budget, work program, and Policies and Procedures Manual.

PREVIOUS WORK: This is an ongoing function of LAFCO.

PRODUCTS:

1. Administration and support of LAFCO work functions.
2. Representation at statewide and local planning meetings.
3. Development of LAFCO Policies and Procedures Manual.
4. Maintain LAFCO files and records.
5. Prepare LAFCO meeting agendas, schedules and minutes.
6. Prepare annual budget and work program.
7. Maintain membership in CALAFCO.

DISCUSSION:

The administration program provides direction and management of the various routine functions that comprise the LAFCO Work Program. This includes: project scheduling; budget preparation and monitoring; personnel recruitment and training; records maintenance; review of legislation affecting LAFCOs; and development of LAFCO Policies and Procedures consistent with C-K-H requirements and commission directives.

LAFCO staff also maintains membership in the California Association of Local Agency Formation Commissions (CALAFCO), which provides statewide coordination of LAFCO activities, representation before the State Legislature and other bodies, training opportunities for member LAFCOs, and a structure for sharing information among LAFCOs and other governmental agencies throughout the State.

BUDGET:

Estimated staff costs:	\$55,000	(6.0 Staff Person Months)
Memberships:	\$1,000	
Publications and Notices	\$1,000	
County Counsel:	\$5,150	
COWCAP Charged:	\$5,000	
Board Directors fees:	\$3,106	
Rent	\$15,810	
Insurance	\$2,169	
Prof. & Specialized:	\$0	
Service from Other Dept.	\$2,575	
Total:	\$90,810	
Revenue (source):	\$20,000	(Reserve Funds)
Revenue (source):	\$70,810	(County & Cities Contribution)
Revenue (source):		(Planning & Engineering Fees)

SUBCATEGORY: 100 ADMINISTRATION

WORK ELEMENT: **100.02 Office Expenses/Fixed Assets**

PURPOSE: To procure and manage the assets of LAFCO.

PREVIOUS WORK: Purchase supplies and equipment.
Purchase Liability Insurance.
Maintenance of LAFCO website.
Publish public notices.

PRODUCTS:

1. Procurement of supplies and equipment.
2. Maintenance of existing equipment.
3. Inventory of LAFCO assets.
4. Continuation of Internet service.
5. Payment of rent, telephone, mail, printing, data processing and other overhead services.
6. Ongoing maintenance of LAFCO website.

DISCUSSION:

LAFCO is required by GC Section 56300(f)(1) to establish and maintain, or otherwise provide access to notices and other commission information for the public through an internet website.

The address for the Tulare County LAFCO website is www.co.tulare.ca.us/lafco/. The site provides general information regarding LAFCO, Tulare County LAFCO commissioners and staff, meeting and application deadline schedules, and allows access to agendas and minutes. The site will also be used to post notices, agendas, minutes, and disclosures as required by Sections 56100.1, 56150, 56300, and 56661.

Because LAFCO is an independent agency, LAFCO maintains a general liability insurance policy. LAFCO reimburses the County for office space and other operational expenses as part of the work program.

BUDGET:

Office Expense:	\$1,500	
Telecomm	\$443	
ADP Payroll/Personnel:	\$150	
Utilities:	\$2,060	
Custodial Services:	\$1,590	
Property	\$81	
Mail	\$1,030	
Printing	\$500	
Alarm	\$30	
GIS	\$1,000	
Worker's Compensation	\$1,726	
Total	10,110	
		(Reserve Funds)
	\$10,110	(County & Cities Contribution)
		(Planning & Engineering Fees)

SUBCATEGORY: 100 ADMINISTRATION

WORK ELEMENT: **100.03 Training and Travel**

PURPOSE: Travel to various local, regional and statewide meetings as required.
Training for staff related to the operations of LAFCO and legislative activity affecting LAFCOs.

PREVIOUS WORK: This is an ongoing work element.

PRODUCTS:

1. Representation at statewide and local LAFCO meetings.
2. Staff training and educational seminars.
3. Commissioner training and education seminars.

BUDGET:

Training (Commissioners & Staff):	\$3,000
Transportation/Travel (Commissioners & Staff)	\$5,750
Total:	\$8,750

Revenue (source):		(Reserve Funds)
Revenue (source):	\$8,750	(County & Cities Contribution)
Revenue (source):		(Planning & Engineering Fees)

SUBCATEGORY: 101 SPECIAL PLANNING PROJECTS

WORK ELEMENT: **101.02 Municipal Service Reviews**

PURPOSE: To prepare Municipal Service Reviews (MSR's) pursuant to GC §56430.

PREVIOUS WORK: Group 1 MSRs adopted March 2006
Group 2 MSRs adopted May 2006
Group 3 MSRs adopted March 2007
Group 4 MSRs adopted October 2011
City of Dinuba MSR updated June 2012
City of Visalia MSR updated February 2013
City of Tulare MSR updated October 2013
City of Porterville MSR updated October 2014

PRODUCTS: MSRs for Cities of Exeter, Farmersville, Woodlake, Lindsay and Goshen CSD

DISCUSSION:

In accordance with GC §56430, in order to prepare and update spheres of influence, LAFCOs are required to conduct a review of the municipal services provided in the county or other appropriate area designated by the Commission. To address this requirement, a program for conducting municipal service reviews (MSR's) was initiated by LAFCO during the 2003/04 fiscal.

Through a contract with Omni-Means consultants, Tulare County's eight cities and 19 of the special districts were reviewed and MSR's were adopted in 3 groups. Group 1, consisting of Visalia, Farmersville, Tulare and surrounding districts were approved by the Commission in March 2006. Group 2, consisting of Dinuba, Woodlake and surrounding districts were approved by the Commission in May 2006. Group 3, consisting of Exeter, Lindsay and Porterville and surrounding districts were approved by the Commission in March 2007. Group 4, consisting of 21 special districts was approved in October 2011. The scope of MSRs has since been expanded to include service needs of developed communities within and adjacent to the subject agency's current SOI. MSR updates have been completed for the cities of Dinuba, Visalia, Tulare and Porterville. Due to the reduced level of casework LAFCO Staff has and will continue to complete the MSR updates without the use of a consultant. Thus, no funds will be allocated for consultant services for FY 15/16.

BUDGET:

Estimated staff costs:	\$55,000	(6.0 Staff Person Month)
Total:	\$55,000	
Revenue (source):	\$20,000	(Reserve Funds)
Revenue (source):	\$35,000	(County & Cities Contribution)
Revenue (source):		(Planning & Engineering Fees)

SUBCATEGORY: 101 SPECIAL PLANNING PROJECTS

WORK ELEMENT: **101.03 Cities and Special District Inventory Update**

PURPOSE: To maintain the LAFCO Cities and Special District Inventory.

PREVIOUS WORK: LAFCO Cities and Special District Inventory (October 1975)
 LAFCO Cities and Special District Inventory (Revised January 1981)
 LAFCO Cities and Special District Inventory (Revised June 1998)
 LAFCO Cities and Special District Inventory (Revised April 2007)
 LAFCO Cities and Special District Inventory (Revised April 2013)

PRODUCTS: Continuous update of the LAFCO Cities and Special District Inventory.

DISCUSSION: The Tulare County LAFCO Cities and Special District Inventory is a listing of the various agencies in Tulare County and provides information about each agency, including: date formed, address, phone number, contact person, functions performed, and method of financing. The Inventory also includes a brief description of each type of agency and a map depicting the agency's sphere of influence. For Community Service Districts and County Service Areas the inventory will also describe the latent powers each district was authorized to perform, but had not performed as of January 1, 2006 and January 1, 2009 (respectively). The full-published revision has been completed. The last major revision took place in FY 13/14. However, this Work Program allocation is intended for the continual updating of contact and map information in the Inventory.

BUDGET:

Estimated staff costs:	\$9,166	(1.0 Staff Person Months)
Total:	\$9,166	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$9,166	(County & Cities Contribution)
Revenue (source):		(Planning & Engineering Fees)

SUBCATEGORY: 101 SPECIAL PLANNING PROJECTS

WORK ELEMENT: **101.04 Sphere of Influence Updates**

PURPOSE: To prepare updates to agencies' Spheres of Influence and provide an efficient method to review and amend the Spheres of Influence for all agencies within Tulare County LAFCO's jurisdiction.

PREVIOUS WORK: In 2011; Alpine Village-Sequoia Crest CSD, Ducor CSD, East Orosi CSD, Patterson Tract CSD, Ponderosa CSD, Three Rivers CSD, Tract 92 CSD, Porter Vista PUD, CSA #1, Strathmore FPD and Woodlake FPD. Lindmore ID (2011) Lindsay-Strathmore ID (2011) Sultana (2011) Ivanhoe (2011) City of Dinuba (2012) Lindmore Irrigation District (2012) Lindsay-Strathmore Irrigation (2012) Allensworth CSD (2012) Sultana CSD (2012) Three Rivers CSD (2012) City of Lindsay (2014) City of Porterville (2014).

PRODUCTS:

1. SOI Updates for the Cities of Visalia, Tulare are expected to be adopted in 2015. Farmersville, Woodlake and Exeter are also anticipated for FY 2015/16
2. SOI Reviews (and updates as needed) for Tulare County principal districts

DISCUSSION:

Pursuant to GC Section 56425(g), all Spheres of Influence must be reviewed and updated, as necessary, on or before January 1, 2008 and every five years thereafter.

Tulare County LAFCO Resolution 96-02 provides that, whenever possible, the Sphere of Influence of each city and those Special Districts that provide urban services to unincorporated communities within the County should reflect a twenty-year growth area with additional areas for communities of interest (Section 56425 (a) (4)). This boundary shall be reviewed and, if necessary, updated no more than once every five years. The updates should be sufficient to accommodate projected growth for twenty years from the date of adoption.

The MSR schedule in Work Element 101.02 will guide the update of agencies' spheres of influence.

BUDGET:

Estimated staff costs:	\$13,750	(1.5 Staff Person Months)
Total:	\$13,750	
Revenue (source):	\$10,000	(Reserve Funds)
Revenue (source):	\$2,250	(County & Cities Contribution)
Revenue (source):	\$1,500	(Planning & Engineering Fees)

SUBCATEGORY: 101 SPECIAL PLANNING PROJECTS

WORK ELEMENT: **101.05 Island Annexation Program**

PURPOSE: To assist municipalities undertaking island annexations pursuant to GC §56375.3.

PREVIOUS WORK: Assisted Cities of Porterville, Visalia and Tulare

PRODUCTS: Continue to support city staff in their island annexation programs.

DISCUSSION: Amendments to CKH in 2000 provide a window for municipalities to annex county islands within their boundaries using streamlined procedures. Eligible islands must have been created prior to January 1, 2000. Protest hearings and election procedures may be waived by LAFCo, providing that the annexing city adopt a resolution supporting the annexation, and providing the annexation application meets the criteria spelled out in GC §56375.3. To date, the Cities of Visalia, Porterville and Tulare have annexed a total of 42 islands containing 10,883 residents, 3,525 housing units and 1,683 acres of land.

BUDGET:

Estimated staff costs:	\$4,583	(.5 Staff Person Month)
Total:	\$4,583	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$4,583	(County & Cities Contribution)
Revenue (source):		(Planning & Engineering Fees)

SUBCATEGORY: 101 SPECIAL PLANNING PROJECTS

WORK ELEMENT: **101.06 Special Projects**

PURPOSE: To fulfill LAFCO's obligation to perform special governmental organization studies pursuant to GC 56375.

PREVIOUS WORK: Report Regarding Preservation of Agricultural Lands.

PRODUCTS: This is an on-going work element. Products could include district consolidation and formation studies.

DISCUSSION:

In accordance with GC §56375, LAFCO has the authority to conduct a variety of studies related to effective and efficient provision of public services. This includes special district formation and consolidation studies. As a result of LAFCO Policy Amendments, a Financial Impact Study is now required to be prepared for the activation of latent powers, in certain instances. Staff provided the Commission with special studies regarding agricultural preservation in FY 2014/15.

The work element accounts for staff and consultant resources required to respond to the need for such special studies as may be authorized by LAFCO during the fiscal year.

BUDGET:

Estimated staff costs:	\$9,167	(1.0 Staff Person Month)
Total:	\$9,167	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$9,167	(County & Cities Contribution)
Revenue (source):		(Planning & Engineering Fees)

SUBCATEGORY: 102 CASE PROCESSING

WORK ELEMENT: **102.01 LAFCO Case Processing**

PURPOSE: To process applications submitted by LAFCO.

PREVIOUS WORK: In FY 2015/16 (as of March 11), staff has processed 18 cases (annexations, detachments, sphere of influence amendments and extension of services agreements)

PRODUCTS: This is an ongoing work element. Staff will continue to process case applications as they are submitted. For fiscal year 2015/16, based on feedback from local agencies, staff is estimating processing 6 cases.

