



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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

COMMISSIONERS:
Pete Vander Poel, Chair
Julie Allen, V-Chair
Martha Flores
Dennis Townsend
Pamela Kimball

LAFCO MEETING AGENDA September 4, 2019 @ 2:00 P.M. BOARD OF SUPERVISORS CHAMBERS COUNTY ADMINISTRATIVE BUILDING 2800 West Burrel Avenue Visalia CA 93291

ALTERNATES
Eddie Valero
Carlton Jones
Manny Gomes

EXECUTIVE OFFICER
Ben Giuliani

- I. **Call to Order**
- II. **Approval of Minutes from August 7, 2019** (Pages 01-02)
- 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. **Continued Action Items**
 - 1. **Detachment from the Delano-Earlimart Irrigation District (DEID) Case 1543** (Pages 3-24)
[Public Hearing]Recommended Action: Approval

The Delano-Earlimart Irrigation District (DEID) has submitted a request for a detachment of 2 areas comprising approximately 7,555 acres of land. Area A is approximately 6914 acres and is bound to the west by State Route 43, to the north by Avenue 56, to the east by Road 128, and to the south by the Avenue 40 and 36 alignments. Area B is approximately 641 acres and is bounded to the west by Road 120 alignment, north by Avenue 16, west by Road 128 and south by Avenue 8 alignment. A Notice of Exemption has been prepared in compliance with CEQA by the DEID. This item was continued from the August 7, 2019 meeting.

- V. **New Action Items**
 - 1. **Annexation to the City of Porterville, Case 1544-P-321** (Pages 25-40)
[Public Hearing]Recommended Action: Approval

The City of Porterville has submitted a request for an island annexation for approximately 22.9 acres of land located at the northeast corner of Olive Avenue and Conner Street and concurrent detachment of the same area from Tulare County CSA #1. Under CEQA Sections 15319 and 15303(a) the proposal is exempt from CEQA review.

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. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact LAFCO Staff at 559-623-0450. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at 210 N Church Ste. B Visalia CA 93291

2. Designation of Voting Delegate and Alternate for CALAFCO Conference (No Page)
[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.

VI. Executive Officer's Report

1. Legislative Update (Pages 41-48)

Enclosed is the California Association of Local Agency Formation Commissions (CALAFCO) legislative report.

2. Special District Audit Reports (Pages 49-50)

Due to a change in State law, special districts are now required to submit their audit reports to LAFCOs rather than County Auditors. However, County Auditors are still required to make (or contract to make) audit reports for special districts that do not provide audit reports. LAFCO staff has been working with County Auditor staff to gather missing audit reports from special districts for the FY 17/18 year.

3. Upcoming Projects (No Page)

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

VII. Correspondence

1. CALAFCO Membership Dues (Pages 51-56)

Enclosed is a letter from CALAFCO regarding a proposed new membership dues structure. For Tulare County LAFCO, this would result in an increase of dues to \$7,732 in FY 20/21 compared to \$4,254 in FY 19/20.

VIII. Other Business

1. Commissioner Report (No Page)
2. Request from LAFCO for items to be set for future agendas (No Page)

IX. Setting Time and Place of Next Meeting

1. October 2, 2019 @ 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. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting please contact LAFCO Staff at 559-623-0450. Documents related to the items on this Agenda submitted to the Board after distribution of the Agenda packet are available for public inspection at 210 N Church Ste. B Visalia CA 93291

TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

**2800 W. Burrel Ave., Visalia, CA 93291 – Tulare County Administrative Building
August 7, 2019 – Meeting Minutes**

Members Present: Vander Poel, Allen, Kimball, Flores
Members Absent: Townsend
Alternates Present: Valero
Alternates Absent: Jones, Gomes
Staff Present: Giuliani, Ingoldsby, & Kane recording
Counsel Present: Erickson

- I. **Call to Order:** Vice-Chair Vander Poel called the meeting to order at 2:01 p.m.

- II. **Approval of the June 5, 2019 Meeting Minutes:**
Upon motion by Commissioner Allen and seconded by Commissioner Valero, the Commission unanimously approved the LAFCO minutes.

- III. **Public Comment Period:**
Vice-Chair Vander Poel opened/closed the Public Comment Period at 2:04 p.m. No public comments received.

- IV. **New Action Items:**
 1. **Election of Officers**
EO Giuliani explained that due to the change of Commissioner appointments, a new Chair and Vice-Chair would be needed, and that those elected could simply serve the remainder of this term or be appointed to this term and the next. Commissioner Vander Poel stated that he was in favor of electing officers to serve through the remainder of this term and next term. Commissioner Vander Poel noted that if following the current roster rotation he would serve as Chair, and Commissioner Allen would serve as Vice-Chair.
Upon motion by Commissioner Allen and seconded by Commissioner Kimball, the Commission unanimously approved the election of Commissioner Vander Poel to serve as Chair and Commissioner Allen to serve as Vice-Chair.

 2. **Fee for Petition Signature Verification**
EO Giuliani explained that this item was being brought back for action from the June meeting. Currently there is no listed fee for petition signature verification. EO reminded the Commission that during the June 5th meeting, the Commission recommended that the verification fee be 75 cents per signature.

Vice-Chair Vander Poel opened/closed the public hearing at 2:12 p.m. No public comments received.
Upon motion by Commissioner Allen and seconded by Commissioner Kimball, the Commission unanimously approved the signature verification fee as recommended.

3. **Detachment from the Delano-Earlimart Irrigation District (DEID) Case 1543**

Staff Analysis Ingoldsby presented the proposed detachment from the Delano-Earlimart Irrigation District.

Vice-Chair Vander Poel opened the public hearing at 2:20 p.m.

Mr. Dale Brogen with the DEID spoke in support of the proposed detachment.

Vice-Chair Vander Poel closed the public hearing at 2:25 p.m.

After much discussion amongst the Commission and Staff, Commissioner Allen motioned to carryover the item to allow further clarification of various issues; this was seconded by Commissioner Flores. The Commission voted in favor of continuance 4-1 with Commissioner Kimball opposed.

V. **Executive Officer's Report**

1. **Legislative Update:**

EO Giuliani reviewed the CALAFCO Legislative Report

2. **Upcoming Projects:**

EO Giuliani stated that City of Porterville would be submitting a County Island annexation, and the detachment from DEID case would be brought back as earlier motioned.

EO Giuliani reminded the Commissioners that the CALAFCO Annual Conference would be in Sacramento, October 30 through November 1, 2019; and that two Commissioners were budgeted to attend.

VI. **Correspondence:**

None

VII. **Other Business:**

1. **Commissioner Report:**

None

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

None

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

The next Local Agency Formation Commission (LAFCO) meeting scheduled for **September 4, 2019 at 2:00 p.m.** in the Board of Supervisors Chambers in the County Administration Building

IX. **Adjournment:** The Tulare County LAFCO meeting adjourned at 2:52 p.m.



TULARE COUNTY LOCAL AGENCY FORMATION COMMISSION

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September 4, 2019

Addendum Staff Report

LAFCO Case #1543

Delano-Earlimart Irrigation District Detachment

COMMISSIONERS:

*Pete Vander Poel, Chair
Julie Allen, V-Chair
Martha Flores
Dennis Townsend
Pam Kimball*

ALTERNATES:

*Eddie Valero
Carlton Jones
Manny Gomes*

EXECUTIVE OFFICER:

Ben Giuliani

Background

At the August 7, 2019 meeting, the proposed detachment was presented to the Commission. At that meeting questions regarding the impact on the Sustainable Groundwater Management Act (SGMA), Groundwater Sustainability Agencies (GSAs), Groundwater Sustainability Plans (GSPs), Tulare County responsibilities, and consent were raised by commissioners. The Commission elected to continue the public hearing and action on the DEID detachment proposal to the September 4, 2019 commission meeting to allow for additional time to gather more information.

Discussion

Sustainable Groundwater Management Act (SGMA)

SGMA requires that all basins that are designated as critically overdrafted high-priority basins form Groundwater Sustainability Agencies (GSAs) and adopt a Groundwater Sustainability Plan (GSP) by January 31, 2020. Areas within critically overdrafted high-priority basins that are not within an irrigation or water-providing district are commonly referred to as “white areas” and fall under the County’s responsibility for SGMA purposes.

In Tulare County many of these “white areas” are covered by an MOU with a neighboring water/irrigation district that formed a GSA. Three years ago the DEID annexed the proposal area for SGMA purposes only. However, this arrangement has not been ideal because of the property’s owners’ desires to seek irrigation water services from DEID. DEID staff has indicated the potential conflicts that can occur if DEID staff try to pursue water projects for two different sets of growers. The DEID addresses these issues further in their background letter (Figure 1).

The DEID GSA has a draft MOU scheduled to go before the Tulare County Board of Supervisors on September 10, 2019 and to the DEID GSA board on September 12, 2019. The draft MOU is attached as Figure 2 and uses the same standard language used in other MOUs between the County and other GSAs. The detachment of the subject area would result in the area reverting to a “white area” that is under control of the County for GSA purposes. The detachment needs to be completed first (a recorded Certificate of Completion) before the MOU can be effective. The Certificate of Completion can’t be recorded until after the 30 day reconsideration period expires following Commission action. If the Commission approved the detachment, the earliest the Certificate of Completion could be recorded is October 4th. In short, the MOU between the County and DEID wouldn’t be effective until October 4th.

Following adoption and effective date of the MOU between the DEID GSA and Tulare County, the proposal area would continue to be served by the DEID GSA and its GSP in the same manner as it currently is as part of the DEID. DEID staff has indicated that the DEID GSA draft GSP will likely be released in the first week of September and it includes the detachment proposal area.

Irrigation Water

The prior annexation of the territory now proposed to be detached was limited specifically to SGMA purposes. In the pre-annexation agreement (Figure 3), the landowners within the proposal area disclaimed any water rights:

Landowners expressly disclaim any right to any District water supplies other than through negotiated purchase, transfer or exchange. Landowners understand and agree that the sole purpose of this Agreement is to facilitate SGMA compliance for Landowners by affording Landowners the benefit of regulation under the District's GSA and GSP.

The detachment of this area from DEID will have no effect on irrigation water availability from the DEID to the proposal area since the pre-annexation agreement specifically excluded any rights to DEID water. Negotiated purchase, transfer or exchange of water can still occur between the DEID and landowners whether or not they are inside district boundaries. In addition, GC §56133(e) stipulates that the provision of irrigation water is not even subject to LAFCO review:

This section (extraterritorial service agreements) does not apply to any of the following: the provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries.

Consent

At the August meeting, no landowners spoke in favor of or in opposition to the proposed detachment. Staff has not received any oral or written opposition by the affected property owners for the proposed detachment. In addition, no land owners spoke in opposition at the DEID public hearing for this detachment.

Recommendation

Approve the detachment with the addition of the following condition of approval:

The MOU between the DEID GSA and Tulare County with respect to implementation of SGMA is approved by both governing boards.

Attachments:

Figure 1 DEID Background Letter to LAFCO

Figure 2 County Draft GSA MOU

Figure 3 Land owner annexation agreement
Resolution

Attachment 1

Background on 2019 DEID Detachment – LAFCO Case Number 1543 – August 2019

In mid-2015, a group of landowners in an area immediately west of the western boundary of the Delano-Earlimart Irrigation District approached the District with a request to be annexed into DEID. The lands proposed for annexation had historically been dependent on groundwater as its sole source of irrigation water. Lands such as there, outside a water or irrigation district and having groundwater as their only source of water supply, are typically referred to “white lands”.

The landowners proposing annexation had one request of the District: help them with their compliance with SGMA rules and implementation. It was also noted in their request for assistance/annexation, that the vast majority of the landowners in the proposed annexation were also current landowners in DEID.

Following direction by the DEID board of directors to move forward on the potential annexation, a pre-annexation agreement was entered into with the landowners on January 19, 2016. The DEID board of directors adopted a resolution on February 11, 2016 approving a request to LAFCO that annexation of the lands occur. The pre-annexation agreement was later replaced with an annexation agreement on July 20, 2016. The LAFCO commissioners approved the annexation at its August 3, 2016 meeting.

