

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street #100
Sacramento, California 95814
(916) 874-6458

April 2, 2008

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: Nominations for Special District Advisory Committee

Contact: Don Lockhart, Assistant Executive Officer (916) 874-6458
Don.Lockhart@SacLAFCo.org

Recommendation

This is an information only item, no Commission action is requested. There are several vacancies on the Special District Advisory Committee. On March 7, 2008 staff provided nomination materials to all Independent Special Districts. The nomination period closes Friday, April 25th.

Background

The purpose of the Committee is to provide your Commission with input on issues related to Special Districts, as well as to receive information on issues before the Commission.

The SDAC's membership of seventeen is composed of the two LAFCo Special District Commissioners, and the Alternate Special District Commissioner, and representatives from recreation and park, fire, water, flood control, cemetery and other types of special districts. SDAC members serve 2 year terms without compensation. New members will be selected by the SDAC *Sub-committee on Membership* from the pool of nominees provided by the Independent Special Districts, subject to confirmation by your Commission.

Respectfully,
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street #100
Sacramento, California 95814
(916) 874-7458

April 2, 2008

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer *PB*

RE: Legislative Update

CONTACT: Don Lockhart, AICP, Assistant Executive Officer (916) 874-2937

RECOMMENDATION

Information only, no action is recommended.

SUMMARY

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters. An ad-hoc committee appointed by the CALAFCO Board of Directors has considered and adopted positions on several bills. Staff will continue to track the bills, in collaboration with CALAFCO, and report back to your Commission.

Please note SB 301 has been amended to provide a five year extension, to 2014, to the AB 1602 2009 sunset on VLF subventions for incorporations, and to eliminate the sunset entirely for inhabited annexations. Please see attached Legislative Analysis.

LEGISLATION

AB 1998(Silva) Political Reform Act of 1974: local agency formation commissions.

Last Amend:

Status: 03/25/2008-Do pass and be re-referred to the Committee on Local Government to Consent Calendar.

Location: 03/25/2008-A L. GOV

Calendar: 04/02/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing law provides for the existence, in each county, of a local agency formation commission (LAFCO), an administrative body vested with the authority and responsibility to control the process of municipal expansion by overseeing local agency boundary changes, including the incorporation, annexation, and reorganization of cities and special districts. The LAFCO for each county reviews and approves or disapproves proposed local government changes of organization; and, under specified circumstances, the determinations of the LAFCO are subject to voter approval through the circulation of a signature petition and a subsequent ballot measure. This bill would impose on a committee formed to support or oppose a LAFCO proposal, as

defined, requirements regarding the filing of campaign statements. The bill would require the committee to file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or the committee is terminated. After a LAFCO proposal measure is placed on the ballot, the bill would require a committee formed to support or oppose the proposal to file those campaign statements required of other committees formed to support or oppose ballot measures under the Political Reform Act of 1974. This bill contains other related provisions and other existing laws.

Notes: This bill will move the financial disclosure requirements from LAFCo to the FPPC. It is sponsored by CALAFCO.

AB 2046(Jones) Water supply assessments: groundwater.

Last Amend:

Status: 02/28/2008-Referred to Com. on W.,P. & W.

Location: 02/28/2008-A W.,P. & W.

Calendar: 04/01/08 9 a.m. - Room 437 ASM WATER, PARKS AND WILDLIFE

Summary: Existing law requires a city or county that determines a project, as defined, is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment. If no public water system is identified, the city or county is required to prepare the water supply assessment. Existing law requires, if a water supply for a proposed project includes groundwater, that certain additional information be included in the water supply assessment, including a detailed description and analysis of the amount and location of groundwater that is projected to be pumped and an analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demand associated with the proposed project. This bill would require the water supply assessment to exclude from the amount of groundwater projected to be pumped and the groundwater included in the sufficiency analysis any source of groundwater that has not been determined by the State Department of Public Health or a local health officer to have been treated to the treatment standard applicable to the proposed use. By imposing new duties on cities and counties and local health officers with respect to that determination, this bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

AB 2182(Caballero) Regional and local land use plans.

Last Amend:

Status: 02/21/2008-From printer. May be heard in committee March 22

Location: Amend, and re-refer to Com. on L. GOV. Read second time and amended. Mar. 13
Re-referred to Com. on L. GOV.

Summary: The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 allocates \$580,000,000 for revitalizing communities and making them more sustainable and livable by investing in sound land use planning, local parks, and urban greening, and specifically authorizes \$90,000,000 for planning grants and incentives to encourage, among other things, the development of specified regional and local land use plans. The act also requires that these funds be made available upon appropriation by the Legislature. This bill would establish the Sustainable Communities Regional and Local Land Use Planning Program within the Office of Planning and Research, and would allocate unspecified sums from the \$90,000,000 made available under the act for planning grants and incentives for the

development of specified regional and local land use plans, for grants and loans to local governments, councils of governments, and other public agencies for these purposes, subject to specified criteria.

Notes: This bill would provide-among other things-funds to COGs to prepare blueprint plans. CALAFCO should request that LAFCos be added to the list of agencies consulted for guidelines.

AB 2278(Aghazarian) Local agencies.

Last Amend: 03/06/2008

Status: 03/10/2008-Re-referred to Com. on L. GOV.

Location: 03/10/2008-A L. GOV.

Calendar: 04/30/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing property tax law requires, in the event that a jurisdictional change affects the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located to negotiate any exchange of property tax revenues on behalf of the district or districts. This bill would authorize a fire protection district, as specified, to negotiate any exchange of property tax revenues on its own behalf when a jurisdictional change occurs that affects its service area or service responsibility.

