

INYO LOCAL AGENCY FORMATION COMMISSION

COMMISSIONER HANDBOOK

P.O. DRAWER L
INDEPENDENCE CA 93526
(760) 878-0263 ♦ FAX (760) 878-0382
www.inyoplanning.org/lafco.htm

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168 North Edwards Street
Post Office Drawer L
Independence CA 93526
760/878-0263 or 872-2706 FAX 760/878-0382
inyoplanning@inyocounty.us
www.inyoplanning.org

COMMISSION ROSTER

(As of July 2008)

CITY MEMBERS

Frank Crom

Susan Cullen

Bruce Dishion *Alternate*

COUNTY MEMBERS

Linda Arcularius

Susan Cash

Jim Bilyeu *Alternate*

PUBLIC MEMBERS

David Patterson

Doug Thompson *Alternate*

STAFF

Executive Officer
Pat Cecil

Legal Counsel
Randy Keller

Secretary/Clerk
Sharon Birmingham

WHY LAFCO? - HISTORICAL PERSPECTIVE

During the post-war 1940s and 1950s, California experienced a tremendous population increase. Attendant to the surge in population was a land speculation-development boom of a variety and magnitude never witnessed before in California or anywhere else in the nation. Ranch and orchard lands of the Los Angeles and San Francisco regions were transformed into residential tracts and shopping centers literally overnight.

As a result of this era of growth, the traditional purpose and structure of local government in California also underwent significant change. The reasons included (1) increased mobility due to reliance on automobiles rather than walking or the traditional use of streetcars, (2) the speculative nature of development that precipitated opening low-cost, "rural areas" located away from existing urban centers and (3) developers seeking the most expeditious means of providing basic services and facilities such as water, roads, fire protection and sewers. The answer to these criteria was often the use of special districts.

Prior to this period of time, special districts in California had been agriculturally oriented. During this growth and development era, however, that orientation changed significantly and hundreds of special districts were formed to provide various types of urban services.

As special districts became the local government of suburbia, municipalities suffered. With development moving away, many cities experienced a deteriorating revenue base. Major industry and commerce concerns withdrew and a residue population of lower economic status remained.

To counteract this trend, the cities began annexing whatever territory they could. Because of the restrictive nature of California's annexation statutes, often the territory cities could annex was still undeveloped and located beyond the urban fringe. This type of annexation gave further fuel to the development spiral because it led to even further premature, ill-planned development, irregular city boundaries and rapid conversion of agricultural lands.

During the late 1950s and early 1960s, the results of this era of growth became evident as California's agricultural industry dwindled and core cities began to seek State assistance in correcting their blighted conditions.

With this testimony, the State became concerned about the misuse of land resources and the resulting growth and complexity of our local government institutions. In 1958, in response to these concerns, newly elected Governor Edmund G. Brown, Sr. appointed a blue-ribbon commission of academics and local and State officials to examine causes and effects of these related happenings and to formulate solutions for restraining and correcting the situation. That commission was complemented by study committees of the State Assembly and Senate.

In 1961, as a result of these efforts, the Legislature created the California Boundary Commission. This Commission was organized at the State level and given review and comment authority only over the boundaries of city annexations and incorporations.

The Commission proved unsatisfactory from the beginning. It was unable to understand and analyze the various and complex local issues that surrounded numerous city annexations, it offered no handle on special districts and its "Review and Comment" was not enough authority to change trends.

In response to the ineffectiveness of the State Boundary Commission, the Assembly Committee on Municipal and County Government continued its study, holding several lengthy hearings during 1961 and 1962. All segments of local government participated in this study and the following principles were developed:

- To preserve the essence of "home rule," problems had to be dealt with at the local county level;
- Whatever institution was formed had to have decisive, regulatory power in order to realistically have a beneficial effect; and
- Local answers to the problems of urban sprawl and proliferation of local agencies within each county required equal participation by the county and the cities because only then would workable, practical solutions be derived.

These principles became cornerstones of the Knox-Nisbet Act, which became law in 1963 and created a Local Agency Formation Commission (or LAFCO) in each county in the State, except the City and County of San Francisco.

The Knox-Nisbet Act, its successors, Cortese/Knox Local Government Reorganization Act adopted in 1985, and Cortese/Knox/ Hertzberg Local Government Reorganization Act adopted in 2000 represent a unique California experiment in rationalizing growth and development through local control of the formation, expansion and alteration of agencies within each county.

Shortly after LAFCOs' creation, Governor Brown summarized their potential when he heralded the Commissions as California's "test of the capacity of local government to deal effectively with urban growth."

Since 1963 LAFCO has been a regulatory agency, controlling the boundaries of cities and special districts. In 1971 LAFCO became a planning agency as well, charged by State law to prepare a "sphere of influence," a plan for the probable physical boundaries and service area, of each city and special district. A few years later LAFCO was given the duty to regulate the extension of services by cities and special districts outside their boundaries.