In agreeing to the request of the landowners in the annexed area, the DEID board of directors made it abundantly clear that the annexation was being considered to assist those landowners with SGMA compliance only, with no right, expectation, or guarantee of water to the lands being annexed. This condition of annexation was restated numerous times in various documents, including the original request from the white area landowners, the pre-annexation agreement, the annexation agreement, the LAFCO resolution, and other related correspondence.

Since the annexation was approved, there has been a great deal of discussion regarding supplemental water supplies for white area growers in the Tule Subbasin, including transitional pumping, groundwater credits, water markets, and groundwater recharge projects. Most, if not all, of these concepts have been incorporated by the various GSAs in the Subbasin for the benefit of white area landowners, including the DEID GSA. Our draft GSP for the annexed area landowners will include all of these concepts in some form. It is important to recognize that we have actively engaged the annexed landowners in the development of projects and management actions for their area, which will be a separate management area as allowed by SGMA. Since 2018 there have been nine formal stakeholder meetings held with annexed area landowners with many more individual, one-on-one conversations also held.

In the course of these discussions, it became obvious that the landowners in the annexed area were wanting to adopt an aggressive water procurement program in response to the projected impacts of SGMA, which would otherwise require land fallowing of between 67 and 77 percent of the total area being currently farmed, dependent on the crop being grown. The District supports the right and desire of these landowners to pursue supplemental water for their benefit as aggressively as they want. However, DEID would not be able to adequately do so if the District were to take on that responsibility on their behalf.

DEID does not have the staffing to implement an aggressive approach to finding water supplies and developing projects for the benefit of the white area growers. DEID also has a major concern with potential conflicts that could, and probably would, occur if DEID staff were tasked with pursuing projects and water supplies for two different sets of growers (those in the original service area of DEID and those in the white area). This inherent conflict of “serving two masters” is something the DEID board of

directors and staff consider unacceptable. For that reason, the formation of a mutual water company for the annexed area was suggested and which the affected landowners are currently pursuing.

It is important to note that the formation of a mutual water company is being pursued for water acquisition and related projects only. It has nothing to do with SGMA or GSA coverage. The DEID GSA will continue to cover the area being detached under SGMA and these white area growers will be a part of the GSP for the DEID GSA.

Detachment from DEID will require an agreement between the DEID GSA and Tulare County for SGMA implementation and enforcement. This is nothing new, as the County currently has agreements with ETGSA, TCWA, and LTRID GSA that provides County jurisdiction for white areas in those GSAs. A draft agreement has been prepared using the previously executed agreements the County has with TCWA and LTRID GSA as the basis for the agreement with DEID GSA. No new terms or conditions have been added, meaning that the County has already approved all of the terms and conditions included in the draft agreement with the DEID GSA.

Finally, there was concern expressed at the August 7th LAFCO hearing about “landowner consent”. The LAFCO staff report was correct in stating that consent had not been received from all affected landowners, but it is also true that all landowners in the detachment area were formally notified in a letter dated June 3, 2019 that detachment was being considered (see attached). In that letter, landowners were invited to provide public comments to the DEID board of directors at its June 13, 2019 board meeting where the detachment was to be considered for approval. One landowner did attend and did not protest the detachment.

As was stated in the June 3rd letter to landowners: “The decision to detach was made after a series of meetings with a majority of landowners in the area.” While there was no direct pursuit to get landowners to provide written consent, all were given opportunities to object or protest the detachment, both at the June 3rd DEID board meeting and at the August 7th LAFCO hearing. One would think that, following direct notice of the detachment, lack of protest would indicate at least some level of acceptance of the detachment.

**MEMORANDUM OF
UNDERSTANDING BETWEEN
DELANO-EARLIMART IRRIGATION DISTRICT GROUNDWATER
SUSTAINABILITY AGENCY AND THE COUNTY OF TULARE
WITH RESPECT TO IMPLEMENTATION OF
THE SUSTAINABLE GROUNDWATER MANAGEMENT ACT**

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is entered into this ___ day of _____, 2019 (the "Effective Date"), by and between DELANO-EARLIMART IRRIGATION DISTRICT GROUNDWATER SUSTAINABILITY AGENCY ("DEID GSA") and the COUNTY OF TULARE, a political subdivision of the State of California as defined by California Government Code §§23000 *et seq.* (the "County"). DEID GSA and the County may be referred to herein collectively as the "Parties," or individually as a "Party," or by their respective names.

RECITALS

A. WHEREAS, on September 16, 2014, the Governor of the State of California signed into law Senate Bills 1168 and 1319, and Assembly Bill 1739 collectively, the Sustainable Groundwater Management Act ("SGMA"), which is codified at Water Code Sections 10720 *et seq.*; and

B. WHEREAS, SGMA requires that California groundwater basins and subbasins be managed by a Groundwater Sustainability Agency ("GSA") or multiple GSAs, and that such management be implemented pursuant to an approved Groundwater Sustainability Plan ("GSP") or multiple coordinated GSPs; and

C. WHEREAS, Delano-Earlimart Irrigation District ("DEID") has elected to serve as a GSA for its service area in the Tule Subbasin of the San Joaquin Valley Groundwater Basin and subject to separate agreements, provides GSP coverage for the unincorporated communities of Earlimart and Richgrove, as separate management areas within the DEID GSA that are not within the boundary of DEID, (the Tule Subbasin of the San Joaquin Valley Groundwater Basin is identified as Subbasin Nos. 5-22.13 by the California Department of Water Resources ("DWR") and a portion of which is within the County); and

D. WHEREAS, California Water Code Section 10723.8, subdivision (c), prohibits the recognition of any entity as an exclusive GSA if the entity's proposed GSA management area overlaps the proposed GSA management area of another entity, subject to certain procedural requirements, including allowing a combination of local agencies to form a GSA by using a memorandum of understanding or other legal agreement; and

E. WHEREAS, the County and DEID GSA want to ensure SGMA compliance for those areas within the County's boundaries, but outside of DEID's service area, which are identified in Exhibit "A", attached hereto and incorporated herein by this reference (the

"Management Area"), and as such, the County and DEID GSA desire to include the Management Area within DEID GSA's proposed GSP; and

F. WHEREAS, the County does not intend to draft a GSP, but instead is entering into this MOU to work with DEID GSA to ensure compliance with SGMA and management of the Management Area under the terms and conditions of DEID GSA's GSP; and

G. WHEREAS, DEID GSA and the County desire to enter into this MOU to address the Management Area within the County's GSA that the County desires to manage in coordination with DEID GSA, under the terms and conditions of DEID GSA's GSP; and

H. WHEREAS, through this MOU, the Parties intend to address the terms and conditions of compliance with SGMA in the Management Area through DEID GSA's GSP.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein and these Recitals, which are hereby incorporated herein by this reference, it is agreed by and among the Parties hereto as follows:

1. **Objectives.** The objectives of DEID GSA and the County in entering into this MOU are as follows:

(a) To achieve sustainable groundwater management pursuant to SGMA in those portions of the Tule Subbasin that are in the Management Area, that the County currently serves as the GSA over, and that the Parties intend to manage pursuant to and in compliance with DEID GSA's s GSP.

(b) To have DEID GSA, along with the County through the terms of this MOU, be the exclusive GSA for the Management Area identified in Exhibit "A."

(c) To work cooperatively with other GSAs within the Tule Subbasin to achieve sustainable groundwater management in the Tule Subbasin.

(d) To work together to establish a GSP that covers the Management Area while acknowledging the County's land use planning authority and the powers and authority of the DEID GSA. The County acknowledges that the DEID GSA will be responsible for drafting the GSP and that under the terms of this MOU, the DEID GSA's GSP shall apply to and cover the Management Area for the purposes of SGMA.

(e) To establish a process to ensure there are no conflicts between DEID GSA's GSP and the County's exercise of its land use planning authority and police powers.

(f) The Parties agree that they shall cooperate in the implementation of SGMA requirements over the Management Area.

(g) The Management Area shall be required to comply with the rules and regulations of DEID GSA, including any approved assessments.

(h) County acknowledges that this Agreement does not represent any annexation by DEID, an entity separate from the DEID GSA, of the Management Area or an annexation of this area by the DEID GSA. The Management Area is not subject to DEID irrigation rules, requirements, benefits, or assessments, and will not be entitled to receive any water acquired by DEID for landowners within DEID. The Management Area will be included within the DEID GSA under the collective authority of the County and DEID GSA under the terms of this Agreement and not be annexed into the DEID GSA.

2. **Precedence of County's Land Use Planning Authority.** DEID GSA agrees that its operations as a GSA, and any GSP adopted by DEID GSA, will not abrogate the County's General Plan or conflict with the County's exercise of its land use planning authority; provided, that the County's General Plan and the County's exercise of its land use planning authority comply with all applicable laws, statutes, and regulations. The County agrees that it will assist, as necessary and as allowed by law, the DEID GSA in the required enforcement of the GSP and SGMA requirements over the Management Area. The County acknowledges Water Code section 10726.4 and the ability of the GSP to require regulation of groundwater extractions in the Management Area if there is insufficient sustainable yield in the subbasin.

3. **Coordination Framework.** DEID GSA agrees, in developing and implementing its GSP, to consider the interests of the County, specifically including the County's General Plan.

In order to prevent conflicts between the GSP and the County's General Plan and between DEID GSA's operations as a GSA and the County's exercise of its land use planning authority, the County shall have opportunities to provide, and DEID GSA shall consider, advisory input in the development and implementation of DEID GSA's GSP. The County shall designate a contact person ("Designated Contact Person") to whom DEID GSA shall provide written notices of opportunities to participate in SGMA implementation.

No fewer than 90 days before adopting or modifying the GSP or policies or procedures for the exercise of GSA powers, DEID GSA shall provide written notice to the Designated Contact Person. Within 30 days of receiving such notice, the Designated Contact Person may request consultation with DEID GSA's representative. Prior to the adoption or modification of the GSP or policies or procedures for the exercise of GSA powers, DEID GSA shall consider any comments or recommendations

provided by the Designated Contact Person for the County, to achieve the goals of this MOU.

No fewer than 90 days prior to issuing, adopting, modifying, or approving any ordinance, policy, plan, or permit, or taking any other action related to groundwater resources within the Tule Subbasin, the County shall provide written notice to DEID GSA. Within 30 days of receiving such notice, DEID GSA may request a mandatory consultation with the County. Prior to taking any groundwater-related action, the County shall consider any comments or recommendations provided by DEID GSA.

4. **Finances.** Each of the Parties to this MOU shall bear its own costs of implementing SGMA, except as follows:

(a) The County shall provide assistance and support in applying for grant funding related to SGMA implementation when so requested by DEID GSA.

(b) To the extent that DEID GSA incurs costs in either the development or implementation of a GSP applicable to, or in implementing SGMA within, the Management Area, the County shall provide proportional financial reimbursement to DEID GSA until such time as fees are studied, adopted and implemented to cover the Management Area. DEID GSA and the County agree to cooperate in the preparation and voting process to implement and enforce any required fees.

(c) If DEID GSA is required to file a boundary adjustment with any government agency, including but not limited to the California Department of Water Resources, to include the Management Area, then County agrees to be responsible for the costs to complete the boundary adjustment.

5. **Notices.** All notices required or permitted by this MOU or applicable law shall be in writing and may be delivered in person (by hand or by courier) or may be sent by regular, certified, or registered mail or U.S. Postal Service Express Mail, with postage prepaid, or by facsimile transmission, or by electronic transmission (email) and shall be deemed sufficiently given if served in a manner specified in this Section 5. The addresses and addressees noted below are that Party's designated address and addressee for delivery or mailing of notices.

To DEID GSA:	Delano-Earlimart Irrigation District 14181 Avenue 24 Delano, CA 93215 Telephone: (559) 725-2526
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To County of Tulare:

County of Tulare
c/o Denise England
County Administration Building
2800 W. Burrel Avenue
Visalia, California 93291
Telephone: 559-636-5005

Either Party may, by written notice to the other, specify a different address for notice. Any notice sent by registered or certified mail, return receipt requested, shall be deemed given on the date of delivery shown on the receipt card, or if no delivery date is shown, three (3) days after the postmark date. If sent by regular mail, the notice shall be deemed given forty- eight (48) hours after it is addressed as required in this section and mailed with postage prepaid. Notices delivered by United States Express Mail or overnight courier that guarantee next day delivery shall be deemed given twenty-four (24) hours after delivery to the Postal Service or courier. Notices transmitted by facsimile transmission or similar means (including email) shall be deemed delivered upon telephone or similar confirmation of delivery (confirmation report from fax machine is sufficient), provided a copy is also delivered via personal delivery or mail. If notice is received after 4:00 p.m. or on a Saturday, Sunday or legal holiday, it shall be deemed received on the next business day.