Notes: Please note AB 2278 would allow Fire Protection Districts to negotiate their own property tax exchange agreement in the event of an annexation or detachment, rather than the Board of Supervisors. This Bill was introduced 2/21/08, and has not yet been analyzed by Legislative Committee staff.

AB 2367(Fuentes) Local government: local agency formation commissions.

Last Amend:

Status: 03/06/2008-Referred to Com. on L. GOV.

Location: 03/06/2008-A L. GOV.

Summary: Existing law authorizes the local agency formation commission to approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. Existing law prohibits subsequent changes to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of 2 years after the completion of the annexation, unless the legislative body of the city makes a finding that a substantial change has occurred in the circumstances that necessitate a departure from the rezoning in the application to the commission, as specified. This bill would instead prohibit subsequent changes to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of 5 years after the completion of the annexation.

Notes: This bill would change the number of years a city must wait to change the zoning of an annexed parcel from 2 to 5 years and removes the ability of a city to hold a public hearing to exempt itself from this provision.

AB 2484(Caballero) Local government: special districts.

Last Amend:

Status: 03/06/2008-Referred to Com. on L. GOV.

Location: 03/06/2008-A L. GOV.

Calendar: 04/30/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 defines "change of organization" to mean, among other things, a district formation, a consolidation of cities or special districts, or a merger or establishment of a subsidiary district. This bill would include within the definition of "change of organization" a proposal for the exercise of new or different functions or classes of services, or the divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district. This bill contains other related provisions and other existing laws.

Notes: This bill was prepared by the Legislative Committee and sponsored by CALAFCO.

AB 2499(Smyth) Local agency formation: incorporation or annexation.

Last Amend:

Status: 03/06/2008-Referred to Com. on L. GOV.

Location: 03/06/2008-A L. GOV.

Summary: Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, governs the procedures for the formation, change of organization, and reorganization of cities and special districts. That act also provides, unless otherwise determined by the local agency formation commission, that territory shall not be incorporated into, or annexed to, a city, if, as a result of that incorporation or annexation, unincorporated territory is completely surrounded by that city or by territory of that city, on one or more sides and the Pacific Ocean on the remaining sides. This bill would delete "completely" from this prohibition and thereby provide that, unless otherwise determined by the commission, territory shall not be incorporated into, or annexed to a city if, as a result of that incorporation or annexation, unincorporated territory is surrounded by that city or by territory of that city on one or more sides and the Pacific Ocean on the remaining sides.

Notes: This bill would eliminate the word "completely" from the definition of surrounded in GC 56744. It appears to be a spot bill at this time.

This bill will be amended to remove the current language and introduce language to delete two provisions of C-K-H that are specifically related to Los Angeles LAFCo. Requested by LA LAFCo. It is anticipated CALAFCO will support the amended bill.

AB 3047(Committee on Local Government) Local agency formation commissions: notice requirements.

Last Amend:

Status: 03/26/2008-In committee: Hearing postponed by committee. (Refers to 3/26/2008 hearing)

Location: 03/13/2008-A L. GOV.

Calendar: 04/23/08 1:30 p.m. - Room 127 ASM LOCAL GOVERNMENT
04/30/08 1:30 p.m. - Room 447 ASM LOCAL GOVERNMENT

Summary: The Cortese-Knox-Hertzberg Act of 2000 requires the local agency formation commission in each county to review and approve or disapprove proposals for changes of organization or reorganization of cities and districts within the county. The legislative body of the affected local agency is authorized to adopt by resolution a proposal for a change of organization or a reorganization. At least 20 days before the adoption of the resolution of application for organization or reorganization, the legislative body is authorized to give mailed notice of its intention to do so to the commission and to each interested agency and each subject agency. All provisions in the act governing the time within which an official or the commission is to act are required to be deemed directory, rather than mandatory, except for notice requirements and the specified requirements for conducting a hearing in relation to an application to initiate proceedings. This bill would instead authorize the legislative body to give mailed notice of its intention to adopt a resolution of application at least 21 days before the adoption of the resolution to the commission and to each interested agency and each subject agency. The bill also would make a conforming addition to the exceptions to the requirement that the time within which an official or the commission is to act is to be deemed directory, rather than mandatory.

Notes: This is the annual CALAFCO Omnibus Bill that contains technical changes to the Cortese-Knox-Hertzberg Act. Additional items will be amended into the bill during the session.

SB 301(Romero) Local government finance.

Last Amend: 01/18/2008

Status: 01/30/2008-In Assembly. Read first time. Held at Desk.

Location: 01/30/2008-A DESK

Summary: The Vehicle License Fee (VLF) Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under existing law, the Controller is required to allocate VLF revenues in the Motor Vehicle License Fee Account in a specified order to, among others, each city that was incorporated from an unincorporated territory after August 5, 2004, but before July 1, 2009. Existing law also requires cities that were incorporated before August 5, 2004, be allocated additional VLF revenues in an amount determined pursuant to a specified formula. For purposes of this formula, existing law specifies that the population of a city that is incorporated before August 5, 2004, is that city's actual population, as defined, residing in areas annexed after August 5, 2004, but before July 1, 2009 . This bill would require that cities that are incorporated from an unincorporated territory after August 5, 2004, but before July 1, 2014, be allocated VLF revenues . This bill would specify, for purposes of this formula used to determine additional VLF revenues for cities that were incorporated before August 5, 2004, that the city's actual population is the population residing in areas annexed after August 5, 2004 . This bill contains other related provisions and other existing laws.

