



# 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 April 12, 2017 @ 2:00 P.M. BOARD OF SUPERVISORS CHAMBERS COUNTY ADMINISTRATIVE BUILDING 2800 West Burrel Avenue Visalia CA 93291

COMMISSIONERS:  
Pete Vander Poel, Chair  
Juliet Allen, V-Chair  
Cameron Hamilton  
Rudy Mendoza  
Steve Worthley

ALTERNATES:  
Mike Ennis  
Carlton Jones  
Dennis Mederos

EXECUTIVE OFFICER:  
Ben Giuliani

- I. Call to Order
- II. Approval of Minutes from March 1, 2017 (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. Case 1530-P-320 City of Porterville Annexation No. 481 (Pages 5-14)  
[No Public Hearing].....Recommended Action: Approval

The City of Porterville has submitted a request for the annexation of approximately 5.5 acres of land to the City of Porterville and concurrent detachment of the same area from Tulare County CSA #1. A notice of exemption was prepared in compliance with CEQA by the City of Porterville for use in this proposal.

### V. New Action Items

- 1. 2017/2018 Preliminary Budget and Work Program (Pages 15-38)  
[Public Hearing].....Recommended Action: Approval

Pursuant to GC 56381, the Commission must adopt a proposed budget and work program, for the following fiscal year, by May 1. The Commission must also decide the amount of reserve funds; if any, it would like to apply in order 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

**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.**

these expenditures and revenues will be allotted during the fiscal year. A spreadsheet illustrating different contribution scenarios is also included.

2. **Cancellation of May 3<sup>rd</sup> Meeting (No Page)**  
*[No Public Hearing].....Recommended Action: Approval*

There are no action items scheduled for the May 3<sup>rd</sup>, 2017 meeting. If the Commission elects to cancel the May 3<sup>rd</sup> meeting, the next regularly scheduled meeting would be June 7<sup>th</sup>.

## **VI. Executive Officer's Report**

1. **ESA 2017-02 (City of Dinuba/Flores) (Page 39-40)**

Pursuant to Policy C-6, the Executive Officer approved an Extraterritorial Service Agreement (ESA) for the provision of domestic water to existing development on one parcel adjacent to the City of Dinuba.

2. **Legislative Update (No Page)**

An update will be given at the meeting.

3. **Upcoming Projects (No Page)**

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

## **VII. Correspondence**

1. **CALAFCO Bulletin (Page 41-42)**

Update of the Little Hoover Commission and Assembly Local Government Committee oversight hearing on health care districts.

2. **California Water Boards (Page 43-45)**

Updated "Frequently Asked Questions" regarding Groundwater Sustainability Agencies.

## **VIII. Other Business**

1. **Commissioner Report**
2. **Request from LAFCO for items to be set for future agendas**

## **IX. Setting Time and Place of Next Meeting**

1. June 7, 2017 @ 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.**

**ITEM: II**

**TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION**

**Summary Minutes of the Meeting**

**March 1, 2017**

**Members Present:** Allen, Vander Poel, Hamilton

**Members Absent:** Worthley, Mendoza

**Alternates Present:** Jones, Ennis

**Alternates Absent:** Mederos

**Staff Present:** Giuliani, Ingoldsby, Unti, Moore

**Counsel Present:** Kuhn

**I. Call to Order**

Chair Vander Poel called the Tulare County LAFCO meeting to order at 2:00 p.m. on March 1, 2017 at the Tulare County Administrative Building, 2800 W. Burrel Ave, Visalia, CA 93291.

**II. Approval of the January 18, 2017 Meeting Minutes:**

Upon motion by Commissioner Allen and seconded by Commissioner Ennis, the Commission unanimously approved the LAFCO minutes of January 18, 2017.

**III. Public Comment Period**

Chair Vander Poel opened/closed the Public Comment Period at 2:02 p.m. No public comments received.

**IV. New Action Items**

*Agenda Items V.1 and V.2 were presented together.*

**1. Case 1526 Deer Creek Storm Water District SOI Amendment**

**2. Case 1526a Deer Creek Storm Water District Annexation 16-01**

Staff Analyst Ingoldsby reviewed the request for a SOI amendment and annexation of 4,079 acres of land to the Deer Creek Storm Water District in Kings County and recommended approval of the cases. (The majority of the assessed value of the land for Deer Creek SWD is in Tulare County making Tulare County the principal county to process the annexation.)

Chair Vander Poel opened the public hearing.

Matt Hurley, General Manager of Deer Creek SWD spoke in support of the project.

Chair Vander Poel closed the public hearing.

Upon motion by Commissioner Ennis and seconded by Commissioner Jones, the Commission unanimously approved Cases 1526 and 1526a, Deer Creek Storm Water District SOI Amendment and Annexation.

**3. Case 1528-P-319 City of Porterville Annexation No. 479 (Roby Island)**

Staff Analyst Ingoldsby reviewed the request for the annexation of an 87-acre County island to the City of Porterville and detachment from CSA #1 and recommended approval of the case.

Chair Vander Poel opened the public hearing.

Patty Townsend, resident of the annexation area, expressed her concerns regarding services and how they would be financed.

Julie Philips, City of Porterville spoke in support of the project.

Chair Vander Poel closed the public hearing.

Upon motion by Commissioner Allen and seconded by Commissioner Hamilton, the Commission unanimously approved Case 1528-P-319 City of Porterville Annexation No. 479.

*Agenda Items V.4 and V.5 were presented together.*

**4. Case 1529 Alpaugh Irrigation District SOI Amendment**

**5. Case 1529a Alpaugh Irrigation District Annexation 16-01**

Staff Analyst Ingoldsby reviewed the request for a SOI amendment and annexation of two areas of land totaling 1,776 acres to the Alpaugh Irrigation District and recommended approval of the cases. Area 1 was for GSA purposes only and Area 2 was for full services.

Chair Vander Poel opened the public hearing.

Dennis Keller, Alpaugh Irrigation District, spoke in support of the project and noted that the annexation impact fee assessed to the property owner of Area 2 was specifically for improvements needed to serve that area.

Christina Hernandez, neighboring property owner, discussed her concerns regarding how the annexation would affect her property.

Matt Hurley, Angiola Water District, spoke in opposition to the annexation of Area 2 due to concerns regarding the degradation in the facilities within the existing district area.

EO Giuliani recommended adding a condition of approval regarding LAFCO receiving a copy of the financial agreement between the property owner of Area 2 and the District.

Chair Vander Poel closed the public hearing.

Upon motion by Commissioner Ennis and seconded by Commissioner Hamilton, the Commission unanimously approved Cases 1529 and 1529a, Alpaugh Irrigation District SOI Amendment and Annexation.

**V. Executive Officer's Report**

**1. Legislative Update**

EO Giuliani reviewed some of the legislative bills being monitored by CALAFCO.