6. **Compliance with Laws.** In any action taken pursuant to this MOU, DEID GSA and the County shall comply with all applicable statutes, laws, and regulations, specifically including, but not limited to, SGMA and its implementing regulations, as they now exist or as they may be amended or promulgated from time to time.

To the extent that this MOU conflicts with or does not accurately reflect any applicable statutes, laws, or regulations now existing or as amended or promulgated from time to time, the laws, statutes, and regulations shall govern.

To the extent that any applicable statutes, laws, or regulations are amended or newly promulgated in such a manner that causes this MOU to conflict with or no longer accurately reflect such statutes, laws, or regulations, this MOU shall be modified, in writing, by all Parties, in order to comport with the newly amended or promulgated statutes, laws, or regulations.

7. **Termination.** The Parties agree that this MOU may be terminated by either Parties upon 30 days written notice to the other Party, but such termination shall not be effective until applicable GSA boundaries are modified to maintain SGMA compliance.

8. **Entire Agreement.** This MOU and items incorporated herein contain all of the agreements of the Parties with respect to the matters contained herein, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose.

9. **Amendments.** No provisions of this MOU may be amended or modified in any manner whatsoever except by an agreement in writing duly authorized by representatives of all Parties.

10. **No Assignment.** The rights and obligations of the Parties to this MOU may not be assigned or delegated, and any attempt to assign or delegate such rights or duties in contravention of this section shall be null and void.

11. **Binding Effect.** This MOU shall apply to and bind successors, assignees, contractors, subcontractors, transferees, agents, employees, and representatives of the respective Parties hereto.

12. **Governing Law.** This MOU and all documents provided for herein and the rights and obligations of the Parties hereto shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of California (without giving effect to any choice of law principles).

13. **Waiver.** The failure of any Party to insist on strict compliance with any provision of this MOU shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by any Party of either performance or payment shall not be considered to be a waiver of any preceding breach of the MOU by any other Party.

14. **Severability.** If any term or provision of this MOU is, to any extent, held invalid or unenforceable, the remainder of this MOU shall not be affected.

15. **Headings.** The subject headings of the sections of this MOU are included for purposes of convenience only and shall not affect the construction or interpretation of any of the provisions herein.

16. **Counterparts.** This MOU may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

17. **Joint Powers Agreement Not Required.** It is understood and agreed by the Parties that the development and implementation of a GSP does not require the formation of a joint powers agency between their respective organizations.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year first above written.

DELANO-EARLIMART
IRRIGATION DISTRICT
GROUNDWATER
SUSTAINABILITY AGENCY

COUNTY OF TULARE

Attachment 3

Pre-Annexation Agreement

This Pre-Annexation Agreement (“Agreement”) is made and entered into this ~~11~~th day of ~~JANUARY~~, 2016, by and among the Delano-Earlimart Irrigation District, an irrigation district (“District”) and the landowners identified in Exhibit A (collectively, “Landowners”). District and Landowners are sometimes each individually referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Landowners are individuals owning property located west of the District’s current boundaries (“Annexed Land”), described in detail in Exhibit B, attached hereto and incorporated by reference.

WHEREAS, District is an irrigation district comprised of 56,500 acres situated in southern Tulare County and northern Kern County along the eastside of the San Joaquin Valley.

WHEREAS, the Sustainable Groundwater Management Act (“SGMA”) provides that all basins designated as critically overdrafted high-priority basins shall be managed under a Groundwater Sustainability Plan (“GSP”) or a coordinated GSP by January 31, 2020.

WHEREAS, the Annexed Land has been designated as a critically overdrafted high-priority basin and therefore must be managed under a GSP by January 31, 2020.

WHEREAS, District is exploring the possibility of forming a Groundwater Sustainability Agency (“GSA”) to oversee groundwater use within the District’s boundaries and to develop, administer, and enforce a Groundwater Sustainability Plan (“GSP”) in accordance with SGMA.

WHEREAS, Landowners seek annexation by the District for the sole purpose of facilitating Landowners’ meeting of SGMA’s deadline for management under a GSP.

WHEREAS, the Parties contemplate an arrangement whereby Landowners are annexed into the District so as to relieve Landowners of the obligation to develop, administer, and enforce a GSP in favor of being managed under the District’s GSP.

NOW, THEREFORE, in consideration of the foregoing Recitals and the following Covenants, it is agreed by and between the parties as follows:

I. PURPOSE OF AGREEMENT

The parties enter into this Agreement solely for the purpose of facilitating Landowners’ compliance with SGMA. This Agreement is intended to form the basis of the Parties’ understanding regarding individual rights and responsibilities with respect to

preparing and submitting all necessary annexation applications. The ultimate goal of this Agreement is to cause to be filed all necessary annexation applications and to receive approval for the Annexation from each agency for which approval is required.

II. TERMS AND CONDITIONS OF ANNEXATION

A. Annexation Processing Costs

1. Consultants. Landowners 1-8 shall pay all expenses related to consulting services incurred for the purpose of the Annexation. For the purposes of this Agreement, the term “consulting service” refers to the services of an independent professional hired for the primary purpose of advising the parties with respect to non-legal issues that may arise or have arisen in the context of the Annexation. Consulting services for which Landowners 1-8 are obligated to pay include, but are not limited to, property survey, environmental compliance, engineering services, soil analysis, hydrogeological services, and other professional services as required by this Agreement or otherwise required for the purpose of the Annexation.

2. Local Agency Formation Commission Fees. Landowners 1-8 shall pay all fees and expenses incurred in connection with submitting an annexation application to the Local Agency Formation Commission (“LAFCO”) for the purpose of the Annexation, including, but not limited to, application processing fees, administrative fees, postage fees, recording fees, and any fee or charge described in LAFCO’s published Schedule of Fees, attached hereto as Exhibit C.

3. Dedicated Staff Time. Landowners 1-8 shall reimburse the District’s reasonable expenses for dedicated staff labor incurred for the purpose of the Annexation. For the purposes of this Agreement dedicated staff labor shall include any labor performed by a salaried District employee primarily for the purpose of Annexation.

4. Delano-Earlimart Attorney Time. Landowners 1-8 shall pay all reasonable expenses of the District’s retained counsel, Peltzer & Richardson, Law Corporation, incurred for the primary purpose of the Annexation, including, but not limited to, items pertaining to Landowner title, research related to SGMA, development of documents required by LAFCO, and other items of legal significance to this Agreement.

5. Required Environmental Studies. If any environmental studies are required to be performed prior to the Annexation, Landowners 1-8 shall pay all expenses incurred for the performance of such studies, including, but not limited to, any California Environmental Quality Act Initial Study or any other environmental study, whether required by state or federal law.

6. Deposit Toward Annexation-Related Expenses. Landowners 1-8 shall issue a deposit to District toward the repayment of Annexation-related expenses. The initial deposit shall be \$5,000. In the event that the initial deposit, or any subsequent deposit, is insufficient to cover the District’s reimbursable expenses, an additional sum as determined

by the District shall be deposited with District within 30 days after the Landowner's representative has been notified that funds have been exhausted.

B. LAFCO Process and Party Responsibilities

1. Coordinate with LAFCO. During the application process, the Parties shall, in good faith and using their best efforts, coordinate with LAFCO and affected agencies to analyze the Annexation Proposal in light of the Commission's state-mandated evaluation criteria and responsibilities, and its own locally adopted policies and procedure.

2. Establish Minimum Requirements for Processing. No later than 45 days after execution of this Agreement, the Parties shall arrange and attend a meeting with the LAFCO executive officer for the purpose of establishing minimum requirements for processing the Annexation Application.

3. Perform California Environmental Quality Act ("CEQA") Initial Study. District shall be responsible for determining whether any LAFCO action with regard to the Annexation is considered a "project" within the meaning of CEQA and, if so, whether the "project" is categorically exempt from CEQA. If Annexation is subject to CEQA, District shall, in coordination with LAFCO, cause to be performed a CEQA Initial Study.

4. Develop Plan for Providing Services. The District shall develop and submit a plan for providing services within the Annexed Land in accordance with Cal. Gov. Code § 56653 and consistent with the terms of this Agreement. Such plan shall include any information required by LAFCO or the executive officer in addition to all of the following information: (1) an enumeration and description of the services to be extended to the affected territory; (2) the level and range of those services; (3) an indication of when those services can feasibly be extended to the affected territory; (4) an indication of any improvement or upgrading of structures or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed; (5) information with respect to how those services will be financed. With respect to the enumeration and description of services required by Cal. Gov. Code § 56653, Landowners hereby acknowledge and agree that regulation under the District's GSA and GSP for purposes of SGMA compliance is the only service to be extended to the affected territory.

5. Consent to Waive Protest Proceedings. Landowners shall provide written consent to waive protest proceedings pursuant to Cal. Gov. Code § 56663(a)-(c). In providing such consent, Landowners, or their authorized representative, shall ensure that all of the following have occurred: (a) the mailed notice pursuant to Section 56157 has been given to landowners within the Annexed Land; (b) the mailed notice discloses to landowners that unless written opposition to the proposal is received before the conclusion of the commission proceedings on the proposal, the commission intends to waive protest proceedings, and that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory; (c) written opposition to the proposal from landowners within the affected territory is not received before the conclusion of the commission proceedings on the proposal.

6. Determination to Proceed with Annexation. After the Parties have satisfied the requirements of Paragraphs 1 to 5 of this section and prior to the submission of any application for annexation pursuant to Paragraph 7 of this section, the Parties, or their representatives, shall determine whether, in light of any new information or changed circumstances, proceeding with the Annexation is in the best interest of the Parties.

7. File Application for Annexation. If the Parties mutually agree to proceed with the Annexation after making the determination required by Paragraph 6 of this section, the District shall cause to be filed an application for annexation with LAFCO. Pursuant to Cal. Gov. Code § 56652, the application shall be in the form as LAFCO may prescribe and shall contain all of the following information: (a) a petition or resolution of application initiating the proposal; (b) a statement of the nature of each proposal; (c) a map and description, acceptable to the executive officer, of the boundaries of the subject territory for each proposed change of organization or reorganization; (d) any data and information as may be required by any regulation of the commission; (e) any additional data and information, as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the commission; (f) the names of the officers or persons, not to exceed three in number, who are to be furnished with copies of the report by the executive officer and who are to be given mailed notice of the hearing.

8. Appeal of Adverse LAFCO Determination. In the event that LAFCO issues an adverse determination on the Annexation, the Parties shall, if appropriate under the circumstances, cause to be filed a written request with the LAFCO executive officer for reconsideration based on new or different facts that could not have been presented previously; provided that, if, in light new information or changed circumstances, any party determines that proceeding with the Annexation is no longer in the best interest of the Parties, the District shall not be required to cause to be filed any such request.

9. Recording of Certification of Completion. If required to do so pursuant to LAFCO's determination of the minimum requirements for processing the Annexation Application, District shall cause the certificate of completion to be recorded by the County Recorder.

10. Develop Redistricting Plan. District shall develop a redistricting plan for purposes of the Annexation that amends the current organization to account for the Annexed Land's addition to the District.

C. Ultimate Conditions Upon Annexation

1. Disclaim Water Rights. Landowners expressly disclaim any right to any District water supplies other than through negotiated purchase, transfer, or exchange. Landowners understand and agree that the sole purpose of this Agreement is to facilitate SGMA compliance for Landowners by affording Landowners the benefit of regulation under the District's GSA and GSP. Landowners further understand and agree that any other benefits accruing to the Annexed Lands and/or to Landowners as a result of this

Agreement or the Annexation are purely incidental and shall not give rise to any expectation, entitlement, or right to District water supplies of any kind, including, but not limited to, any Class I water, Class II water, Class II Uncontrolled Season water, Section 215 water, Unreleased Restoration Flows, Recirculated water, Recovered Water Account water, carryover supplies, supplies from any lake, river, stream, manmade conveyance, or aquifer that the District purchases, acquires, transfers, exchanges, takes receipt of or otherwise controls, or any other designation or classification of water whatsoever, whether in existence at the time of this Agreement is executed or created at some future time.

