



AGENDA

Wednesday June 6, 2012

5:30 P.M., Board Chambers, County Administration Center,
700 H Street, Sacramento, California 95814

COMMISSIONERS:

- Chair: Gay Jones
- Vice-Chair: Robert Jankovitz
- Ron Greenwood
- Susan Peters
- Jay Schenirer
- Christopher Tooker
- Jimmie Yee

ALTERNATE COMMISSIONERS:

- Jerry Fox
- Mike Singleton
- Jerry Fox
- Phil Serna
- Robert King Fong
- John Messner
- Phil Serna

PUBLIC COMMENT FROM THE FLOOR

The public is encouraged to address the Commission concerning any matter not on the Agenda. Public comments are limited to three minutes. The Commission is prohibited from discussing or taking any action on any item not appearing on the posted Agenda

CONSENT CALENDAR

1. Approve the Meeting Minutes of May 2, 2012
2. Claims dated thru May 31, 2012
3. Monthly Budget Report
4. Legislation Status Report
5. Fiscal Year 2012/2013 Final Budget
6. Fiscal Year 2012/2013 Contracts:
 - a. Miller & Owen - Legal Services
 - b. Environmental Planning Partners Inc. - Environmental Services
 - c. James Marta & Company - Auditor

BUSINESS ITEMS

7. Update Rio Linda/Elverta Community Water District MSR (LAFC 07-10) [CEQA Exempt]

PUBLIC HEARINGS

8. City of Rancho Cordova Detachment from County Service Area No.1 (CSA 1) (LAFC 01-12) [CEQA Exempt]

QUESTIONS/ANNOUNCEMENTS

9. Executive Officer/Staff/ Commission Counsel
10. Commission Chair/Commissioners



MEETING SCHEDULE

5:30 P.M., Board Chambers
700 H Street, Sacramento CA

Dates

July Recess
August 1
September 5

* Please Note – AGENDA is subject to change up to 72 hours prior to meeting

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

SUMMARY OF RULES AND PROCEDURES

AGENDA ITEMS: The Commission may reschedule items on the agenda. The Commission will generally hear uncontested matters first, followed by discussions of contested matters, and staff announcements in that order. Anyone who wishes to address the Commission should obtain a form from either the Commission Clerk or from the table located near the entrance of the hearing chamber.

CONDUCT OF HEARINGS: A contested matter is usually heard as follows: (1) discussion of the staff report and the environmental document; (2) testimony of proponent; (3) testimony of opponent; (4) Public Testimony (5) rebuttal by proponent; (6) provision of additional clarification by staff as required; (7) close of the public hearing; (8) Commission discussion and Commission vote.

ADDRESSING THE COMMISSION: Any person who wishes to address the Commission should submit a speaker's request form at the beginning of the meeting; move to the front of the chambers when an item is called; and, when recognized by the chair, state their name, address and affiliation. Please attempt to make your statements concise and to the point. It is most helpful if you can cite facts to support your contentions. Groups of people with similar viewpoints should appoint a spokesperson to represent their views to the Commission. The Commission appreciates your cooperation in this matter.

PUBLIC COMMENT TIME LIMITS: The Sacramento Local Agency Formation Commission welcomes and encourages participation in its meetings. Rules of the Commission provide for the following limitations of discussion: The Commission will hear public comment prior to the consideration of any item. (1) a principal proponent will be allowed a 5-minute statement; (2) other proponents will be allowed a 3-minute statement; (3) opponents are allowed 3-minute statements with the exception of spokespersons for any group who shall be permitted 5-minutes; (4) the principal proponent shall have a 3-minute rebuttal; (5) staff will provide clarification, as required.

VOTING: A quorum consists of four members of the Commission, including any alternate. No action or recommendation of the Commission is valid unless a majority (4 votes) of the entire membership of the Commission concurs therein.

OFF AGENDA ITEMS: Matters under the jurisdiction of the Commission, and not on the posted agenda, may be addressed by the general public under "Public Comment From the Floor" on the Agenda. The Commission limits testimony on matters not on the agenda to three minutes per person and not more than fifteen minutes for a particular subject. The Commission cannot take action on any unscheduled items.

SPECIAL NEEDS: Meeting facilities are accessible to persons with disabilities. Requests for assistive listening devices or other considerations should be made 48 hours in advance through the Commission Clerk at (916)874-6458.