**2. Upcoming Projects**

EO Giuliani reported there was a small annexation in the City of Porterville for a church that would be on the consent calendar and the preliminary fiscal year 2017/18 budget and work program for the April LAFCO meeting.

**VI. Correspondence**

None

**VII. Other Business**

**1. Conflict of Interest Code – Form 700**

Ms. Blythe reminded the commission that Form 700's are required for all LAFCO Commissioners and alternates by April 1, 2017.

**2. Commissioner Report**

None

**3. Request from LAFCO for items to be set for future agendas**

Commissioner Allen discussed her concerns for keeping track of acres in the countywide agricultural land base and the effects of fallow land.

**VIII. Setting Time and Place of Next Meeting**

The next Local Agency Formation Commission (LAFCO) meeting is April 12, 2017 @ 2:00 p.m. in the Board of Supervisors Chambers in the County Administration Building.

**IX. Adjournment**

The Tulare County LAFCO meeting adjourned at 3:11p.m.

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

*April 12, 2017*

**LAFCO Case Number 1530-P-320  
City of Porterville Annexation No. 481**

- PROPOSAL:** City of Porterville Reorganization (annexation to Porterville, detachment from CSA #1)
- PROPONENT:** The City of Porterville by resolution of its City Council
- SIZE:** 5.5 acres
- LOCATION:** North of W. Linda Vista Avenue, east of Highway 65, and west of North Main Street. The area also includes a segment of former railroad ROW to the east and a segment of SR 65 to the west. **(Figure 1)**
- NOTICE:** Notice for this public hearing was provided in accordance with Government Code Sections 56660 & 56661.
- SUMMARY:** The annexation area is a developed church site seeking annexation in association with a request for connection to the municipal water system. Adjacent railroad and SR 65 segments have been included to square off city boundaries.
- APN:** 243-180-002, 243-180-031

**GENERAL ANALYSIS**

**1. Land Use:**

*A. Site Information*

	<b>Existing (County)</b>	<b>Proposed (City)</b>
<b>Zoning Designation</b>	RS-1 (2.73 acres), Rail ROW (0.34 acres) SR 65 (2.47 acres)	No Change
<b>General Plan Designation</b>	Commercial Mixed Use	No change
<b>Uses</b>	One church, segment of former rail ROW, segment of SR 65	No change

*B. Surrounding Land Uses and Zoning and General Plan Designations:*

	<b>Zoning Designation</b>	<b>General Plan Designation</b>	<b>Existing Use</b>
<b>North</b>	RS-1	Commercial Mixed Use	Vacant land
<b>South</b>	CG	General and Service Commercial	Turf and Supply and Irrigation Stores
<b>East</b>	RS-1, IG	Commercial Mixed Use, Industrial	Solar Farm, Residential, Commercial Tow Yard
<b>West</b>	RS-1	Parks and Recreation Low Density Residential	Residential and a church

*C. Topography, Natural Features and Drainage*

The site is generally flat.

*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, Agriculture and Open Space:**

The site is not under a Williamson Act or Farmland Security Zone contract. The site is already developed so there is little likelihood that annexation would result in significant growth or changes in uses.

**3. Population:**

There are fewer than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC Section 56046, the annexation area is uninhabited.

**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	Private well	City water	Applicant/developer fees
Sewage Disposal	City sewer connection	Same	Applicant/ developer fees
Street Lighting	County maintained	SCE/City of Porterville	Capital Improvement Program
Street Maintenance	County maintained	City maintained	Capital Improvement Program
Planning/Zoning	County of Tulare RMA	City of Porterville	Applicant/developer fees
Garbage Disposal	Western Waste Management	City of Porterville, although user 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
Building Permits	County of Tulare RMA	City of Porterville, Public Works Department, Building Division	Applicant/developer fees
Business Licenses	County of Tulare Tax Collector	City of Porterville Finance Department	Applicant/developer fees

**5. Boundaries and Lines of Assessment:**

The boundaries are certain and conform to lines of assessment. There is a segment of State Route 65 which is owned by Caltrans. The boundaries of the annexation were drawn to square off city limits and provide a logical extension of the city. The county surveyor's office has verified that the submitted map is sufficient for filing with the State Board of Equalization.

**6. Environmental Impacts:**

The City of Porterville is the lead agency for this proposal. The City has determined that the project is categorically exempt from the California Environmental Quality Act under Section 15319 Class 19. A copy of the document is included in the application materials.

**7. Landowner Consent:**

Consent has been received from the private property owner within the proposed annexation area. Therefore, the protest proceedings may be waived in accordance with Government Code Section 56663(c)

**8. Regional Housing Needs Assessment (RHNA):**

Pursuant to GC §56668 (l), 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. Since the land is already developed as a church, the annexation will not assist the City in achieving its fair share of regional housing needs

**9. Discussion:**

Government Services

The adequacy of government service will be improved within the subject area. The City can provide public services more efficiently than the County at this location. The City is currently able to provide the annexation urban services. The site already has an existing connection to city sewer.

County Service Area #1

SB 1458, which rewrote the County Service Area enabling act, took effect January 1, 2009. The prior version of CSA law provided for automatic detachment from a CSA whenever annexation to a city was approved. However, existing law does not include this provision. Therefore, the map and legal description must be amended to include the detachment of the area from CSA #1.

**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 Notice of Exemption prepared 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 reorganization of the City of Porterville complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. Pursuant to LAFCO Policy and Procedure Section C-1, find that:
  - a. The boundaries of the proposed reorganization 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.
4. Find that the annexation does not contain any Williamson Act contract land.
5. Find that the territory proposed for this annexation to the City of Porterville and detachment from CSA #1 is uninhabited
6. Approve the reorganization as proposed by the City of Porterville, to be known as LAFCO Case Number 1530-P-320, Porterville Annexation No. 481.
  - 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 CSA #1 is shown as a detachment and corrections are completed to the map and legal description.
  - c. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.
7. Waive the protest hearing for this proposal in accordance with subsection (c) of Government Code section 56663 and order the change of organization without an election.
8. Authorize the Executive Officer to sign and file a Notice of Exemption with the Tulare County Clerk.

**Figures:**

- |          |                   |
|----------|-------------------|
| Figure 1 | Site Location Map |
| Figure 2 | Aerial            |
| Figure 3 | Resolution        |

**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 1530-P-320,                    )                **RESOLUTION NO. 17-XXX**  
City of Porterville Annexation No. 481            )

**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 Executive Officers report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

**WHEREAS**, on April 12, 2017 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 recommendations 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 City of Porterville, as Lead Agency, filed a Notice of Exemption in compliance with the California Environmental Quality Act (CEQA). And finds that the proposed Annexation will not have a significant impact on the environment. Under the California Environmental Quality Act (CEQA) Section 15319 the proposal is considered exempt from CEQA review.

3. The Commission has reviewed and considered the information, facts and materials as presented, in accordance with Government Code Section 56668.