ROLE OF THE LAFCO COMMISSIONER

A Commissioner's role cannot be separated from the role of the Commission itself.

A. Legislative Intent

The law sets forth Statewide purposes and policies for LAFCOs. Government Code Section 56301 states:

Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

Government Code Section 56300 states:

It is the intent of the Legislature that each commission . . . shall establish written policies and procedures and exercise its powers pursuant to this part in a manner . . . that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns...

LAFCO is also subject to the California Environmental Quality Act (CEQA) and the Ralph M. Brown Act, the State's open meeting law.

B. Countywide Decision Maker

The members of the Commission, by majority action, establish public policy in the areas of governmental boundaries, urban form, the provision of public services and jurisdictional relationships between local agencies.

This requires LAFCO Commissioners to weigh evidence and render:

- Policy decisions regarding such matters as orderly governmental boundaries, agricultural preservation and urban sprawl; and
- Technical decisions based upon factors such as compatibility of proposals with adopted plans, the need and adequacy of public services and effects of alternate actions.

C. Balanced Membership

The Legislature has established a balanced membership on LAFCO consisting of City, County and Public members.

The law allows the expansion of LAFCOs by two members of Boards of Directors of independent special districts within the County. Almost half of LAFCOs have chosen to seat special districts.

Members are not, however, appointed to be representative of a particular "city", "county" or "special district" viewpoint. The mixed membership is to ensure that various backgrounds and appreciations are reflected on the Commission.

Government Code Section 56325.1 states:

“While serving on the commission, all commission members shall exercise their independent judgment on behalf of the interests of residents, property owners, and the public as a whole in furthering the purposes of this division.

“Any member appointed on behalf of local governments shall represent the interests of the public as a whole and not solely the interests of the appointing authority. This section does not require the abstention of any member on any matter, nor does it create a right of action in any person.”

Commissioners should rely upon their expertise and experience on LAFCO and exercise responsibility through a countywide perspective in making decisions.

D. Independence

LAFCO is an independent commission. It is not a part of the County government nor are its decisions appealable to the County or any local agencies.

Each Commissioner is independent in weighing and reviewing information and making a determination based upon the particular matter under review and in consideration of LAFCO's underlying purposes.

E. LAFCO Operations

The Commission is responsible for establishing policies and objectives and adopting an annual budget that is adequate and appropriate to achieve LAFCO's legal and programmatic responsibilities.

One responsibility of the Commission is to appoint the Executive Officer to fulfill LAFCO's managerial and staff needs, ensure required information is presented to support decisions that are made and administer the LAFCO operation efficiently.

LAFCO MEMBERSHIP

A. Selection of Members

The authority and procedures for the selection of LAFCO members are contained in the Cortese/Knox/Hertzberg Act.

The Inyo LAFCO consists of five regular members and three alternate members selected for four-year terms as described below.

1. City Members

The two regular City members and one alternate member must be members of a city council during the time they serve. They are chosen by, and serve at the pleasure of, the City Selection Committee

City Selection Committee consists of each mayor in the County. Meetings are open to the public. Since there is only one city in Inyo County the Clerk of the City Council serves as the secretary and recording officer.

In the absence of the Mayor another member of that City Council may be appointed to attend and vote in place of the Mayor.

2. County members

The two regular County members and one alternate member must be County Supervisors when they serve. They are appointed by, and serve at the pleasure of the Board.

3. Public members

The regular Public member and alternate member are appointed by, and serve at the pleasure of, the regular City and County members of the Commission.

5. Selection of Public members

Government Code Section 56325 requires that selection of the public member and alternate public member be supported by at least one of the members in each of the other categories, i.e., City and County.

The method to select public members is determined by the regular City and County members as follows. The process has been:

- a. A public announcement of a vacancy to solicit letters of interest.

- b. Finalists are selected and interviewed by the Commission in open session, followed by the appointment of the Public Member or Alternate Public Member.

B. Alternate Members

- 1. Alternates assure qualified Commissioners are entitled to vote when regular members are disqualified or absent.
 - a. The alternate City member may vote only in the place of a regular City member.
 - b. The alternate County member may vote only in the place of a regular County member.
 - c. The alternate Public member may vote only in the place of the regular Public member.
- 2. Alternates participate fully in LAFCO proceedings with the exception they vote only in the absence or disqualification of a regular member.
- 3. Alternates are authorized to receive the same expense reimbursement as regular members.
- 4. Alternates are encouraged to attend and participate in LAFCO meetings and CALAFCO conferences and workshops.

C. Disqualification from Participating

A member who is disqualified is prohibited from voting on the matter or discussing the matter at the Commission meeting as a member of LAFCO

LAFCO Commissioners are affected by certain Political Reform Act rules which apply specifically to LAFCOs.