BUDGET:

Estimated staff costs:	\$18,334	(2.0 Staff Person Months)
Total:	\$18,334	

		(Reserve Funds)
Revenue (source):	\$2,692	(County & Cities Contribution)
Revenue (source):	\$15,642	(Planning & Engineering Fees)

LAFCO Work Program Summary

Activity Description	Work Element Number	Revenue Source and Amount				Expenditures
		Reserve Funds	Income from Other Agencies	Planning & Engineering Services	Fees Paid by County for Incorporation	
LAFCO Administration	100.01	\$20,000	\$70,810	\$0	\$0	\$91,810
Office Expenses / Fixed Assets	100.02	\$0	\$10,110	\$0	\$0	\$10,110
Training and Travel	100.03	\$0	\$8,750	\$0	\$0	\$8,750
Municipal Service Reviews	101.02	\$20,000	\$35,000	\$0	\$0	\$55,000
Cities & Special District Inventory Update	101.03	\$0	\$9,166	\$0	\$0	\$9,166
Sphere of Influence Updates	101.04	\$10,000	\$2,250	\$1,500	\$0	\$13,750
Island Annexation Program	101.05	\$0	\$4,583	\$0	\$0	\$4,583
Special Projects	101.06	\$0	\$9,167	\$0	\$0	\$9,167
LAFCO Case Processing	102.01	\$0	\$2,692	\$15,642	\$0	\$18,334
Subtotals	NA	\$50,000	\$152,528	\$17,142	\$0	\$219,970
Contingency	NA	\$0	\$21,967	\$0	\$0	\$21,967
TOTALS		\$50,000	\$174,795	\$17,142	\$0	\$241,637

Total Staff Person Months = 18.0

(Executive Director – 6.0; Staff Analyst – 9; Clerk and Extra Help- 3)

TULARE CO. LAFCO- 6-YEAR STRATEGIC WORK PROGRAM

<i>FY</i>	<i>MSR</i>	<i>SOI UPDATE</i>	<i>SPECIAL PROJECTS</i>	<i>Pending Proposals, Possible Future Projects, Annual Work Elements</i>
2015/16	Exeter Woodlake, Farmersville, Lindsay, Goshen CSD (5 MSRs)	Cities (except Dinuba and Porterville), Goshen CSD (7 SOIs)		<i>Possible Future Projects</i> <ul style="list-style-type: none"> • Levee Districts • Traver, Seville CSD formations • Formation of Yokohl CSD & CWD • Incorporations: Goshen, Earlimart, Allensworth • Ag Mitigation Policy • Implementation of MSR's <i>Annual Work Elements</i> <ul style="list-style-type: none"> • Case Processing • Island Annexations • SOI Amendments • City-Special Districts Inventory • Special Projects
2016/17	Group 1 and 2 Districts (10 MSRs)	Group 1 and 2 Districts (10 SOIs)		
2017/18	Group 3 and 4 Districts (29 MSRs)	Group 3 and 4 Districts (29 SOIs)		
2018/19	Dinuba, Visalia (2 MSRs)	Dinuba, Visalia (2 SOIs)		
2019/20	Tulare, Porterville (2 MSRs)	Tulare, Porterville (2 SOIs)		
2020/21	Exeter, Woodlake, Lindsay, Farmersville (4 MSRs)	Exeter, Woodlake, Lindsay, Farmersville (4 SOIs)		

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In The Matter of the 2015/16)	
Proposed Budget for the Tulare County)	RESOLUTION NO. 15-0XX
Local Agency Formation Commission)	

WHEREAS, Section 56381 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires that on or before the 15th day of June, the Local Agency Formation Commission must prepare and transmit to the Board of Supervisors; to each city; and to the clerk and chair of the city selection committee, if any, its final budget for the following fiscal year; and

WHEREAS, LAFCO Policy D-3.4 (Staff Services Agreement), requires the preparation of a work program for each fiscal year indicating the services to be provided in that fiscal year; and

WHEREAS, this Local Agency Formation Commission on June 10, 2015, considered the fiscal year 2015/16 final budget and work program as recommended by the Executive Officer.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The final budget for fiscal year 2015/15, attached hereto as Exhibit "A", is hereby adopted.
2. The work program for fiscal year 2015/15, attached hereto as Exhibit "B", is hereby adopted.
3. The Executive Officer is hereby authorized and directed to forward said final

RESOLUTION NO. 15-0XX
PAGE 2

budget to the County Auditor; to the Board of Supervisors; to each city; and to the clerk and chair of the city selection committee, if any, in accordance with the requirements of Section 56381 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

The foregoing resolution was adopted upon motion of Commissioner _____, and seconded by Commissioner _____ at a regular meeting held on this 10th day of June 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

ce

**TULARE COUNTY
LOCAL AGENCY FORMATION COMMISSION**

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:

*Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley*

ALTERNATES:

*Mike Ennis
Dennis Mederos
Craig Vejvoda*

EXECUTIVE OFFICER:

Ben Giuliani

June 10, 2015

TO: LAFCO Commissioners, Alternates, Counsel
FROM: Ben Giuliani, Executive Officer
SUBJECT: Grand Jury Report – “Special Districts – Audit Failures”

Background

The Tulare County Grand Jury released a report titled “Special Districts – Audit Failures” on May 18, 2015 **[Attachment A]**. The report addresses the status of special district audits as required by Government Code (GC) §26909 **[Attachment B]**. The Grand Jury report is substantially based on the County of Tulare Auditor-Controller’s report (March 10, 2015) regarding the status of special district audits for Fiscal Year (FY) 2012-2013 **[Attachment C]**. Both the Grand Jury report and the Auditor’s report list 33 special districts that didn’t submit audits for FY 12-13.

Discussion**Special Districts**

The definition of a “special district” is more expansive for the purpose of auditing requirements than it is for LAFCOs. All special districts for LAFCO purposes are special districts for the Auditor but not vice versa. GC §26912 refers to Revenue and Taxation Code (RTC) commencing at §2201 for definitions **[Attachment D]**. This is why certain joint power authorities (JPAs) such as Kaweah River Power Authority and Friant Power Authority are included in the Auditor’s list of special districts but are not considered special districts for LAFCO purposes. Of the 33 special districts (using the Auditor’s definition) that are listed in the Grand Jury report and Auditor’s report, two are joint power authorities not subject to LAFCO and one (Kingsburg Hospital District) is principally in Fresno County. This leaves 30 special districts for which Tulare County LAFCO is the principal county.

However, the special districts listed in the Grand Jury and Auditor reports are not a complete listing of special districts that are reviewed for the status of their audits. The Auditor’s special district audit status list **[Attachment E]** shows all of the tracked special districts in Tulare County. In comparing the reports with the status list, there are some corrections to note. The following districts are shown in the reports as being out of compliance with their audits but are actually in compliance: Sequoia Memorial District, Three Rivers Memorial District and Three Rivers Public Cemetery District. The following districts are not listed in the reports but are actually out of compliance with their audits: Three Rivers CSD, East Orosi CSD, London CSD, Sultana CSD, Tract 92 CSD, Springville PUD and Woodlake Public Cemetery District.

The County Auditor tracks a total of 103 special districts (auditor definition). Of the 103 special districts, 84 are special districts per LAFCO's definition for which Tulare County is the principal county. Of those 84 special districts, 34 are out of compliance with their audits (as of FY 12/13) and 50 are in compliance. It is also important to note that out of the 50 that submitted audits, 3 were issued a qualified opinion or disclaimer of opinion (Lindsay-Strathmore Public Cemetery District, Ivanhoe Memorial District and Orosi Memorial District).

Audit Requirements

The Grand Jury report correctly cites GC §26909 when referencing special district audit requirements. Special district audits are required to be provided to the County Auditor by the special district. If an audit is not provided, the County Auditor shall either make or contract with a public accountant to conduct the audit. If the County Auditor prepares or contracts the audit, the special district is liable for the expense.

When an audit is made by a public accountant, the audit must meet the minimum requirements as set by the State Controller **[Attachment F]** and must be filed within 12 months of the end of the fiscal year or years being audited. Under certain circumstances, an annual audit can be replaced with a biennial audit, a five year audit or for any defined period less than five years. In Tulare County, all special district audits are required either annually or biennially with the exception of the Upper San Joaquin River Water and Power Authority which is on a 5 year schedule.

LAFCO's Role

LAFCO has no role in the development, submittal or oversight of a special district audit. LAFCO does review the financial ability of agencies to provide services and accountability for community service needs, including governmental structure and operation efficiencies in the municipal service reviews (MSRs) for urban service providing districts (GC §56430). LAFCO's role would be limited as informational in reporting the status of a district's audit in the MSR. However, the lack of an audit could be symptomatic of larger issues within a district that could need further analysis by LAFCO. For example, if a district is inactive or non-functional, LAFCO may need to initiate a dissolution or a consolidation into another district.

Grand Jury Response

The Grand Jury report is substantially accurate in their review of the status of special district audits. Attachment G contains the draft LAFCO response to the Grand Jury.

Attachments

- A – Grand Jury Report, “Special Districts – Audit Failures”
- B – Government Code Audit Requirements (§26909)
- C – County of Tulare Auditor-Control Report
- D – Special District Definitions
- E – Auditor Special District Audit Status List
- F – State Controller Minimum Audit Requirements
- G – Draft LAFCO Response to Grand Jury


TULARE COUNTY GRAND JURY

5963 S Mooney Boulevard Visalia, CA 93277

PHONE: (559) 624-7295

FAX: (559) 733-6078

 E-MAIL: grnd_jury@co.tulare.ca.us

 WEB: <http://tularecounty.ca.gov/grandjury/>

MAIL RECEIVED

MAY 12 2015

 TCAG/LAFCO
210 N. Church Street, Ste. B
Visalia, CA 93291

 ATTENTION: Ben Giuliana

 AGENCY: Tulare County Local Agency Formation Commission

 ADDRESS: 210 N. Church Street, Suite B., Visalia, CA 93291

California Penal Code §933.05 (f) mandates that the Tulare County Grand Jury provide a copy of the portion of the final Report that affects that agency or person of that agency two working days prior to its public release. Advance release or disclosure of a Grand Jury Report is prohibited prior to its public release.

Attached is a copy of your portion of the 2014/2015 Tulare County Grand Jury Final Report.

California Penal Code §933(c) requires a response to said document. Depending on the type of respondent you are, a written response is required as follows:

- ☒ **PUBLIC AGENCY:** The governing body of any public agency that is required to respond must do so within NINETY (90) DAYS from the date this report was approved as final by the Presiding Judge.
- ☒ **ELECTIVE OFFICER OR AGENCY HEAD:** All elected officers or heads of agencies that are required to respond must do so within SIXTY (60) DAYS from the date this report was approved as final by the Presiding Judge.

Please be advised, this portion of the final report was approved as final by the Presiding Judge on May 5, 2015.

YOU MUST SEND YOUR RESPONSE TO EACH OF THE FOLLOWING:

The Honorable Judge Bret Hillman
County Civic Center, Room 303
221 S Mooney Blvd
Visalia, CA 93291

Tulare County Grand Jury
5963 S Mooney Blvd
Visalia, CA 93277

Tulare County Board of Supervisors
2800 W. Burrell Ave
Visalia, CA 93291
(For County Agencies Only)

Received by: Alyssa Blagthe

Date: 5/12/15

Report Name: Special Districts - Audit Failures

Response Due by: July 6, 2015

Delivered by: Chuck White

Date and Time: 5/12/2015

Release Date: May 18, 2015

Chuck White, Foreman 2014/2015 Tulare County Grand Jury

PREPARE A SEPARATE RESPONSE FOR EACH REPORT

California Penal Code §933.05 mandates the manner in which responses are to be answered.

See reverse for Penal Code §933.05 information.

SPECIAL DISTRICTS – AUDIT FAILURES

BACKGROUND:

Special Districts are authorized by the State of California and/or the Local Agency Formation Commission (LAFCO). After their creation, special districts became independent and, seemingly, unwatched.

Each independent special district has an elected (or appointed) board which acts as a separate self-regulated entity detached from city/county oversight. The Board members are responsible only to their constituents and to the state laws applicable to that specific district. These independent special districts are agencies that have been created by California law to perform a particular local governmental service. Tulare County is home to 112 independent special districts. This report does not review dependent districts that are set up by cities and the County solely to provide service, but focuses instead on the independent district.

The State of California Government Code (CGC) §16271(d) stipulates:

“A ‘special district’ means any agency of the state for local performance of governmental or proprietary functions with limited boundaries. A property tax rate is levied to pay for a service or improvement benefitting that area.”

A less complicated way to describe a special district is to say that it is a separate local governmental agency that delivers a limited number of public services to a geographically defined area. In Tulare County, the majority of these districts have to do with water.

Tulare County independent special districts and their boards must abide by all Federal and State laws, and are responsible to their constituents. As with all governmental agencies, independent districts must comply with the directives from the Office of the State Controller. The function of a district may bring it under other laws and statutes that further define responsible operation and governance of the district. For example, all fire districts in Tulare County and the Tulare County Mosquito and Vector Control district must follow sections of the Health and Safety Code (HSC) as well as the Government Code.

The district’s registered voters usually choose an independent special district governing body but the district board may be appointed by a city council and/or the Tulare County Board of Supervisors instead of being elected. Once in office, board members are responsible only to their constituents and not the appointing body.

REASON FOR INVESTIGATION:

Tulare County Grand Jury requested and received documents relating to the status of Tulare County’s special district audit requirements, pursuant to CGC §26909. This law requires independent special districts to have annual audits conducted by either the County Auditor or a Certified Public Accountant. The completed audit is then filed with the State Controller Office and with the County Auditor Office. The annual audit can be changed to a two year audit if approved unanimously by the district board or the Board of Supervisors under certain conditions.

The Grand Jury seeks to ensure the public has sufficient information to fully address appropriate aspects of overseeing these districts as they provide service to the community by publishing this informational report. It is the residents of each district who must determine if their level of service is satisfactory, if the cost is reasonable and whether funds are allocated judiciously and appropriately within the respective district's budgets. In order to guarantee that each citizen has enough information to make these determinations, all actions of every district must be open and clearly visible to all concerned.

PROCEDURES FOLLOWED:

The Grand Jury interviewed knowledgeable persons within Tulare County government agencies and county special districts. Visits to district board meetings, observation of board parliamentary procedures, and onsite interviews were made. Telephone interviews with County executive officers and a thorough review of reliable documents was conducted during the jury's investigative process.

FACTS:

1. The Grand Jury's review of detailed documents pertaining to the County's special districts has revealed failures by many districts in meeting their minimum auditing governance, which the State Controller must prescribe pursuant to the aforementioned CGC §26909.
2. LAFCO is a regulatory agency with county-wide jurisdiction and provides limited oversight to special districts within the County. The Tulare County LAFCO (one of 58 located throughout California) was formed by State Law in 1963 to help State government manage the tremendous growth the state was experiencing at the time. Since 2003 all county LAFCOs have been required by State Law to prepare an information report called a *Municipal Service Review* (MSR) for each city and special district within their County. The MSR measures services, projects growth, financial capabilities, use of shared facilities and community service needs, and are completed by district on a five-year cycle determined by the district function.
3. The Little Hoover Commission is a bipartisan, independent investigative state body established by the State of California whose members are appointed by the Governor and the Legislature. The Commission's goal is to promote effectiveness and efficiency in programs within the State. It is sometimes called the *State's Grand Jury*. In its Report of May 2000, the Little Hoover Commission found that California's independent special districts often lacked the kind of oversight and citizen involvement necessary to promote their efficient operation and evolution. Its authors stated, "...without robust mechanisms of public accountability, inefficiency can become routine and the occasional scandal inevitable."
4. Tulare County instituted an education program for special district board members covering a variety of important topics such as the Brown Act and conflict of interest. The information is also posted on line at:
<http://tularecounty.ca.gov/board/index.cfrn/governance/>.

5. Special District audits, as prescribe by the State Controller and pursuant to CGC §26909, is intended to adhere to minimum requirements, including proper study and evaluation of the district's existing internal control and financial organizational structure.