SUPPORT : (Verified 1/23/08)

Alamo Incorporation Movement
California Association of Local Agency Formation Commissions
East Los Angeles Residents Association
Eastvale Incorporation Committee
League of California Cities
Nahas Company, LLC
Orange County Local Agency Formation Commissions

SB 378(Steinberg) Disaster Preparedness and Flood Prevention Bond Act of 2006.

Last Amend: 06/04/2007

Status: 06/19/2007-To Com. on W.,P. & W.

Location: 06/19/2007-A W.,P. & W.

Summary: The Disaster Preparedness and Flood Prevention Bond Act of 2006, which was enacted by the Legislature and approved by the voters at the November 7, 2006, statewide general election, authorizes the expenditure of \$4,090,000,000 in bond funds for specified disaster preparedness and flood prevention projects. Those projects include projects for the evaluation, repair, rehabilitation, reconstruction, or replacement of levees, weirs, bypasses, and facilities of the State Plan of Flood Control; improving or adding facilities to the State Plan of Flood Control to increase levels of flood prevention for urban areas; reducing the risk of levee failure in the delta; and protection, creation, and enhancement of flood protection corridors and bypasses through specified actions. The bill would require the Department of Water Resources (department), when evaluating levees and facilities pursuant to a specified project, to include an evaluation of the risk of the levees and facilities failing due to a seismic event. In implementing the projects for the protection, creation, and enhancement of flood protection corridors and bypasses through specified actions, the bill would require the department to give priority for projects and expenditures that result in a system wide reduction of flood risks and for projects that address the needs of disadvantaged communities, as the bill would define that term. A grant program that would provide bond funds to rehabilitate, reconstruct, replace, or improve existing flood levees, or construct new flood levees, or other management facilities that are a part of the State Plan of Flood Control would be required to comply with specified requirements. This bill contains other related provisions and other existing laws.

SB 1191(Alquist) Local government: community service districts: broadband access.

Last Amend: 03/24/2008

Status: 03/24/2008-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on L.GOV

Location: 03/24/2008-S L. GOV.

Calendar: 04/02/08 9:30 a.m. - Room 112 SEN LOCAL GOVERNMENT

Summary: Existing law authorizes a community services district to be formed to, among other things, provide fire protection services, organize, promote, conduct, and advertise programs of community recreation, provide transportation services, abate graffiti, and construct, maintain, and operate mailboxes. This bill would authorize a community services district to construct, own, improve, maintain, and operate broadband facilities and to provide broadband services, under specified circumstances, until a private person or entity is ready, willing, and able to acquire, construct, improve, maintain, and operate broadband facilities and to provide broadband services, and to sell those services at a comparable cost and quality of service to the district and its property owners, residents, and visitors.

Notes: This was a power discussed during the CSD rewrite. It was removed from the list of powers based on the strong objection from private broadband service providers.

SB 1458(Committee on Local Government) Local government: the County Service Area Law.

Last Amend: 03/24/2008

Status: 03/24/2008-From committee with author's amendments. Read second time. Amended. Re-referred to Com. on L.GOV.

Location: 03/24/2008-S L. GOV.

Calendar: 04/02/08 9:30 a.m. - Room 112 SEN LOCAL GOVERNMENT


Summary: The County Service Area Law authorizes the formation of county service areas to provide authorized services, as specified. This bill would revise and recast the County Services Area Law and make conforming changes.

Notes: This bill is the culmination of the work of the CSA Rewrite Work Group, of which CALAFCO was a participant. It significantly overhauls the CSA law and brings it into conformance with CKH.

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1112 I Street #100
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(916) 874-6458

April 2, 2008

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer 
Sacramento Local Agency Formation Commission

RE: WORK PLAN STATUS REPORT

Contact: Don Lockhart, Assistant Executive Officer (916) 874-2937

This is an information only item. This status report is provided to keep your Commission informed of the various projects which your staff is managing.

Your staff proactively works with the full spectrum of agencies subject to LAFCo oversight. While the timing of various projects is subject to the resources and priorities of the various governing bodies, your staff **collaborates early on and progressively**, through each stage of project development, in order to expedite LAFCo proceedings.

The report begins with the "Month at a Glance" followed by a "Project Synopsis" for quick reference. The work plan is broken into several ongoing, parallel project management tracks, which provide more detailed information:

- I. Current Applications Submitted by Proponents
- II. Sacramento LAFCo Policy Development
- III. Municipal Service Reviews and Sphere of Influence Updates
- IV. Other Long Term Projects
- V. Completed Projects

Staff's first priority is proponent applications. Next are near term projects, such as policy development for Commission adoption. The general program of Municipal Service Review and Sphere of Influence Updates will be conducted concurrently with all workload, as resources allow. If you would like more information regarding specific projects, staff is available to more fully discuss any of these projects. Please do not hesitate to call.

MONTHLY ACTIVITY AT A GLANCE:

Complete project information is available in the following applicable sections.

At the request of your Commission, we have included a recap of various project activity. This generally includes meeting preparation and immediate follow-up. Many activities are ongoing and evolving, and require commensurate staff time, other than that noted.