LAFCO members must submit annual conflict of interest disclosure statements with the LAFCO office for filing with the County Clerk.

LAFCO members are disqualified and are not able to participate in any proceeding involving an "entitlement for use" if, within the 12 months preceding the LAFCO decision, the Commissioner received \$250 or more in campaign contributions from the applicant, an agent of the applicant or any financially interested person who actively supports or opposes the LAFCO decision on the matter.

D. Terms of Office

Government Code Section 56334 provides that

- The term of office of each member is four years and until the appointment and qualification of his or her successor. The body which originally appointed a member whose term has expired shall appoint his or her successor for a full term of four years.
- For the Inyo LAFCO the expiration date of the term of office of each member is the first Monday in February in the year the term of the member expires.
- Any member may be removed at any time and without cause by the body appointing that member.
- Any vacancy in the membership of the commission shall be filled for the unexpired term by appointment by the body which originally appointed the member whose office has become vacant.

LAFCO POWERS AND DUTIES

A. General Provisions

The Cortese/Knox/Hertzberg Local Government Reorganization Act (Government Code §56000 et seq.), establishes basic purposes, composition and funding of the Commission and sets forth required procedures for boundary changes.

The State's purposes for LAFCO are found in Section 56301:

Among the purposes of a local agency formation commission are discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

One of the objects of the commission is to make studies and to obtain and furnish information which will contribute to the logical and reasonable development of local governments in each county and to shape the development of local governmental agencies so as to advantageously provide for present and future needs of each county and its communities.

B. Boundary Review and Regulation

In regulating boundaries LAFCO's basic authority is to "approve or disapprove, with or without amendment, wholly, partially or conditionally:"

- Annexations of territory to cities
- Annexations of territory to special districts
- Detachments of territory from cities or special districts
- City incorporation, disincorporation and consolidation
- Special district formations, dissolutions and consolidations
- Mergers of special districts and cities

A "change of organization" is an annexation, detachment, formation or other boundary change taken by itself. A "reorganization" is two or more boundary changes combined into a single application and proceeding.

C. Out-of-Agency Services

Besides regulating governmental boundaries LAFCO controls the extension of services by cities and special districts outside of their boundaries.

Government Code Section 56133 provides that:

- A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundaries only if it first requests and receives written approval from LAFCO
- LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization.
- LAFCO may authorize a city or district to provide new or extended services outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory if:
 - The entity provides LAFCO with documentation of a threat to the health and safety of the public or the affected residents and
 - LAFCO notifies any alternate service provider.
- This requirement does not apply to agreements solely involving two or more public agencies where the service to be provided is a substitute for services already being provided and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.
- Nor does this requirement apply to contracts to transfer nonpotable or nontreated water or to agreements solely involving the provision of surplus water to agricultural lands and related facilities.

D. Spheres of Influence

A Sphere of Influence, as defined by Section 56076, is a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCO. LAFCO approved boundary and public service decisions must be consistent with the adopted spheres of Influence.

LAFCO is required to prepare and adopt a sphere of influence for each city and special district and to review and update each sphere at least every five years.

E. Municipal Service Reviews

Government Code Section 56430 requires LAFCO to study local governments and their services prior to or in conjunction with updating a sphere of influence.

These studies are called Municipal Service Reviews and LAFCO, in adopting a MSR, is required to make a number of specific written determinations

F. Initiation of Special District Reorganizations

LAFCO may initiate proposals for consolidations, dissolutions, mergers and the establishment of subsidiary districts provided the proposal is consistent with a recommendation or conclusion of a study prepared by LAFCO including adopted spheres of influence.

G. Miscellaneous Other Powers

Other LAFCO powers and duties in Government Code Section 56375 are to:

- Adopt standards and procedures for the evaluation of proposals and plans of reorganization
- Make and enforce rules and regulations for the orderly and fair conduct of hearings.
- Appoint and assign staff personnel and employ or contract for professional or consulting services to carry out and give effect to the functions of the Commission.

H. Environmental Policies and Procedures

LAFCOs are public agencies subject to the California Environmental Quality Act (CEQA) at Public Resources Code 21000 et seq.

Most LAFCO approvals are “projects” under CEQA which contains environmental policies, requires environmental review and reporting procedures and provides opportunities for public participation in the decision-making process.

I. Factors LAFCO Must Consider

The law does not specify criteria for LAFCO to meet in approving or denying proposals. Rather, the Commission is guided by its broad statutory purposes, any locally adopted policies and the California Environmental Quality Act.

LAFCO must, however, consider a number of specific factors that are listed in the Government Code. These are listed in Appendix A.