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 a single developed parcel and segments of adjacent Rights-of-Way which in total contain approximately 5.5 acres of land.
- b. Fewer than 12 registered voters reside in the affected territory, which is considered uninhabited.
- c. The subject territory is within the Sphere of Influence of the City of Porterville.

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

7. The Commission hereby waives the protest hearing proceedings in accordance with GC §56663 and order the change of organization without an election.

8. 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 CSA #1 is shown as a detachment and corrections are completed to the map and legal description and the County Surveyor has verified the accuracy of the map and legal description.
- c. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.

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

LAFCO Case No. 1530-P-320, City of Porterville Annexation No. 481

10. The Executive Officer is hereby authorized and directed to sign a Notice of Exemption 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.

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 12th day of April, 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

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Ben Giuliani, Executive Officer

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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:  
*Pete Vander Poel, Chair  
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ALTERNATES:  
*Mike Ennis  
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Dennis Mederos*

EXECUTIVE OFFICER:  
*Ben Giuliani*

April 12, 2017

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

FROM: Steven Ingoldsby, LAFCO Staff Analyst

SUBJECT: FY 2017/18 Preliminary Budget and Work Program

Enclosed for your review are the Fiscal Year 2017/18 Preliminary Budget and Work Program. LAFCO is required to adopt its preliminary budget by May 1<sup>st</sup> and its final budget by June 15<sup>th</sup> of each year.

**BUDGET 794**

**REVENUES**

**5801 Income from Other Agencies** - \$232,985 is the amount estimated for FY 2017/18 as income from eight cities and the County as required by Government Code Section 56381. For 2016/17, \$50,000 of reserve funds was used to help offset the contribution amount from the cities and the County. It is estimated that there will be approximately \$124,000 in available reserve funds at the end of FY 16/17.

The Commission may wish to again use the reserve funds to offset some of the cost to the cities and County in FY 2017/18. Attached is a spreadsheet showing different contribution scenarios utilizing different amounts of surplus funds. The \$50,000 scenario would leave contribution levels very similar to FY 2016/17.

**5421 Planning and Engineering Services** – As of this date, staff has processed 14 cases (annexations, detachments, sphere of influence amendments and extension of services agreements) and anticipates one new case to be submitted by the end of this fiscal year (June 15). The total estimated revenue is \$21,155. For fiscal year 2017/18, based on feedback from city and district staff, staff has estimated processing 16 cases for a total estimated revenue of \$28,107.

**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 2016/17, no expense claims have been submitted yet.

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

**7027 Memberships** – The CALAFCO membership fees are set by the CALAFCO board. \$3,556 is budgeted for FY 2017/18.

*Estimated expenditure for current FY - \$3,323*

**7036 Office Expenses** - \$1,500 was allocated for office supplies and other office equipment expenses in FY 2016/17. \$1,500 is budgeted for FY 2017/18.

*Estimated expenditure for current FY - \$1,500*

**7043 Professional and Specialized Services** – \$200 is budgeted for FY 2017/18. These are funds used to contract with outside vendors, such as professional services (County Auditor) or consultants. The need for consultant services is likely to remain low in FY 2017/18 as the reduced projected workload is expected to continue.

*Estimated expenditure for current FY - \$200*

**7059 Publications and Notices** - \$1,500 is budgeted for FY 2017/18. The caseload is expected to modestly increase in FY 2017/18.

*Estimated expenditure for current FY - \$1,200*

**7073 Staff and Commission Member Training** – Training costs of \$3,162 are proposed for FY 2017/18 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 - \$3,100*

**7074 Staff and Commission Transportation / Travel** – Transportation/Travel costs of \$5,750 are proposed for FY 2017/18 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. To date approximately \$2,343 has been spent on transportation and travel. In April staff members will attend the CALAFCO staff workshop.

*Estimated expenditure for current FY - \$5,750*

**Expenditures – Other Charges**

**7043 Worker's Compensation** – A total of \$1,796 has been budgeted for FY 2017/18 to cover expenses for worker's compensation.

*Estimated expenditure for current FY - \$1,761*

**7043 Property** – \$85 is proposed for FY 2017/18.

*Estimated expenditure for current FY - \$83*

**7043 Liability Insurance** – A total of \$2,213 has been budgeted for FY 2017/18 to cover expenses for general liability insurance.

*Estimated expenditure for current FY - \$2,107*

**7036 ADP Payroll** – A total of \$285 has been budgeted for FY 2017/18.

*Estimated expenditure for current FY - \$285*

**7036 Rent** – A total of \$16,130 has been budgeted for FY 2016/17. Due to a change in the calculation of LAFCO's staff share of rent this amount has been decreased to an estimated \$11,166 for FY 2016/17 and \$11,778 for FY 2017/18.

*Estimated expenditure for current FY - \$11,166*

**7036 Alarm Services** – A total of \$163 has been budgeted for FY 2017/18.

*Estimated expenditure for current FY - \$160*

**7036 Telecomm** – A total of \$663 has been budgeted for FY 2017/18 to cover expenses for telephone service.

*Estimated expenditure for current FY - \$650*

**7036 Utilities** -\$2,143 is budgeted for utility expenses for FY 2017/18.

*Estimated expenditure for current FY - \$2,101*

**7043 Custodial**- \$1,590 is budgeted for custodial services during FY 2017/18

*Estimated expenditure for current FY - \$1,590*

**7036 RMA Printing Services** – \$500 is budgeted for FY 2017/18. 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 - \$500*

**7036 RMA Mail Services** - \$1,000 is budgeted for FY 2017/18. This covers costs for processing mail for LAFCO public hearing notices and other correspondence.

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

### **Expenditures – Agency Charges**

**7043 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. \$5,516 is proposed for FY 2017/2018.

*Estimated expenditure for current FY - \$5,253*

**7066 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. \$4,000 has been allotted for FY 2017/2018.

*Estimated expenditure for current FY - \$4,000*

**7066 COWCAP Charges** - The amount budgeted for FY 2017/2018 is \$6,000. The COWCAP charges have historically been rather volatile. In FY 2016/17, \$17,306 was charged to LAFCO. In FY 2014/15 \$14,481 was refunded to LAFCO due to COWCAP overcharges in previous years.

*Estimated expenditure for current FY- \$17,306*

**7043 G.I.S.-Arcview Services** - The budgeted amount for 2017/2018 is \$1,000.

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

**7066 Intra Agency Services Received (Salaries)** - This item reflects Staff salaries. Staffing services are provided by the Tulare County Association of Governments. \$181,913 in salaries is estimated for FY 2017/2018. This includes a half-time Executive Officer, a 25% Clerk, and a 75% Staff Analyst

*Estimated expenditure for current FY – \$120,000*

### **CONTINGENCY/CARRYOVER**

**7432 Contingency** - A contingency of 10% of the expenses is proposed for 2017/18 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 2016/17 is \$22,985. The contingency proposed for FY 2017/18 is \$23,736.