- ⊕ Discuss reorganization of Delta and River Delta Fire Protection Districts into a single FPD. Provide sample resolutions, and general guidance.
- ⊕ Ongoing meetings and conferences with County of Sacramento and City of Sacramento staff, as well as state and federal regulators, and consultants regarding 1) Greenbriar, 2) Camino Norte, and 3) Natomas Joint Vision General Plan Amendments and Sphere of Influence Amendments environmental review process and overall coordination opportunities.
- ⊕ Discussion of Dillard Ranch and Parks Master Plan with Cosumnes CSD.
- ⊕ File Certificate of Completion for various recently completed proceedings.
- ⊕ Ongoing SacLAFCo.org web site maintenance. Move forward with scope of work for website update to include various public resources: What's So Special About Special Districts? A Citizen's Guide to Special Districts in California, It's Time To Draw The Line - A Citizen's Guide to LAFCOs, California's Local Agency Formation Commissions, Revenues and Responsibilities - An Inventory of Local Tax Powers, A Guide to the LAFCO Process for Incorporations & A Guide to the LAFCO Process for Incorporations – Appendices, Citizen Guides Order Form. Discuss online archiving technology.
- ⊕ Discuss pending Elk Grove SOIA with City, Wilton FPD, and various members of the public.
- ⊕ Continue discussions of processing for 27 acre South Watt SOIA and reorganization to City of Sacramento. City request for the item to be Tabled at this time. Draft MSR is being prepared. Draft MSR being prepared by City.
- ⊕ Ongoing implementation of office and procedure updates with Commission Clerk.
- ⊕ Receive and open file (LAFC 12-08) for Oak Ave. annexation to CHWD. Routed for affected agency review. Review CEQA and agency comments. Public Hearing April 2, 2008.
- ⊕ Ongoing discussion SACOG/LAFCo inter-agency coordination opportunities w/staff. Attended Planners Committee meeting regarding Case Studies of Public Agency Experiences with Federal Resource Agencies, Regional Housing Needs

Plan (RHNP) Wrap-Up and Next Cycle, Blueprint Implementation Seminars – Topics for 2008, and the Rural Urban Connections Strategy Project

- ⊕ Ongoing discussion of application process for annexation of SOI with City of Rancho Cordova. Status of boundary and Property Tax Exchange Agreement.
- ⊕ Discuss w/City of Galt Grove Walker Park Annexation issues, and various other matters.
- ⊕ Continue discussions w/City of Sacramento and applicant regarding reconfiguration of Panhandle reorganization to create an unincorporated island.
- ⊕ New Testament Baptist Church (16-06) Annexation to CSD#1, pending County CUP. Provided response to County Planning request for comment.
- ⊕ City of Sacramento and Sacramento County Regional Sanitation District SOIA for Camino Norte/ Leona Circle Area. Revisit CEQA scope of work in order to re-issue RFP. Drafted re-circulated RFP for City and landowner. Met w/landowners and their legal team to discuss process. Project on hold per landowners request.
- ⊕ Discuss w/County of Sacramento staff proposed City of Elk Grove SOIA, and various other matters.
- ⊕ Provide staff support for quarterly Special District Advisory Committee. Advised various members of upcoming expiration of their terms.
- ⊕ Discus CFI with financial consultants. Contacted Riverside LAFCo for consultant list. *Revisit schedule.*
- ⊕ Continue to prepare Greenbriar Administrative Record in response to litigation filing.
- ⊕ Prepare Greenbriar for April 2, 2008 Public Hearing.

SYNOPSIS OF CURRENT WORKLOAD:

City of Sacramento

Peter/ Don	Natomas Joint Vision SOI
Don	Camino Norte SOI
Peter	Panhandle Reorganization
Don	Greenbriar SOI/ Annexation – Admin Record & Reorganization

City of Isleton (on hold 2/29/08)

Don	River Port Place II SOI/ Annexation
Peter	Granary SOI/ Annexation

City of Citrus Heights

Peter	Roseville Pointe SOI/ Annexation
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City of Galt

Don	Walker Park Annexation
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City of Rancho Cordova

TBD	Annexation of SOI Area
Peter	SOI Amendment (Randy Schaber applicant)

City of Elk Grove

Peter, Don	Pending SOIA
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Sacramento County Regional County Sanitation District

Don	Hearthstone III
Don	New Testament Baptist Church

Miscellaneous

Peter, Don	Arden Arcade Incorporation
Don	Special District Advisory Committee
Peter, Don, Tobias	Municipal Service Reviews

I. CURRENT APPLICATIONS SUBMITTED BY PROPONENTS

These projects are ongoing, and are subject to frequent project management activity.

1. **Rancho Cordova Boundary Adjustment**
A minor boundary adjustment is required to eliminate error discovered in legal description of new city. City staff and Aerojet General Corp. have requested LAFCo to put this on hold. May instead include with annexation proposal for current SOI.
2. **County Sanitation District No. 1 Boundary Clean Up**
Detachment of 4 parcels in Walnut Grove and Courtland. File opened week of 12/2/04 Locke detachment may constitute separate action. Landowner consultation (opposed) 4/28/05. *Project on hold, per landowner request.*
3. **Possible Legislative Changes Related to Regional Transit and new Incorporations**
Presented issue to CALAFCo Legislative Committee 11/19/04. Committee responded that it would be more appropriate for RT to pursue independent legislative remedy. Issue: Should Transit Districts be subject to the purview of LAFCo? Early discussion with Peter Detwiler, consultant to Senate Local Government Committee. Transit; therefore, annexation is not required. Peter Detwiler suggested that LAFCo get an opinion from the Attorney General. LAFCo will need a sponsor to submit the request. LAFCo convened meeting with Regional Transit and Legislative staff, 1/26/2005. It was agreed that RT should pursue special legislation in collaboration with LAFCo staff. RT will assign to Board Legislative Subcommittee.
4. **Rancho Cordova SOIA (13-06)** 7500+ acres east of city limits, within County General Plan USB.
5. **New Testament Baptist Church (16-06)** Annexation to CSD#1, pending County CUP.
6. **City of Sacramento and Sacramento County Regional Sanitation District SOIA for Camino Norte/ Leona Circle Area**
7. **Elverta Park Reorganization** Annexation to CSD#1, pending County entitlements.
8. **Aspen IV SPA Reorganization** Annexation to CSD#1, pending County entitlements.
9. **Rio Linda HS Annexation to CSA #1 (LAFC 06-07)** Annexation of 13+ acre parcel into the district for existing high school. Discussed interim services contract.
10. **Enterprise Drive Reservoir Site Annexation (LAFC 07-07) to Sacramento Suburban Water District.** 2.5 acre reservoir site.
11. **Franklin Crossing SOIA and reorganization to City of Elk Grove.** Receive and open file (LAFC 07-08) for concurrent processing of 68+ acre Routed for affected agency review. Provide agency comments to city staff.