J. LAFCO Imposed Conditions

As stated in Government Code Section 56375, 56885.5 and 56886 LAFCO has the authority to attach certain types of binding conditions to its approval of boundary changes. As examples, LAFCO can:

- Modify proposed boundaries by adding or deleting territory. Once approved by LAFCO, no changes can be made in boundaries without LAFCO approval.
- Approve a proposal subject to initiation, conduct or completion of proceedings for another proposal. (i.e., an annexation to a city, LAFCO can be made subject to the concurrent annexation or detachment of the territory to or from other agencies.)
- Require the approval of bonds or other long-term indebtedness or the formation of assessment or improvement districts to finance capital facilities.
- Impose conditions relative to the distribution of assets, financial contracts, personal contracts or other obligations among affected agencies.
- Designate the successor when an agency is being dissolved or consolidated.

RULES AND PROCEDURES

A. Authority

These rules are adopted pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act (Government Code Section 56000 et seq.) and apply to the Inyo Local Agency Formation Commission and to all proceedings conducted before that Commission.

B. Officers

Selection of Officers -- The members of the Commission shall elect a Chair and Vice Chair at the first meeting of the Commission held in January of each year or as soon thereafter as practicable.

Chair -- The Chair shall preside at all meetings of the Commission and shall conduct the business of the Commission in the manner prescribed by State law and by these rules. The Chair shall preserve order and decorum and decide all questions of order, subject to the action of a majority of the Commission.

Vice Chair -- In the event that the Chair is absent or for any reason unable to act, the Vice Chair shall act as Chair and exercise all powers and duties of the Chair.

Chair Pro Tem -- In the event both the Chair and Vice Chair are absent or for any reason unable to act, the members of the Commission present shall select one of the members to act as Chair Pro Tem, said selection to be entered into the minutes.

The Chair Pro Tem shall have all of the powers and duties of the Chair while the Chair and Vice Chair are absent or for any reason unable to act.

C. Meetings

Date of Regular Meetings -- Commission meetings shall be held, as needed.

Notice of an agenda for a meeting shall be posted at least 72 hours in advance of the meeting, to all members of the Commission, all media outlets and any individuals who have requested notification. It shall be posted on bulletin boards

generally used for such purposes and shall also be posted on the Commission website.

Location of Regular Meetings -- Meetings shall be held at such a location as determined by the Commission Chair.

Special Meetings -- Special meetings may be called by the Chair or a majority of the members of the Commission in a manner provided by State law. The notice shall be provided 24 hours in advance of the meeting to all members of the Commission, all media outlets and any individuals who have requested notification, and shall be posted. The order calling the special meeting shall specify the time and place of the meeting and the business to be transacted at such meeting and no other business shall be considered. The notice of the special meeting shall specify whether the meeting is being called by the Chair or a majority of the members.

D. Conduct of Meetings

Order of Business - Business at each Commission meeting shall be transacted to the extent practicable in the following order:

- 1) Call to order and roll call.
- 2) Approval of minutes of previous meetings.
- 3) Public comment period for items not on the agenda
- 4) Proposed boundary changes
- 5) Other business items
- 6) Informational items
- 7) Commissioner and staff announcements
- 8) Adjournment

Quorum. Three members of the Commission constitute a quorum and no act of the Commission shall be valid or binding unless at least one member from each entity is present and concurs..

Roll Call Voting

- 1) In voting upon a motion there is no need to call the roll unless requested by a member of the Commission.

- 2) If the roll is not called, and if there is no objection, the Chair may order the motion unanimously approved.
- 3) Roll call shall be in alphabetical order, except the Chair shall be called last.

Public Comment

- 1) At each meeting the Commission shall allow any member of the public to address the Commission on a matter within its jurisdiction.
- 2) The Chair may establish reasonable regulations including, but not limited to, restricting the amount of time allocated for public testimony on a particular issue and for each speaker.
- 3) Any person wishing to address the Commission may be requested to submit a "Request to Speak" form prior to the time the Public Comment period commences; the form shall identify the subject the speaker wishes to address.
- 4) The "Public Comment" portion of the agenda is for those who wish to speak on matters not listed on the Agenda. Comments on Agenda items are appropriate when that item is being discussed by the Commission.
- 5) The Chair may refer matters raised during the "Public Comment" period to the appropriate staff. The Commission shall only act on items appearing on the Agenda unless the action is authorized by Section 54954.2 of the Government Code.

F. Conducting Authority Proceedings (i.e., protest hearings)

Section 1. The Commission delegates to the Executive Officer the responsibility to conduct protest hearings as provided for in Government Code §57000 (c) and to order a change of organization or reorganization that complies with Government Code Section 57075 (a)(3) or 57075(b)(2).

Section 2. The purpose is to increase scheduling flexibility, avoid scheduling or extending Commission meetings to conduct non-discretionary procedures and to expedite the boundary change process.

Section 3. The staff will comply with statutory requirements respecting noticing, scheduling and conducting protest hearings. At the conclusion of the hearing the Executive Officer shall determine the value of written protests filed and not withdrawn.