**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 2016/17, \$50,000 was used to offset the cities and County contribution. Staff estimates that LAFCO will have a reserve of approximately \$124,000 at the end of FY 2016/17. 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.

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

	Object No.	Adopted Budget FY 16/17	As of 3/1/17	Projected Expenses FY 16/17	Proposed Budget FY 17/18
<b>EXPENDITURES</b>					
<b>Services and Supplies</b>					
Board Director's Fees	6008	\$1,000	\$0	\$1,000	\$1,000
Memberships	7027	\$3,323	\$3,323	\$3,323	\$3,556
Office Expenses	7036	\$1,530	\$928	\$1,500	\$1,500
Professional and Specialized	7043	\$400	\$200	\$200	\$200
Publication - Public Hearing Notices	7059	\$1,500	\$590	\$1,200	\$1,500
Training	7073	\$3,100	\$3,023	\$3,100	\$3,162
Transportation and Travel	7074	\$5,750	\$2,343	\$5,750	\$5,750
<b>Total Services and Supplies</b>		<b>\$16,603</b>	<b>\$10,407</b>	<b>\$16,073</b>	<b>\$16,668</b>
<b>Other Charges</b>					
I/F Workers Compensation	7043	\$1,761	\$0	\$1,761	\$1,796
I/F Expenses - Property	7043	\$83	\$0	\$83	\$85
I/F Expenses - Special Liability Insurance	7043	\$2,213	\$2,107	\$2,107	\$2,257
I/F ADP Payroll	7036	\$150	\$165	\$285	\$285
Rent	7036	\$16,130	\$9,233	\$11,166	\$11,778
Alarm Services	7036	\$160	\$21	\$160	\$163
Telecom	7036	\$452	\$540	\$650	\$663
Utilities	7036	\$2,101	\$794	\$2,101	\$2,143
Custodial Services	7043	\$1,590	\$564	\$1,590	\$1,590
I/F RMA - Printing	7036	\$500	\$240	\$500	\$500
I/F RMA - Mail	7036	\$1,030	\$521	\$1,000	\$1,000
<b>Total Other Charges</b>		<b>\$26,170</b>	<b>\$14,186</b>	<b>\$21,403</b>	<b>\$22,260</b>
<b>Agency Charges</b>					
County Counsel Charges	7043	\$5,253	\$1,337	\$5,253	\$5,516
Services from Other Dpts.	7066	\$2,575	\$3,022	\$4,000	\$4,000
COWCAP Charges	7066	\$5,000	\$17,306	\$17,306	\$6,000
GIS Services	7043	\$1,000	\$0	\$1,000	\$1,000
Salaries	7066	\$173,250	\$53,041	\$120,000	\$181,913
<b>Total Agency Charges</b>		<b>\$187,078</b>	<b>\$74,706</b>	<b>\$147,559</b>	<b>\$198,428</b>
<b>Contingencies</b>	7432	<b>\$22,985</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,736</b>
<b>TOTAL EXPENDITURES</b>		<b>\$252,836</b>	<b>\$99,299</b>	<b>\$185,035</b>	<b>\$261,092</b>
<b>REVENUES</b>					
Other - Government Agency Contributions	5801	\$184,988	\$185,188	\$185,188	\$232,985
Planning and Engineering Services	5421	\$17,849	\$17,679	\$21,155	\$28,107
Prior Year Revenue Accurals Adjustment	5999				
<b>TOTAL REVENUES</b>		<b>\$202,837</b>	<b>\$202,867</b>	<b>\$206,343</b>	<b>\$261,092</b>
<b>NET COST</b>		<b>\$50,000</b>	<b>-\$103,568</b>	<b>-\$21,308</b>	

AGENCY CONTRIBUTIONS  
CARRYOVER SCENARIOS

**Contribution Scenerios**

***Carryover applied: \$0***

	POPULATION (DOF 1/1/2016)	PERCENT OF POPULATION	PROPOSED		DIFFERENCE
			17/18 CONTRIBUTION	16/17 CONTRIBUTION	
CITY OF DINUBA	24,657	5.28%	\$12,304	\$9,369	\$2,935
CITY OF EXETER	11,013	2.36%	\$5,495	\$4,257	\$1,238
CITY OF FAMERSVILLE	11,161	2.39%	\$5,569	\$4,419	\$1,150
CITY OF LINDSAY	12,960	2.78%	\$6,467	\$5,084	\$1,383
CITY OF PORTERVILLE	60,070	12.87%	\$29,975	\$22,524	\$7,451
CITY OF TULARE	63,515	13.60%	\$31,694	\$24,841	\$6,853
CITY OF VISALIA	130,231	27.89%	\$64,985	\$52,135	\$12,850
CITY OF WOODLAKE	7,648	1.64%	\$3,816	\$3,112	\$704
COUNTY OF TULARE	145,651	31.19%	\$72,680	\$59,248	\$13,432
TOTAL	466,906	100.00%	\$232,985	\$184,989	\$47,996

(794) LINE 5801

\$232,985

+ \$200.00 billing fee to County Auditor

***Carryover applied: \$15000***

	POPULATION (DOF 1/1/2016)	PERCENT OF POPULATION	PROPOSED		DIFFERENCE
			17/18 CONTRIBUTION	16/17 CONTRIBUTION	
CITY OF DINUBA	24,657	5.28%	\$11,512	\$9,369	\$2,143
CITY OF EXETER	11,013	2.36%	\$5,142	\$4,257	\$885
CITY OF FAMERSVILLE	11,161	2.39%	\$5,211	\$4,419	\$792
CITY OF LINDSAY	12,960	2.78%	\$6,051	\$5,084	\$967
CITY OF PORTERVILLE	60,070	12.87%	\$28,045	\$22,524	\$5,521
CITY OF TULARE	63,515	13.60%	\$29,653	\$24,841	\$4,812
CITY OF VISALIA	130,231	27.89%	\$60,801	\$52,135	\$8,666
CITY OF WOODLAKE	7,648	1.64%	\$3,571	\$3,112	\$459
COUNTY OF TULARE	145,651	31.19%	\$68,000	\$59,248	\$8,752
TOTAL	466,906	100.00%	\$217,985	\$184,989	\$32,996