2. Services Contingent on Agreement to Provide Funding. Landowners acknowledge and agree that the District's Annexation of the Annexed Land and District's provision of services to Landowners pursuant to this Agreement are contingent upon Landowners' regular payment of a fair and proportionate share of the administrative and regulatory costs the District incurs in developing and administering a GSP. The amount of such payment, or the formula for its calculation, and the method of such payment shall be determined by the District, in consultation with Landowners, as soon as reasonably practicable, and thereafter promptly communicated to Landowners in accordance with Section V, Paragraph 10 of this Agreement. Landowners further acknowledge and agree that if, for any reason, Landowners refuse or otherwise fail to remit such payment in the amount and method determined by the District, the District shall be relieved of any and all obligation to proceed with the Annexation or to provide the services enumerated in this Agreement to Landowners.

D. Bureau of Reclamation Approval

1. Determine Need for Bureau Approval. District shall ascertain whether the Bureau of Reclamation must approve the Annexation.

2. Develop Annexation Proposal. If Bureau approval is required, the District, shall develop and submit an Annexation Proposal to the Bureau of Reclamation demonstrating that the use of Central Valley Project Water ("CVP") water within the district would not be contrary to the terms of the contract, impair the ability of the contractor to pay for CVP water furnished under the contract, or to pay for any federally-constructed facilities for which the contractor is responsible, and have an impact on any CVP water rights applications, permits, or licenses.

3. Submit Annexation Proposal. If Bureau approval is required, District shall submit an Annexation Proposal to the Bureau of Reclamation for its approval.

III. EFFECTIVE DATE AND TERM OF AGREEMENT

The effective date of this Agreement shall be the date last signed below. This Agreement shall remain in effect until the earlier of (1) the effective date of the Annexation Agreement; or (2) a determination pursuant to Section II, Subsection B, Paragraphs 7 or 8 that proceeding with the Annexation is no longer in the best interest of the Parties. In the event Landowners breach any provision of this Agreement, District shall provide

Landowners fifteen (15) days to cure the breach. If Landowners fail to cure the breach within fifteen (15) days after receiving notice thereof, District may terminate this Agreement without further notice. This Agreement shall have no force or effect upon a determination that the performance of any provision of this Agreement will result or has resulted in the violation of state or federal law.

IV. DEFAULT, REMEDIES, AND ENFORCEMENT

1. Remedies. Any motion or other action by the Parties to enforce this Agreement shall be filed or otherwise brought and adjudicated in the Tulare County Superior Court or the federal court for the County. The Tulare County Superior Court or federal court shall maintain and reserve jurisdiction of this action for the purpose of enforcing the terms of this Agreement as a judgment or order of the Court. Nothing in this paragraph shall be interpreted in a manner to preclude whatever rights the Parties may have to appeal rulings of the Tulare County Superior Court or federal court. The Parties otherwise retain the full range of legal and equitable remedies to enforce the terms of this Agreement, including injunctive relief and specific performance, to ensure the Parties comply with their commitments under this Agreement. In any action to enforce this Agreement, each party shall be responsible for its own attorneys' fees and costs. The parties shall meet and confer and attempt to resolve their differences informally before commencing any action to enforce this Agreement.

2. Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that no rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall be employed in the interpretation of this Agreement.

3. Severability. In the event any of the terms, conditions or covenants contained in this Agreement is held to be invalid, any such invalidity shall not affect any other terms, conditions or covenants contained herein which shall remain in full force and effect.

4. Governing Law. California law shall govern the interpretation and enforcement of this Agreement.

V. MISCELLANEOUS

1. Designation of Representative to Perform Specific Functions. Landowners hereby authorize Steve Etchegaray ("Etchegaray") to remit payment of any deposit required by Section II, Subsection A, Paragraph 6. Landowners 1-12 further authorize Etchegaray to receive notice on their behalf in accordance with Paragraph 10 of this section. The Parties hereby agree that any notice submitted to Etchegaray and Earlimart Public Utility District in accordance with Paragraph 10 of this section shall constitute effective notice to all Landowners. In the event Landowners 1-12 wish to authorize a representative other than Etchegaray, Landowners 1-12 shall notify the District as such in writing and service notice to the District as described in this Agreement.

2. Future Coordination. In the formulation of plans, proposals, and applications for the Annexation, District shall coordinate with other relevant agencies to the extent necessary to expedite the annexation process. Landowners hereby agree to play a participatory role in such collaboration.

3. Representations and Warranties of Authority. Each party represents to all other parties that such party has the full power and authority to enter into this Agreement, that the execution and delivery thereof will not violate any agreement to which such party is a party or by which such party is bound, and that this Agreement, as executed and delivered, constitutes a valid and binding obligation of such party, enforceable in accordance with its terms. The corporate, partnership, and association signatories to this Agreement expressly warrant that they have been authorized by their respective company, partnership, or association entities to execute this Agreement and to bind them to the terms and provisions hereof. Any public agency signatory to this Agreement represents and warrants that the Agreement is executed in compliance with a resolution of the governing entity of the public agency, duly adopted by the governing entity and transcribed in full in the minutes of the governing entity. Any individual signing this Agreement on behalf of a public agency represents that she/he has full authority to do so.

4. Duty to Cooperate. The Parties shall cooperate so as to facilitate the other party's efforts to carry out its obligations under this Agreement.

5. Successors and Transferees. The obligations and benefits of this Agreement run with the land and shall be binding on the Parties' heirs, assignees, transferees, and successors in interest.

6. Entire Agreement. This Agreement constitutes the entire agreement between the Parties, and it is expressly understood and agreed that the Agreement has been freely and voluntarily entered into by the parties with the advice of counsel, who have explained the legal effect of this Agreement. The terms of this Agreement are contractual and not mere recitals. The parties further acknowledge that no warranties, representations or inducements not contained in this Agreement have been made on any subject in connection with this Agreement, and that they have not been induced to execute this Agreement by reason of non-disclosure or suppression of any fact. This Agreement may not be altered, modified or otherwise changed in any respect except by writing, duly executed by the parties or their authorized representatives. This Agreement is fully integrated.

7. Further Assurances. In addition to the documents and instruments to be delivered as herein provided, each of the parties shall, from time to time at the request of the other party, execute and deliver to the other party such other information, materials, or documents as may be required and shall take such other action as may be required to more effectively carry out the terms of this Agreement and to expedite the annexation process.

8. Time of the Essence. Time is expressly declared to be of the essence of this Agreement and of every provision hereof in which time is an element.

9. Captions. Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Agreement or any provision thereof.

10. Notices. Any notice hereunder to be given by Landowners to District shall be deemed to be properly served if it be deposited in the United States Mail, postage prepaid, addressed to Delano-Earlimart Irrigation District at 14181 Avenue 24, Delano, California 93215, to the attention of Dale Brogan, General Manager. Any notice hereunder to be given by District to Landowners shall be deemed properly served if it be deposited in the United States Mail, postage prepaid, addressed to Steve Etchegaray at P.O. Box 964, Visalia, California 93279 and Earlimart Public Utility District c/o Dennis Keller at P.O. Box 911, Visalia, California 93279.

11. Counterparts. The parties may execute this Agreement in counterparts. The counterparts, if any, constitute a single agreement.

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

In the Matter of the Proposed Detachment)
From the Delano-Earlimart Irrigation District) **RESOLUTION NO. XX-XXX**
LAFCO Case No. 1543, DEID Detachment 19-02)

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 from the Delano-Earlimart Irrigation District to detach 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 and the report and recommendations of the Executive Officer, all of which documents and materials are incorporated by reference herein; and

WHEREAS, the Commission extended the public hearing on August 7, 2019; and

WHEREAS, on August 7, 2019 and September 4, 2019 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 and the report of the Executive Officer (including any corrections), have been received and considered in accordance with GC §56668. All of said information, materials, facts, reports and other evidence are incorporated by reference herein.

2. The Delano-Earlimart Irrigation District, as Lead Agency, filed a Notice of Exemption in compliance with the California Environmental Quality Act (CEQA). And finds that

under the California Environmental Quality Act (CEQA) Sections 15320, Class 20 and 15307, Class 7, the proposal is considered exempt from CEQA review.

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

XXXXXXXXXX
XXXXXXXXXX

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. The boundaries of the proposed detachment are definite and certain and conform to lines of assessment.
- b. Fewer than 12 registered voters reside in the affected territory and 100% landowner consent was not received.

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 proposed detachment is compatible with the County's General Plan.
- b. The proposed detachment represents a logical and reasonable change of organization of the district.
- c. The proposal is consistent with the findings and declarations of GC §56001.
- d. The Memorandum of Understanding between the Delano-Earlimart Irrigation District Groundwater Sustainability Agency and Tulare County with respect to implementation of SGMA will become effective upon recording the Certificate of Completion.

7. The Commission hereby waives the protest hearing for this proposal in accordance with GC §56663 and orders the change of organization without an election *{if protests are not submitted by the close of the public hearing}* or Authorizes the Executive Officer to conduct a

protest hearing subsequent to these proceedings and to report to the Commission the results of that hearing for action in accordance with GC §§57000-57120 *{if protests are submitted by the close of the public hearing}*.

8. The Commission hereby approves the detachment as proposed by Delano-Earlimart Irrigation District, to be known as LAFCO Case Number 1543, DEID Detachment 19-02, with the following condition:

a. The Memorandum of Understanding between the Delano-Earlimart Irrigation District Groundwater Sustainability Agency and Tulare County with respect to implementation of SGMA is approved by both governing boards.

9. The following short form designation shall be used throughout these proceedings:
LAFCO Case No. 1543, DEID Detachment 19-02.

10. The Commission determines, in accordance with CEQA, as a Responsible Agency, that it has considered the Notice of Exemption prepared by Delano-Earlimart Irrigation District:

The foregoing resolution was adopted upon motion of Commissioner _____, seconded by Commissioner _____, at a regular meeting held on this 4th day of September, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

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

September 4, 2019

**LAFCO Case Number 1544-P-321
City of Porterville Annexation No. 482**

- PROPOSAL:** City of Porterville Reorganization (annexation to Porterville, detachment from CSA #1)
- PROPONENT:** The City of Porterville by resolution of its City Council
- SIZE:** 22.9 acres
- LOCATION:** Northeast corner of Olive Avenue and Conner Street (**Figure 1**)
- NOTICE:** Notice for this public hearing was provided in accordance with Government Code Sections 56660 & 56661.
- SUMMARY:** The purpose of the proposal is to annex a substantially developed county island into the City of Porterville and detach the same territory from Tulare County CSA #1. City water is needed for pending new development on a subdividing parcel.
- APNs:** 254-050-005, -009, -024, -035, -039, -040, -055, -056, -057, -058, -059, -060, -061, -062

GENERAL ANALYSIS

1. Land Use:

A. Site Information

	Existing (County)	Proposed (City)
Zoning Designation	A-1, R-A-M	RS-1
General Plan Designation	Low Density Residential	No change
Uses	Low Density Residential, one parking lot for the adjacent school	No change. One parcel map is pending to divide a 2 acre parcel into 3 residential parcels.

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

	Zoning Designation	General Plan Designation	Existing Use
North	RS-2, CN	Low Density Residential, Neighborhood Commercial	SFR, farming
South	RS-1	Low Density Residential	SFR
East	PS	Education	Granite Hills High School
West	RM-3, CN	High Density Residential, Neighborhood Commercial	Vineyard

C. Topography, Natural Features and Drainage

The site is generally flat with a slight 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 the City and County-adopted Urban Development Boundaries and Sphere of Influence

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

The parcels within the site are not under a Williamson Act or Farmland Security Zone contract.