AB 745 DISCLOSURES: The Political Reform Act requires all interested parties to disclose contributions and expenditures for "political purposes" related to proposals for changes of organization or reorganization (annexations, incorporations, etc.) as well as contributions and expenditures in connection with Conducting Authority protest proceedings. Such contributions and expenditures must be reported to LAFCo's Executive Officer to the same extent, and subject to the same requirements, as local initiative measures under the Political Reform Act. Additional information regarding these requirements can be found on LAFCo's website at: <http://www.saclafco.org/Forms/index.htm>.

STAFF REPORTS: Staff Reports are available on line at www.SacLAFCo.org or upon request to Diane Thorpe, Commission Clerk at (916)874-6458.

VIDEO BROADCASTS: The meeting is video taped in its entirety and will be cablecast live on Metro Cable channel 14, the government affairs channel on the Comcast, and SureWest Cable Systems and is closed captioned for our hearing impaired viewers. The meeting is webcast live at <http://www.saccounty.net> . The current meeting is broadcast live and will be rebroadcast; check the Metro Cable schedule for dates and times. A VHS video copy will be available for checkout through the County Library System seven to ten days following the meeting.



MINUTES FOR THE MEETING OF
Wednesday May 2, 2012

The Sacramento Local Agency Formation Commission met the second day of May 2012, at 5:30 P.M. in Board Chambers of the Sacramento County Administration Center, 700 H Street, Sacramento, California 95814.

PRESENT:

Commissioners:

Gay Jones, Chair
Robert Jankovitz, Vice Chair
Jay Schenirer
Ron Greenwood
Susan Peters
Christopher Tooker
Jimmie Yee

Staff:

Peter Brundage, Executive Officer
Donald Lockhart, Assistant Executive Officer
Diane Thorpe, Commission Clerk
Matt McOmber, Commission Counsel

Alternates:

Jerry Fox

PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

Public Comment regarding the Elk Grove Sphere of Influence was received from:

- a. Nikki Carpenter
- b. Ed Owen

No Action Taken

CONSENT CALENDAR

1. Approve the Meeting Minutes of April 4, 2012
2. Claims dated thru April 20, 2012
3. Monthly Budget Report
4. Legislation Status Report
5. Update City of Elk Grove Sphere of Influence (LAFC 09-10) [CEQA - EIR SCH#2010092076]
Motion: To approve the Consent Calendar
Moved: Commissioner Tooker
Second: Commissioner Yee
Passed: Unanimous

BUSINESS ITEMS

6. Update Rio Linda/Elverta Community Water District MSR (LAFC 07-10) [CEQA Exempt]
Receive and File Report – No Action
7. Fiscal Year (FY) 2012-13 Proposed Budget
Motion: To approve the Proposed Budget
Moved: Commissioner Greenwood
Second: Commissioner Yee
Passed: Unanimous

PUBLIC HEARINGS

8. LAFCo Special District Advisory Committee (SDAC) ~ Confirmation of Nominees
Motion: To Confirm the 7 SDAC Nominations
Moved: Commissioner Greenwood
Second: Commissioner Yee
Passed: Unanimous

The meeting adjourned at 5: 55 P.M.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Diane Thorpe
Commission Clerk

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
C L A I M S***

<u>Date Submitted to Auditor</u>	<u>Vendor</u>	<u>Amount</u>
5/8/2012	ULI Sacramento (Conf. Registration)	\$25.00
5/15/2012	Alhambra Sierra Springs (Water Supplies)	\$ 22.17
5/17/2012	Colliers (April Office Lease)	\$ 3,859.78
5/17/2012	Colliers (Access Card for 1112 "I" Street Building)	\$ 25.00
5/17/2012	Comcast Cable	\$ 82.09
5/17/2012	Environmental Planning Partners (Mar)	\$ 140.00
5/17/2012	Millern & Owen	\$ 9,849.68
5/17/2012	Staples	\$ 126.13
5/17/2012	Toshiba Business Solutions (Copier Lease)	\$ 723.38
5/17/2012	ULI (Membership)	\$225.00
5/31/2012	Daily Journal Corp. (Legal Advertising)	\$ 42.50
TOTAL		\$ 15,120.73

APPROVED:

6/6/2012

Gay Jones, Chair
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

*Not including Journal Voucher and Personnel items.