(794) LINE 5801

\$217,985

+ \$200.00 billing fee to County Auditor

***Carryover applied FY : \$25000***

	POPULATION (DOF 1/1/2016)	PERCENT OF POPULATION	PROPOSED		DIFFERENCE
			17/18 CONTRIBUTION	16/17 CONTRIBUTION	
CITY OF DINUBA	24,657	5.28%	\$10,984	\$9,369	\$1,615
CITY OF EXETER	11,013	2.36%	\$4,906	\$4,257	\$649
CITY OF FAMERSVILLE	11,161	2.39%	\$4,972	\$4,419	\$553
CITY OF LINDSAY	12,960	2.78%	\$5,773	\$5,084	\$689
CITY OF PORTERVILLE	60,070	12.87%	\$26,758	\$22,524	\$4,234
CITY OF TULARE	63,515	13.60%	\$28,293	\$24,841	\$3,452
CITY OF VISALIA	130,231	27.89%	\$58,012	\$52,135	\$5,877
CITY OF WOODLAKE	7,648	1.64%	\$3,407	\$3,112	\$295
COUNTY OF TULARE	145,651	31.19%	\$64,881	\$59,248	\$5,633
TOTAL	466,906	100.00%	\$207,985	\$184,989	\$22,996

(794) LINE 5801

\$207,985

+ \$200.00 billing fee to County Auditor

AGENCY CONTRIBUTIONS  
CARRYOVER SCENARIOS

**Carryover applied: \$50000**

	POPULATION (DOF 1/1/2016)	PERCENT OF POPULATION	PROPOSED		DIFFERENCE
			17/18 CONTRIBUTION	16/17 CONTRIBUTION	
CITY OF DINUBA	24,657	5.28%	\$9,663	\$9,369	\$294
CITY OF EXETER	11,013	2.36%	\$4,316	\$4,257	\$59
CITY OF FAMERSVILLE	11,161	2.39%	\$4,374	\$4,419	-\$45
CITY OF LINDSAY	12,960	2.78%	\$5,079	\$5,084	-\$5
CITY OF PORTERVILLE	60,070	12.87%	\$23,542	\$22,524	\$1,018
CITY OF TULARE	63,515	13.60%	\$24,892	\$24,841	\$51
CITY OF VISALIA	130,231	27.89%	\$51,039	\$52,135	-\$1,096
CITY OF WOODLAKE	7,648	1.64%	\$2,997	\$3,112	-\$115
COUNTY OF TULARE	145,651	31.19%	\$57,082	\$59,248	-\$2,166
TOTAL	466,906	100.00%	\$182,985	\$184,989	-\$2,004

(794) LINE 5801                                      \$182,985                                      + \$200.00 billing fee to County Auditor

**Carryover applied: \$75000**

	POPULATION (DOF 1/1/2016)	PERCENT OF POPULATION	PROPOSED		DIFFERENCE
			17/18 CONTRIBUTION	16/17 CONTRIBUTION	
CITY OF DINUBA	24,657	5.28%	\$8,343	\$9,369	-\$1,026
CITY OF EXETER	11,013	2.36%	\$3,726	\$4,257	-\$531
CITY OF FAMERSVILLE	11,161	2.39%	\$3,777	\$4,419	-\$642
CITY OF LINDSAY	12,960	2.78%	\$4,385	\$5,084	-\$699
CITY OF PORTERVILLE	60,070	12.87%	\$20,326	\$22,524	-\$2,198
CITY OF TULARE	63,515	13.60%	\$21,491	\$24,841	-\$3,350
CITY OF VISALIA	130,231	27.89%	\$44,066	\$52,135	-\$8,069
CITY OF WOODLAKE	7,648	1.64%	\$2,588	\$3,112	-\$524
COUNTY OF TULARE	145,651	31.19%	\$49,283	\$59,248	-\$9,965
TOTAL	466,906	100.00%	\$157,985	\$184,989	-\$27,004

(794) LINE 5801                                      \$157,985                                      + \$200.00 billing fee to County Auditor

**Carryover applied: \$100000**

	POPULATION (DOF 1/1/2016)	PERCENT OF POPULATION	PROPOSED		DIFFERENCE
			17/18 CONTRIBUTION	16/17 CONTRIBUTION	
CITY OF DINUBA	24,657	5.28%	\$7,023	\$9,369	-\$2,346
CITY OF EXETER	11,013	2.36%	\$3,137	\$4,257	-\$1,120
CITY OF FAMERSVILLE	11,161	2.39%	\$3,179	\$4,419	-\$1,240
CITY OF LINDSAY	12,960	2.78%	\$3,691	\$5,084	-\$1,393
CITY OF PORTERVILLE	60,070	12.87%	\$17,109	\$22,524	-\$5,415
CITY OF TULARE	63,515	13.60%	\$18,090	\$24,841	-\$6,751
CITY OF VISALIA	130,231	27.89%	\$37,093	\$52,135	-\$15,042
CITY OF WOODLAKE	7,648	1.64%	\$2,178	\$3,112	-\$934
COUNTY OF TULARE	145,651	31.19%	\$41,485	\$59,248	-\$17,763
TOTAL	466,906	100.00%	\$132,985	\$184,989	-\$52,004

(794) LINE 5801                                      \$132,985                                      + \$200.00 billing fee to County Auditor

## Contribution History

	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
DINUBA	\$9,838	\$6,716	\$4,325	\$3,455	\$0	\$6,584	\$8,929	\$6,904	\$6,068	\$5,235
EXETER	\$5,404	\$3,627	\$2,336	\$1,873	\$0	\$3,534	\$4,850	\$3,704	\$2,788	\$2,629
FAMERSVILLE	\$4,827	\$3,467	\$2,229	\$1,802	\$0	\$3,494	\$4,751	\$3,613	\$2,747	\$2,655
LINDSAY	\$5,681	\$4,064	\$2,566	\$2,052	\$0	\$3,764	\$5,101	\$3,857	\$3,071	\$2,880
PORTERVILLE	\$23,626	\$15,675	\$10,133	\$8,177	\$0	\$15,181	\$20,624	\$17,765	\$15,790	\$12,833
TULARE	\$26,235	\$17,408	\$11,192	\$9,020	\$0	\$16,881	\$23,478	\$19,308	\$17,610	\$14,423
VISALIA	\$60,715	\$36,375	\$23,674	\$19,274	\$0	\$36,694	\$50,702	\$40,643	\$37,780	\$30,487
WOODLAKE	\$4,042	\$2,666	\$1,691	\$1,350	\$0	\$2,453	\$3,332	\$2,552	\$1,785	\$1,915
COUNTY	\$90,577	\$55,677	\$35,561	\$28,291	\$0	\$51,257	\$70,071	\$49,113	\$43,361	\$35,779

TOTAL \$230,945 \$145,675 \$93,707 \$75,294 \$0 \$139,841 \$191,838 \$147,459 \$131,000 \$108,834

Surplus Applied \$0 \$0 \$100,000 \$150,000 \$150,000 \$30,000 \$40,000 \$60,000 \$70,000 \$100,000