3. Population:

Based on 2010 Census data there are approximately 35 people (3.2 person per household – City average) within the proposed annexation area. The County Elections Division has indicated that there are more than 12 registered voters in the proposed annexation area. Therefore, pursuant to GC Section 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 City 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	One City connection, majority on Porter Vista PUD service	Same	N/A
Street Lighting	SCE provides some intersection lights	SCE/City of Porterville	Associated street improvement project funds
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 residents may continue to use Western Waste Mgmt. for up to five years after annexation	User fees
Other Services Code Enforcement and Weed Abatement	County of Tulare RMA	City of Porterville Fire Department	General Fund, Citation fees when applicable
Fire Inspection	County of Tulare	City of Porterville Fire Department	General Fund, Citation fees when applicable
Business Licenses	County of Tulare Tax Collector	City of Porterville Finance 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. The county surveyor's office has not yet 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 this annexation is exempt from CEQA under Sections 15319 and 15303(a). A copy of the document is included in the application materials.

7. Landowner Consent:

Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH) provides for an expedited process for cities to request LAFCOs to annex qualifying islands of unincorporated territory (GC56375.3). If the Commission finds that this island meets the requirements for the stream-lined island annexation provisions as listed in section 3 of “Recommended Actions” the annexation must be approved and the protest hearing must be waived.

8. Regional Housing Needs Assessment (RHNA):

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. The extent of this proposal aiding the City in achieving its fair share of regional housing needs is limited due to the area already being substantially developed. There is one parcel map pending to divide a 2 acre parcel into 3 residential parcels, however the net effect this is very limited.

9. 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, almost fully 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 City water. 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 Recent 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-316	3	121.6	871	281	1.9
1518-P-317	1	114.9	513	162	1.8
1528-P-319	1	87.8	726	227	2.3
1544-P-321	1	22.9	35	11	0.2
TOTAL	8	566.6	3204	984	10.1

RECOMMENDED ACTIONS:

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

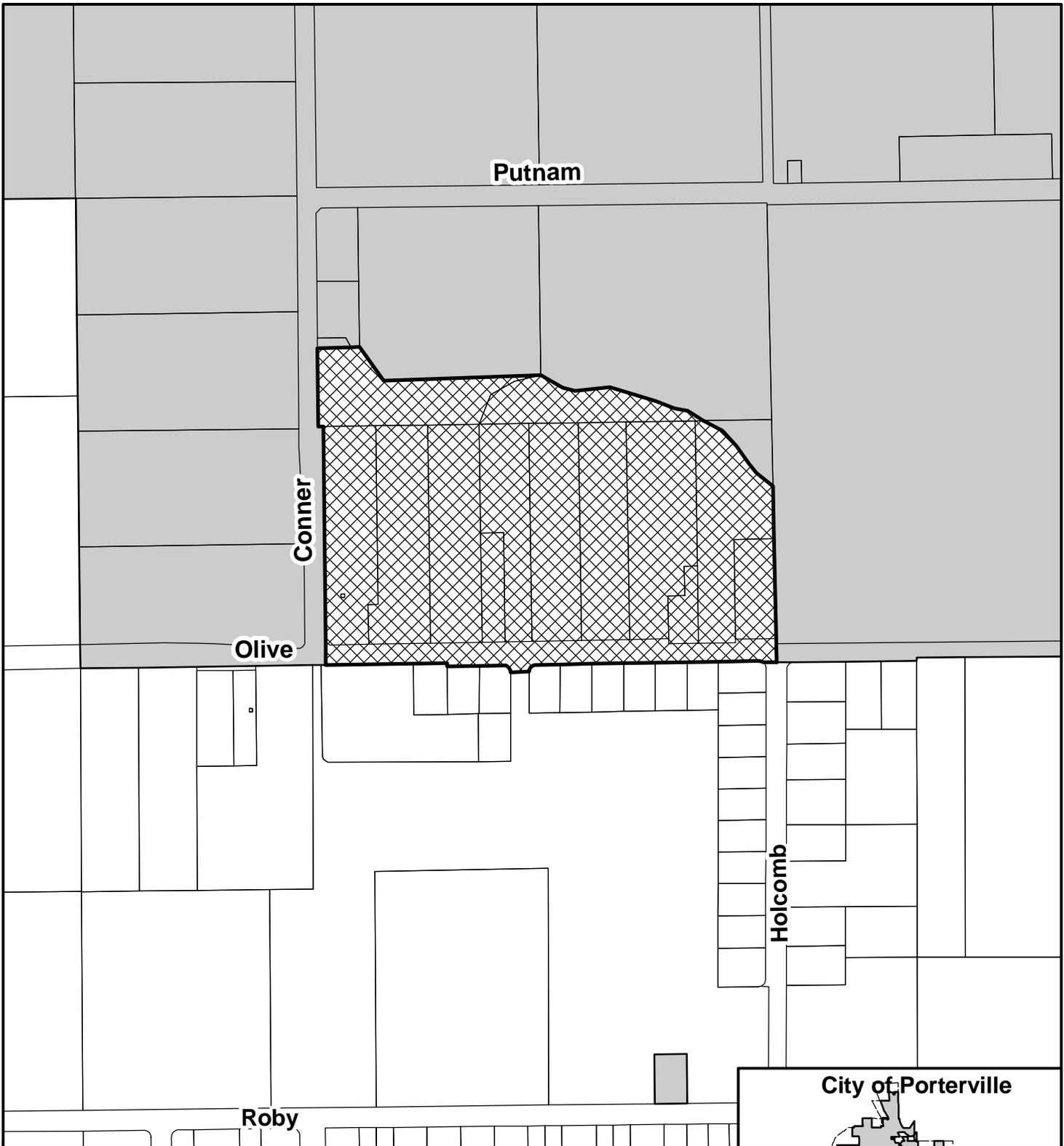
1. Certify that the Commission has reviewed and considered the Categorical Exemption prepared by the City of Porterville for this project and find that the project is exempt from CEQA under Sections 15319 and 15303(a).
2. Find that the proposed reorganization of the City of Porterville complies with the policies and priorities of the Cortese-Knox-Hertzberg Act, Section 56377.
3. 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, 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.
5. Find that the annexation does not contain any Williamson Act contract land.

6. Approve the proposed reorganization, to be known as LAFCO Case Number 1544-P-321, Porterville Annexation No. 482 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 the County Surveyor has verified the accuracy of the map and legal description sufficient for filing with the Board of Equalization (BOE).
 - 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 Government Code section 56375.3(a) and order the change of organization without an election

Figures:

- | | |
|----------|-------------------|
| Figure 1 | Site Location Map |
| Figure 2 | Aerial |
| Figure 3 | Assessor's Report |
| Figure 4 | Resolution |

LAFCO Case 1544-P-321



 Site Location 1544-P-321

 Parcels

 City of Porterville

 Porterville SOI

N

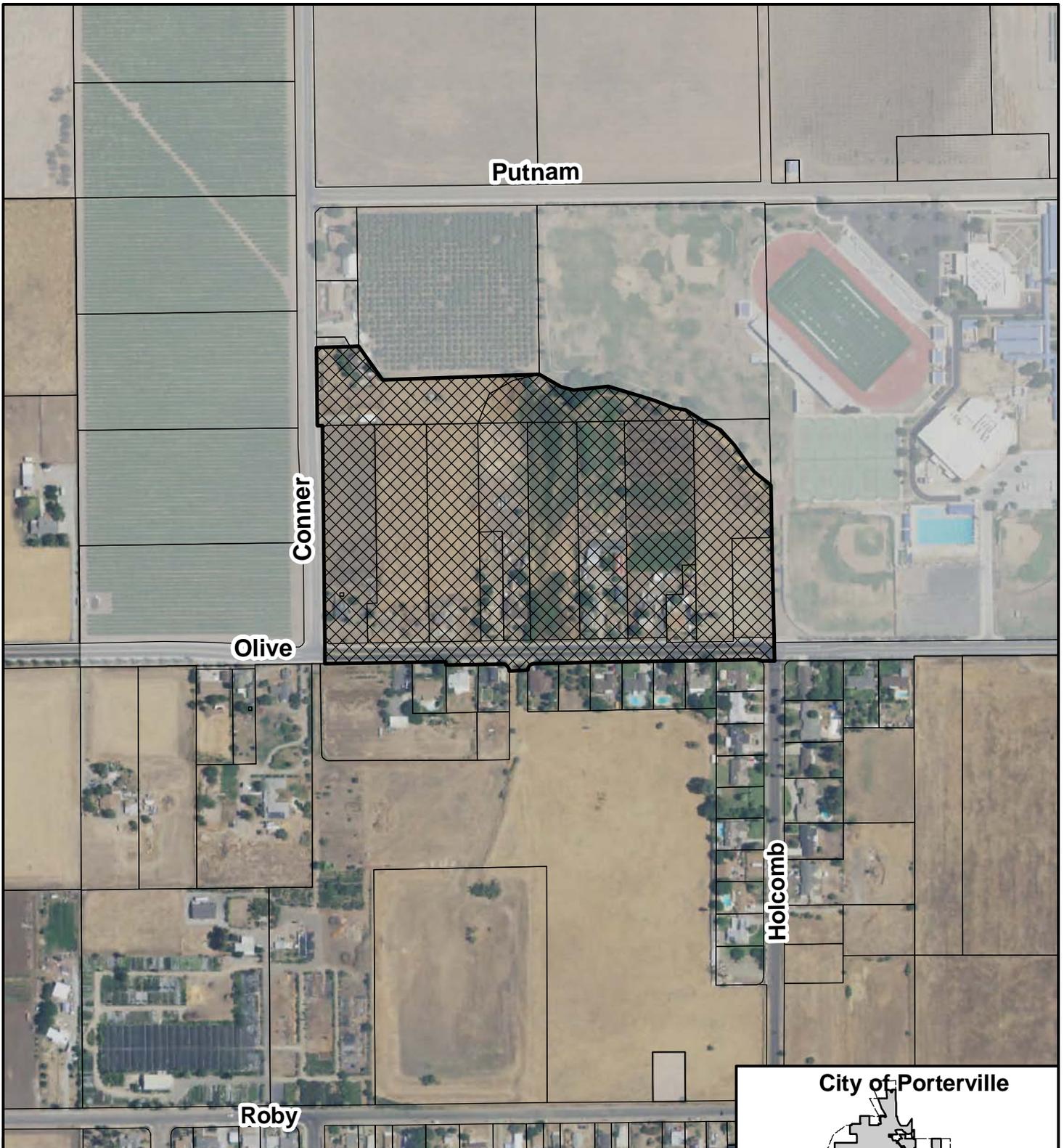
0 160 320 640 Feet

Boundaries as of 7/29/19

City of Porterville

31
Created by Tulare County LAFCO

LAFCO Case 1544-P-321



 Site Location 1544-P-321

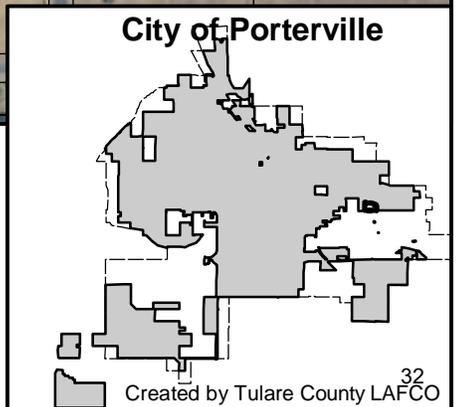
 Parcels

 City of Porterville

 Porterville SOI

0 160 320 640 Feet

Boundaries as of 7/29/19



ASSESSOR'S REPORT TO LAFCO & AUDITOR

[Pursuant to Section 56386 of Government Code]

LAFCO CASE NO.: 1544-P-321

PROPONENT: City of Porterville

DESCRIPTIVE TITLE: LAFCO Case #1544-P-321 Annexation 482

1) Total Parcels Lying Entirely Within Proposed Boundaries: 14

See Itemized list, attached

2) Total Parcels Lying Only Partially Within Proposed Boundaries: 0

NONE

3) a) Total Parcels in Aq Preserve and/or Contract: 0

NONE

b) If Case Is Annexation of Aq Preserve, Does Initiating Agency Address Issue:

N/A

4) a) Total Parcels Owned by Initiating Agency: 0

NONE

b) If Any, Were Parcels Acquired by Eminent Domain or Other Method:

N/A

5) Assessee's Names, Addresses, Tax Rate Areas and Values:

Using the above-referenced Assessor's Parcel Numbers this information is available to you via the County's Property Information System ("PIMS") shared by our offices.