FINDINGS:

- F1. LAFCO intent was to create county (or area) agencies that could bring order and planning into overlapping jurisdictional and service boundaries that were becoming common circa 1963.
- F2. During its research of independent special districts, the Grand Jury learned that reviews and investigations of special districts are not uncommon.
- F3. Many special districts are not complying with State mandated annual audits conducted by the County Auditor or a Certified Public Accountant.

RECOMMENDATIONS:

- R1. Tulare County Special Districts are required to comply with minimum auditing requirements as set forth by the State Controller. Records of such audits are to be filed with the County Auditor as further required by CGC §26909.
- R2. Tulare County Special Districts should undertake an audit conducted by the County Auditor or a Certified Public Accountant/public accountant:
 - a. Have sufficient knowledge and training to enable compliance with both generally accepted auditing standards and generally accepted government auditing standards.
 - b. Have a thorough knowledge of the fundamental principles of governmental accounting, including both fund accounting and enterprise accounting.
 - c. Comply with Government Auditing Standards as promulgated by the United States General Accounting Office when applicable (e.g., Single Audit Act, required by agreement or contract, etc.).

REQUIRED RESPONSES:

1. Local Agency Formation Commission
2. County of Tulare Auditor-Controller
3. The following Districts which have not filed their audit report with the County by the required due date:

DISTRICT ONE

Eshom Valley Public Cemetery District

Kaweah Delta Water Conservation District

Lemon Cove Sanitary District

Lewis Creek Water District

Lindsay Local Hospital District

Lindsay-Strathmore Memorial District

Poplar Community Services District

Sequoia Memorial District

Three Rivers Memorial District

Three Rivers Public Cemetery District

DISTRICT TWO

Allenworth Community Services District

Alpaugh Community Services District

Atwell Island Water District

Deer Creek Storm Water District

Friant Power Authority

Teviston Community Services District

Tipton Community Services District

Tipton-Pixley Public Cemetery District

Tulare Irrigation District

Tulare Local Healthcare District

DISTRICT THREE

Delta Vector Control District

Kaweah River Power Authority District

Visalia Memorial District

DISTRICT FOUR

Dinuba Veteran's Memorial District

Ivanhoe Public Utility District

Kingsburg Hospital District

Orosi Public Utility District

St. John's Water District

Woodlake Veterans Memorial District

DISTRICT FIVE

Porterville Memorial District

Springville Veteran's Memorial District

Terra Bella Memorial District

Vandalia Water District

Disclaimer

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Section 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Section 924.2 and 929).

Special District Audits – Government Code

26909. (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) Where an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards, and a report thereof shall be filed with the Controller and with the county auditor of the county in which the special district is located. The report shall be filed within 12 months of the end of the fiscal year or years under examination.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, the provisions of this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller, or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period, if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district, with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding the provisions of this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

County of Tulare

221 S. Mooney Blvd, Room 101-E
Visalia, CA 93291-4593



Rita A. Woodard
Auditor-Controller

Deborah Paolinelli, CPA
Assistant Auditor-Controller
Telephone: (559) 636-5200
Fax: (559) 730-2547

March 10, 2015

Steve Worthley
Chairman of the Board of Supervisors
County of Tulare
2800 West Burrel Avenue
Visalia, CA 93291

Dear Supervisor Worthley:

While meeting the requirements of the State of California Code Section 26909, ensuring that all Special Districts file an audit report with the County, my office reviewed several Special District audit reports that I believe include concerns regarding financial conditions, going concerns, and/or subsequent events. I consider it important to keep you apprised of these Special Districts, as listed below. If you would like a copy of the audited financial statements for any of the districts, my office will be happy to provide those to you.

DISTRICT ONE

The following Districts have not filed their audit report with the County by the required due date:

Eshom Valley Public Cemetery District
Kaweah Delta Water Conservation District
Lemon Cove Sanitary District
Lewis Creek Water District
Lindsay Local Hospital District
Lindsay-Strathmore Memorial District
Poplar Community Services District
Sequoia Memorial District
Three Rivers Memorial District
Three Rivers Public Cemetery District

District reports expressing fraud, going concerns, qualified opinion, or disclaimer of opinion: Lindsay-Strathmore Public Cemetery District

June 30, 2013 – The Independent Auditor issued a qualified opinion. The Independent Auditor reported that because of inadequacies in the District's accounting records, the auditor was unable to form an opinion regarding the amount at which the nonexpendable balance in the restricted endowment fund should be reported in the accompanying balance

sheet. Missing cash receipts were discovered and an investigation conducted found \$192,745 was missing from July 2005 through October 2012. An insurance claim was filed and the District will receive \$182,428 pending a final agreement.

District reports with net losses, negative fund balances, decreases in net position, or excess cash and investments outside of the County Treasury:

Exeter Irrigation District

December 31, 2012-- The District reported a decrease in net position of \$115,477.

Exeter Public Cemetery District

June 30, 2013 – The District reported a decrease in net position of \$1,131. The District reported cash in a bank account outside of the County Treasury with a balance of \$15,240 which is not in compliance with California Government Code Section 53952.

Lindsay-Strathmore Public Cemetery District

June 30, 2013 – The District reported cash in a bank account outside of the County Treasury with a balance of \$318,896 which is not in compliance with California Government Code Section 53952.

DISTRICT TWO

The following Districts have not filed their audit report with the County by the required due date:

- Allensworth Community Services District
- Alpaugh Community Services District
- Atwell Island Water District
- Deer Creek Storm Water District
- Friant Power Authority
- Richgrove Community Services District
- Teviston Community Services District
- Tipton Community Services District
- Tipton-Pixley Public Cemetery District
- Tulare Irrigation District
- Tulare Local Healthcare District

District reports with net losses, negative fund balances, decreases in net position, or excess cash and investments outside of the County Treasury:

Alpaugh Irrigation District

June 30, 2012-- The District reported a decrease in net position of \$240,352.

June 30, 2013-- The District reported a decrease in net position of \$99,694.

Deer Creek and Tule River Joint Powers Authority District

December 31, 2011-- The District reported a decrease in net position of \$12,840.

Southern Tulare County Citrus Pest Control District

June 30, 2013– The District reported a decrease in net position of \$27,801.

Tulare Public Cemetery District

June 30, 2013– The District reported a decrease in net position of \$105,986.

Woodville Public Utility District

June 30, 2013– The District reported a decrease in net position of \$11,938.

DISTRICT THREE

The following Districts have not filed their audit report with the County by the required due date:

Delta Vector Control District
Kaweah River Power Authority District
Visalia Memorial District

District reports with net losses, negative fund balances, decreases in net position, or excess cash and investments outside of the County Treasury:

Tulare County Resource Conservation District

June 30, 2012– The District reported a decrease in net position of \$115,650.

Visalia Public Cemetery District

June 30, 2013– The District reported a decrease in net position of \$109,314.

DISTRICT FOUR

The following Districts have not filed their audit report with the County by the required due date:

Dinuba Veteran's Memorial District
Ivanhoe Public Utility District
Kingsburg Hospital District
Orosi Public Utility District
St. John's Water District
Woodlake Veterans Memorial District

District reports expressing fraud, going concerns, qualified opinion, or disclaimer of opinion:

Ivanhoe Memorial District

June 30, 2013– The Independent Auditor reported a qualified opinion. The District does not maintain detailed property records and accordingly, no depreciation has been computed.

Orosi Memorial District

June 30, 2013– The Independent Auditor reported a disclaimer of opinion because they are not independent with respect to the District. The District reported a decrease in net position of \$4,406. The District reported cash in a bank account outside of the County Treasury with a balance of \$13,666 which is not in compliance with California Government Code Section 53952.

District reports with net losses, negative fund balances, decreases in net position, or excess cash and investments outside of the County Treasury:

Alta Public Cemetery District

June 30, 2013– The District reported cash in a bank account outside of the County Treasury with a balance of \$132,078 which is not in compliance with California Government Code Section 53952.

Woodlake Fire Protection District

June 30, 2013– The District reported cash in a bank account outside of the County Treasury with a balance of \$36,212 which is not in compliance with California Government Code Section 53952.

DISTRICT FIVE

The following Districts have not filed their audit report with the County by the required due date:

Porterville Memorial District
Springville Veteran's Memorial District
Terra Bella Memorial District
Vandalia Water District

District reports with net losses, negative fund balances, decreases in net position, or excess cash and investments outside of the County Treasury:

Ducor Community Services District

June 30, 2013– The District reported a decrease in net position of \$26,798.

Ducor Irrigation District

December 31, 2012– The District reported a decrease in net position of \$26,333.

December 31, 2011– The District reported a decrease in net position of \$11,116.

Eastside Power Authority

December 31, 2013– The District reported a decrease in net position of \$61,145.

Porterville Public Cemetery District

June 30, 2013– The District reported cash in a bank account outside of the County Treasury with a balance of \$214,574 which is not in compliance with California Government Code Section 53952.

Porterville Irrigation District

December 31, 2012– The District reported a decrease in net position of \$7,656.

Saucelito Irrigation District Pension Plan

December 31, 2011– The District reported a decrease in net position of \$268,384.

If you have any questions, please call the Chief of Financial Reporting and Audits,
Oscar J. Garcia, CPA at (559) 636-5214.

Sincerely,



Rita A. Woodard

Auditor-Controller/Treasurer-Tax Collector/Registrar of Voters

Special District Definitions

Auditor Definition

GC §26912

(a) For the purposes of this section, a local agency includes a city, county, city and county, and special district, as such terms are defined in Article 1 (commencing with Section 2201) of Chapter 3 of Part 4 of Division 1 of the Revenue and Taxation Code...

RTC §2215

"Special district" means any agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Special district" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area, formed for the purpose of designating an area within which a property tax rate will be levied to pay for a service or improvement benefiting that area. "Special district" does not include a city, a county, a school district or a community college district. "Special district" does not include any agency which is not authorized by statute to levy a property tax rate or receive an allocation of property tax revenues. However, for the purpose of the allocation of property taxes pursuant to Chapter 6 (commencing with Section 95) of Part 0.5, and notwithstanding Section 2237, any special district authorized to levy a property tax or receive an allocation of property tax by the statute under which the district was formed shall be considered a special district.

LAFCO Definition

GC §56036

(a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133.

(b) "District" or "special district" includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) An assessment district or special assessment district.
- (6) An improvement district.
- (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).
- (8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.
- (9) An air pollution control district or an air quality maintenance district.
- (10) A zone of any special district.

<u>Special District</u>	<u>District</u>	<u>Frequency</u>	<u>7/1/09-6/30/10</u>	<u>7/1/10-6/30/11</u>	<u>7/1/11-6/30/12</u>	<u>7/1/12-6/30/13</u>	<u>7/1/13-6/30/14</u>	<u>7/1/14-6/30/15</u>
Allensworth Community Services District	Two	Annual	✓	✓	✓	X ₁	X ₂	
Alpaugh Community Services District	Two	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Alpaugh Irrigation District	Two	Annual	✓	✓	✓	✓	X ₂	
Alpaugh Joint Powers Authority District, est.2004	Two	Annual	✓	✓	✓	X ₁	X ₂	
Alpine Village-Sequoia Crest Community Services District	Five	Biennial	✓	✓	✓	✓	n/a	
Alta Irrigation District	Four	Annual	✓	✓	✓	✓	X ₂	
Alta Public Cemetery District	Four	Annual	✓	✓	✓	✓	X ₂	
Atwell Island Water District	Two	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Central Tulare County School Self Insurance Authority (Joint)	N/A	Annual	✓	✓	✓	✓	✓	
Consolidated Central Valley Table Grape Pest & Disease Control District	One	Annual	✓	✓	✓	✓	✓	
Cutler Public Utility District	Four	Annual	✓	✓	✓	✓	✓	
Cutler-Orosi Joint Powers Wastewater Authority	Four	Annual	X ₁	✓	✓	✓	✓	
Deer Creek & Tule River Joint Powers Authority	Two	Annual	✓	✓	✓	✓	✓	
Deer Creek Storm Water District	Two	Biennial	n/a	X ₁	n/a	X ₁	n/a	
Delano Mosquito Abatement District	N/A	Annual	✓	✓	✓	✓	✓	
Delano-Earlimart Irrigation District	Two	Annual	✓	✓	✓	✓	X ₂	
Delta Vector Control District	Three	Annual	✓	✓	✓	X ₁	X ₂	
Dinuba Veteran's Memorial District	Four	Annual	✓	✓	✓	X ₁	X ₂	
Ducor Community Services District	Five	Annual	✓	✓	✓	✓	X ₂	
Ducor Irrigation District	Five	Annual	X ₁	✓	✓	✓	X ₂	
Earlimart Public Utility District	Two	Annual	✓	✓	✓	✓	X ₂	
East Orosi Community Services District	Four	Annual	✓	✓	✓	X ₁	X ₂	
Eastside Power Authority	N/A	Annual	X ₁	X ₁	X ₁	✓	✓	
Eshom Valley Public Cemetery District	One	Annual	X ₁	X ₁	X ₁	X ₁	✓	
Exeter District Ambulance	One	Annual	✓	✓	✓	✓	✓	
Exeter Irrigation District	One	Annual	✓	✓	✓	✓	✓	
Exeter Public Cemetery District	One	Annual	✓	✓	✓	✓	✓	
Exeter Veterans Memorial District	One	Annual	✓	✓	✓	✓	X ₂	
Friant Power Authority	Two	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Goshen Community Services District	Four	Annual	✓	✓	✓	✓	X ₂	
Ivanhoe Irrigation District	Four	Annual	✓	✓	✓	✓	X ₂	
Ivanhoe Memorial District	Four	Biennial	n/a	✓	n/a	✓	n/a	
Ivanhoe Public Utility District	Four	Annual	✓	✓	✓	X ₁	X ₂	
Kaweah Delta Health Care District	Three	Annual	✓	✓	✓	✓	X ₂	
Kaweah Delta Water Conservation District	One	Annual	✓	✓	✓	X ₁	X ₂	
Kaweah River Power Authority District	Three	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Kings River Conservation District	N/A	Annual	✓	✓	X ₁	X ₁	X ₂	
Kingsburg District Hospital District	Four	Annual	✓	X ₁	X ₁	X ₁	X ₂	
Kingsburg Public Cemetery District	N/A	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Lemon Cove Sanitary District	One	Annual	✓	✓	✓	X ₁	X ₂	
Lewis Creek Water District	One	Annual	✓	✓	✓	X ₁	X ₂	
Lindmore Irrigation District	One	Annual	✓	✓	✓	✓	X ₂	
Lindsay Local Hospital District	One	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Lindsay-Strathmore Irrigation District	One	Annual	✓	✓	✓	✓	✓	
Lindsay-Strathmore Memorial District	One	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Lindsay-Strathmore Public Cemetery District	One	Annual	✓	✓	✓	✓	✓	
London Community Services District	Four	Biennial	✓	✓	✓	X ₁	X ₂	