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

*1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458*

June 6, 2012

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

RECOMMENDATION:

Receive and File Period 10 FY 2011-12 Budget Status Report.

DISCUSSION:

The attached budget report is for Accounting Period 10 ending May 11, 2012. These reports summarize monthly expenditures and revenues as well as the Trial Balance for the reporting periods.

There are no significant variances to report at this time.

Library : ZSP County of Sacramento Reports
Report group: ZSC8 Balance sheet detail
Report name : ZFP4816E Trial Balance by Business Area

Data selected by: 1009726
Data selected on: 05/11/2012 11:30:53

Fiscal year : 2012
Period : 10 April
Business Area: 067A LOCAL AGENCY FORMATI

Client: 020
Report: ZFP4816E

Business Area: 067A
Period: 10 (April

LOCAL AGENCY FORMATI
) Fiscal Year: 2012

Page: 2 / 2
Report: 4 / 115

Balance Sheet Item	Beginning Balance	Period Debits	Period Credits	Ending Balance
* Cash in Treasury	525,404.50	8,374.00	68,440.91-	465,337.59
* Imprest Cash	40.00			40.00
* Inventory				
* Due from Other Funds Year End				
* Accounts Receivable Year End				
** Total Assets	525,444.50	8,374.00	68,440.91-	465,377.59
* Sales Tax Due				
* Warrants Payable	41,542.65-	63,768.41	30,716.66-	8,490.90-
* Deposit Stale Warrants	643.48-			643.48-
* Claims Payable	86.84-	31,076.52	30,989.68-	
* Due to Others				
* Suspense Clearing				
* Payroll Clearing	136.50-	1,076.50	1,076.50-	136.50-
** Total Liabilities	42,409.47-	95,921.43	62,782.84-	9,270.88-
* Reserve Fund Balance	220,933.00-			220,933.00-
* Fund Balance	0.36			0.36
* Revenues and Other Financing Sources	981,940.81-		6,094.00-	988,034.81-
* Expenditures/Expenses	611,426.42	35,336.98	2,314.66-	644,448.74
* Estimated Revenue	1,335,412.00			1,335,412.00
* Appropriations	1,227,000.00-			1,227,000.00-
* Start of System Clearing				
** Total Equity & Other Accounts	483,035.03-	35,336.98	8,408.66-	456,106.71-
*** Total Liabilities & Equity + Other Accts	525,444.50-	131,258.41	71,191.50-	465,377.59-

Date: 05/08/2012
 Time: 11:08:28
 Period: 010
 Year: 2012

Vendor One Time Vendor	Vendor Name	EA	Per	Doc.no.	Pstg date	Reference	Check	Fund Center	Trans. currency	Status
1630	DAILY JOURNAL CORP	067A	010	1904416103	04/03/2012	A2278022		4544540	45.90- USD	closed
1630	DAILY JOURNAL CORP	067A	010	2020778762	04/04/2012		1101416757		45.90 USD	closed
1630	DAILY JOURNAL CORP	067A	010	2020848014	04/30/2012		1101431399		45.90 USD	closed
1630	DAILY JOURNAL CORP	067A	010	1904434862	04/27/2012	A2294771		4544540	45.90- USD	closed
2295	MILLER & OWEN	067A	010	2020778770	04/04/2012		1101416765		10,635.79 USD	closed
2295	MILLER & OWEN	067A	010	1904416074	04/03/2012	29279		4544540	10,635.79- USD	closed
2295	MILLER & OWEN	067A	010	2020848032	04/30/2012		1101431416		5,819.40 USD	closed
2295	MILLER & OWEN	067A	010	1904434859	04/27/2012	29330		4544540	5,819.40- USD	closed
5634	FRESH & QUICK CATERING	067A	010	2020778801	04/04/2012		1101416795		230.06 USD	closed
5634	FRESH & QUICK CATERING	067A	010	1904416079	04/03/2012	2685		4544540	230.06- USD	closed
5634	FRESH & QUICK CATERING	067A	010	2020848085	04/30/2012		1101431463		239.58 USD	closed
5634	FRESH & QUICK CATERING	067A	010	1904434866	04/27/2012	2742		4544540	239.58- USD	closed
12036	WELLS FARGO BANK	067A	010	1500042593	04/02/2012				136.50 USD	closed
12036	WELLS FARGO BANK	067A	010	1904412920	04/02/2012	MLED-TAX 3/30/12		4544540	136.50- USD	closed
12036	WELLS FARGO BANK	067A	010	1500042893	04/30/2012				188.70 USD	closed
12036	WELLS FARGO BANK	067A	010	1904432923	04/27/2012	MLED-PCH 4/30/12		4544540	188.70- USD	closed
12322	COMCAST	067A	010	2020773043	04/02/2012		1101415289		86.84 USD	closed
12322	COMCAST	067A	010	1904429345	04/23/2012	8155600380732795		4544540	86.84- USD	closed
12322	COMCAST	067A	010	2020834100	04/24/2012		1101427714		86.84 USD	closed
19687	SPECIAL DISTRICT RISK MGMT AUTHORITY	067A	010	1904416108	04/03/2012	6011SPACSPCR6011		4544540	3,859.78- USD	closed
19687	SPECIAL DISTRICT RISK MGMT AUTHORITY	067A	010	2020778692	04/03/2012		1101416656		3,859.78 USD	closed
19687	SPECIAL DISTRICT RISK MGMT AUTHORITY	067A	010	2020778692	04/03/2012		1101416656		3,859.78 USD	closed
19687	SPECIAL DISTRICT RISK MGMT AUTHORITY	067A	010	1904416106	04/03/2012	6011SPACSPCR6011		4544540	3,859.78- USD	closed
24241	PITNEY BOWES	067A	010	2020848202	04/30/2012		1101431556		274.47 USD	closed
24241	PITNEY BOWES	067A	010	1904434867	04/27/2012	3014263AP12		4544540	274.47- USD	closed
25519	DAIGHS USA INC	067A	010	2020785031	04/05/2012		1101417681		34.66 USD	closed
25519	DAIGHS USA INC	067A	010	2020793977	04/09/2012		1101419184		38.47 USD	closed