	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17
DINUBA	\$4,764	\$8,855	\$8,606	\$8,687	\$11,370	\$9,369
EXETER	\$2,295	\$4,193	\$3,910	\$3,998	\$5,166	\$4,257
FAMERSVILLE	\$2,351	\$4,355	\$4,059	\$4,153	\$5,362	\$4,419
LINDSAY	\$2,613	\$4,849	\$4,164	\$4,707	\$6,170	\$5,084
PORTERVILLE	\$12,028	\$22,124	\$20,688	\$21,148	\$27,334	\$22,524
TULARE	\$13,164	\$24,175	\$22,816	\$23,276	\$30,146	\$24,841
VISALIA	\$27,635	\$50,736	\$47,887	\$48,698	\$63,269	\$52,135
WOODLAKE	\$1,616	\$2,957	\$2,858	\$2,838	\$3,776	\$3,112
COUNTY	\$31,728	\$58,012	\$54,421	\$55,551	\$71,901	\$59,248

TOTAL \$98,195 \$180,257 \$169,409 \$173,057 \$224,494 \$184,989

Surplus Applied \$100,000 \$50,000 \$50,000 \$50,000 \$50,000 \$50,000



2017/18  
LAFCO  
WORK PROGRAM

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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 2017/18 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 km<sup>2</sup>, 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 69% of the total county approximate population of 466,906 (DOF – 1/1/16). 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

Pete Vander Poel, Chair	County representative
Juliet Allen, Vice Chair	Public representative
Cameron Hamilton	City representative
Rudy Mendoza	City representative
Steve Worthley	County representative
Mike Ennis	Alternate, County representative
Carlton Jones	Alternate, City representative
Dennis Mederos	Alternate, Public representative

### LAFCO Staff

Ben Giuliani, Executive Officer  
Steven Ingoldsby, Staff Analyst  
vacant, LAFCO Clerk  
Jeffrey Kuhn, LAFCO Counsel

## LAFCO Abbreviations and Acronyms

<b>CALAFCO</b>	<i>California Association of Local Agency Formation Commissions</i>
<b>C-K-H</b>	<i>Cortese-Knox-Hertzberg Local Government Reorganization Act Of 2000</i>
<b>CSD</b>	<i>Community Services District</i>
<b>GC</b>	<i>Government Code</i>
<b>LAFCO</b>	<i>Local Agency Formation Commission</i>
<b>MSR</b>	<i>Municipal Service Review</i>
<b>PUD</b>	<i>Public Utility District</i>
<b>SOI</b>	<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:	\$60,637	(6.0 Staff Person Months)
Memberships:	\$3,556	
Publications and Notices	\$1,500	
County Counsel:	\$5,516	
COWCAP Charged:	\$6,000	
Board Directors fees:	\$1,000	
Rent	\$11,778	
Insurance	\$2,257	
Prof. & Specialized:	\$200	
Service from Other Dept.	\$4,000	
Total:	\$96,444	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$96,444	(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/](http://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	\$663
ADP Payroll/Personnel:	\$285
Utilities:	\$2,143
Custodial Services:	\$1,590
Property	\$85
Mail	\$1,000
Printing	\$500
Alarm	\$163
GIS	\$1,000
Worker's Compensation	\$1,796
Total	\$10,725

(Reserve Funds)  
 \$10,725 (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):	\$3,162
Transportation/Travel (Commissioners & Staff)	\$5,750
Total:	\$8,912

Revenue (source):	(Reserve Funds)
Revenue (source):	\$8,912 (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  
 City of Exeter MSR update April 2016  
 City of Woodlake MSR update August 2016

PRODUCTS: MSRs for Cities of Farmersville, Lindsay, Goshen CSD, Sultana CSD and other special districts as needed

**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 MSRs 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, Porterville, Exeter and Woodlake. 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 17/18.

**BUDGET:**

Estimated staff costs:	\$60,637	(6.0 Staff Person Month)
Total:	\$60,637	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$60,637	(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:	\$10,106	(1.0 Staff Person Months)
Total:	\$10,106	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$10,106	(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) City of Exeter (2016) City of Woodlake (2016).

PRODUCTS:

1. Lindsay, Sultana, Goshen, Alpaugh and Farmersville are anticipated for FY 2017/18. Also SOI updates for the Cities of Visalia and Tulare are expected to be adopted in 2017/18
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:	\$20,213.	(2 Staff Person Months)
Total:	\$20,213.	
Revenue (source):	\$	(Reserve Funds)
Revenue (source):	\$12,319	(County & Cities Contribution)
Revenue (source):	\$7,894	(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: Agricultural Land Updates  
Public Cemetery District Report

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.

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:	\$10,106	(1.0 Staff Person Month)
Total:	\$10,106	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$10,106	(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 2016/17 as of this date, staff has processed 14 cases (annexations, detachments, sphere of influence amendments and extension of services agreements). In prior years, a separate work element (101.05 Island Annexation Program) was dedicated to the island annexation program which is now incorporated in this element

PRODUCTS: This is an ongoing work element. Staff will continue to process case applications as they are submitted. For fiscal year 2017/18, based on feedback from local agencies, staff is estimating processing 16 cases.

**BUDGET:**

Estimated staff costs:	\$20,213	(2 Staff Person Months)
Total:	\$20,213	
Revenue (source):		(Reserve Funds)
Revenue (source):	\$	(County & Cities Contribution)
Revenue (source):	\$20,213	(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	\$0	\$96,444	\$	\$0	\$96,444
Office Expenses / Fixed Assets	100.02	\$0	\$10,725	\$0	\$0	\$10,725
Training and Travel	100.03	\$0	\$8,912	\$0	\$0	\$8,912
Municipal Service Reviews	101.02	\$0	\$60,637	\$0	\$0	\$60,637
Cities & Special District Inventory Update	101.03	\$0	\$10,106	\$0	\$0	\$10,106
Sphere of Influence Updates	101.04	\$0	\$12,319	\$7,894	\$0	\$20,213
Special Projects	101.06	\$0	\$10,106	\$0	\$0	\$10,106
LAFCO Case Processing	102.01	\$0	\$0	\$20,213	\$0	\$20,213
Subtotals	NA	\$0	\$209,249	\$28,107	\$0	\$237,356
Contingency	NA	\$0	\$23,736	\$0	\$0	\$23,736
TOTALS		\$0	\$232,985	\$28,107	\$0	\$261,092

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>
2017/18	Lindsay, Farmersville, Goshen, Sultana, Alpaugh	Tulare, Visalia, Lindsay, Farmersville, Goshen, Sultana, Alpaugh		<i>Possible Future Projects</i> <ul style="list-style-type: none"> <li>• District dissolutions</li> <li>• District formations Incorporation studies Policy updates Implementation of MSRs</li> </ul>
2018/19	Dinuba, Visalia, Special Districts	Dinuba, Special Districts		<i>Annual Work Elements</i>
2019/20	Tulare, Porterville, Special Districts	Tulare, Porterville, Special Districts		<ul style="list-style-type: none"> <li>• Case Processing SOI Amendments</li> <li>• City-Special Districts Inventory</li> <li>• Special Projects</li> </ul>
2020/21	Exeter, Woodlake, Special Districts	Exeter, Woodlake, Special Districts		
2021/22	Lindsay, Farmersville, Special Districts	Lindsay, Farmersville, Special Districts		
2022/23	Special Districts	Special Districts		

*\*Special District MSR and SOI updates will be completed based on need and in coordination with County Community Plan updates.*

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

In The Matter of the 2017/18 )  
Proposed Budget for the Tulare County ) RESOLUTION NO. **17-0XX**  
Local Agency Formation Commission )

**WHEREAS**, Government Code Section 56381 requires that on or before the 1st day of May, 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 proposed budget for the following fiscal year.