Lower Tule River Irrigation District	Two	Annual	✓	✓	✓	✓	✓	
Orange Cove Irrigation District	One	Annual	✓	✓	✓	✓	✓	
Orosi Memorial District	Four	Biennial	✓	✓	✓	✓	X ₂	
Orosi Public Utility District	Four	Annual	✓	✓	✓	X ₁	X ₂	
Patterson Tract Community Services District	Three	Annual	✓	✓	✓	✓	X ₂	
Pixley Irrigation District	Two	Annual	✓	✓	✓	✓	X ₂	
Pixley Public Utility District	Two	Annual	✓	✓	✓	✓	✓	
Ponderosa Community Services District	Five	Annual	✓	✓	✓	✓	✓	
Poplar Community Services District	One	Annual	✓	✓	✓	X ₁	X ₂	
Porter Vista Public Utility District	Five	Annual	✓	✓	✓	✓	X ₂	
Porterville Cemetery District	Five	Annual	✓	✓	✓	✓	✓	
Porterville Irrigation District	Five	Annual	✓	✓	✓	✓	✓	
Porterville Memorial District	Five	Annual	✓	✓	✓	X ₁	X ₂	
Richgrove Community Services District	Two	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Saucelito Irrigation District	Five	Biennial	n/a	✓	n/a	✓	✓	
Saucelito Irrigation District Pension Plan	Five	Annual	✓	X ₁	X ₁	X ₁	X ₂	
Sequoia Memorial District	One	Biennial	✓	n/a	✓	na	X ₂	n/a
Sierra View Local Health Care District	Five	Annual	✓	✓	✓	✓	X ₂	
South Tulare County Memorial District	Two	Annual	✓	✓	✓	✓	X ₂	
Southern Tulare County Citrus Pest Control District	Two	Annual	✓	✓	✓	✓	✓	
Springville Public Utility District	Five	Biennial	n/a	✓	n/a	X ₁	X ₂	
Springville Veteran's Memorial District	Five	Biennial	✓	✓	✓	X ₁	X ₂	
St. John's Water District	Four	Annual	✓	X ₁	Annual	X ₁	X ₂	
Stone Corral Irrigation District	Four	Annual	✓	✓	✓	✓	X ₂	
Strathmore Fire Protection District	One	Biennial	n/a	✓	n/a	✓	n/a	n/a
Strathmore Public Utility District	One	Annual	✓	✓	✓	✓	X ₂	
Sultana Community Services District	Four	Biennial	✓	✓	✓	X ₁	X ₂	
Tea Pot Dome Water District	Five	Annual	✓	✓	✓	✓	X ₂	
Terra Bella Irrigation District	Five	Annual	✓	✓	✓	✓	✓	
Terra Bella Memorial District	Five	Annual	✓	✓	✓	X ₁	X ₂	
Teviston Community Services District	Two	Annual	X ₁	X ₁	X ₁	X ₁	X ₂	
Three Rivers Community Services District	One	Biennial	✓	✓	✓	X ₁	X ₂	
Three Rivers Memorial District	One	Biennial	✓	n/a	✓	n/a	X ₂	n/a
Three Rivers Public Cemetery District	One	Biennial	✓	n/a	✓	n/a	X ₂	n/a
Tipton Community Services District	Two	Annual	✓	✓	✓	X ₁	X ₂	
Tipton-Pixley Public Cemetery District	Two	Annual	X ₁	✓	X ₁	X ₁	X ₂	
Tract 92 Community Services District	Four	Annual	✓	✓	✓	X ₁	X ₂	
Tulare Area Schools Employee Benefit Authority (Joint)	N/A	Annual	✓	✓	✓	X ₁	X ₂	
Tulare County Olive Pest Control, est. 2002	Two	Biennial	X ₁	n/a	X ₁	n/a	X ₂	n/a
Tulare County Pest Control District	Two	Annual	✓	✓	✓	✓	✓	
Tulare County Resource Conservation District	Three	Biennial	n/a	✓	n/a	✓	n/a	n/a
Tulare County Water Works District #1	Two	Biennial	X ₁	X ₁	X ₁	X ₁	X ₂	n/a
Tulare Irrigation District	Two	Annual	✓	✓	✓	X ₁	X ₂	
Tulare Local Health Care District	Two	Annual	✓	✓	✓	X ₁	X ₂	
Tulare Memorial District	Two	Annual	✓	✓	✓	✓	✓	
Tulare Mosquito Abatement District	Two	Annual	✓	✓	✓	✓	✓	
Tulare Public Cemetery District	Two	Annual	X ₁	✓	✓	✓	✓	✓
Upper San Joaquin River Water and Power Authority (Joint)	N/A	Five	n/a	n/a	✓	n/a	n/a	n/a

Vandalia Water District	Five	Annual	✓	✗ ₁	✗ ₁	✗ ₁	✗ ₂
Visalia Memorial District	Three	Annual	✓	✓	✓	✗ ₁	✗ ₂
Visalia Public Cemetery District	Three	Annual	✓	✓	✓	✓	✓
Woodlake Fire Protection District	Four	Annual	✓	✓	✓	✓	✓
Woodlake Public Cemetery District	Four	Annual	✓	✗ ₁	✓	✗ ₁	✗ ₂
Woodlake Veterans Memorial District	Four	Annual	✓	✓	✗ ₁	✗ ₁	✗ ₂
Woodville Public Cemetery District	Two	Annual	✗ ₁	✓	✓	✓	✓
Woodville Public Utility District	Two	Annual	✓	✓	✓	✓	✓

The district board is responsible for ensuring proper accountability including the accounts of the district to be audited annually (or biennially or five year with BOS approval) by a certified public accountant in accordance with generally accepted auditing standards (GAAS) and State Controller requirements (Government Code section 26909).

- ✓ The audit has been submitted timely.
- ✗₁ The audit has not been submitted for review, and the filing deadline has passed.
- ✗₂ The audit has not been received yet, however; the filing deadline has not passed. No issue noted.
- n/a An audit is not required for this time period (due to biennial, or five-year audit frequency).

2 CCR § 1131.2. Minimum Audit Requirements

(a) The audit shall be made in accordance with generally accepted auditing standards. Various auditing procedures are suggested and described on pages 41 through 69 of the American Institute of Certified Public Accountants publication Audits of State and Local Governmental Units. No hard and fast rules can be set down as to the specific procedures that should be taken. Professional judgment must be exercised. Following are general statements that the county auditor or independent accounting firm should consider in preparing an audit program in connection with the audit of a California special district.

(1) A proper study and evaluation of the existing internal control and the financial organizational structure should be made. The extent to which an auditor should go in testing the evidential matter supporting his opinion on the financial statements depends on the effectiveness of the district's system of internal control.

Sufficient competent evidential matter is to be obtained through inspection, observation, inquiries, and confirmations to afford a reasonable basis for an opinion regarding the financial statements under examination.

If the internal control is so deficient that an auditor must disclaim his opinion in this regard, the reason for this disclaimer must be set forth in the audit report.

(2) The auditor should review the laws applicable to the financial transactions of the district. For instance, all special districts are subject to a uniform accounting system prescribed by the State Controller. Should there be indications that the district may have failed to comply with legal requirements, the transactions may be referred to proper legal counsel for interpretation of the applicable law. Noncompliance should be commented upon in the report and, if necessary, the auditor's opinion should be qualified, disclaimed or adverse.

(3) The district's report of financial transactions to the State Controller should be reviewed to see that it agrees with the official records of the district for the period. The State Controller should be informed of any material difference.

(4) A review should be made of the previous audit report workpapers and program if available.

(5) The auditor should ascertain what funds are maintained and by what authority or under what circumstances each fund maintained was created.

(6) The auditor should ascertain the basis of accounting, that is, cash, accrual or modified accrual. Accrual is the basis for enterprise funds and modified accrual is the basis for non-enterprise funds. The cash basis is no longer approved for special districts.

(7) The auditor should take a trial balance of the accounts of each fund and should list both opening and closing balances. The opening balances should be compared with the amounts shown in the audit report for the previous period, if any, and any difference should be investigated and reconciled.

(8) A summary of the financial data included in the minutes or other official records of the proceedings of the legislative body should be prepared. Expenditure authorizations and the appropriations made to cover the authorizations should be confirmed.

(9) The auditor should verify the balance of cash on hand.

(10) The auditor should reconcile bank accounts including cash on deposit with county treasurer as of the balance sheet date and such other times as is necessary. He should obtain confirmation from depositories for (1) all bank accounts, time certificates or savings and loan accounts, and (2) collateral securing such accounts, if applicable. Collateral should be examined or confirmed with the depository holding the collateral as trustee. The auditor should determine the adequacy and propriety of the collateral pledged.

(11) The auditor should test the tax levy, tax collection and delinquencies whether processed by the district or the county.

(12) The collection and recording of all ascertainable revenues should be tested during the period under audit. The test should be sufficient to determine that receipts have been recorded in the proper funds and period.

(13) The auditor should determine:

(A) That the expenditures were properly authorized and incurred and are proper charges to the fund and appropriation against which they have been charged.

(B) That the expenditures are supported by the proper documents and that the documents are so marked as to prevent their reuse. In this connection, it should be ascertained whether noncash expenditures, that is, interdepartmental transactions are supported by adequate documentation and were properly recorded.

(14) A review should be made of nonrevenue receipts and nonexpense disbursements to determine if they were legal and properly recorded.

(15) All other assets such as investments, accounts receivable, inventories, paid expenses, fixed assets and similar items should be verified in accordance with generally accepted auditing standards.

(16) All liabilities such as accounts payable, notes payable, contracts payable, judgments and similar items should be verified in accordance with generally accepted auditing standards. Proper authorities should be contacted to ascertain existence of any possible contingent liabilities.

(17) The auditor should verify the fund balance and reserve accounts of all funds.

Note: Authority cited: Section 26909(b), Government Code. Reference: Sections 6505 and 26909(b), Government Code.



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:

Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES:

Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER:

Ben Giuliani

June 10, 2015

TO: The Honorable Judge Bret Hillman
Tulare County Grand Jury
Tulare County Board of Supervisors

FROM: Tulare County Local Agency Formation Commission (LAFCo)

SUBJECT: Tulare County Grand Jury Report: "Special Districts-Audit Failures"

On May 12th, 2015 the Tulare County Grand Jury provided a report to Tulare County LAFCo titled "Special Districts-Audit Failures". The Grand Jury, pursuant to California Penal Code §933(c) required a response from Tulare County LAFCo by July 6th, 2015. Tulare County LAFCo reviewed the Grand Jury report at its June 10th, 2015 meeting. The following are LAFCo's responses:

F1. LAFCo intent was to create county (or area) agencies that could bring order and planning into overlapping jurisdictional and service boundaries that were becoming common circa 1963.

Tulare County LAFCo partially agrees with this finding. The finding could be better phrased as "State intent was to create LAFCOs that could bring order and planning into overlapping jurisdictional and service boundaries that were becoming common circa 1963". In addition, this is one aspect of the State's intent in creating LAFCOs. The complete legislative findings, declarations and State interests regarding LAFCOs are contained in Government Code (GC) §56001.

F2. During its research of independent special districts, the Grand Jury learned that reviews and investigations of special districts are not uncommon.

Tulare County LAFCo agrees with this finding in that many special districts are subject to Municipal Service Reviews by LAFCo and several special districts have been a subject of Grand Jury reports in the past.

F3. Many special districts are not complying with State mandated annual audits conducted by the County Auditor or a Certified Public Accountant.

Tulare County LAFCo agrees with this finding based on the County Auditor's report (dated 3/5/2015) to the Board of Supervisors regarding unfiled special district audits.

R1. Tulare County Special Districts are required to comply with minimum auditing requirements as set forth by the State Controller. Records of such audits are to be filed with the County Auditor as further required by CGC §26909.

Tulare County LAFCo agrees with this finding.

R2. Tulare County Special Districts should undertake an audit conducted by the County Auditor or a Certified Public Accountant/public accountant:

- a. Have sufficient knowledge and training to enable compliance with both generally accepted auditing standards and generally accepted government auditing standards.
- b. Have a thorough knowledge of the fundamental principles of governmental accounting, including both fund accounting and enterprise accounting.
- c. Comply with Government Auditing Standards as promulgated by the United States General Accounting Office when applicable (e.g., Single Audit Act, required by agreement or contract, etc.)

Tulare County LAFCo substantially agrees with this finding. Under limited circumstances, GC §26909(c) allows for a financial review rather than an audit.

If there are any questions regarding this response, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,



Ben Giuliani
Executive Officer
Tulare County Local Agency Formation Commission

Cc: Identified districts that have not filed their audit reports with the County



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

June 10, 2015

TO: The Honorable Judge Bret Hillman
Tulare County Grand Jury
Tulare County Board of Supervisors

FROM: Tulare County Local Agency Formation Commission (LAFCo)

SUBJECT: Tulare County Grand Jury Report: "Transparency – Open Meeting Law"

On May 26th, 2015 the Tulare County Grand Jury provided a report to Tulare County LAFCo titled "Transparency – Open Meeting Law". The Grand Jury, pursuant to California Penal Code §933(c) required a response from Tulare County LAFCo by July 13th, 2015. Tulare County LAFCo reviewed the Grand Jury report at its June 10th, 2015 meeting. The following are LAFCo's responses:

Findings

F1. Adherence to the provisions of California's "open meetings" law requires diligence on the part of public officials; vigilance on the part of those they serve; and good faith on the part of both.

Tulare County LAFCo agrees with this finding.

Recommendations

R1. All Tulare County public agencies strictly adhere to the provisions of California open meetings law.

Tulare County LAFCo agrees with this finding.

R2. All elected/appointed members of Tulare County special districts, school boards, planning commissions, etc. participate in Tulare County Counsel's annual board training.