Section 4. Within thirty (30) days of the hearing the Executive Officer shall, based on the value of valid protests received either record the change, terminate the proposal due to a majority protest or, when required, return the matter to the Commission to request the County or City to conduct a confirmation election.

Section 5 The Executive Officer shall report to the Commission at its next meeting the outcome of any protest hearings that are conducted.

G. Disclosure of Political Expenditures Regarding LAFCO Proceedings

Applicants for LAFCO approvals and those opposing such proposals are required by State law to report all political contributions and expenditures with respect to the proposal that exceed \$1,000 to the Fair Political Practices Commission.

Expenditures for political purposes related to a proposal for a boundary change, re-organization or formation of a new district (hereafter “proposal”) and contributions in support of or in opposition to any proposal at the conducting authority stage of the boundary change process are subject to reporting and disclosure to the same extent as required for local initiative measures under the Political Reform Act, Government Code Section 81000 et seq., and the regulations of the Fair Political Practices Commission implementing that law.

The following information shall be provided to applicants who are seeking LAFCO approval for a boundary change:

LAFCO has adopted policies to implement Government Code Sections 56100.1, 56700.1 and 57009. By signing this application, you are pledging to abide by these disclosure requirements.

Reporting and disclosure requirements

1. Definitions

- a. “Contribution” as used herein shall have the same definition as provided in Government Code Section 82015, as amended.
- b. “Expenditure” as used herein shall have the same definition as provided in Government Code Section 82025, as amended.
- c. “Independent expenditure” as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term “measure” as used in Section 82031 shall be replaced with the term “proposal for organization or reorganization.”
- d. “Political Purposes” as used herein shall mean for the purpose(s) of: (i) influencing public opinion; (ii) lobbying public officials; and/or, (iii) influencing legislative or administrative action as defined in Government Code § 82032.

It shall not, by way of example, apply to documents necessary to comply with the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), such as a mitigated negative declaration or environmental impact report or the preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800).

2. Disclosure Requirements for Boundary Change Proposals

- a. Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, proposal submitted to the Commission to which Government Code Section 56700.1 applies, shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code §§ 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures.

Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission

Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

- b. Disclosures made pursuant to this section shall be filed with Executive Officer as designated in Section 5 below.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled Commission hearing on a proposal for organization or reorganization.

If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the Executive Officer establish a date to serve as the “election” date for this purpose. The Executive Officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the Commission regarding the proposal, and inform the requestor of that date in writing.

- d. In the event the originally scheduled hearing date for the proposal for change of organization or reorganization is rescheduled or continued to a later date, the obligation to file reports shall be on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the Commission on the proposal.

3. Disclosure Requirements for Conducting Authority Proceedings

- a. Any person or combination of persons who directly or indirectly makes an expenditure for political purposes of \$1,000 or more related to conducting authority proceedings for a proposal to which Government Code Section 57009 applies, or in support of or in opposition to those conducting authority proceedings, shall comply with the reporting and disclosure requirements of the Political Reform Act (Government Code §§ 81000 et seq.), to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.
- b. Disclosures made pursuant to this Section shall be filed with the Commission's Executive Officer as designated in Section 5 below.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled conducting authority hearing on the proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the Executive Officer establish a date to serve as the "election" date for this purpose. The Executive Officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the Commission regarding the proposal, and inform the requestor of that date in writing.
- d. In the event the originally scheduled conducting authority hearing date for a proposal for organization or reorganization is rescheduled or continued to a later date, the obligation to file continues and reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the Commission on the proposal.

4. Certain Reports and Disclosures Excluded

This policy requires only that the persons subject to it disclose via reports to the Executive Officer contributions, expenditures and independent expenditures with respect to expenditures for political purposes related to a proposal for an organization or reorganization.

This policy does not impose on persons subject to it the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

5. Where to File

All reports and disclosures required hereunder shall be filed with the commission's Executive Officer.

6. Reporting requirements are non-exclusive

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

7. Sunset provision

This policy is intended to implement Government Code Sections 56700.1 and 57009 and shall be of no further force and effect upon the effective date of legislation repealing or amending those sections to transfer responsibility for enforcing disclosure of expenditures for political purposes affecting commission proceedings to the Fair Political Practices Commission or otherwise terminates the responsibility of this commission to adopt and implement this policy.

H. Amendment

These Rules and Procedures may be amended at a regular or special meeting on the Commission by a four-fifths vote of the members.

POLICY GUIDELINES AND STANDARDS

The intent of the Legislature is that LAFCO establish written policies and procedures and exercise its powers in a manner that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns.

The Legislature states that among LAFCO purposes are discouraging urban sprawl, preserving open-space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances and to shape the development of local agencies so as to advantageously provide for present and future needs of the county and its communities. (Government Code Sections 56300 and 56301)

The following policies and standards have been adopted by the Inyo LAFCO to assist in the review of proposals and preparation of studies as necessary.