II. SACRAMENTO LAFCO POLICY DEVELOPMENT

These projects are ongoing, and are subject to frequent project management activity.

Updates for Sacramento Local Agency Formation Commission Policies, Procedures and Guidelines (Policies will be developed concurrently with one another. However, they may be presented for your consideration incrementally.)

1. **Criteria and Factors to be Considered for Sphere of Influence/Annexation**
Review current and proposed State law, including CEQA; identify stakeholders. Draft policy position discussed April 6, and May 4. Staff recommendation adopted May, 2004
2. **Open Space and Agricultural Preservation Policy (12-03)**
Commission direction to discontinue, March 7, 2007.
3. **Water**
Review current and proposed State law, including CEQA; identify stakeholders; draft policy. Met with Water Forum staff. Presentation to be scheduled. Water Forum Staff will discuss purpose and policies adopted by the stakeholders that address water availability issues.
4. **Municipal Service Review**
Staff will report back in February with proposed modifications to locally adopted Sacramento LAFCo Municipal Service Review Guidelines and the Municipal Service Review Request for Information (RFI) Worksheet and Questionnaire, in order to implement the new law. In the interest of moving the ahead with the MSR Workplan, we will continue to use the current format until the updates are adopted.

III. MUNICIPAL SERVICE REVIEWS AND SPHERE OF INFLUENCE UPDATES

These projects are ongoing, and are subject to project management activity, as resources allow.

1. **City of Citrus Heights Municipal Service Review and Sphere of Influence Update (06-03)**

Consultation with County and City of Citrus Heights Planning staff 7/2003. City of Citrus Heights adopted 9/2003 its Resolution Making Application for an Amended Sphere of Influence. Staff collaboration on consultant selection for Municipal Service Review. Citrus Heights staff is preparing public outreach material, schedule, and economic analysis. Outreach taking place.

2. **City of Sacramento MSR Coordination**

Panhandle
Camino Norte

3. MSR Request for Information questionnaire mailed to all special districts and cities in order to provide LAFCo with required information for MSR. After information is received by LAFCo, information will be evaluated and MSR preparation schedule will be updated. The following districts have responded to the Request for Information:

Herald Fire Protection District
Sunrise Recreation and Park District
Cordova Recreation and Park District
Sacramento Suburban Water District
San Juan Water District
Elk Grove Community Services District
Fair Oaks Recreation and Park District
Carmichael Water District

IV. OTHER LONG TERM PROJECTS

These are projects where initial contact with LAFCo staff has been made and an application is not expected within an immediate time frame.

1. Natomas Panhandle Annexation to City of Sacramento. City is reviewing RFP for EIR consultants. Initial Public Scoping meeting 12/4/03. City stakeholders working group convened 3/2004; process presented 5/18/04. CEQA review to follow working group process. On 1/24/2005, the City working group will hold its final meeting to discuss the preferred land use plan. City held second NOP Scoping Meeting October 17, 2005. DEIR to may be released June, 06.
2. Camino Norte (formerly 49'er Truck Stop) Reorganization - Annexation to City of Sacramento (I-80 and El Centro Road). Ongoing consultation with City of Sacramento staff.
3. Formation of Long Island Community Services District.
4. **Florin Resource Conservation District Annexation of Susan B. Gains Building (11-03)** (within City of Sacramento) Proposal to annex single parcel to District. Proposal withdrawn by proponent.
5. **Detachment of Sacramento Suburban Water District Service Area from the City of Sacramento near Arden Fair Shopping Mall.** Initial consultation with affected agencies conducted 2/2004. Ongoing consultation.
6. Ongoing Consultation with City of Elk Grove regarding Sphere of Influence Amendment.
7. Ongoing Consultation with City of Galt regarding General Plan Update and Sphere of Influence Amendment.
8. Ongoing Consultation with City of Sacramento regarding General Plan Update and Sphere of Influence Amendment.

V. COMPLETED PROJECTS

1. **Amend Sacramento Regional County Sanitation District Sphere of Influence to include City of West Sacramento (04-01)**
Completed 12/3/2003.
2. **Sacramento Regional County Sanitation District Annexation of City of West Sacramento (04-01)**
CEQA: Negative Declaration Staff report and environmental analysis revised; Sacramento Regional County Sanitation District negotiating with the City of West Sacramento conditions for proposed annexation. Initial Study/ Negative Declaration and Sphere of Influence Amendment approved 12/3/2003. Annexation scheduled for 2/2004, after adoption of Waste Water Service Agreement by Sacramento Regional County Sanitation District and City of West Sacramento. Commission approved 2/2004. Conducting Authority held 3/12/2004. No protest received. Waited for Waste Water Services Agreement to be signed in order to file Certificate of Certification of Completion filed 4/6/2004.
3. **City of Elk Grove Sphere of Influence and Concurrent Annexation of Laguna West to City of Elk Grove (05-01)**
Initial Study/ Negative Declaration issued 7/1/2003. 2,128 acres, estimated population 13,000. Executive Officer acted as Conducting Authority 10/6/2003. **Effective Date 12/15/2003.** Inadequate protest; Certificate of Completion filed with Recorder.
4. **Doral Point Estates Annexation to Citrus Heights Water District (08-03)**
100% consent 1.3 acre annexation to Citrus Heights Water District. Set for hearing 12/3/2003 with wavier of conducting authority hearing. Effective date upon filing Certificate of Completion, 12/10/2003.
5. **Fair Share Housing**
Review current and proposed State law, including CEQA considerations; identify stakeholders; draft policy. Met with SACOG staff to discuss factors and requirements to redistribute RNHA after annexation and after incorporation. SACOG made presentation to the Commission on 12/3/2003.
6. **Incorporation Fee Policy**
Met with Commissioners Roberta MacGlashan and Charles Rose to provide information for Sub-committee meeting scheduled on 9/5/03. Second Sub-Committee meeting held 10/16/03 with Illa Collin. Commission adopted 11/3/2003. No further action required.