Tulare County LAFCo partially agrees with this finding. School boards and planning commissions are not in the purview of LAFCo. Also, special district board members will have varying levels of knowledge regarding open meetings law and all may not need training. However, the Tulare County Counsel's annual board training is a valuable resource for those that need it.

R3. The eight incorporated cities in Tulare County convey the findings of this report to all public boards within their jurisdiction.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

COMMISSIONERS:

Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES:

Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER:

Ben Giuliani

R4. Tulare County Local Agency Formation Commission (LAFCO) convey the findings of this report to all public boards within their jurisdiction.

Tulare County LAFCo will convey the findings of this Grand Jury report to all special districts for which Tulare County LAFCo is the principal county.

R5. Tulare County Office of Education (TCOE) convey the findings of this report to all school districts within their jurisdiction.

Tulare County LAFCo neither agrees nor disagrees with this finding. This finding is not in the purview of LAFCo.

If there are any questions regarding this response, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Giuliani".

Ben Giuliani
Executive Officer
Tulare County Local Agency Formation Commission

Cc: Tulare County Office of Education
The eight incorporated cities in Tulare County
Tulare County Board of Supervisors

**TULARE COUNTY GRAND JURY**

5963 S Mooney Boulevard Visalia, CA 93277

PHONE: (559) 624-7295

FAX: (559) 733-6078

E-MAIL: grnd_jury@co.tulare.ca.usWEB: <http://tularecounty.ca.gov/grandjury/>**TCAG/LAFCO**
210 N. Church Street, Ste. B
Visalia, CA 93291**MAY 26 2015**ATTENTION: Ben GiulianiAGENCY: Tulare County Local Agency Formation Commission (LAFCO)ADDRESS: 210 N. Church Street, Suite B, Visalia, CA 93291**MAIL RECEIVED**

California Penal Code §933.05 (f) mandates that the Tulare County Grand Jury provide a copy of the portion of the final Report that affects that agency or person of that agency two working days prior to its public release. Advance release or disclosure of a Grand Jury Report is prohibited prior to its public release.

Attached is a copy of your portion of the 2014/2015 Tulare County Grand Jury Final Report.

California Penal Code §933(c) requires a response to said document. Depending on the type of respondent you are, a written response is required as follows:

- ☒ **PUBLIC AGENCY:** The governing body of any public agency that is required to respond must do so within NINETY (90) DAYS from the date this report was approved as final by the Presiding Judge.
- ☒ **ELECTIVE OFFICER OR AGENCY HEAD:** All elected officers or heads of agencies that are required to respond must do so within SIXTY (60) DAYS from the date this report was approved as final by the Presiding Judge.

Please be advised, this portion of the final report was approved as final by the Presiding Judge on May 14, 2015.

YOU MUST SEND YOUR RESPONSE TO EACH OF THE FOLLOWING:

The Honorable Judge Bret Hillman
County Civic Center, Room 303
221 S Mooney Blvd
Visalia, CA 93291

Tulare County Grand Jury
5963 S Mooney Blvd
Visalia, CA 93277

Tulare County Board of Supervisors
2800 W. Burrell Ave
Visalia, CA 93291
(For County Agencies Only)

Received by: *Sharon Alvarz*Date: *5/26/15*Report Name: Transparency - Open Meeting LawResponse Due by: July 13, 2015Delivered by: *Sharon Alvarz*Date and Time: *5/26/2015*Release Date: May 27, 2015*8:05 AM*

Chuck White, Foreman 2014/2015 Tulare County Grand Jury

PREPARE A SEPARATE RESPONSE FOR EACH REPORT

California Penal Code §933.05 mandates the manner in which responses are to be answered.

See reverse for Penal Code §933.05 information.

TRANSPARENCY - OPEN MEETING LAW

BACKGROUND:

The Brown Act is the quintessential law governing public meetings in California. Authored by Assemblyman Ralph M. Brown and enacted in 1953, it guarantees the public's right to attend and participate in meetings of local legislative bodies.

The Brown Act, originally a 686 word statute that has grown substantially over the years, was enacted in response to mounting public concerns over informal, undisclosed meetings held by local elected officials. City councils, county boards, and other local government bodies were avoiding public scrutiny by holding secret "workshops" and "study sessions." The Brown Act originally applied to California city and county government agencies, boards, and councils. Additionally, the comparable Bagley-Keene Act mandated open meetings for State and local government agencies including school district boards of trustees, community services districts and planning commissions.

The introduction to the Brown Act describes its purpose and intent:

In enacting this chapter, the Legislature finds and declares that the public commissions, boards and councils and the other public agencies in this State exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly. The people of this State do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed so that they may retain control over the instruments they have created.

REASON FOR INVESTIGATION:

Over the past five (5) years, the Tulare County Grand Jury has received no fewer than twenty-three (23) citizen complaints involving alleged violations of the State's open meetings laws. These complaints allege such violations as:

- a. failure to post agendas in the manner prescribed which is, in most cases seventy-two (72) hours in advance of the scheduled start time of the meeting
- b. failure to post notice of the continuation of a suspended/recessed meeting in the prescribed manner
- c. failure to make public documents pertaining to meeting agenda items available for public scrutiny in the prescribed manner

METHOD OF INVESTIGATION:

In the 2014-2015 term, the Grand Jury has interviewed complainants and relevant public officials in an effort to determine whether or not and/or to what extent violations did in fact occur. Additionally the Grand Jury reviewed relevant public documents.

FACTS:

1. Repeatedly, the Grand Jury was confronted with situations in which, by the time the complaint was received and processed, sufficient time had passed so as to make it exceedingly difficult to determine with certainty whether a violation had indeed occurred. Thus placing all but the most flagrant violations in a category of “He said, she said.”

FINDINGS:

- F1. Adherence to the provisions of California’s “open meetings” laws requires diligence on the part of public officials; vigilance on the part of those they serve; and good faith on the part of both.

RECOMMENDATIONS:

- R1. All Tulare County public agencies strictly adhere to the provisions of California open meetings laws.
- R2. All elected/appointed members of Tulare County special districts, school boards, planning commissions, etc. participate in Tulare County Counsel’s annual board training.
- R3. The eight incorporated cities in Tulare County convey the findings of this report to all public boards within their jurisdiction.
- R4. Tulare County Local Agency Formation Commission (LAFCO) convey the findings of this report to all the agencies within their jurisdiction.
- R5. Tulare County Office of Education (TCOE) convey the findings of this report to all the school districts within their jurisdiction.

REQUIRED RESPONSES:

1. Local Agency Formation Commission (LAFCO)
2. Tulare County Office of Education (TCOE)
3. Eight incorporated cities in Tulare County;
 - a. Dinuba City Council,
 - b. Exeter City Council
 - c. Farmersville City Council
 - d. Lindsay City Council
 - e. Porterville City Council
 - f. Tulare City Council

g. Visalia City Council

h. Woodlake City Council

4. Board of Supervisors

Disclaimer

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Section 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Section 924.2 and 929).

5 May 2015

To: Local Agency Formation Commission
Members and Alternate Members

From: Elliot Mulberg, Committee Chair
Board Recruitment Committee
CALAFCO Board of Directors



RE: Nominations for 2015/2016 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Recruitment Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

<u>Northern Region</u>	<u>Central Region</u>	<u>Coastal Region</u>	<u>Southern Region</u>
District Member	City Member	City Member	District Member
County Member	Public Member	Public Member	County Member

The election will be conducted during regional caucuses at the CALAFCO annual conference prior to the Annual Membership Meeting on Thursday, September 3, 2015 at the Hyatt Regency in Sacramento, CA.

Please inform your Commission that the CALAFCO Recruitment Committee is accepting nominations for the above-cited seats until *Monday, August 3, 2015*.

Incumbents are eligible to run for another term. Nominations received by August 3 will be included in the Recruitment Committee's Report and on the ballot, copies of which will be distributed to LAFCo members August 19 and made available at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCOs who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Monday, August 3, 2015. Completed absentee ballots must be returned by August 28, 2015.

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, August 3, 2015.

Here is a summary of the deadlines for this year's nomination process:

- **May 5** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **August 3** – Completed Nomination packet due
- **August 3** – Request for an absentee/electronic ballot
- **August 3** – Voting delegate name due to CALAFCO
- **August 19** – Distribution of the Recruitment Committee Report (includes all completed/submitted nomination papers)
- **August 19** – Distribution of requested absentee/electronic ballots.
- **August 28** – Absentee ballots due to CALAFCO
- **September 3** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Please forward nominations to:

CALAFCO Recruitment Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1215 K Street, Suite 1650
Sacramento, California 95814
FAX: 916-442-6535

Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the above address.

Former CALAFCO Board Member and Associate Member Elliot Mulberg has agreed to once again assist CALAFCO with the election process. We appreciate and value his expertise. Questions about the election process can be directed to him at elliott@emulberg.com or 916-217-8393.

Members of the 2015/2016 CALAFCO Recruitment Committee are:

Chair – Elliot Mulberg elliott@emulberg.com	Associate Member and former CALAFCO Board member 916-217-8393
Josh Susman jsusman@calafco.org	Nevada LAFCo (Northern Region) 530-559-1725
Gay Jones gjones@calafco.org	Sacramento LAFCo (Central Region) 916-208-0736
Michael McGill mmcgill@calafco.org	Contra Costa LAFCo (Coastal Region) 925-383-9750
Cheryl Brothers cbrothers@calafco.org	Orange LAFCo (Southern Region) 714-315-1403

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures.

Please consider joining us!
Enclosures

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of LAFCO's)

Nomination of Juliet Allen to the)

RESOLUTION NO. 15-0##

CALAFCO Board of Directors)

WHEREAS, the California Association of LAFCOs (CALAFCO), through a majority vote of its member LAFCOs, amended its bylaws in order to enable the selection of its Board of Directors on a regional basis; and

WHEREAS, Commissioner Juliet Allen is currently serving as the CALAFCO Central Region Public Representative board member for the term ending September 3rd, 2015; and

WHEREAS, CALAFCO's Recruiting Committee is seeking nominations for the office of Central Region Public Representative board member, among others; and

WHEREAS, Commissioner Allen expressed her interest in seeking reelection as the Central Region Public Representative for a two-year term beginning on September 3rd, 2015.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED AS
FOLLOWS:**

Tulare County LAFCO hereby nominates Commissioner Juliet Allen to the office of CALAFCO Central Region Public Representative Board Member.

The forgoing resolution was adopted upon motion of Commissioner x, seconded by Commissioner x, at a regular meeting held on this 10th day of June 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer



CALAFCO 2015 CONFERENCE
★ SACRAMENTO ★

Announcing The 2015 CALAFCO Annual Conference

Hosted by Sacramento LAFCo

September 2 – 4, 2015

Downtown Sacramento, California
at the Hyatt Regency



Value-Added General and Breakout Session Topics

- Sustainable Groundwater Management Act Implementation – Where Do We Go From Here?
- Planning, Agriculture and Natural Resources – a Confluence of Ideas for LAFCo Solutions
- Urban Growth Boundaries and SOIs
- Leadership Practices in an Era of VUCA (volatility, uncertainty, complexity, ambiguity)
- The Impact of Climate Change on Land Use Planning
- Community Services Districts 101
- Fiscal Tools to Sustain Services
- LAFCo Technology for the 21st Century
- Exploring the New World of Broadband
- LAFCo Staff: The Magic Behind the Curtain

Plus many others!

Note: The Program is still being put together. The topics noted above represent only a portion of the program to be offered. All sessions are subject to change.

**Mark your calendar and
plan to attend!**

Registration is now open!
Visit www.calafco.org

Special Highlights

Mobile Workshop

A special look at the physical confluence of the Sacramento & American rivers, followed by a tour of the largest and most progressive inland Waste Water Treatment Plant west of the Mississippi, and close with a tour of the Delta levy & habitat. Lunch at the historic Old Sugar Mill included.

**Wednesday from
8:00 a.m. to 12:30 p.m.**
(times approx..)

LAFCo 101

An introduction to LAFCo and LAFCo law for commissioners, staff, and anyone interested in learning more about LAFCo

**Wednesday from
10: 00 a.m. to Noon**

Luncheon Keynote

Featuring **Ted Gaebler**,
co-author of the **National
best-seller *Reinventing
Government***

Thursday Luncheon



Invaluable Networking Opportunities

- Commissioner Roundtable discussions on current issues
- Roundtable discussions for LAFCo staff, LAFCo counsel, and Associate members
- 9th CALAFCO Beer & Wine Competition and Reception
- Networking breakfasts
- Receptions

Hyatt Regency Downtown



Make your reservations now at the Hyatt Regency at the CALAFCO special rate of \$126. Find the link at www.calafco.org.

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of Appointing a Voting)
Delegate and Alternate Voting Delegate)
To the 2015 CALAFCO Business Meeting)

RESOLUTION NO. 15-0##

Upon motion of Commissioner x, seconded by Commissioner x, Commissioner x and Commissioner x are hereby appointed as the Voting Delegate and Alternate Voting Delegate, respectively, to the 2015 Annual CALAFCO Business meeting, at a regular meeting held on this 10th day of June 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

bg

BEFORE THE LOCAL AGENCY FORMATION COMMISSION
OF THE
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of LAFCO Ad-Hoc)

Personnel Recommendation)

RESOLUTION NO. 15-0##

WHEREAS, Government Code Section 56375 (k) authorizes LAFCO to appoint and assign staff and contract for professional services to carry out and effect the functions of the Commission; and

WHEREAS, on March 3, 2010, this Commission approved the LAFCO/TCAG staff services agreement to be effective on July 1, 2010 (Resolution 10-012); and

WHEREAS, Benjamin Giuliani was selected by this Commission to be the Executive Officer on June 9, 2010 to be effective on July 1, 2010 (Resolution 10-013); and

WHEREAS, a review of the performance of the Executive Officer is to be conducted at least once every fiscal year by the Commission; and

WHEREAS, an Ad-Hoc committee composed of Commissioners Worthley and Ishida recommends an increase of compensation for the LAFCO Executive Officer of \$3,000, from \$97,020 annually to \$100,020 annually (Band Width: \$71,240 - \$106,860), effective for the first pay period of Fiscal Year 15/16 (Pay Period #15).

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED as follows:

1. The Executive Officer salary compensation is increased, as recommended by the Ad-Hoc committee, by \$3,000 from \$97,020 annually to \$100,020 (Band Width: \$71,240 - \$106,860).