Policies Encouraging Orderly Formation and Development of Agencies

1. Any proposal for a boundary change or governmental reorganization shall provide sufficient information to determine whether adequate services and facilities can be provided and financed by the agencies responsible for such services and facilities.
3. The reorganization of overlapping agencies and correction of boundaries dividing logical agency service areas is recommended. Governmental reorganizations that will result in better service, reduced cost and/or more efficient and visible services are encouraged.
4. To minimize the numbers of agencies providing services proposals, forming new agencies is discouraged unless there is a clear need for the agency's services, there are no existing agencies able to annex and provide similar services; and the new agency is able to finance and provide the needed new services.

Sphere of Influence Policies

1. A sphere of influence establishes the probable physical boundary and service area of a local governmental agency. Once adopted, spheres of influence are a major factor in making decisions on boundary change proposals and governmental reorganizations and are a basis to recommend governmental reorganization.
2. The law requires Sphere of Influence determinations to be reviewed and updated not less than every five years.

3. Sphere of influence determinations are subject to review under the provision of the California Environmental Quality Act (CEQA). To integrate environmental considerations into sphere of influence determinations, environmental review will be conducted concurrently with development of the sphere of influence.

Policies Encouraging Consistency with Spheres of Influence

1. All proposals approved by the Commission shall be consistent with adopted spheres of influence and Commission policies.
2. Developed unincorporated lands located within the sphere of influence of a city and which do or will benefit from municipal services provided by the city should be included within the city.

Policies Encouraging Conservation of Agricultural Lands and Open Space Areas

1. Proposals which would conflict with the goals of maintaining the physical and economic integrity of agricultural lands or open space lands are discouraged.
2. Development of existing vacant non-open space lands and nonprime agricultural land within an agency's sphere of influence is encouraged prior to development outside of an existing sphere of influence.

Standards for Out-Of-District Service Agreements

Annexations to cities and special districts are generally preferred for providing public services; however, out-of-agency service agreements can be an appropriate alternative.

While each proposal must be decided on its own merits, the Commission may favorably consider such agreements in the following situations:

1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
3. Where public agencies have a formal agreement defining service areas, provided LAFCO has formally recognized the boundaries of the agreement area
4. Emergency or health related conditions militate against waiting for annexation.
5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Inyo LAFCO.

Whenever the affected property may ultimately be annexed to the agency, a standard condition for approval of an out-of-agency service agreement is recordation of an agreement by the landowner consenting to annex the territory, which agreement shall be binding on future owners of the property.

Reconsideration of LAFCO Decisions

Requests for reconsideration of LAFCO resolutions making determinations will be evaluated for approval by LAFCO when the applicant meets the statutory deadline for submitting the request, the request sets forth the specific modification being sought, the processing fee is paid and either (a) reconsideration is needed to correct a procedural defect in an earlier LAFCO action or (b) newly discovered evidence, material to the reconsideration request and relevant to the LAFCO decision on the boundary change, is available that could not, with reasonable diligence, have been produced at the time of initial LAFCO consideration.

A request for reconsideration shall not be accepted by LAFCO as being complete until a processing fee is received. The fee to request reconsideration shall be as set forth in the LAFCO fee schedule, as it is amended from time to time.

The fee paid shall be returned to an applicant for reconsideration in the event the Commission determines that reconsideration is required to correct a procedural defect in its earlier action.

CONFLICT OF INTEREST CODE

- A. The Political Reform Act, Government Code Section 81000 et seq., requires state and local government agencies to adopt Conflict of Interest Codes.
- B. Section 18730 of the California Code of Regulation contains the terms of standard Conflict of Interest Code as prepared by the Fair Political Practices Commission, which can be incorporated by reference, and which may be amended by the Fair Political Practices to conform to amendments to the Political Reform Act after public notice and hearing.
- C. Section 18730, and any amendments adopted by the Fair Political Practices Commission are hereby incorporated by reference and, along with Appendix "A" in which officials and employees are designated and Appendix B that sets forth disclosure categories, constitute the Conflict of Interest Code of the Inyo Local Agency Formation Commission.
- D. Pursuant to Section 4 of the standard Code, designated officers and employees shall file statements of economic interest with the Executive Officer. Upon receipt of the statements filed, a copy shall be retained and the original shall be forwarded to the Elections Division of the Inyo County Clerk-Recorder.

LAFCO BUDGET AND FINANCIAL PROCEDURES

A. Authority to Develop and Adopt the Budget

The Cortese/Knox/Hertzberg Act creates the funding relationship between the County, City of Bishop and LAFCO. Pertinent portions of the Government Code are appended as Exhibit A to this section of the Commissioner Handbook:

B. LAFCO as a Separate Fund

For administrative purposes the LAFCO budget is a separate fund within the County's financial accounting system with unspent appropriations retained in the fund as available financing for the following year.