**WHEREAS**, in accordance with Section 56381, this Local Agency Formation Commission on April 12, 2017, considered the Fiscal Year 2017/18 proposed budget as recommended by the Executive Officer.

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

1. The proposed Fiscal Year 2017/18 budget, attached hereto as Exhibit "A", is hereby adopted.
2. The Executive Officer is hereby authorized and directed to forward said proposed budget 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 Government Code Section 56381.

RESOLUTION NO. 17-00X  
PAGE 2

The foregoing resolution was adopted upon the motion by Commissioner \_\_\_\_\_, and seconded by Commissioner \_\_\_\_\_, at a regular meeting held on this 12th day of April 2017, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

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Ben Giuliani, Executive Officer

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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) 733-6720

COMMISSIONERS:  
*Pete Vander Poel, Chair  
Julie Allen, Vice-Chair  
Cameron Hamilton  
Steve Worthley  
Rudy Mendoza*

ALTERNATES:  
*Mike Ennis  
Dennis Mederos  
Carlton Jones*

EXECUTIVE OFFICER:  
*Ben Giuliani*

March 8, 2017

City of Dinuba  
1088 E Kamm Ave  
Dinuba, CA 93618

Re: Extraterritorial Service Agreement No. 2017-02 (City of Dinuba/Flores)

This is to inform you that your request for an Extraterritorial Service Agreement, submitted to the Tulare County Local Agency Formation Commission (LAFCO) on March 7<sup>th</sup>, 2017, (ESA No. 2017-02), 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 Dinuba to provide municipal water service for existing development on APN 013-080-031 (910 N. Crawford Ave). While annexation isn't planned at this time, the City is requiring future consent to annex as a condition of approval for service.

Should you have any questions, please contact me at 623-0450 or [bjuliani@tularecog.org](mailto:bjuliani@tularecog.org).

Sincerely,

Benjamin Giuliani, Executive Officer  
Tulare County LAFCO

Cc: Armando and Maria Isabel Flores

City of Dinuba  
ESA 2017-02

Nebraska

Crawford

Saginaw



El Monte

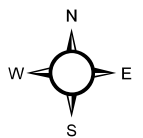
**Legend**

 Dinuba

 SOI

 Parcels

 ESA



0 500 1,000 Feet

40

# CALAFCO BULLETIN

## Update of Little Hoover Commission and Assembly Local Government Committee Oversight Hearing on Healthcare Districts

March 14, 2017



### Little Hoover Commission

As a follow up to the hearings and workshops held in 2016 (August, October and November) by the Little Hoover Commission (LHC) on special districts and LAFCoS, the LHC staff compiled a draft report for the Commission's consideration and adoption at their February meeting. During the February 23, 2017 business meeting, LHC staff presented a draft report to the Commission. Their staff worked closely with the Commission Chair on their recommendations, which were also shared with CALAFCO (although the draft report was not made public). In summary, they included many of CALAFCO's recommendations identified in our August testimony. For example: (1) The Legislature should curtail a growing practice of introducing and passing bills that override existing LAFCo processes and authority; (2) Streamline the process for LAFCoS to dissolve inactive districts; (3) Consider fixed terms for LAFCo Commissioners (to avoid random removal); (4) Update the principal act for HCDs; and (5) Require HCDs to create community needs assessments, annually report their progress of meeting those needs, and file all reports with LAFCo for inclusion in MSRs.

Several of the LHC Commissioners expressed concern that their staff's recommendations were too "status quo" and they desired something a bit more radical be done. Sentiments ranged from the most radical, which was to suggest putting the livelihood of districts to a vote of the people every ten years, to questioning what the actual problem is that the Commission is trying to solve. Others expressed a belief there are too many special districts, and others believe LAFCoS are not doing enough in terms of oversight and management of many of the districts and therefore another oversight entity needs to be created. Ultimately there was no agreement among the Commission on how to move forward. As a result, the final report was tabled and another hearing is to occur in the fall (no date specified).

Since that meeting, CALAFCO met with LHC staff as well as their Chair and Vice Chair (both meetings were also attended by CSDA). We heard directly the general concerns of the Commission (from the Chair and Vice Chair's perspective), and were afforded the opportunity to clarify facts and data presented in our written testimony. Further it allowed us to share steps CALAFCO is taking proactively to address some of what we identified in our written testimony as opportunities for the future. We were encouraged to reach out directly to the Commissioners. Simultaneously, LHC staff will be receiving feedback from the Commission as to the specific issues they want to further discuss/review in the upcoming hearing.

CALAFCO is preparing a written response to the Commission in light of the outcome of the February 23 meeting and as a result of our meeting with the Commission Chair, Vice Chair and staff. (CSDA and their San Diego Chapter both issued letters to the Commission as a result of the February 23 meeting. However since CALAFCO was not present at the meeting, we needed to wait until we met with the Chair and Vice Chair to respond in writing.) Further, CALAFCO is convening a small working group to help shape outreach and education efforts to all LHC Commissioners, including the Legislators appointed to the Commission. This educational effort will go beyond what was contained in our written testimony last year and delve into current efforts as well as tell the story of actual LAFCo actions. Your response to CALAFCO's pending request for information will be critical for us being able to tell an accurate story.

We will continue to be engaged with LHC staff and monitor any further developments coming from the LHC's business meeting on March 23.

# CALAFCO BULLETIN

## Update of Little Hoover Commission and Assembly Local Government Committee Oversight Hearing on Healthcare Districts

March 14, 2017



### ALGC Oversight Hearing on Healthcare Districts

On March 8, 2017 the ALGC held an oversight hearing on evolution of healthcare districts (HCDs). Following an overview of healthcare districts by Carolyn Chu of the Legislative Analyst Office (LAO) and an overview of the LAFCo connection by Michael Colantuono (Colantuono, Highsmith & Whatley), the Committee was presented with five case studies. Three were from hospital districts, each with a different model (Tahoe Forest HCD, Grossmont HCD and Del Puerto HCD) and two were from LAFCos (Contra Costa and Sonoma). The case studies were followed by a brief period of public comment.