6) Other Comments:

a) The County Resource Management Agency is the local authority, and the Department of Conservation is the State authority on the existence, extent and status of any agricultural preserves, land conservation contracts and related issues and matters.

Technician: ASG

Date: 07/31/2019

END OF REPORT

Itemized List of Parcels Lying Entirely Within Proposed Boundaries

254-050-005
254-050-009
254-050-024
254-050-035
254-050-039
254-050-040
254-050-055
254-050-056
254-050-057
254-050-058
254-050-059
254-050-060
254-050-061
254-050-062

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 1544-P-321,) **RESOLUTION NO. 19-XXX**
City of Porterville Annexation No. 482)

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 September 4, 2019 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 Commission has reviewed and considered the Notice of Exemption by the City of Porterville for this project and finds the project to be exempt under CEQA Sections 15319 and 15303(a).

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 substantially surrounded unincorporated islands consisting of approximately 22.9 acres. The territory contains 14 parcels and is substantially developed with single family residences and parking.
- 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 island 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 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.

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. Approve the proposed reorganization of the territory described in Exhibit "A," attached hereto, 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 the County Surveyor has verified the accuracy of the map and legal description sufficient for filing with the Board of Equalization (BOE).
- c. The applicant must provide the required filing fee for the Statement of Boundary Change that is to be submitted to the BOE.

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

LAFCO Case No. 1544-P-321, City of Porterville Annexation No. 482

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 4th day of
September, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

PRESENT:

ABSENT:

Ben Giuliani, Executive Officer

si

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CALAFCO Legislative Report as of Wednesday, August 28, 2019

AB 315 (Garcia, Cristina D) Local government: lobbying associations: expenditure of public funds.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 1/30/2019

Last Amended: 7/5/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was NAT. RES. on 7/5/2019)(May be acted upon Jan 2020)

Summary:

Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body's or district's membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

Position: Watch

CALAFCO Comments: As gut an amended, this bill appears to have significant impact to CALAFCO in the uses of member LAFCO and certain Associate Member dues being limited to only direct educational activities.

CALAFCO will engage with stakeholders and the author's office as the bill moves forward in the next legislative year.

AB 508 (Chu D) Drinking water: consolidation and extension of service: domestic wells.

Current Text: Amended: 8/12/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 8/12/2019

Status: 8/20/2019-Read second time. Ordered to third reading.

Calendar: 8/30/2019 #154 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary:

The California Safe Drinking Water Act requires the state board, before ordering consolidation or extension of service, to, among other things, obtain written consent from any domestic well owner for consolidation or extension of service. The act makes any domestic well owner within the consolidation or extended service area that does not provide written consent ineligible, until consent is provided, for water-related grant funding, as specified. The act also requires the state board, before ordering consolidation or extension of service, to make a finding that consolidation of the receiving water system and subsumed water system or extension of service to the subsumed water system is appropriate and technically and economically feasible. The act defines "subsumed water system" for these purposes as the public water system, state small water system, or affected residences consolidated into or receiving service from the receiving water system. This bill would modify the provision that authorizes consolidation or extension of service if a disadvantaged community is reliant on a domestic well described above to instead authorize consolidation or extension of service if a disadvantaged community, in whole or in part, is substantially reliant on domestic wells that consistently fail to provide an adequate supply of safe drinking water.

Position: Watch

Subject: Disadvantaged Communities, Water

CALAFCO Comments: This bill allows the SWRCB to order an extension of service in the case a disadvantaged community has at least one residence that are reliant on a domestic well that fails to provide safe drinking water. It allows members of the disadvantaged community to petition the SWRCB to initiate the process. It allows the owner of the property to opt out of the extension. The bill also places limitations on fees, charges and terms and conditions imposed as a result of the extension of service. Finally, the extension of service does not require annexation in the cases where that would be appropriate.

AB 600 (Chu D) Local government: organization: disadvantaged unincorporated communities.

Current Text: Amended: 4/29/2019 [html](#) [pdf](#)

Introduced: 2/14/2019

Last Amended: 4/29/2019

Status: 6/24/2019-Read second time. Ordered to third reading.

Calendar: 8/30/2019 #49 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary:

Under current law, an application to annex a contiguous disadvantaged community is not required if, among other things, a local agency formation commission finds that a majority of the registered voters within the disadvantaged unincorporated community are opposed to the annexation, as specified. This bill would additionally provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected disadvantaged unincorporated community would prefer to address the service deficiencies through an extraterritorial service extension.

Position: Oppose

Subject: Disadvantaged Communities, Water

CALAFCO Comments: As amended on April 29, the bill still has a number of issues. The bill still allows for an extension of service in lieu of annexation. The bill adds (8)(C) to Government Code Section 56375. As written, this section creates confusion and contradicts §56375(8)(A). It appears the intention is to prohibit LAFCo from approving the annexation of two or more contiguous disadvantaged communities within five years that are individually less than ten acres but cumulatively more than ten acres. If so, then this language conflicts with §56375(8)(A), which allows for commission policies to guide the commission in determining the size of the area to be annexed. Further, the term “paragraph” as used in this section creates uncertainty as to what section or subsection is actually being addressed. The bill does nothing to address the engineering and financial issues that must be solved in order to ensure sustainable service. Further it does not allow for local circumstances and conditions to be considered by offering a “one size fits all” approach.

AB 1253 (Rivas, Robert D) Local agency formation commissions: grant program.

Current Text: Introduced: 2/21/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/6/2019)(May be acted upon Jan 2020)

Summary:

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

Position: Sponsor

Subject: Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

CALAFCO Comments: This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCos one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters

in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

We were unsuccessful in getting the \$1.5 M into the budget so the author has decided to make this a 2-year bill and try again in the next budget. As this is a new Governor we are unsure about his willingness to make General Fund appropriations for items not in the budget.

AB 1389 (Eggman D) Special districts: change of organization: mitigation of revenue loss.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/14/2019)(May be acted upon Jan 2020)

Summary:

Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

Position: Watch

Subject: CKH General Procedures

CALAFCO Comments: This bill allows LAFCo, when approving a proposal for new or different functions or class of service for a special district, to propose the district provide payments to any affected local agency for taxes, fees or any other revenue that may have been lost as a result of the new service being provided.

AB 1628 (Rivas, Robert D) Environmental justice.

Current Text: Amended: 8/26/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 8/26/2019

Status: 8/27/2019-Read second time. Ordered to third reading.

Calendar: 8/30/2019 #194 SENATE ASSEMBLY BILLS - THIRD READING FILE

Summary:

Current law requires the Office of Planning and Research to be the coordinating agency in state government for environmental justice programs. Current law requires the Director of State Planning and Research to, among other things, coordinate its efforts and share information regarding environmental justice programs with various federal agencies. Existing law defines "environmental justice" for these purposes to mean the fair treatment of people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies. This bill would revise the definition of "environmental justice" to also include the meaningful involvement of people of all races, cultures, incomes, and national origins with respect to those same actions, and would provide that "environmental justice" includes, among other things, the availability of a healthy environment for all people.

Position: Watch With Concerns

Subject: Environmental Justice

CALAFCO Comments: Recently amended, this bill changes one of the factors considered by LAFCo in the review of an application pertaining to environmental justice. Specifically it changes the definition of "environmental justice" to: "(A) The availability of a healthy environment for all people.(B) The prevention, reduction, and elimination of pollution burdens for populations and communities experiencing the adverse effects of that pollution, so that the effects of the pollution are not disproportionately borne by those populations and communities. (C) Government entities conducting direct outreach and providing capacity-building assistance and technical assistance to populations and communities most impacted by pollution. (D) Including populations and communities most impacted by pollution as active partners in the decisions or activities that affect their environment or health, and incorporating recommendations from those populations and communities into environmental and land use decisions."

It is unclear how LAFCo is to actually consider several of these definition factors. CALAFCO continues to work with the author and sponsors on amendments.

AB 1751 (Chiu D) Water and sewer system corporations: consolidation of service.

Current Text: Amended: 7/5/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 7/5/2019

Status: 8/12/2019-In committee: Referred to APPR. suspense file.

Calendar: 8/30/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE FILE, PORTANTINO, Chair

Summary:

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board related responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

Position: Watch

Subject: Water

CALAFCO Comments: This bill allows for water (public or state small) or sewer systems corps to file an application for consolidation with the SWRCB.

AB 1822 (Committee on Local Government) Local Government: omnibus.

Current Text: Chaptered: 6/26/2019 [html](#) [pdf](#)

Introduced: 3/11/2019

Last Amended: 4/8/2019

Status: 6/26/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 20, Statutes of 2019.

Summary:

Current law requires a commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Current law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified. Current law defines "sphere of influence" to mean a plan for the probable physical boundaries and service area of a local agency. Current law defines the term "service" for purposes of the act to mean a specific governmental activity established within, and as a part of, a general function of the special district, as specified. This bill would revise the definition of the term "service" for these purposes to mean a specific governmental activity established within, and as a part of, a function of the local agency.

Position: Sponsor

Subject: LAFCo Administration

CALAFCO Comments: This is the annual Omnibus bill.

SB 272 (Morrell R) Fire Protection District Law of 1987.

Current Text: Amended: 4/4/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/4/2019

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was GOV. & F. on 2/21/2019)(May be acted upon Jan 2020)

Summary:

The Fire Protection District Law of 1987 provides that whenever a district board determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more service zones by adopting a resolution that includes specified information, fixing the date, time, and place for public hearing on the formation of the zone, publishing notice, as specified, hearing and considering any protests to the formation of the zone at the hearing, and, at the conclusion of the hearing, adopting a resolution ordering the formation of the zone. If a resolution adopted after the public hearing would substantially expand the provision of services outside of an existing service zone and the extension of service would result in those persons in the expanded area paying charges for the expansion of services, this bill would provide that the resolution does not become effective unless approved by a majority of the voters within the expanded service area.

Position: Watch

CALAFCO Comments: As amended, the bill amends the Health & Safety code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. This is unrelated to 56133. CALAFCO will retain a Watch position.

SB 414 (Caballero D) Small System Water Authority Act of 2019.

Current Text: Amended: 6/25/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 6/25/2019

Status: 8/21/2019-August 21 set for first hearing. Placed on APPR. suspense file.

Calendar: 8/30/2019 Upon adjournment of Session - State Capitol, Room 4202 ASSEMBLY APPROPRIATIONS SUSPENSE, GONZALEZ, Chair

Summary:

Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

Position: Support

Subject: Water

CALAFCO Comments: This bill is very similar to AB 2050 (Caballero) from 2018. Several changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

SB 646 (Morrell R) Local agency utility services: extension of utility services.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/7/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 78, Statutes of 2019.

Summary:

The Mitigation Fee Act, among other things, requires fees for water or sewer connections, or capacity charges imposed by a local agency to not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount of the fee or charge imposed in excess of the reasonable cost of providing the service or materials is submitted to and approved by 2/3 of the electors voting on the issue. The Mitigation Fee Act defines the term "fee" for these purposes. This bill would revise the definition of "fee" to mean a fee for the physical facilities necessary to make a water connection or sewer connection, and that the estimated reasonable cost of labor and materials for installation of those facilities bears a fair or reasonable relationship to the payor's burdens on, or benefits received from, the water connection or sewer connection.

Position: Neutral

Subject: CKH General Procedures

CALAFCO Comments: UPDATE AS OF THE 4/11/19 AMENDMENTS: These amendments address all of our concerns and the bill now only addresses fees.

AB 213 (Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.

Current Text: Introduced: 1/15/2019 [html](#) [pdf](#)

Introduced: 1/15/2019

Status: 8/19/2019-In committee: Referred to APPR. suspense file.

Calendar: 8/30/2019 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE APPROPRIATIONS SUSPENSE FILE, PORTANTINO, Chair

Summary:

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Position: Support

Subject: Tax Allocation

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from last year.

AB 818 (Cooley D) Local government finance: vehicle license fee adjustment amounts.

Current Text: Introduced: 2/20/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/3/2019)(May be acted upon Jan 2020)

Summary:

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

Position: Support

Subject: Financial Viability of Agencies

CALAFCO Comments: Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.