7. **Davis Annexation to San Juan Water District (05-03)**
Transfer of Jurisdiction to Placer County. Date of completion 1/14/2004.
8. **Nishi/Jury Multi-District Reorganization (06-02)**
Transfer of Jurisdiction to Yolo LAFCo. Date of completion 12/ 9/2003.
9. **Transfer MOSCH Annexation to San Juan Water District (03-04)**
Transfer of Jurisdiction to Placer LAFCo.
10. **Airgas NCN Inc. Reorganization [Annexation to City of Sacramento; Detachment from CSA #1, Sacramento Metropolitan Fire District, Southgate Recreation and Park District, County Water Agency, Zone 40.] (05-02)**
6715 Florin Perkins Road; 14.38 acres; uninhabited, industrial. CEQA Responsible Agency comments provided 6/2003. (City of Sacramento lead agency.) City Council approved 9/30/03. Property Tax Sharing Agreement adopted by Board of Supervisors on 9/16/03. City Council adopted Property Tax Sharing Agreement, Rezoning and Resolution of Initiation 9/30/03. City Council amended Resolution 11/18/2003 to clarify requested detachments, Application submission 12/18/2003. Hearing set for 3/3/2004. Project approved by Commission. Commission held Conducting Authority hearing 4/7/2004. Certificate of Completion issued 4/9/2004.
11. **Florin Resource Conservation District Annexation of Elk Grove Water Service Territory (10-03)**
Two pre-application conferences with staff; application received from District 1/5/2004. Conduct CEQA review of Annexation of Elk Grove Water Works Service Area into Florin Resources Conservation District. Hearing set for 3/3/2004. Commission approved proposal with condition that Florin Resource Conservation District become a signatory to the Water Forum Agreement. Conducting Authority hearing set for 4/7/2004. Florin Resource Conservation District requested a Reconsideration set for 4/7/2004, and requested a continuance to 5/5/2004. Commission adopted new condition requiring Florin Resource Conservation District to sign a Procedural Agreement; District did so and forwarded a copy to LAFCo staff. Conducting Authority hearing set for 6/15/2004. Estimated filing of Certificate of Completion with Clerk-Recorder (effective date of annexation), 6/21/2004.
12. **Reorganization of Florin-Elder Creek Cemetery District (02-04)**
Dissolution and annexation to Elk Grove-Cosumnes Cemetery District. Elk Grove Cosumnes Cemetery District and LAFCo staff met with Supervisor Don Nottoli 9/15/03. The County of Sacramento adopted Resolution making Application for Reorganization on 1/13/2004. Resolution transmitted but needs additional exhibit of Legal description and map. The district is one parcel: the cemetery, which is not coterminous with the district boundary, is another parcel. Hearing on Reorganization proposal set for 4/7/2004. Conducting Authority proceeding was held 5/17/2004. No protest was received. Matter to be forwarded to Office of the Clerk-Recorder for filing. Effective date of Reorganization is 7/1/2004.

13. **County of Sacramento proponent for Formation of County Services Area No. 11 (04-04) (CSA 11)**
For police, animal control, and park services to unincorporated areas within the Urban Services Boundary territory. Resolution of Application received from Board of Supervisors. Application has critical time line. Public Hearing scheduled for 4/7/2004. Commission approved Formation of CSA 11 and latent power for animal control services on 4/7/2004. Conducting Authority hearing was held 5/17/2004. No protest was received. County of Sacramento needs to sign Indemnity Agreement before Certificate of Completion can be filed with Clerk-Recorder's office. Letter forwarded to County 5/17/2004. Indemnity Agreement received from Sacramento County. Certificate of Completion issued.
14. **Aspen IV Annexation to Sacramento Regional County Sanitation District and County Sanitation District No. 1 (05-04)**
CEQA responsible agency comments provided to DERA (lead agency). Project pending completion of County entitlements. Commission approved 4/7/2004. The Commission conditioned issuance of Certificate of Completion upon assurance from Sacramento Regional County Sanitation District that the City of Citrus Heights would not be impacted by this annexation. Assurance was received from SRCSD by LAFCo staff. The Commission had waived Conducting Authority hearing. Certificate of Completion issued 4/19/2004.
15. **Sacramento County Public Cemetery Districts Municipal Service Review and Sphere of Influence Update (01-03)**
Circulate Draft MSR 3/2004. Public hearing set for 4/7/2004. Commission adopted staff findings; no further action required.
16. **Sacramento Metropolitan Fire District Municipal Service Review and Sphere of Influence Update (07-04)** Approved 6/2/2004.
Information and Draft Municipal Service Review for Sacramento Metropolitan Fire District is complete. Distributed Draft MSR for review and comment (5/3/2004); set for public hearing 6/2/2004. Approved by Commission. Complete.
17. **Annexation of Courtland and Walnut Grove Sanitation Districts to Regional County Sanitation District (09-03)**
Early consultation conferences with staff. Pre-application conference held with LAFCo staff 9/30/03. Resolution of Application approved 11/12/2003; forwarded to LAFCo for processing. Obtained better legal descriptions and maps of proposal service area. Approval requested prior to 7/1/2004. June 2, 2004 hearing date. Complete. No protest submitted. Filed with Recorder, Assessor, and State Board of Equalization.
18. **Rio Linda /Elverta Community Water District (11-04)**
Application to serve 77.83 +/- acres at 16th Street, north of Elverta Road. Application received 7/29/04; file opened week of 8/2/2004. Public hearing scheduled for 11/3/2004. Commission approved proposal. No further action required. Certificate of Completion to be issued upon completion of thirty 30 day

reconsideration period.