2. The effective date of the compensation change is the first pay period of Fiscal Year 15/16 (Pay Period #15).

The foregoing resolution was adopted upon motion of Commissioner x, and seconded by Commissioner x, at a regular meeting held on this 10th day of June, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Benjamin Giuliani, Executive Officer



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES:
Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER:
Ben Giuliani

April 29, 2015

City of Farmersville
909 W Visalia Rd
Farmersville, CA 93223

Re: Extraterritorial Service Agreement No. 2015-06 (City of Farmersville/Cameron Creek Colony)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on April 29th, 2015, (ESA No. 2015-06), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07. The agreement permits the City of Farmersville to provide municipal water service to existing development in Cameron Creek Colony, an unincorporated community northeast of the City of Farmersville between Farmersville Blvd and Road 168.

Should you have any questions, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,

Benjamin Giuliani, Executive Officer
Tulare County LAFCO

Cc: Jean Rousseau

City of Farmersville ESA 2015-06

SR-198

Farmersville

Road 168

Cameron Creek
Colony

Ave 291

Teresa

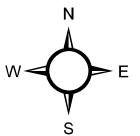
Dillon

Legend

 ESA 2015-06

 Parcels

 Farmersville



0 400 800 Feet

122



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES:
Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER:
Ben Giuliani

May 21, 2015

City of Porterville
291 N Main St
Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-07 (City of Porterville/Bautista)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on May 21st, 2015, (ESA No. 2015-07), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07. The agreement permits the City of Porterville to provide municipal water service for existing development at 22193 Avenue 152 (APN 240-320-012). The affected parcel is also included in an area that is proposed to be annexed by the City (Annexation #478, LAFCO Case 1515-P-316).

Should you have any questions, please contact me at 623-0450 or bgiuliani@tularecog.org.

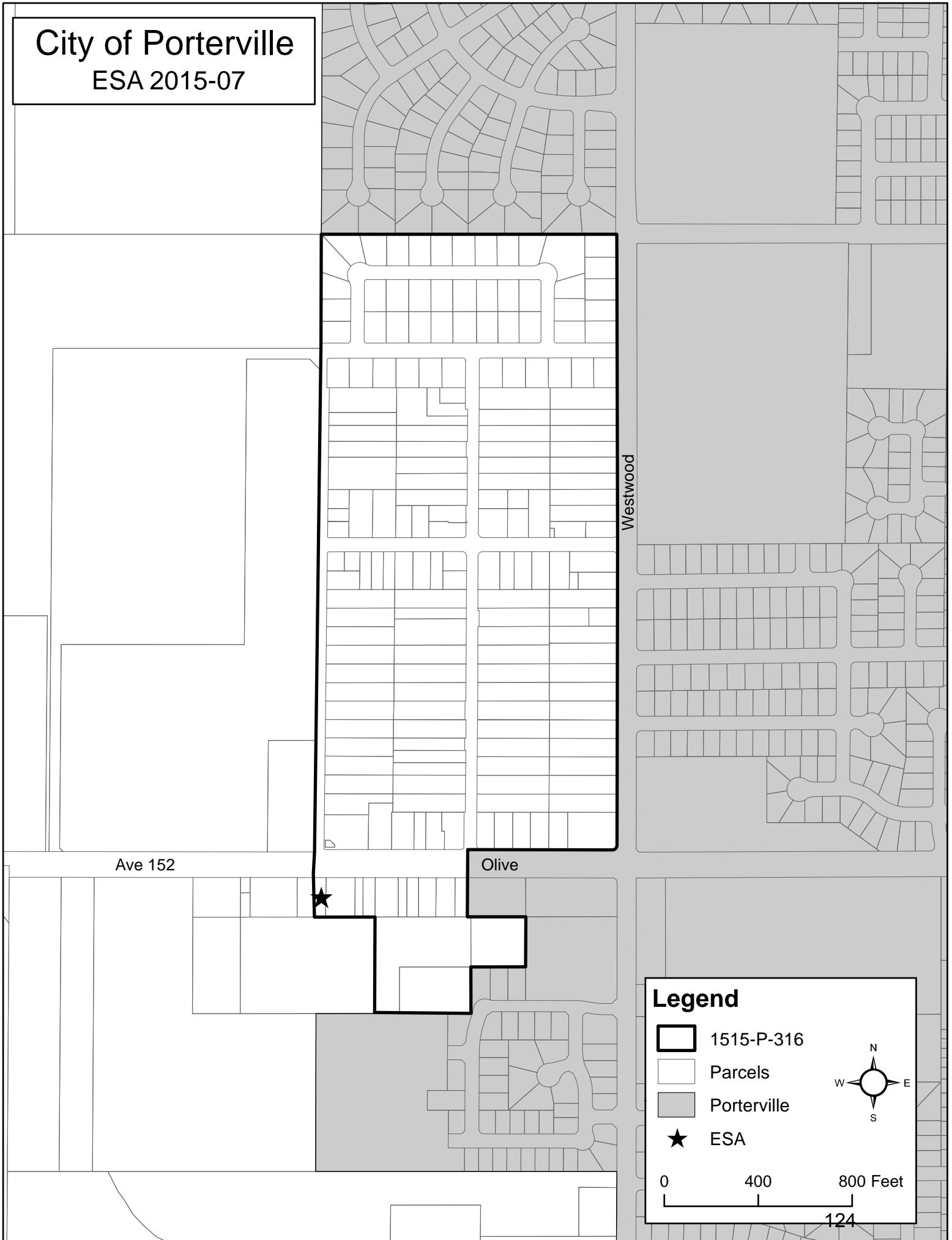
Sincerely,

Benjamin Giuliani, Executive Officer
Tulare County LAFCO


Cc: José Luis Bautista

City of Porterville

ESA 2015-07



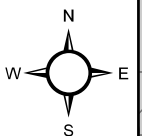
Legend

 1515-P-316

 Parcels

 Porterville

 ESA



0 400 800 Feet



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

210 N. Church St., Suite B, Visalia, CA 93291 Phone: (559) 623-0450 FAX: (559) 733-6720

COMMISSIONERS:
Juliet Allen, Chair
Rudy Mendoza, V-Chair
Allen Ishida
Cameron Hamilton
Steve Worthley

ALTERNATES:
Mike Ennis
Dennis Mederos
Craig Vejvoda

EXECUTIVE OFFICER:
Ben Giuliani

May 26, 2015

City of Porterville
291 N Main St
Porterville, CA 93257

Re: Extraterritorial Service Agreement No. 2015-08 (City of Porterville/Cobbs)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on May 26th, 2015, (ESA No. 2015-08), is hereby approved by the Executive Officer. Approval of this agreement is in accordance with Government Code Section 56133 and Tulare County LAFCO Resolution 94-07. The agreement permits the City of Porterville to provide municipal water service for existing development at 1922 N. Newcomb Street (APN 243-260-034). The affected parcel is also included in an area that is proposed to be annexed by the City (Annexation #474, LAFCO Case 1513-P-314).

Should you have any questions, please contact me at 623-0450 or bgiuliani@tularecog.org.

Sincerely,

Benjamin Giuliani, Executive Officer
Tulare County LAFCO

Cc: Donald and Alice Cobbs

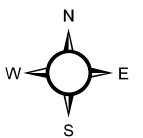
City of Porterville

ESA 2015-08



Legend

- Parcels
- Porterville
- 1513-P-314
- ★ ESA
- ☆ Prior ESAs



0 400 800 Feet

CALAFCO Daily Legislative Report - June 02, 2015

AB 402 (Dodd D) Local agency services: contracts.

Current Text: Amended: 5/18/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Last Amended: 5/18/2015

Status: 5/28/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Would establish a pilot program, until January 1, 2021, for the Napa, Sonoma, and San Bernardino commissions that would permit those commissions to authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances. This bill contains other related provisions.

Position: None at this time

Subject: CKH General Procedures, LAFCo Administration, Service Reviews/Spheres

CALAFCO Comments: Amended on May 18, the bill now leaves most of 56133 as it is today intact. However, it does eliminate the focus of contracts and agreements throughout the section. What the bill does now is create a 5 year pilot opportunity for Napa, Sonoma and San Bernardino LAFCo Commissions to authorize an extension of services outside boundaries and spheres to support existing or planned uses pending the commission's determination that (1) a service deficiency was identified and evaluated in a MSR; AND (2) the extension of services will not result in adverse impacts on open space or ag lands or have growth inducing impacts. CALAFCO previously considered (over an extensive period of time) amending GC §56133, and twice (in 2011 and again in 2013) the CALAFCO Board of Directors decided not to pursue those amendments. This is not a CALAFCO sponsored bill. Assembly member Dodd is a former Napa LAFCo Commissioner.

AB 448 (Brown D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 5/28/2015-From committee: Do pass. (Ayes 17. Noes 0.) (May 28). Read second time. Ordered to third reading.

Calendar: 6/2/2015 #116 ASSEMBLY ASSEMBLY THIRD READING FILE

Summary: Current property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined. This bill would modify these reduction and transfer provisions, for the 2015-16 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

Position: Support

Subject: Financial Viability of Agencies, Tax Allocation

CALAFCO Comments: As introduced, this bill is identical to AB 1521 (Fox) from last year. This bill reinstates the VLF payment (through ERAF) and changes the way that the growth in the VLF adjustment amount (property tax in lieu of VLF) is calculated starting in FY 2015-16 to include the growth of assessed valuation, including in an annexed area, from FY 2004-05 to FY 2015-16. Beginning in FY 2016-17, the VLF adjustment amount would be the jurisdiction's annual change in the assessed valuation

AB 851 (Maves R) Local government: organization: disincorporations.

Current Text: Amended: 5/7/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amended: 5/7/2015

Status: 5/22/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization, by submitting a resolution of application to a local agency formation commission, to also submit a plan for providing services within the affected territory, as specified. This bill would, in the case of a disincorporation or reorganization that includes a disincorporation, require the plan for services to include specific provisions,

including, among others, an enumeration and description of the services currently provided by the city proposed for disincorporation.

Position: Sponsor

Subject: CKH General Procedures, Disincorporation/dissolution

CALAFCO Comments: Sponsored by CALAFCO. As introduced, this bill addressed the long-outdated statutes relating to disincorporation. Although many other areas of CKH have been updated over the past 52 years, the areas pertaining to disincorporations remain in their original format as written in 1963. This bill does the following: (1) Clarifies the expectation for assignment of responsibility for debt that will continue in existence after disincorporation; (2) Establishes the parameters and requirements for the submission of the Plan for Service for a disincorporation proposal which outlines existing services, the proponent's plan for the future of those services, and whether or not a bankruptcy proceeding has been undertaken; (3) Establishes the responsibilities of LAFCOs in preparing a Comprehensive Fiscal Analysis for disincorporations, the determination of the transfer of property tax revenues previously received by the proposed disincorporating City, and the determination of the transfer of debt to a successor agency or agencies. Further, the bill retains LAFCOs existing authority to impose terms and conditions on a proposed disincorporation as well as the election requirements necessary for approval of disincorporation. The proposed disincorporation statutory changes use the incorporation provisions as a template to propose changes in the disincorporation process.

AB 1532 (Committee on Local Government) Local government: omnibus.

Current Text: Amended: 5/22/2015 [pdf](#) [html](#)

Introduced: 3/23/2015

Last Amended: 5/22/2015

Status: 5/28/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, requires a local agency formation commission to notify specified state agencies having oversight or regulatory responsibility over, or a contractual relationship with, a local health care district when a proposal is made for any of specified changes of organization affecting that district. This bill would update obsolete references to a "hospital" district and replace outdated references to the State Department of Health Services with references to the State Department of Public Health and the State Department of Health Care Services.

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the annual Omnibus bill for the Cortese-Knox-Hertzberg Reorganization Act of 2000. This bill makes nonsubstantive technical clean-up corrections to the Act.

SB 25 (Roth D) Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Current Text: Introduced: 12/1/2014 [pdf](#) [html](#)

Introduced: 12/1/2014

Status: 6/1/2015-Read third time. Passed. (Ayes 40. Noes 0.) Ordered to the Assembly.

Summary: Would modify specified reduction and transfer provisions for a city incorporating after January 1, 2004, and on or before January 1, 2012, for the 2014-2015 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation. This bill contains other related provisions and other existing laws.

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: Identical to SB 69 (Roth) from 2014, the bill calls for reinstatement of the VLF through ERAF for cities that incorporated between January 1, 2004 and January 1, 2012. There are no provisions for back payments for lost revenue, but the bill does reinstate future payments beginning in the 2014/15 year for cities that incorporated between 1-1-2004 and 1-1-2012.

SB 239 (Hertzberg D) Local services: contracts: fire protection services.

Current Text: Amended: 6/1/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Last Amended: 6/1/2015

Status: 6/1/2015-Read second time and amended. Ordered to third reading.

Calendar: 6/2/2015 #129 SENATE SENATE BILLS-THIRD READING FILE

Summary: Current law permits a city or district to provide extended services, as defined, outside its jurisdictional boundaries only if it first requests and receives written approval from the local agency formation commission in the affected county. Under current law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances. This bill would, with certain exceptions, permit a public agency to exercise new or extended services outside the public agency's current service area pursuant to a fire protection contract, as defined, only if the public agency receives written approval from the local agency formation commission in the affected county.

Position: Oppose

Subject: CKH General Procedures, Municipal Services

CALAFCO Comments: While amendments for fire protection service extensions have been moved into the proper section of 56133, there are still a number of problems with the policies proposed. As amended, this bill still circumvents local District Board and LAFCo authority on service extensions relating to fire protection services by allowing unions the authority to approve/disapprove the service contracts. The bill calls for a Fire Protection Reorganization Contract to be submitted with the application, thereby confusing a service extension with a reorganization. It is required for applications that (1) Transfer greater than 25% of the service area or (2) Changes the employment status of more than 25% of employees of any affected agencies. Prior to submitting the application for service extension, all affected agency employee unions must approve the request and conduct a public hearing. The bill requires contents of the Contract Plan to include: (1) Cost of providing services to be extended; (2) Cost to customers; (3) an ID of existing service providers; (4) Financing plan; (5) Alternatives to the extension; and (6) A comprehensive Fiscal Analysis. It further requires the CFA to include (1) Cost to provide services for three years; (2) Cost comparison; (3) Estimated revenue for three years; and (4) Cost/revenue effects to any affected agency.

The bill also outlines determinations the commission must make that include the provider of services for the extension of service will build a "reasonable reserve" during the three years following the effective date of the contract. This new requirement is highly subjective and ambiguous as it is undefined and sets a precedent.