AB 1304 (Waldron R) Water supply contract: Native American tribes.

Current Text: Amended: 5/6/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/6/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 5/29/2019)(May be acted upon Jan 2020)

Summary: Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands. The bill would repeal its provisions on Jan 1, 2025.

Position: Watch

Subject: Municipal Services, Water

CALAFCO Comments: This bill amends the water code to allow a Native American tribe to sell/deliver water to a water district (as defined in the water code section 20200). The bill sunsets on January 1, 2025.

SB 379 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 74, Statutes of 2019.

Summary: This bill would enact the First Validating Act of 2019, 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: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

SB 380 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 75, Statutes of 2019.

Summary: This bill would enact the Second Validating Act of 2019, 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: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

SB 381 (Committee on Governance and Finance) Validations.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State. Chapter 76, Statutes of 2019.

Summary: This bill would enact the Third Validating Act of 2019, 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: LAFCo Administration

CALAFCO Comments: This is one of three annual validating acts.

AB 134 (Bloom D) Safe Drinking Water Restoration.

Current Text: Amended: 5/20/2019 [html](#) [pdf](#)

Introduced: 12/5/2018

Last Amended: 5/20/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

Summary: Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

Position: Watch

Subject: Water

AB 530 (Aguiar-Curry D) The Fairfield-Suisun Sewer District.

Current Text: Chaptered: 7/10/2019 [html](#) [pdf](#)

Introduced: 2/13/2019

Last Amended: 4/22/2019

Status: 7/10/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 69, Statutes of 2019.

Summary:

The Fairfield-Suisun Sewer District Act creates the Fairfield-Suisun Sewer District and grants to the district various powers relating to the treatment and disposal of sewage. The current act provides for the election of a board of directors for the district and administrative procedures for the operation of the district. Violation of regulations adopted by the board is a misdemeanor. This bill would make various administrative changes to the act, including removing the requirement that the district appoint a clerk and changing the posting requirements for regulations.

Position: Watch

Subject: Special District Powers, Special Districts Governance

CALAFCO Comments: This bill makes administrative changes to this special act district. It also allows for an extension of service pursuant to 56133 (keeping that LAFCo process intact).

AB 948 (Kalra D) Coyote Valley Conservation Program.

Current Text: Amended: 8/12/2019 [html](#) [pdf](#)

Introduced: 2/20/2019

Last Amended: 8/12/2019

Status: 8/27/2019-In Assembly. Concurrence in Senate amendments pending. May be considered on or after August 29 pursuant to Assembly Rule 77.

Calendar: 8/30/2019 #28 ASSEMBLY CONCURRENCE IN SENATE AMENDMENTS

Summary: Would authorize the Santa Clara Valley Open-Space Authority to establish and administer the Coyote Valley Conservation Program to address resource and recreational goals of the Coyote Valley, as defined. The bill would authorize the authority to collaborate with state, regional, and local partners to help achieve specified goals of the program. The bill would authorize the authority to, among other things, acquire and dispose of interests and options in real property.

Position: Support

AB 1053 (Dahle R) Fallen Leaf Lake Community Service District.

Current Text: Amended: 3/25/2019 [html](#) [pdf](#)

Introduced: 2/21/2019

Last Amended: 3/25/2019

Status: 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was GOV. & F. on 5/22/2019)(May be acted upon Jan 2020)

Summary:

Would prohibit, on and after January 1, 2020, the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection, including medical response and emergency services, and parks and recreation services or facilities.

Position: Watch

CALAFCO Comments: CALAFCO will watch this bill to determine if the outcome of the State Audit on this district will have an impact on all CSDs.

AB 1457 (Reyes D) Omnitrans Transit District.

Current Text: Amended: 5/24/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Last Amended: 5/24/2019

Status: 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/25/2019)(May be acted upon Jan 2020)

Summary: Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

Position: Neutral

CALAFCO Comments: This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. CALAFCO has been working with the author and sponsor on amendments and the May 24 version addresses the vast majority of concerns. CALAFCO continues to work with the author and sponsor on minor technical amendments.

SB 654 (Moorlach R) Local government: planning.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Introduced: 2/22/2019

Status: 3/14/2019-Referred to Com. on RLS.

Summary: Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and the logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

Position: Watch

CALAFCO Comments: This is a spot bill. The author indicates he has no plans to use this for LAFCo law.

SB 780 (Committee on Governance and Finance) Local Government Omnibus Act of 2019.

Current Text: Amended: 8/12/2019 [html](#) [pdf](#)

Introduced: 2/28/2019

Last Amended: 8/12/2019

Status: 8/22/2019-Read second time. Ordered to consent calendar.

Calendar: 8/30/2019 #170 ASSEMBLY CONSENT CALENDAR 2ND DAY-SENATE BILLS

Summary:

Current law requires the governing body of a public agency, within 70 days after the commencement of the agency's legal existence, to file with the Secretary of State, on a form prescribed by the secretary, and also with the county clerk of each county in which the public agency maintains an office, a specified statement of facts about the agency. Current law requires this information to be updated within 10 days of a change in it. Current law requires the Secretary of State and each county clerk to establish and maintain an indexed Roster of Public Agencies that contains this information. This bill would instead require the Secretary of State and each county clerk to establish and maintain an indexed Registry of Public Agencies containing the above-described information.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee's annual Omnibus bill.



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
Martha Flores
Dennis Townsend
Pam Kimball*

ALTERNATES:

*Eddie Valero
Carlton Jones
Manny Gomes*

EXECUTIVE OFFICER:

Ben Giuliani

August 20, 2019

Name of District
Address line 1
Address line 2

Dear Board Members:

Our records indicate that we have not received a copy of your district's audit report for the period of July 1, 2017 to June 30, 2018. In 2018, Senate Bill 448 modified the audit reporting requirement in Government Code section 26909(a)(2)(B) stating that all special districts shall submit their audit reports within 12 months of the end of the fiscal year with the local agency formation commission of the county in which the special district is located. The deadline, June 30, 2019, has already passed for the Fiscal Year 2017/2018 audit reports.

GC section 26909 further states, "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".

Please submit your FY 17/18 audit report via e-mail to akane@tularecog.org by September 27, 2019. If you have any questions or if your district does not have an audit report for FY 17/18, please let me know at bgiuliani@tularecog.org.

Sincerely,

Benjamin Giuliani
Executive Officer

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August 12, 2019

TO: Member LAFcos
SUBJECT: Proposed new dues structure for approval at 2019 Annual Business Meeting

Dear Member LAFcos:

The CALAFCO Board of Directors continues to develop services to meet the evolving needs of our members, yet we find ourselves continually challenged to meet those needs with limited resources.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. After receiving your feedback during the roundtable discussions at that Conference and after process of almost 18 months, the Board took a two-phase approach to addressing the ongoing structural deficit.

First, as a short-term strategy to address this structural deficit in FY 2019-20, the Board approved a one-time cost sharing option in which member LAFCo dues were increased by 16.25% and the Board used one-time Conference net profits to close the deficit (\$33,452 raised through the 16.25% increase and \$31,138 coming from Conference net profit). As we move into FY 2019-20, the adopted budget has a structural deficit of \$37,980.

The Board was also committed to a long-term strategy of revising the current dues structure into a more sustainable model. As a result, at their May 10, 2019 meeting, the Board considered several options for a new dues structure brought forward from the Finance Ad Hoc Committee. This Committee undertook a lengthy and detailed process, considering eleven (11) different options before deciding on the two brought to the Board.

After much discussion and careful consideration, the Board unanimously approved presenting the proposed new dues structure to you, the membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the Bylaws.

The structure is population based with a number of variables including an annual base rate, population threshold and a per capita rate. Population data will be updated annually.

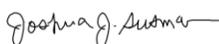
The first step to changing the dues structure is for the membership to discuss it at the Annual Business Meeting and vote. Should the membership approve the new structure, the Board will adopt policies relating to the three variables. To help you better understand the process up to this point in time, a Q&A document has been created and included with this letter. It provides details and answers to the questions we know many of you have. Additionally we are including a matrix of what the new dues structure looks like for the first year of implementation (FY 2020-21) should the membership approve.

Also the Annual Business Meeting Agenda and meeting packet will contain a full staff report with details and the proposed changes to the Bylaws associated with the new dues structure. This will be published early August.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFcos, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFcos with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our Annual Business Meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,



Josh Susman
Chair of the Board



Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

CALAFCO BULLETIN

Proposed LAFCo Membership New Dues Structure

To be presented to the Membership for consideration and vote at the
2019 Annual Business Meeting in Sacramento, California on
October 31, 2019



Questions & Answers

Question: *How did the Board come up with the proposed dues structure?*

Answer: The Board spent over a year deliberating the structural deficit and dues structure through their Finance Ad Hoc Committee. They considered feedback received from the membership at the 2018 Annual Conference from the regional roundtable discussions and the message to work towards a more sustainable dues structure model. The Board discussed at length options presented to them by the Ad Hoc Committee in February and May.

Question: *Why was this structure selected over other options considered?*

Answer: After extensive research and discussion by the Ad Hoc Committee, and after considering a variety of possible structures including those based on LAFCo budget, County category (urban-suburban-rural), flat rate increases and population, ultimately it was a population-based structure that was favored. The Ad Hoc Committee presented two options to the Board with this population-based structural model and the Board agreed the population-based structure created the fewest irregularities to resolve and created a more sustainable funding formula. Ultimately this structure was unanimously approved by the Board.

Question: *What are the variables in the formula?*

Answer: The formula includes: (1) A flat annual fee or base rate (each LAFCo will pay the same flat rate); (2) Population threshold number; and (3) A per capita rate.

Question: *How will these variables be determined each year as CALAFCO considers member LAFCo dues?*

Answer: Should the membership approve the new structure, the Board will create policies to support the new structure. These policies will include the consideration of each of these variables and possible future adjustments. These policies will include keeping the Board's discretion to increase the dues by the CPI annually.

Question: *Where will the population data come from?*

Answer: The population data will be updated annually as the Board considers the next fiscal year dues. The data source to be used for updates is the California Department of Finance population estimates.

Question: *Is CALAFCO still budgeting for a net profit for the Annual Conference and how does that impact the annual budget?*

Answer: Yes. The Board has given clear direction that each year the annual budget should have a 15% net profit built into the budget for the Annual Conference (pursuant to Board Policy 4.2). CALAFCO's current FY 2019-20 budget calls for a 15% (or \$20,817) net profit. This net profit is still used to help balance the budget. However, the goal is for CALAFCO to move away from the unhealthy and unsustainable reliance on any higher net profit assumptions to balance the budget and fill the structural deficit.

The Ad Hoc Committee and the Board discussed at length using sponsorships to boost revenue and the Board continues to feel this revenue is unreliable and unpredictable and therefore unrealistic to use as a reliable revenue source.

Question: *How were the proposed base rate, population threshold and per capita rate selected?*

Answer: First, the Board committed to using the FY 2018-19 dues as the baseline from which to work, which they did (the FY 2018-19 dues are lower than the FY 2019-20 dues). The Board anticipated the FY 2020-2021 operational costs to be close to \$300,000, which was the baseline budget number from which they worked. The Ad Hoc Finance Committee considered eleven (11) different options before deciding on the population-based model with the three variables. To narrow that further, after looking at several (three) options with different variable numbers, the Board selected the current formula (\$1,000 base rate, 700,000 population threshold, per capita rate of 0.013802199 and population estimates for 2020 given that is the year the new dues structure would take effect, should it be approved). While this and other formulas realized the \$300,000 anticipated operational budget, these particular variables created dues for each LAFCo that the Board felt were the most equitable at this time.

Question: *How is this structure different than the current structure?*

Answer: The straight 3-category model no longer effectively serves the Association's member LAFcos. County populations vary enough that 3 categories just did not accurately capture the broader population picture. With the proposed model, the gap in the amount paid between the more populated rural LAFcos and their suburban colleagues has been reduced, as has the gap between the higher populated suburban LAFcos and the urban LAFcos.

Question: *Are LAFcos in counties with a population over 700,000 exempt from any future increase based on population growth?*

Answer: The proposed changes call for the Board to set the population threshold annually. Should the membership approve this proposed structure, the Board will set policies around the variables of population threshold, base rate and per capita rate. This means that population threshold can change based on Board discretion.