19. **Annexation of Sacramento Regional County Sanitation District Pump Site in Yolo County to Sacramento Municipal Utility District (06-04).**
Early consultation conferences with Regional Sanitation staff and SMUD staff. Resolution making application approved by SMUD on 1/ 22/2004. Advised Yolo County LAFCo. PG&E likely to oppose. PUC coordination. Application received; file opened. PG&E. forwarded letter of opposition to proposal. Hearing set for 9/1/2004; postponed pending Public Utilities Commission Resolution that indicates project will not negatively impact PG&E [received 8/27/2004]. Public Hearing scheduled for 12/1/2004.
20. **Request to Amend Conducting Authority Resolution LAFC 1237 (07-01)**
Received 10/1/2004 from Sacramento Suburban Water District. Public hearing scheduled for 11/3/2004. Commission approved amendment to Resolution LAFC 1237. No further action required.
21. **Draft Herald Fire Protection District Municipal Service Review (18-04)**
Distributed for review and comment in 8/4/2004. Hearing held 1/5/2005; action scheduled for 2/2/2005. Accepted by Commission 2/2/2005.
22. **Property Tax Sharing Agreement**
Policy discussion paper. Presented at 10/1/2003 Commission meeting. Completed: Distributed report to Cities, County and special districts 10/16/2003. Ongoing discussions with County, City of Sacramento and affected agencies. Develop policy language for Commission approval. City of Sacramento has requested LAFCo to facilitate meetings with the County of Sacramento and Special Districts to develop a policy framework for future annexations.

On 10/8/2004, LAFCo staff conducted a meeting with representatives from the City of Sacramento, City of Folsom, Southgate Recreation & Park District, Sacramento Metropolitan Fire District, Rio Linda-Elverta Recreation & Park District and the County of Sacramento to formalize a LAFCo policy regarding Property Tax Sharing Agreements. The policy has been drafted and distributed for review and comment. Comments have been received; policy discussion held 1/2005. Final action taken 2/2/2005.
23. **Report Back**
Adoption of Program Completion Certificate for Elk Grove Incorporation Mitigation Measures. City of Elk Grove refused to grant Waiver of Potential Conflict of Interest prior to proceeding with the Regional Transit Mitigation Measure. At 4/7/2004, Commission meeting, outside counsel retained. City of Elk Grove requested continuance to 5/5/2004; staff gave Commission update. Commission requested additional information to make determination regarding compliance with the two remaining issues. Commission requested a monthly report back on Swainson's Hawk issue. Outside legal opinion on RT issue is being reviewed. Partial Program Completion Certificate issued 8/2004 for Swainson's Hawk compliance. Regional Transit requested LAFCo to look at legislative changes

for future incorporations. The CALAFCo Legislative Committee was briefed 11/19/2004 and declined to support legislation (See #10 above). *At the regular meeting on 3/2/2005, the Commission directed the Executive Officer to issue the Certificate of Completion for Mitigation Measure No. 2, annexation to Sacramento Regional Transit District, in light of the Agreement between the City and the District.*

24. **Draft Del Paso Manor Water District Municipal Service Review (17-04)**
Distributed for review and comment on 11/3/2004. Sacramento Suburban Water District is providing written comments. Meet and confer with DPMWD and SSWD 2/16/05. Both Districts are collaborating on an MOU outlining requirements for DPMWD to move toward a conjunctive water supply system. *Commission accepted the MSR at the regular meeting of 3/2/2005.*
25. **Reorganization of Sylvan Cemetery District and Fair Oaks Cemetery District (15-04)**
Proposal designates three areas, Area 1 to be detached from Sylvan Cemetery District and annexed to Fair Oaks Cemetery District; Area 2 to be detached from Sylvan Cemetery District and annexed to Fair Oaks Cemetery District; Area 3 to be detached from Fair Oaks Cemetery District and annexed to the Sylvan Cemetery District. File opened 10/4/2004. Revised legal description received 11/12/04. Project approved and Executive Officer designated as Conducting Authority, 2/2/2005. Thirty day reconsideration period closed 3/2/2005. Protest Hearing held 3/23/2005. Certificate of Completion forwarded to County Recorder 3/29/2005.
26. **Freeport Annexation to the City of Sacramento (08-04)**
City Council hearing 4/20/2004; Application received 4/28/2004; file opened 5/3/04. Inhabited annexation. Hearing scheduled 8/4/2004. Commission approved. Conducting Authority hearing was continued to 11/17/2004. Conducting Authority proceedings completed 11/17/04. Registrar of Voters certified number of voters; 25% threshold met; forwarded 12/13/04 to City of Sacramento to conduct election. Staff consulted with City Clerk regarding election procedures. On 2/15/2005, City Council called a special election for 6/7/2005. The Commission approved the staff prepared impartial analysis at the regular meeting of 3/2/2005. The impartial analysis was provided to the City Clerk on 3/11/2005. Election held June 7, 2005. Measure failed 24 votes to 20. Certificate of Termination adopted by Commission August 3, 2005.
27. **Samra Contract for Services with Sacramento Regional County Sanitation District/ County Sanitation District No. 1 (07-03)**
[Request denied by Commission.] El Centro Road and Sacramento Regional County Sanitation District and County Sanitation District No. 1 Out of Service Area/ Service Contracts. October 2003 staff recommended applicant withdraw application per County Sanitation District No. 1 staff comments. December 2004 staff sent letter to County Planning requesting Urban Service Boundary service issues be addressed via a County General Plan Amendment. County response letter received 2/7/05. County does not support a General Plan Amendment for the USB. County staff will “flag” remaining parcels on Leona Circle, to ensure that viable