The amendments do little to address CALAFCO's primary concerns and is unnecessary in that 56133 already addresses service extensions. Further, the bill continues to remove discretion from elected and appointed Boards of public agencies as well as from state agencies by requiring pre-approval of unions that are already fully protected by the Meyers Milius Brown Act (MMBA). The bill also requires a California state agency to apply for, and request LAFCo approval prior to undertaking an action that involves the provision of services outside of a public agency's current service area under contract or agreement. This sets another precedent. Further, the >25% threshold that triggers this kind of scrutiny appears to be an arbitrary threshold with no data to support it. Finally, the bill addresses only one type of service provider, which fails to address the concern of why the provision of fire protection services, by contract or agreement, outside of a public agency's boundaries, requires a different level of review than other types of equally vital services or demands a heightened or weighted review from any commenter or affected agency.

SB 272 (Hertzberg D) The California Public Records Act: local agencies: inventory.

Current Text: Amended: 4/6/2015 [pdf](#) [html](#)

Introduced: 2/19/2015

Last Amended: 4/6/2015

Status: 5/22/2015-Referred to Coms. on JUD. and L. GOV.

Summary: Would require each local agency, in implementing the California Public Records Act, to create a catalog of enterprise systems, as defined, to make the catalog publicly available upon request in the office of the clerk of the agency's legislative body, and to post the catalog on the local agency's Internet Web site. The bill would require the catalog to disclose a list of the enterprise systems utilized by the agency, and, among other things, the current system vendor and product. Because the bill would require local agencies to perform additional duties, it would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: LAFCo Administration, Public Records Act

CALAFCO Comments: As amended, this bill requires all local agencies (including LAFCo) to create a catalogue of enterprise systems used by that agency and make that catalogue available to the public. For purposes of the bill, the author defines enterprise systems as a system that both (1) is a multi-departmental system or system

containing information collected about the public; AND (2) a system of record for that agency. Further, the bill defines a system of record as a system that serves as an original source of data within an agency. The bill requires certain pieces of information be disclosed including (1) Current system vendor; (2) Current system product; (3) A brief statement of the system's purpose; (4) A general description of categories, modules, or layers of data; (5) The department that serves as the system's primary custodian; (6) How frequently system data is collected; and (7) How frequently system data is updated.

AB 3 (Williams D) Isla Vista Community Services District.

Current Text: Amended: 5/5/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amended: 5/5/2015

Status: 5/28/2015-Read second time. Ordered to third reading.

Calendar: 6/2/2015 #103 ASSEMBLY ASSEMBLY THIRD READING FILE

Summary: Would authorize the establishment of the Isla Vista Community Services District by requiring the board of supervisors of the County of Santa Barbara to place the question of whether the district should be established on the ballot at the next countywide election. By imposing new duties on the County of Santa Barbara, this bill would impose a state-mandated local program.

Position: Oppose unless amended

Subject: LAFCo Administration, Special District Powers

CALAFCO Comments: As amended, this bill gives legislative authority for the creation of the Isla Vista Community Services District (CSD). Addressed in the amendments are the services that would be provided, but not the formation process, governance or financing mechanisms. This authority would completely bypass the LAFCo process in the creation of this special district.

AB 707 (Wood D) Agricultural land: Williamson Act contracts: cancellation.

Current Text: Amended: 4/6/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Last Amended: 4/6/2015

Status: 5/22/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Would provide that the authority for the landowner and the Department of Conservation to agree on the cancellation value of the land does not apply to a contract between a landowner and a city or county if that contract includes an additional cancellation fee, as specified .

Position: Watch

Subject: Ag Preservation - Williamson

CALAFCO Comments: As written, this bill repeals the provision that allows cancellation of the valuation of the land.

AB 168 (Maienschein R) Local government finance.

Current Text: Introduced: 1/22/2015 [pdf](#) [html](#)

Introduced: 1/22/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 1/22/2015)

Summary: Current law requires the county auditor, in the case in which a qualifying city becomes the successor agency to a special district as a result of a merger with that district as described in a specified statute, to additionally allocate to that successor qualifying city that amount of property tax revenue that otherwise would have been allocated to that special district pursuant to general allocation requirements. This bill would make nonsubstantive changes to the provision pertaining to property tax revenue allocations to a qualifying city that merges with a special district.

Position: Placeholder - monitor

Subject: Tax Allocation

CALAFCO Comments: This is a spot bill. No information is available on the author's intent at this time.

AB 369 (Steinorth R) Local government.

Current Text: Introduced: 2/17/2015 [pdf](#) [html](#)

Introduced: 2/17/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/17/2015)

Summary: The Planning and Zoning Law establishes in each city and county a planning agency with the powers necessary to carry out the purposes of that law. Current law sets forth the Legislature's findings and declarations regarding the availability of affordable housing throughout the state. This bill would make nonsubstantive changes to those findings and declarations.

Position: Placeholder - monitor

CALAFCO Comments: This is a spot bill. No information is available at this time regarding the author's intent for the bill. CALAFCO will monitor for amendments.

AB 541 (Dahle R) Big Valley Watermaster District Act.

Current Text: Introduced: 2/23/2015 [pdf](#) [html](#)

Introduced: 2/23/2015

Status: 5/1/2015-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 3/5/2015)

Summary: Would create a watermaster district with unspecified boundaries within the Counties of Lassen and Modoc to be known as the Big Valley Watermaster District. The bill would generally specify the powers and purposes of the district. The bill would prescribe the composition of the board of directors of the district. The bill would require the district to provide watermaster service on behalf of water right holders whose place of use under an appointed decree, as defined, is a parcel of real property within the district.

Position: Watch

Subject: LAFCo Administration, Special District Powers, Water

AB 568 (Dodd D) Reclamation District No. 108: hydroelectric power.

Current Text: Amended: 5/14/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amended: 5/14/2015

Status: 5/22/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Current law authorizes Reclamation District No. 1004, in conjunction with the County of Colusa, to construct, maintain, and operate a plant, transmission lines, and other necessary or appropriate facilities for the generation of hydroelectric power, as prescribed. Existing law requires proceeds from the sale of electricity to be utilized to retire any time warrants issued for construction of the facilities and otherwise for the powers and purposes for which the district was formed. This bill would grant the above-described hydroelectric power authority to Reclamation District No. 108 until January 1, 2021.

Position: Watch

Subject: Special District Powers

AB 656 (Garcia, Cristina D) Joint powers agreements: mutual water companies.

Current Text: Amended: 5/4/2015 [pdf](#) [html](#)

Introduced: 2/24/2015

Last Amended: 5/4/2015

Status: 5/22/2015-In Senate. Read first time. To Com. on RLS. for assignment.

Summary: Would specifically authorize a mutual water company and a public agency to participate in joint powers agreement for the provision of insurance and risk-pooling, technical support, and other similar services for the purpose of reducing risk liability .

Position: Watch

Subject: Other

CALAFCO Comments: As amended, the bill gives the ability for a mutual water company to enter into a joint powers agreement with a public water agency for the purposes of either risk-pooling or the provision of technical support, continuing education, safety engineering, operational and managerial advisory assistance to be provided to the members of that joint powers agency.

SB 13 (Pavley D) Groundwater.

Current Text: Amended: 5/21/2015 [pdf](#) [html](#)

Introduced: 12/1/2014

Last Amended: 5/21/2015

Status: 5/21/2015-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.

Summary: Would specify that the State Water Resources Control Board is authorized to designate a high- or medium-priority basin as a probationary basin. This bill would provide a local agency or groundwater sustainability agency 90 or 180 days, as prescribed, to remedy certain deficiencies that caused the board to designate the basin as a probationary basin. This bill would authorize the board to develop an interim plan for certain probationary basins one year after the designation of the basin as a probationary basin. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Water

CALAFCO Comments: While this bill has no direct affect on LAFCoS, the formation of groundwater management agencies and groundwater management is of interest, therefore CALAFCO will watch the bill.

SB 181 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 6/1/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 6/1/2015-Signed by the Governor

Summary: This bill would enact the First Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position: Support

Subject: Other

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 182 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 5/22/2015-From consent calendar. Ordered to inactive file on request of Assembly Member Maienschein.

Summary: This bill would enact the Second Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Position: Support

Subject: Other

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 183 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/9/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Status: 5/18/2015-Referred to Com. on L. GOV.

Summary: This bill would enact the Third Validating Act of 2015, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Support

Subject: Other

CALAFCO Comments: One of three annual acts which validate the boundaries of all local agencies.

SB 184 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Amended: 4/16/2015 [pdf](#) [html](#)

Introduced: 2/9/2015

Last Amended: 4/16/2015

Status: 5/28/2015-Referred to Com. on L. GOV.

Summary: Current law requires the legislative body of a local entity to annually file with the auditor a list of lots or parcels of land subject to specified fees or charges for water, sanitation, storm drainage, or sewerage system services and facilities and the amounts of the installments of the fees or charges to be entered against the affected lots or parcels of land. Current law requires the auditor to enter on the assessment roll the amounts of installments of these fees or charges. Current law defines the auditor, for the purposes of these provisions, as the financial officer of the local entity. This bill would clarify that the above-described provisions relating to the authority and duties of the auditor apply only to the county auditor. This bill makes changes to the duties and

processes of the County Recorder. The bill would also make changes to the Subdivision Map Act and the Uniform Public Construction Cost Accounting Act. This bill contains other related provisions.

Position: Watch

Subject: Other

CALAFCO Comments: This bill is the Senate Governance & Finance Committee's annual Omnibus bill. This bill is intended to make technical, non-substantive changes to the Government Code outside of CKH.

SB 226 (Pavley D) Sustainable Groundwater Management Act: groundwater rights.

Current Text: Amended: 5/5/2015 [pdf](#) [html](#)

Introduced: 2/13/2015

Last Amended: 5/5/2015

Status: 5/26/2015-In Assembly. Read first time. Held at Desk.

Summary: The bill would provide that a court shall use the Code of Civil Procedure for determining rights to groundwater, except as provided by the special procedures established in the bill. This bill would require the process for determining rights to groundwater to be available to any court of competent jurisdiction. The bill would provide that it applies to Indian tribes and the federal government. The bill would require the boundaries of a basin to be as identified in Bulletin 118, unless other basin boundaries are established, as specified. This bill contains other existing laws and other provisions.

Position: None at this time

Subject: Water

CALAFCO Comments: As amended this bill addresses groundwater rights and is a follow up to the 2014 groundwater legislative package.

SB 393 (Nguyen R) Local agencies.

Current Text: Introduced: 2/25/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Status: 5/15/2015-Failed Deadline pursuant to Rule 61(a)(3). (Last location was RLS. on 3/5/2015)

Summary: Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, establishes the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. This bill would make technical, nonsubstantive changes to the above-described law.

Position: Placeholder - monitor

Subject: CKH General Procedures

CALAFCO Comments: This is a spot bill. According to the author's office, it has been introduced by the Senator on behalf of the Republican Caucus as a local government spot bill (Senator Nguyen is the Vice Chair of the Senate Gov & Finance Comm). CALAFCO will monitor.

SB 422 (Monning D) Santa Clara Valley Open-Space Authority.

Current Text: Amended: 4/14/2015 [pdf](#) [html](#)

Introduced: 2/25/2015

Last Amended: 4/14/2015

Status: 5/28/2015-Referred to Com. on L. GOV.

Summary: Current law authorizes the Santa Clara County Open-Space Authority to take by eminent domain any property necessary or convenient to accomplish the purposes of the authority, with the exception of lands in active ranching, lands in agricultural production, and lands in timberland production zones that are not threatened by imminent conversion to developed uses. This bill would, in addition, authorize the authority to acquire, but not to take by eminent domain interests in real property that are outside of the authority's jurisdiction, necessary to the full exercise of its powers.

Subject: Special District Powers

SB 485 (Hernandez D) County of Los Angeles: sanitation districts.

Current Text: Introduced: 2/26/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Status: 5/28/2015-Referred to Com. on L. GOV.

Summary: The County Sanitation District Act authorizes a sanitation district to acquire, construct, and complete certain works, property, or structures necessary or convenient for sewage collection, treatment, and disposal. This

bill would authorize specified sanitation districts in the County of Los Angeles, to acquire, construct, operate, maintain, and furnish facilities for the diversion, management, and treatment of stormwater and dry weather runoff, the discharge of the water to the stormwater drainage system, and the beneficial use of the water. This bill contains other related provisions.

Subject: Special District Powers

SB 552 (Wolk D) Public water systems: disadvantaged communities: drinking water standards.

Current Text: Amended: 4/16/2015 [pdf](#) [html](#)

Introduced: 2/26/2015

Last Amended: 4/16/2015

Status: 6/1/2015-Read third time. Passed. (Ayes 31. Noes 5.) Ordered to the Assembly.

Summary: Would require, by January 1, 2017, the State Water Resources Control Board to develop a report identifying specific funding and enforcement mechanisms necessary, to ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the report to identify specific legislative and administrative actions necessary to bring disadvantaged communities into compliance with safe drinking water standards.

Position: Watch

Subject: Disadvantaged Communities, Water

Total Measures: 24

Total Tracking Forms: 24

Add New Section 116557 to the Health and Safety Code

§ 116557. Consolidation of Public Water Systems

Notwithstanding Government Code section 56133, where a public water system fails to reliably provide an adequate supply of safe potable water, the State Water Resources Control Board may require consolidation with another public water system. Prior to ordering consolidation as provided in this section, the State Water Resources Control Board shall:

- (a) Consult with the relevant local agency formation commission regarding the provision of water service in the affected area, the recommendations for improving service in a municipal service review, and any other relevant information;
- (b) Conduct a hearing as described in section 116545;
- (c) Find that:
 - (1) consolidation of the public water systems is feasible;
 - (2) consolidation is the best means to provide an adequate supply of safe potable water to the customers of those public water systems
- (d) Provide the receiving system with adequate and affordable financial assistance for the infrastructure needed to complete the consolidation. Affordability shall be based on the State Water Resources Control Board's existing financial assistance guidelines and policies.
- (e) Where the subsumed public water system is a privately held company, adequately compensate the owners for the fair market value of the system.