After telling their individual stories, all three district representatives expressed their sentiments about LAFCo. These included their feeling that LAFCo was the correct entity to conduct the MSR of HCDs and their understanding of the need for these reviews; an encouragement for modification of the review process to allow MSRs to better serve stakeholders (suggestions included standardized questions specific to HCDs that also allowed for local circumstances and conditions to be considered); and greater resources for LAFCos to be more effective in the review and oversight of HCDs (and all other types of districts).

The two LAFCo representatives (Commissioner Don Tatzin, Contra Costa LAFCo and Executive Officer Mark Bramfitt, Sonoma LAFCo) shared their Commission's direct experience with the Mt. Diablo HCD merger with the City of Concord and the recent detachment of part of the Palm Drive HCD, respectively. In their compelling testimony, they conveyed the challenges Commissions face in making the difficult decision to reorganize a district. It was also made clear that while LAFCo may not be the appropriate entity to determine how a hospital should be run and exactly what their money should be spent on, they are the proper entity to review general finances, governance, boundaries and the other factors currently authorized by the Legislature and considered by LAFCo.

Questions from Committee members included what should be done with districts that repeatedly fail to respond to LAFCo's request for information; what may be better questions for inclusion in the MSR preparation process; what the liability is for district board members in non-responsive situations; how the revenue and expenses can be tracked and accounted for in the situations for which the district is unresponsive; and what is needed for LAFCos to do the work required, especially with respect to non-responsive districts.

***CALAFCO now has the rare opportunity to take proactive action and work with the ALGC Chair and staff. Now is the time for us to consider what is needed for LAFCos to meet desired statutory requirements. What needs to change with respect to LAFCos and HCDs?*** While CALAFCO is working with CSDA and the Assoc. of CA Healthcare Districts, it is critical that we also act independently.

CALAFCO is putting together a small group to lead this effort that will include one (1) CALAFCO Board member and five (5) LAFCo staff and/or commissioners. If you are interested in participating please contact Executive Director Pamela Miller.

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## State Water Resources Control Board

Updated March 1, 2017

### Frequently Asked Questions on Groundwater Sustainability Agencies State Water Resources Control Board

The 2014 Sustainable Groundwater Management Act (SGMA) requires the formation of groundwater sustainability agencies (GSAs) in high- and medium-priority groundwater basins and subbasins (basins) by June 30, 2017. The following provides general guidance on some frequently asked questions about GSA formation, and will be updated as necessary. The FAQs provided here supplement additional frequently asked questions about GSAs that the Department of Water Resources (DWR) has responded to (available on DWR's Sustainable Groundwater Management website: <http://www.water.ca.gov/groundwater/sgm/gsa.cfm>).

#### **1. How will the State Water Board respond regarding GSA overlap that occurred prior to Senate Bill 13 (SB 13) becoming effective?**

Prior to January 1, 2016, SGMA did not clearly identify when a local agency's decision to become a groundwater sustainability agency took effect and whether more than one local agency could become a groundwater sustainability agency for the same area. As amended by Senate Bill 13, effective January 1, 2016, Water Code section 10723.8 clarifies that a local agency's decision to become a groundwater sustainability agency does not take effect if, within the 90-day notice period, another local agency submits an overlapping notification of intent to undertake groundwater management in all or a portion of the same area.

Because the statute was not clear prior to its amendment, the State Water Board will consider areas with GSA overlap that occurred prior to the effective date of SB 13 on January 1, 2016, to be groundwater sustainability agencies for the areas identified in notices submitted to DWR. The reporting requirements of Water Code section 5202, subdivision (a)(2), will not apply to a person who extracts groundwater within the management areas of these agencies.

Uncoordinated planning and management of the same area by multiple groundwater sustainability agencies may be the basis for designation of the basin as probationary pursuant to Water Code section 10735.2, subdivision (a)(1)(B). Multiple plans for the same basin that are implemented by multiple groundwater sustainability agencies are also required to be coordinated pursuant to a single coordination agreement to satisfy Water Code section 10727, subdivision (b).

## 2. Which local agencies are eligible to be GSAs?

Any local public agency that has water supply, water management, or land use responsibilities within a groundwater basin can decide to become a GSA. A single local agency can decide to become a GSA, or a combination of local agencies can decide to form a GSA by using a joint powers agreement, a memorandum of agreement (MOA), or other legal agreement. The State Water Board has sent several letters to entities who requested clarification on GSA eligibility; these letters are available on the State Water Board's website at [http://www.waterboards.ca.gov/water\\_issues/programs/gmp/eligibility.shtml](http://www.waterboards.ca.gov/water_issues/programs/gmp/eligibility.shtml).  
*Wat. Code, §§ 10721, 10723, 10723.6, 10723.8, & 10726.8.*

## 3. How can a water corporation regulated by the California Public Utilities Commission or a mutual water company participate in a GSA?

Only local public agencies can become or form a GSA. However, a water corporation regulated by the California Public Utilities Commission or a mutual water company may participate in a GSA through a MOA or other legal agreement. The structure of an agreement that allows participation by private water entities is up to the GSA to determine, but that agreement must be in compliance with applicable laws governing agreements between public and private entities. SGMA does not confer any additional powers to a nongovernmental agency.

Some mutual water companies have proposed to participate in a GSA by entering a joint powers agreement with other local agencies. Unlike water corporations, mutual water companies may enter into a joint powers agreement with one or more public agencies for the purpose of jointly exercising any power common to the contracting parties. (Gov. Code, § 6525.) However, only local public agencies are authorized by Water Code section 10723.6 to form a GSA using a joint powers agreement. Furthermore, an agency created by a joint powers agreement holds only those powers that are common to its signatory members. Because a mutual water company does not have the independent authority to become a GSA, a JPA that includes a mutual water company as a signatory member also lacks the authority to become a GSA.

This does not foreclose a mutual water company from participating in a GSA that has been formed by a joint powers agreement. Although it cannot be a signatory member, a mutual water company may participate in the governance of a GSA if the members agree to grant it a seat on the governing board. An example of a joint powers authority that includes representatives of local mutual water companies on its governing board is the Sacramento Central Groundwater Authority, whose joint powers agreement is available here: <http://www.scgah2o.org/documents/Sacramento%20Central%20JPA.pdf>.

Note that groundwater extractors not located within a valid GSA as of July 1, 2017, are required to report extractions and pay fees to the State Water Board.  
*Wat. Code, §§ 5202, 10723 & 10723.6; Gov. Code, § 6525.*

**4. What happens if the 90-day waiting period to become an exclusive GSA has not expired by June 30, 2017?**

The State Water Board will not intervene in a basin in which the entire basin is within the management area of a GSA, even if the 90-day notice period for a GSA to become the exclusive GSA for that area has not expired by June 30, 2017. If another local agency files a notification of decision to become a GSA for all or a portion of the same area within a basin, such that neither decision to become a GSA will take effect after the 90-day notice period, the basin is subject to state intervention. *Wat. Code, §§ 10723.8, subd. (c) & 10735.2(a).*