septic and water systems can be placed on-site prior to issuance of any building permits. Information was provided to applicant and City of Sacramento. Further staff and landowner discussions 4/25 and 4/28/05. *Commission denied application August 3, 2005.*

28. **Wittenham Place Annexation to Citrus Heights Water District (03-05)**
CEQA responsible agency comments provided to DERA (lead agency) for Initial Study preparation. County entitlements approved July. *Commission approved October 5, 2005.*
29. **Meadows at Cripple Creek (07-05)**
Annexation of 6+/- undeveloped acres into the Citrus Heights Water District to provide water service. *Commission approved October 5, 2005.*
30. **Walnut Avenue Annexation to Sacramento Suburban Water District (16-04)**
Annexation of 3+ undeveloped acres into the District to provide water service. Circulate for agency review and comment. Prepare CEQA Initial Study. *Commission approved for November 2, 2005.*
31. **Muschetto Annexation to Citrus Heights Water District (10-04)**
Annexation of 3.45 acres within the City of Citrus Heights. Awaiting signed application from engineer; file opened week of 8/2/2004. Entitlements pending at City of Citrus Heights. (Locally controversial density issue.) Discussed CEQA Initial Study LAFCo concerns with city staff 6/15/05). Project approved by Planning Commission September 28, 2005, appealed to City Council anticipate November 10th hearing. Approved by Commission December 7, 2005. Lawsuit filed against Citrus Heights and Sacramento LAFCo. Closed Session briefing with Commission 2/1/06.
32. **Sundance Annexation to Citrus Heights Water District (11-05)**
Annexation of 3.5 +/- acres to Citrus Heights Water District; 100% consent; Addendum to Mitigated Negative Declaration. Commission approved with Waiver of Conducting Authority Hearing on February 1, 2006. Certificate of Completion to be issued March 3, 2006.
33. **Hearthstone II (10-05 Dropped)/(08-05 Amended)** Annexation of 62 +/- undeveloped acres into the CSD 1 to provide sanitary sewer service, in City of Elk Grove. Territory is contiguous to district. District will provide service. Discussing process with applicant and City of Elk Grove. *Applicant revising project boundary to be contiguous. FIRST APPLICATION WITHDRAWN. Second application received February 22, 2006. Approved June 7, 2006.*
34. **City of Citrus Heights Detachment from County Service Area No. 1 (02-06)**
[CEQA: Exemption] *Approved June 7, 2006.*
35. **Sacramento Metropolitan Fire District Annexation of McClellan Business Park 16-05)** [CEQA: Exemption] *Approved June 7, 2006*

36. **Elk Grove C.S.D. – Galt Fire District Reorganization (04-06)** The new district – Cosumnes CSD, shall encompass 158 square miles. File opened 7/12/06. Commission approved October 4, 2006. Certificate of Completion filed November 13, 2006.
37. **Brownwood Estates Reorganization (08-06)** Annexation to Sacramento Regional County Sanitation District and County District No.1. Approx. 10 acres. File opened 6/28/06. Commission approved October 4, 2006. Certificate of Completion filed November 9, 2006.
38. **Kapalua Commons Reorganization (09-06)** Annexation to Sacramento Regional County Sanitation District and County District No. 1. Approx. 17.5 acres. File opened 7/17/06. Commission approved October 4, 2006. Certificate of Completion filed November 9, 2006.
39. **Antelope Reservoir Annexation to Sacramento Suburban Water District (10-06)** Approx. 5.2 acres. File opened 7/17/06. Commission public hearing December 6, 2006. File Certificate of Completion.
40. **Hearthstone III Reorganization (06-06)** Annexation to Sacramento Regional Sanitation District and County Sanitation District No. 1. Approx. 61 acres. File opened 6/27/06. Commission approved October 4, 2006. Certificate of Completion filed.
41. **City of Galt Out-of-Service Area Contract with Galt Joint Union High School District (LAFC 14-06)** Permanent Municipal Services (Water and Sanitary Sewer) from City of Galt. Commission approved March 7, 2007.
42. **Rancho Cordova Detachment from County Service Area No. 10** Detachment of territory within city limits. Commission approved June 6, 2007. Conducting Authority Protest Hearing July 13, 2007. No protest received. Certificate of Completion filed.
43. **Enterprise Drive Reservoir Site Annexation (LAFC 07-07) to Sacramento Suburban Water District.** 2.5 acre reservoir site. File Notice of Determine for Enterprise Drive Reservoir Site Annexation (LAFC 07-07) to Sacramento Suburban Water District approved November 7, 2007.

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Agenda Item No. 8D

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458

April 2, 2008

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer *PB*
RE: Period 8 Budget Report

The attached report provides detailed information on the most current budget period for FY 2007-08. Information from this report has been incorporated into the FY 2008-09 Proposed Budget to calculate the estimated year end fund balance.