Version: 5/15/2015 at 4pm

**ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)
CALIFORNIA ASSOC. OF LOCAL AGENCY FORMATION COMMISSIONS (CALAFCO)
CALIFORNIA MUNICIPAL UTILITIES ASSOCIATION (CMUA)
CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)
CALIFORNIA STATE ASSOCIATION OF COUNTIES (CSAC)
LEAGUE OF CALIFORNIA CITIES (LEAGUE)
RURAL COUNTY REPRESENTATIVES OF CALIFORNIA (RCRC)**

May 29, 2015

Chairman Mark Leno
Joint Budget Conference Committee
State Capitol, Room 5019
Sacramento, CA 95814

RE: Drought Water System Consolidation Budget Trailer Bill Language #825 -- OPPOSE

Dear Chair Leno:

We oppose the Drought Water System Consolidation proposed budget trailer bill language #825.

This proposal is a “drought” budget trailer bill of major public policy significance that is not being heard through the regular policy and fiscal committee process. That process offers more transparency and safeguards over the course of several months. Instead, this proposal is being rapidly moved through the budget trailer bill process that does not provide adequate time for stakeholder comment or public input in the span of just a few short weeks. The organizations listed above want to work with the Administration on safe drinking water solutions in a policy bill.

The budget trailer bill language would authorize the State Water Resources Control Board (SWRCB) to mandate the consolidation of public water systems. The SWRCB houses experts in the field of drinking water, but it does not have expertise in Cortese-Knox-Hertzberg local government law or staff steeped in local agency organization. This is illustrated by the terms in the bill lacking specificity and being based on an over-simplification of the actual consolidation process as practiced on the ground in real time by water agencies and local agency formation commissions (LAFCOs.)

While the title of this language is “Drought Water System Consolidation,” the language goes way beyond emergency relief – it would authorize a state agency to mandate consolidation of two local entities under a broad scope of circumstances. Currently, communities running out of drinking water are being provided with trucked-in potable water in mutual aid-type arrangements. A voluntary, mutual aid cooperative comprised of public and private water agencies called CalWARN (California Water and Wastewater Agency Response Network) could be utilized for drought assistance in impacted communities. Consolidations of water purveyors are complex and take time. The SWRCB-mandated

consolidations proposed in this language are long-term scenarios that would take an extended period of time and are not immediate fixes to an emergency situation like the current drought.

The best example of a recent consolidation bill that successfully passed through the Legislature and was signed into law by Governor Brown, is Senate Bill 1130 (Roth) Chapter 173, Statutes of 2014. This bill provided limited immunity from liability in order to facilitate the consolidation of the County Water District of Riverside, a small private entity serving approximately 100 customers, by Eastern Municipal Water District and Elsinore Valley Municipal Water District.

That intense effort involved not only the retail water districts, but also the wholesale water agencies to hold them harmless against potential claims brought by customers of the system that was subsumed. This budget trailer bill language lifts the concept out of SB 1130 as a one-size-fits-all panacea. The bill was tailored to fit that particular consolidation, and no two consolidations are exactly alike. The proposed language based on that bill would also provide that there would not be liability relief if there were water pressure problems during the interim period, but those are the type of physical problems that can occur when infrastructure is installed to combine systems. Such physical issues should not preclude liability protection during a consolidation. The specter of litigation hangs onto an insufficient immunity from liability.

Another critical issue that is affected by this proposal is the water rights of the subsumed system or domestic well users and the consolidating system. During a consolidation process the subsumed system is examined to see if their water rights would need to be transferred, or could be transferred or if their water rights would be adequate to provide service to a certain service area. Requiring the transfer of any water rights, including individual water rights, would be an extremely complex and potentially controversial issue.

Any subsumed water system that is non-compliant with respect to safe drinking water or water quality laws, could endanger the consolidating system and instead of bringing the subsumed entity into compliance, could potentially bring both into non-compliance.

Finally, this proposed budget trailer bill language fails to acknowledge that there are existing solutions in current law that address consolidation of public water systems. The state has the authority to exercise receivership in Health & Safety Code, Section 116665, and LAFCOs can already remedy threats to health and safety through Government Code Section 56133. These solutions have been working as demonstrated through the rise of voluntary consolidations. This proposal would toss out decades of local government public policy development after less than one month of review and consideration.

As the stakeholders that would ultimately be responsible for implementing this policy, we request the opportunity to work together with the Legislature and the Administration on measures to help reduce the technical, financial, and legal barriers to consolidations where appropriate. Proposing a broad new state authority for mandating consolidations could lead to significant unintended consequences and should not be done through a budget trailer bill. Because these and other complicated and technical policy issues noted above are not solved by the proposed budget trailer bill, we must oppose the proposal.



**California Special
Districts Association**

Districts Stronger Together

May 21, 2015

The Honorable Edmund G. Brown, Jr.
Governor, State of California
State Capitol Building
Sacramento, CA 95814

RE: Drought Water System Consolidation Budget Trailer Bill 825 – COMMENTS

Governor Brown:

We appreciate the opportunity to have met with your staff on May 20 regarding your proposed drought water system consolidation budget trailer bill 825, which was posted May 18. We thank your staff for taking the time to hear from a delegation of CSDA members who have extensive first-hand experience in consolidations of water systems. Due to the imminent June 15 deadline associated with this proposal, we have placed our initial feedback in writing for further consideration by you and your staff. We are continuing to vet this proposal with our membership and would like to continue our dialogue with your staff as the legislative process moves forward.

Process

In this letter, we have outlined both policy principles regarding local agency consolidation and our initial feedback as to the specific language used for the trailer bill. However, prior to that discussion, we must share our strong concerns with regard to the avenue through which this policy is currently proposed. Consolidation of essential local services, such as water systems, is a highly complex endeavor with a multitude of long-lasting health, fiscal and legal consequences. Ill-conceived alterations to this area of law could lead to years of legal wrangling that could exacerbate the plight of communities already struggling with a lack of resources.

Existing law in this area, under Cortese-Knox-Hertzberg, has taken decades to develop. The most appropriate place for considering changes to such policy is through the deliberative legislative policy process, not the truncated budget process. To the extent it requires urgent action, the legislature has the authority to enact the policy through urgency, rather than budget language.

Principles

In approaching this challenge, CSDA encourages the administration to consider the following principles:

1. **Key Distinction**—In terms of both democratic accountability and performance, public water systems managed by public agencies, like special districts, are distinct from those managed by private agencies, like mutual water companies. This distinction is borne out in terms of the number of systems identified as failing to provide potable water as well as the transparency and accountability provisions required under current law.

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We encourage the administration to recognize this distinction in how it approaches the consolidation of water systems. Consolidations affecting public agencies should recognize and allow for a local democratic process.

2. **A Local Process**—No two water systems, no two consolidations and no two communities are the same. Only a local process at the local level will adequately assess the unique, case-by-case nature of these circumstances. Local Agency Formation Commissions (LAFCOs) include the representation to provide a local process.
3. **Stakeholder Involvement**—Any consideration of reorganization or process for facilitating reorganization should be balanced and include consultation with representatives of all affected agencies. LAFCOs provide the forum to facilitate stakeholder involvement.
4. **Objective Analysis**—Reorganizations involve complex managerial, legal and engineering feats. Bigger is not always better, and combining a failing system with a non-failing system may not achieve savings. It may even exacerbate challenges. An objective analysis and feasibility study is important to provide guidance to decision-makers and transparency to the process. LAFCOs possess the experience and expertise in conducting and contracting for such analyses.
5. **Voter Rights**—Ultimately, the residents receiving a local service and paying for the service should choose the service. CSDA respects and values the role of the public in self-determining the local government entities that deliver its services. LAFCOs allow for public protest and vote on actions related to public agency consolidations.

Proposal

While CSDA is still in the process of vetting the proposal with our membership, we wanted to enumerate the initial concerns we shared in our meeting with your staff due to the approaching deadline:

1. **Sunset Date**—As stated above, this proposal seeks to urgently address a highly complex area of law. Therefore, we encourage the administration consider adding a sunset date to allow for an evaluation as to the consequences and potentially unintended consequences of the new policy. Consolidations in the process at the time of the sunset should be permitted to continue under the proposal.
2. **Backstop**—We appreciate the administration's intent this proposal serve as a backstop to existing processes for the consolidation of water systems. We encourage the addition of language to make it clear the exercise of this proposal would serve as a last resort. Before authorizing the State Water Resources Control Board (Water Board) to consolidate water systems, it should require the local LAFCO to conduct an objective analysis and attempt to address the failed system through its recommended course of action using the LAFCO process. This LAFCO action may occur through an enhanced Government Code Section 56133 process, as discussed in the next section of this letter.
3. **Definition of "Public Water System"**—This term should be cross-referenced with the appropriate code sections to facilitate clarification and understanding of the proposed process.
4. **Definitions of "Fails" and "Adequate Supply"** —These definitions are critical as they trigger the new powers afforded the Water Board. How would the failure be measured? What is considered an adequate supply? How long and/or how many and how severe must the failures be? Would there be opportunity for prior notification or warning?

5. **Consultation of All Stakeholders**—Subsection (a) of the proposal requires consultation with the LAFCO. We encourage this consultation requirement be expanded to all affected stakeholders, including the receiving agency, the subsumed agency and the Public Utilities Commission where appropriate.
6. **Definition of “Feasible”**—The proposed paragraph (1) of subsection (c) requires a finding that consolidation is “feasible.” We encourage the administration define feasibility in a manner that encompasses economic and technical feasibility. We further suggest the proposal require use of the existing LAFCO process for conducting a feasibility study.
7. **Standard for “Best Means Available”**—The proposed paragraph (2) of subsection (c) requires a finding that consolidation is the best means of water provision. We encourage the inclusion of standards for this determination.
8. **Adequate and Affordable Financial Assistance**—We appreciate the inclusion of language in subsection (d) to provide the receiving agency with adequate and affordable financial assistance for the infrastructure needed to complete the consolidation. However, the proposal is unclear as to who will make this determination and what standard will be used in that determination. We encourage the amount of assistance be determined by the receiving agency and the feasibility study conducted by the LAFCO.
9. **Fair Market Value**—We appreciate the inclusion of language in proposed subsection (e) to provide state funding to pay privately held companies fair market value when their failed water systems are subsumed. We encourage the administration to clarify the funding source within the proposal. Furthermore it is important that liabilities, outstanding fees and penalties and the degraded state of the system are all factored into the assessed valuation.

Existing Solutions

In addressing the challenges facing failing water systems, CSDA encourages the administration to first and foremost work within the framework of existing solutions:

1. **Government Code Section 56133**—This is an existing remedy to circumstances where there exists a threat to public health and safety. To the extent this remedy is inadequate or underutilized, we encourage the administration to enhance this section or incentivize its use to address the concern as effectively as possible through the existing framework. This would be preferable to creating an entirely new process through the Water Board.
2. **Integrated Regional Water Management**—The IRWM process provides an ideal framework for identifying and addressing failing water systems. The North Coast IRWM is an example of a successful plan making real progress. We encourage the administration build off of existing successful models, such as this, and work within an existing framework.
3. **Joint Powers Agreements**—The establishment of a JPA may be preferable to a direct consolidation as it would allow for the region to share technical support and spread financial risk.
4. **Functional Consolidations**—Authorizing for the management of a system and the sharing of resources, while maintaining local control and fiscal autonomy can sometimes mitigate drawbacks of standard consolidations while improving results.

5. **Simple Fixes**—There are times when simple fixes, such as funding wellhead treatment for small agencies will resolve circumstances threatening public health and safety. Funding and technical support for these simple fixes may be the most effective emergency solution.

Additional Critical Considerations

Before forcing consolidations, the State could reduce the existing barriers to consolidation. Without eliminating these barriers, forced consolidations may lead to unintended consequences. Among the considerations CSDA members have identified:

1. **Liability and Indemnification**—The liability a receiving agency—both retail and wholesale—must assume. We encourage the inclusion of language similar to what was provided for in SB 1130 of 2014 in order to protect agencies associated with the receiving of a failed water system.
2. **Litigation**—The litigation public agencies may face when taking on a failed system. The administration may want to consider avenues for providing legal support to receiving local agencies or LAFCOs. There may also need to be reforms to the legal process.
3. **Grant Funding Caps**—Consolidations under emergency circumstances typically require the receiving public agency to make significant infrastructure investments to bring the failing system into compliance and incorporate them into the public system. Examples of cost could include the establishment of a “lifeline” system, engineering and design, final system construction, well abandonment and closure, as well as annexation of the failed system into the public agency sphere of influence. The funding caps on existing grant opportunities can make these projects infeasible for the assuming agency. Providing state agencies with the flexibility to assess the needs of the system and make the appropriate funding award based on the demand for system improvements and water quality concerns would better facilitate the process.
4. **Receivership**—Consolidations can be a lengthy process and are rarely linear in nature, as negotiations may take a number of avenues. The receivership process is an available resource that can assist with resolving complicated issues and facilitating the transfer of the failing system to the assuming agency. As a result, reforms to streamline access to the court system in a timely manner may be appropriate.
5. **Operations and Maintenance Funding**—Operations and maintenance costs in disadvantaged communities. Most grant programs and revolving fund programs cover only design and construction costs. Two appropriate funding sources might include:
 - a. Restore local property tax revenues, diverted away from these communities since 1992 under the Educational Revenue Augmentation Fund (ERAF), to a public agency that takes on a failing water system. This would provide a sustainable funding source for operations and maintenance.
 - b. Dedicate a portion of the Cap and Trade Expenditure Plan to public agencies that take on a failing water system for purposes of assisting with the associated ongoing operations and maintenance costs.

Once again, CSDA is thankful for the opportunity to share the experience of our membership with your administration as you continue your efforts to address the challenge of failing water systems. We look forward to ongoing dialogue and wish to continue serving as a resource to you and the Legislature.

Sincerely,



Kyle Packham

Advocacy & Public Affairs Director

CC: The Honorable Mark Leno, Chair Senate Budget and Fiscal Review Committee
The Honorable Shirley Weber, Chair Assembly Budget Committee
Martha Guzman-Aceves, Deputy Legislative Secretary, Office of Governor Brown
Liz Haven, Deputy Director Division of Financial Assistance, State Water Resources Control Board
Debbie Franco, Community and Rural Affairs Advisor, Office of Planning and Research
Chris Calfee, Senior Counsel, Office of Planning and Research
Cindy Forbes, Deputy Director, Division of Drinking Water, State Water Resources Control Board
Mark Ibele, Staff Director, Senate Budget and Fiscal Review Committee
Catherine Freeman, Consultant, Senate Budget and Fiscal Review Committee
Rocel Bettencourt, Senate Republican Consultant
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