Question: *What if our LAFco has a financial hardship? Is that still addressed in the Bylaws?*

Answer: Yes. The Board unanimously agreed to keep the provision of allowing any LAFco with a financial hardship to bring that to the Board for consideration. (Please refer to Bylaws Section 2.2.4).

Question: *What will the dues be for my LAFco if the membership approves this new structure?*

Answer: The spreadsheet accompanying this bulletin details what the first year will look like with this formula. As a starting point, the Bylaws will reflect the formula used to get at these rates and the rate chart itself. That detailed information will be contained in the meeting packet for the October 31, 2019 Annual Membership meeting.

Question: *When will the membership vote on this proposed structure?*

Answer: The proposed structure is being presented to member LAFcos for voting at the Annual Business meeting on October 31, 2019 during the Annual Conference in Sacramento. The Annual Business Meeting agenda and meeting packet will be distributed in early August, allowing approximately three months for discussion prior to the vote.

Question: *Can we vote by proxy or absentee ballot if we are not attending the Annual Business meeting?*

Answer: No, all member LAFcos must be present to vote at the Annual Business meeting pursuant to Bylaws Section 3.7. **For purposes of voting, each member LAFco must be in good standing – which means all dues are current and paid in full by September 30, 2019. Further, each member LAFco shall submit to CALAFco the name of their voting delegate by September 30, 2019.**

Question: *What happens if the membership does not approve the proposed new dues structure?*

Answer: The Association will continue to have a structural deficit and may need to rely on accessing Fund Reserves to balance the budget. Further, in order to have a balanced budget, without additional sustainable and reliable revenues, expenses will need to be reduced which will equate to a reduction in services offered.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFco's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFco Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members and/or your regional staff representatives. All of their names and contact information can be found on the CALAFco website at www.calafco.org.

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
ALAMEDA	1,703,660	700,000	1,000	9,662	10,662	0.0063
ALPINE	1,107	1,107	1,000	15	1,015	0.9171
AMADOR	37,560	37,560	1,000	518	1,518	0.0404
BUTTE	230,701	230,701	1,000	3,184	4,184	0.0181
CALAVERAS	44,953	44,953	1,000	620	1,620	0.0360
COLUSA	23,144	23,144	1,000	319	1,319	0.0570
CONTRA COSTA	1,178,639	700,000	1,000	9,662	10,662	0.0090
DEL NORTE	26,997	26,997	1,000	373	1,373	0.0508
ELDORADO	189,576	189,576	1,000	2,617	3,617	0.0191
FRESNO	1,033,095	700,000	1,000	9,662	10,662	0.0103
GLENN	29,691	29,691	1,000	410	1,410	0.0475
HUMBOLDT	137,711	137,711	1,000	1,901	2,901	0.0211
IMPERIAL	195,814	195,814	1,000	2,703	3,703	0.0189
INYO	18,724	18,724	1,000	258	1,258	0.0672
KERN	930,885	700,000	1,000	9,662	10,662	0.0115
KINGS	154,549	154,549	1,000	2,133	3,133	0.0203
LAKE	65,302	65,302	1,000	901	1,901	0.0291
LASSEN	30,626	30,626	1,000	423	1,423	0.0465
LOS ANGELES	10,435,036	700,000	1,000	9,662	10,662	0.0010
MADERA	162,990	162,990	1,000	2,250	3,250	0.0199
MARIN	265,152	265,152	1,000	3,660	4,660	0.0176
MARIPOSA	18,031	18,031	1,000	249	1,249	0.0693
MENDOCINO	90,175	90,175	1,000	1,245	2,245	0.0249
MERCED	286,746	286,746	1,000	3,958	4,958	0.0173
MODOC	9,422	9,422	1,000	130	1,130	0.1199
MONO	13,986	13,986	1,000	193	1,193	0.0853
MONTEREY	454,599	454,599	1,000	6,274	7,274	0.0160
NAPA	143,800	143,800	1,000	1,985	2,985	0.0208
NEVADA	99,548	99,548	1,000	1,374	2,374	0.0238
ORANGE	3,260,012	700,000	1,000	9,662	10,662	0.0033
PLACER	397,368	397,368	1,000	5,485	6,485	0.0163
PLUMAS	19,374	19,374	1,000	267	1,267	0.0654
RIVERSIDE	2,500,975	700,000	1,000	9,662	10,662	0.0043
SACRAMENTO	1,572,886	700,000	1,000	9,662	10,662	0.0068
SAN BENITO	60,067	60,067	1,000	829	1,829	0.0305
SAN BERNARDINO	2,230,602	700,000	1,000	9,662	10,662	0.0048
SAN DIEGO	3,398,672	700,000	1,000	9,662	10,662	0.0031
SAN FRANCISCO	905,637	700,000	1,000	9,662	10,662	0.0118
SAN JOAQUIN	782,662	700,000	1,000	9,662	10,662	0.0136
SAN LUIS OPISPO	284,126	284,126	1,000	3,922	4,922	0.0173
SAN MATEO	792,271	700,000	1,000	9,662	10,662	0.0135

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
SANTA BARBARA	460,444	460,444	1,000	6,355	7,355	0.0160
SANTA CLARA	2,011,436	700,000	1,000	9,662	10,662	0.0053
SANTA CRUZ	282,627	282,627	1,000	3,901	4,901	0.0173
SHASTA	180,198	180,198	1,000	2,487	3,487	0.0194
SIERRA	3,129	3,129	1,000	43	1,043	0.3334
SISKIYOU	44,186	44,186	1,000	610	1,610	0.0364
SOLANO	453,784	453,784	1,000	6,263	7,263	0.0160
SONOMA	515,486	515,486	1,000	7,115	8,115	0.0157
STANISLAUS	572,000	572,000	1,000	7,895	8,895	0.0156
SUTTER	101,418	101,418	1,000	1,400	2,400	0.0237
TEHAMA	65,119	65,119	1,000	899	1,899	0.0292
TRINITY	13,389	13,389	1,000	185	1,185	0.0885
TULARE	487,733	487,733	1,000	6,732	7,732	0.0159
TUOLUMNE	53,976	53,976	1,000	745	1,745	0.0323
VENTURA	869,486	700,000	1,000	9,662	10,662	0.0123
YOLO	229,023	229,023	1,000	3,161	4,161	0.0182
YUBA	79,087	79,087	1,000	1,092	2,092	0.0264

As proposed, the formula described below is used to create the proposed FY 2020-21 dues as noted above.

Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

1. Dues are population based. The fiscal year 2020-2021 dues uses a 0.013802199 per capita rate and 2020 population estimates based on data from the California Department of Finance.
2. A base charge as set by the Board of Directors, which shall be the same for each LAFCO. The base charge for fiscal year 2020-2021 is \$1,000 per LAFCO.
3. A population threshold as set by the Board of Directors.
4. Population estimates per County updated annually based on data provided by the California Department of Finance.
5. The per capita rate shall be set by the Board of Directors.
6. No LAFCO will pay less than its current dues based on the baseline dues of fiscal year 2018-2019.

CALAFCO LAFCo Dues FY 2019-2020

As adopted by the Board March 1, 2019

County	DOF Population Jan 2018	Category	2016-2017 Dues	7.0% Increase	2017-2018 Dues	2.9% Increase	2018-2019 Dues	16.25% Increase	2019-2020 Dues
ALAMEDA	1,660,202	Urban	8,107	567	8,674	252	8,926	1,450	10,376
ALPINE	1,154	Rural	840	59	899	26	925	150	1,075
AMADOR	38,094	Rural	840	59	899	26	925	150	1,075
BUTTE	227,621	Suburban	2,548	178	2,726	79	2,805	456	3,261
CALAVERAS	45,157	Rural	840	59	899	26	925	150	1,075
COLUSA	22,098	Rural	840	59	899	26	925	150	1,075
CONTRA COSTA	1,149,363	Urban	8,107	567	8,674	252	8,926	1,450	10,376
DEL NORTE	27,221	Rural	840	59	899	26	925	150	1,075
EL DORADO	188,399	Suburban	2,548	178	2,726	79	2,805	456	3,261
FRESNO	1,007,229	Urban	7,163	501	7,664	222	7,887	1,282	9,169
GLENN	28,796	Rural	840	59	899	26	925	150	1,075
HUMBOLDT	136,002	Suburban	2,548	178	2,726	79	2,805	456	3,261
IMPERIAL	190,624	Suburban	2,548	178	2,726	79	2,805	456	3,261
INYO	18,577	Rural	840	59	899	26	925	150	1,075
KERN	905,801	Urban	6,105	427	6,532	189	6,722	1,092	7,814
KINGS	151,662	Suburban	2,548	178	2,726	79	2,805	456	3,261
LAKE	65,081	Rural	840	59	899	26	925	150	1,075
LASSEN	30,911	Rural	840	59	899	26	925	150	1,075
LOS ANGELES	10,283,729	Urban	8,107	567	8,674	252	8,926	1,450	10,376
MADERA	158,894	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIN	263,886	Suburban	2,548	178	2,726	79	2,805	456	3,261
MARIPOSA	18,129	Rural	840	59	899	26	925	150	1,075
MENDOCINO	89,299	Rural	840	59	899	26	925	150	1,075
MERCED	279,977	Suburban	2,548	178	2,726	79	2,805	456	3,261
MODOC	9,612	Rural	840	59	899	26	925	150	1,075
MONO	13,822	Rural	840	59	899	26	925	150	1,075
MONTEREY	443,281	Suburban	3,446	241	3,687	107	3,794	617	4,411
NAPA	141,294	Suburban	2,548	178	2,726	79	2,805	456	3,261
NEVADA	99,155	Rural	840	59	899	26	925	150	1,075
ORANGE	3,221,103	Urban	8,107	567	8,674	252	8,926	1,450	10,376
PLACER	389,532	Suburban	2,548	178	2,726	79	2,805	456	3,261
PLUMAS	19,773	Rural	840	59	899	26	925	150	1,075
RIVERSIDE	2,415,955	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SACRAMENTO	1,529,501	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN BENITO	57,088	Rural	840	59	899	26	925	150	1,075
SAN BERNARDINO	2,174,938	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN DIEGO	3,337,456	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SAN FRANCISCO	883,963	Urban	6,481	454	6,935	201	7,136	1,160	8,296
SAN JOAQUIN	758,744	Suburban	5,297	371	5,668	164	5,832	948	6,780
SAN LUIS OBISPO	280,101	Suburban	2,548	178	2,726	79	2,805	456	3,261
SAN MATEO	774,155	Urban	5,864	410	6,274	182	6,456	1,049	7,505
SANTA BARBARA	453,457	Suburban	3,399	238	3,637	105	3,742	608	4,350
SANTA CLARA	1,956,598	Urban	8,107	567	8,674	252	8,926	1,450	10,376
SANTA CRUZ	276,864	Suburban	2,548	178	2,726	79	2,805	456	3,261
SHASTA	178,271	Suburban	2,548	178	2,726	79	2,805	456	3,261
SIERRA	3,207	Rural	840	59	899	26	925	150	1,075
SISKIYOU	44,612	Rural	840	59	899	26	925	150	1,075
SOLANO	439,793	Suburban	3,419	239	3,658	106	3,764	612	4,376
SONOMA	503,332	Suburban	3,879	272	4,151	120	4,271	694	4,965
STANISLAUS	555,624	Suburban	4,090	286	4,376	127	4,503	732	5,235
SUTTER	97,238	Rural	840	59	899	26	925	150	1,075
TEHAMA	64,039	Rural	840	59	899	26	925	150	1,075
TRINITY	13,635	Rural	840	59	899	26	925	150	1,075
TULARE	475,834	Suburban	3,323	233	3,556	103	3,659	595	4,254
TUOLUMNE	54,740	Rural	840	59	899	26	925	150	1,075
VENTURA	859,073	Urban	6,591	461	7,052	205	7,257	1,179	8,436
YOLO	221,270	Suburban	2,548	178	2,726	79	2,805	456	3,261
YUBA	74,727	Rural	840	59	899	26	925	150	1,075
TOTAL	39,809,693		\$187,012	\$13,091	\$200,103	\$5,803	\$205,906	\$33,452	\$239,358