C. Processing Fee Schedule

The Act permits LAFCO to levy processing fees to cover the cost of verifying petitions, processing boundary change requests, amending spheres of influence and so forth. The fee schedule is reviewed in conjunction with adoption of the budget.

D. Financial Status Reports

The budget adopted by LAFCO is an estimate of expenditures and revenues. The staff keeps the Commission informed of aspects of the financial program that deserve review and adjustment through periodic financial status reports.

E. Reimbursement of Commissioner Expenses

1. Commission members and alternates may claim reimbursement for reasonable and necessary expenses incurred in attending LAFCO sponsored or related events and in performing the duties of their office.
2. Commissioners attending LAFCO-related conferences, meetings and events shall be reimbursed for expenses in the same manner as the staff.
3. The Executive Officer is responsible for reviewing and approving each request for Commission reimbursement.

F. Per Diem Stipends for Commission members

Members and alternative members are eligible to receive a stipend for attendance at the following meetings at an amount determined by the Commission: Regular and special meetings of the Commission; meetings of standing committees, ad hoc committees and meetings of the Board of Directors of the California Association of LAFCOs when the Commissioner is a member of the Board of Directors.

G. Reimbursement of Staff and Legal Counsel Expenses

1. The Executive Officer, staff and Legal Counsel shall be reimbursed for all reasonable and necessary expenses in connection with the conduct of LAFCO business including but not limited to office expenses, training, travel, lodging, meals, gratuities and other related costs.
2. The Executive Officer is responsible for reviewing and approving requests for reimbursement of expenses by the Legal Counsel.

H. Reimbursement Policies

1. Reimbursement for Use of Private Automobiles
 - a. Use of private automobiles to conduct LAFCO business shall be reimbursed at the IRS allowable rate.
 - b. This rate shall be considered full and complete payment for actual expenses for use of private automobiles, including insurance, maintenance and all other automobile-related costs.
 - c. LAFCO does not provide insurance for private automobiles used for LAFCO business. The owner is responsible for personal liability and property damage insurance when vehicles are used on LAFCO business.
2. Receipts or vouchers which verify the claimed expenses are required for reimbursement of all items of expense except private automobile mileage.
3. Reimbursement of expenses is not allowed for personal items such as, but not limited to, entertainment, clothing, laundering, etc.
4. The general rule for selecting a mode of transportation for reimbursement is that method which represents the lowest reasonable expense to LAFCO and the individual Commissioner or staff member.
5. Per diem expenses are allowed based on County policies and procedures.

I. Recognition by the Commission

Nominal amounts may be expended for the purchase of plaques or certificates of appreciation for those to whom such expressions are deemed to be appropriate by the Commission.

J. Government Code Authority for LAFCO budget

56380. The commission shall make its own provision for necessary quarters, equipment, and supplies as well as personnel. The commission may choose to contract with any public agency or private party for personnel and facilities.

56381. The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter.

The commission shall transmit its proposed and final budgets to the board of supervisors; to each city; to the clerk and chair of the city selection committee, if any, established in each county pursuant to Article 11 (commencing with Section 50270) of Chapter 1 of Part 1 of Division 1.

After the commission adopts the final budget the auditor shall apportion the net operating expenses in the following manner:

- In counties without special district members on the commission, the county and cities shall each provide a one-half share of the commission's operational costs.
- In counties without special districts on the commission, the county and the cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in the following paragraph.
- The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.
- After apportioning costs as described above the auditor requests payment from the county and each city no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity.

If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget. If, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds and recover those funds in the commission's budget for the following fiscal year.

LAFCO STAFFING

A. Executive Officer Appointment

The manner of recruiting and appointing the Executive Officer is a matter of Commission discretion. The Commission has chosen to appoint the County Planning Director as the Executive Officer.

B. Executive Officer Responsibilities

The statute sets forth the following specific Executive Officer responsibilities:

- Conduct and perform the day-to-day business of the Commission.
- Review each application which is filed and prepare a report, including recommendations thereon, and
- Prepare impartial analyses of ballot propositions for approval by the Commission when required.

The Executive Officer implements the policies and directives of the Commission, manages the LAFCO office, supervises other LAFCO staff, prepares and administers the budget, represents the Commission at meetings and performs other duties as assigned. The Executive Officer may delegate specific duties to the Commission Clerk.

C. Other Commission Support

The County Counsel provides legal advice and support for LAFCO. If a conflict of interest ever occurs between LAFCO and the County the Commission can obtain outside counsel.

In addition, the statute directs the County Surveyor (or other such County officer or employee as the Board of Supervisors may designate), to examine and report on the boundaries of applications submitted to LAFCO, on request by the Commission or Executive Officer.