Date: 05/08/2012
 Time: 11:08:28
 Period: 010
 Year: 2012

Vendor One Time Vendor	Vendor Name	EA	Per	Doc.no.	Postg date	Reference	Check	Fund Center	Trans. currency	Status
25519	DAICHS USA INC	067A	010	1904417556	04/04/2012	662276		4544540	34.66- USD	closed
25519	DAICHS USA INC	067A	010	1904419461	04/06/2012	664806		4544540	38.47- USD	closed
25519	DAICHS USA INC	067A	010	1904416098	04/03/2012	662276		4544540	34.66- USD	closed
25519	DAICHS USA INC	067A	010	1904416101	04/03/2012	662276		4544540	34.66 USD	closed
25519	DAICHS USA INC	067A	010	2020848207	04/30/2012		1101431559		23.17 USD	closed
25519	DAICHS USA INC	067A	010	1904434861	04/27/2012	670908		4544540	23.17- USD	closed
28211	MEA OF CALIFORNIA INC	067A	010	1904419460	04/06/2012	8982604		4544540	728.86- USD	closed
28211	MEA OF CALIFORNIA INC	067A	010	2020793987	04/09/2012		1101419192		728.86 USD	closed
28211	MEA OF CALIFORNIA INC	067A	010	1904434870	04/27/2012	9051125		4544540	668.79- USD	closed
28211	MEA OF CALIFORNIA INC	067A	010	2020848216	04/30/2012		1101431566		668.79 USD	closed
37780	DS WATERS OF AMERICA INC	067A	010	1904416113	04/03/2012	4831121030112		4544540	13.17- USD	closed
37780	DS WATERS OF AMERICA INC	067A	010	2020778904	04/04/2012		1101416893		13.17 USD	closed
37780	DS WATERS OF AMERICA INC	067A	010	2020848266	04/30/2012		1101431600		19.17 USD	closed
37780	DS WATERS OF AMERICA INC	067A	010	1904434865	04/27/2012	4831121040112		4544540	19.17- USD	closed
42181	STAPLES CONTRACT & COMMERCIAL INC	067A	010	2020778924	04/04/2012		1101416912		123.67 USD	closed
42181	STAPLES CONTRACT & COMMERCIAL INC	067A	010	1904416055	04/03/2012	112623887		4544540	123.67- USD	closed
42181	STAPLES CONTRACT & COMMERCIAL INC	067A	010	2020848305	04/30/2012		1101431628		260.67 USD	closed
42181	STAPLES CONTRACT & COMMERCIAL INC	067A	010	1904434868	04/27/2012	113016893		4544540	260.67- USD	closed
48634	ENVIRONMENTAL PLANNING PARTNERS INC	067A	010	2020778957	04/04/2012		1101416916		3,408.64 USD	closed
48634	ENVIRONMENTAL PLANNING PARTNERS INC	067A	010	1904416052	04/03/2012	IAFCL203		4544540	3,408.64- USD	closed
SEPAVROLL	SEPAVROLL	067A	010	2020838034	04/30/2012		8000024609		94.35 USD	closed
CHRISTOPHER TOCKER	SEPAVROLL	067A	010	2020838046	04/30/2012		8000024621		24.35 USD	closed
GAY JONES	SEPAVROLL	067A	010	1904431602	04/24/2012	95-IAFCD DISIR		4544540	24.35- USD	closed
GAY JONES	SEPAVROLL	067A	010	1904431607	04/24/2012	95-IAFCD DISIR		4544540	94.35- USD	closed
CHRISTOPHER TOCKER	SEPAVROLL	067A	010	1904431640	04/24/2012	95-IAFCD DISIR		4544540	94.35- USD	closed
ROBERT G. JANKOVITZ	SEPAVROLL	067A	010	2020838076	04/30/2012		8000024651		94.35 USD	closed
ROBERT G. JANKOVITZ	SEPAVROLL	067A	010						86.84 USD	*