CALIFORNIA ASSOCIATION OF LAFCOS (CALAFCO)

A. General Provisions

The California Association of LAFCOs, or CALAFCO, was formed in 1971 and continues to exist as a voluntary association. It shares information, coordinates LAFCO activities and represents LAFCO interests before the Legislature.

Commissioners are encouraged to participate in CALAFCO activities depending on their interests to ensure closer coordination and information exchange with other LAFCOs.

B. CALAFCO Board of Directors, Staff and Dues

In accordance with its Bylaws, the Association is governed by a Board composed of 13 LAFCO Commissioners -- four City members, four County members, three Public members and two Special District members.

A CALAFCO Executive Director manages Association affairs with assistance from staff volunteers from individual LAFCOs.

Annual membership dues are specified in the Association Bylaws.

C. CALAFCO Newsletter “The Sphere”

The Association’s newsletter details matters of interest to LAFCOs including significant legislative changes, litigation and activities by individual LAFCOs. Copies are distributed to all members of the Commission.

CALAFCO encourages newsletter articles by Commissioners and staff and is interested in knowing what subjects would be of interest for future articles.

D. Conferences and Workshops

The CALAFCO Annual Conference is held in the Fall alternating between northern and southern California. There are discussions, presentations and informal activities.

CALAFCO also sponsors an annual staff workshop, courses on matters of interest to LAFCOs and other seminars as needed.

E. Annual Business Meeting

A business meeting is held in conjunction with the Annual Conference. Each LAFCO in good standing has one vote to elect members of the Board and decide other items of Association business.

ROSTER OF LOCAL AGENCIES WITHIN INYO LAFCO JURISDICTION

Cities

City of Bishop

Cemetery Districts

Big Pine Cemetery District
Independence Cemetery District
Mount Whitney Cemetery District
Pioneer Cemetery District
Tecopa Cemetery District

Community Services Districts

Big Pine Community Services District
Darwin Community Services District
Eastern Sierra Community Services District
Independence Community Services District
Indian Creek Community Services District
Keeler Community Services District
Lazy A Community Services District
Lone Pine Community Services District
Mesa Community Services District
Olancho Community Services District
Sierra Highlands Community Services District
Sierra North Community Services District
Starlite Community Services District
Westridge Community Services District

Fire Protection Districts

Big Pine Fire Protection District
Bishop Rural Fire Protection District
Independence Fire Protection District
Lone Pine Fire Protection District
Southern Inyo Fire Protection District

Hospital Districts

Northern Inyo Hospital District
Southern Inyo Health Care District

Resource Conservation District

Inyo Mono Resource Conservation District

Sanitary District

East Independence Sanitary District

Water District

Hidden Springs Water District

Persons occupying the following positions are designated employees and must disclose financial interests in those categories described in Appendix B which are listed opposite their respective designated positions.

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Commissioners and Alternate Commissioners	1,2,3,4
Executive Officer	1,2,3,4
Legal Counsel	1,2,3,4

CATEGORIES OF DISCLOSURE

Officers and employees shall report investments, interest in real property, income, and any business entity in which the person is an owner, director, officer, partner, trustee, employee, or holds any position of management which materially by any decision made or participated in by an officer or employee by virtue of his or her position with the Commission may benefit from a decision of LAFCO.

Category 1

Interests in real property which is located in whole or in part within the jurisdiction of Inyo County, including any leasehold, beneficial or ownership interest or option to acquire such interest in real property, if the fair market value of the interest is \$1,000 or more.

Category 2

Business positions or investments in or income from persons or business entities engaged in the appraisal, acquisition, or disposal of real property within the jurisdiction of the Commission.

Category 3

Business positions or investments in business entities and income from any source or sources of income, if the business entities or the source of sources of income are of the type which, within the previous two years, have provided or contracted to provide, or in the future with reasonable foreseeability might provide or contract to provide services, supplies, materials, machinery or equipment to or for the use of the Commission.

Category 4

Business positions or investments in business entities and income from any source or sources of income, if the business entities or source or sources of income are of the type which are subject to the regulation or supervision of the Commission and the designated officer or employee's duties involve the supervision or regulation (including, but not limited to, the issuance or granting or franchise, building permits or other use or business permits or any other land use control or regulation) of that type of business entity or source of income.

Government Code Section 56668

Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

- Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.
- Need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.

"Services," as used in this subdivision, refers to governmental services whether or not the services are services which would be provided by local agencies subject to this division, and includes the public facilities necessary to provide those services.

- The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in Section 56377.
- The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.
- The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.
- Consistency with city or county general and specific plans.
- The sphere of influence of any local agency which may be applicable to the proposal being reviewed.

- The comments of any affected local agency or other public agency.
- The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.
- Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.
- The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.
- Any information or comments from the landowner or owners, voters, or residents of the affected territory.
- Any information relating to existing land use designations.
- The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.