Sum of Business Area 067A

Fiscal Year 2012
 From period 1
 To period 10
 Fund/Group 067A LOCAL AGENCY FORMATION COMMISSION
 Funds Center/Group 4544540 LAFCD DISTRICT
 Budget Version 0

Commitment Item	Budget	Actual-GL	Actual-CO	Actual Total	Encumbrance	Pending	Available	%Consumed
10111000 REGULAR EMPLOYEE	8,300.00	500.00		500.00			7,800.00	6.02
10112400 COMMITTEE MEMBER		3,100.00		3,100.00			3,100.00-	
10122000 CRSDHI	1,200.00	275.40		275.40			924.60	22.95
* 10 - SALARIES AND EMPLOYEE	9,500.00	3,875.40		3,875.40			5,624.60	40.79
20200500 ADVERTISING	7,500.00	771.40		771.40			6,728.60	10.29
20202200 BOOKS/PER SUP	2,000.00	368.00		368.00			1,632.00	18.40
20202900 BUS/CONFERENCE E	12,000.00	7,665.85		7,665.85			4,334.15	63.88
20203500 ED/TRAINING SVC	2,200.00						2,200.00	
20203900 EMP TRANSPORTATI								
20205200 INS PREMIUM	7,000.00	4,895.56		4,895.56			2,104.44	69.94
20206100 MEMBERSHIP DUES	7,250.00	8,498.00		8,498.00			1,248.00-	117.21
20207600 OFFICE SUPPLIES	8,000.00	3,001.09		3,001.09			4,998.91	37.51
20208100 POSTAL SVC	5,000.00	500.00		500.00			4,500.00	10.00
20227500 RENT/LEASE EQ	18,000.00	10,574.75		10,574.75			7,425.25	58.75
20227504 MISCELLANEOUS		617.96		617.96			617.96-	
20250500 ACCOUNTING SVC								
20253100 LEGAL SVC	60,000.00	112,645.13		112,645.13			52,645.13-	187.74
20254100 PERSONNEL SVC								
20259100 OTHER PROF SVC	973,100.00	438,354.21		438,354.21			534,745.79	45.05
20281200 DATA PROCESSING		583.08		583.08			583.08-	
20291000 COUNTYWIDE IT SV	1,700.00	1,389.00		1,389.00			311.00	81.71
20291100 SYSTEM DEV SVC	17,000.00	10,918.30		10,918.30	5,439.70		642.00	96.22
20291200 SYSTEM DEV SUP		313.00		313.00	9.00		322.00-	
20291600 WAN ALLOCATION	4,500.00	3,707.50		3,707.50			792.50	82.39
20291700 ALARM SERVICES								
20292100 GS PRINTING SVC	2,250.00						2,250.00	
20292300 GS MESSENGER SVC		2,350.40		2,350.40			2,350.40-	
20292600 GS STORE CHARGES	1,000.00	923.13		923.13			76.87	92.31
20293400 PUBLIC WORKS SVS								
20294300 LEASED PROP USE	48,500.00	30,312.90		30,312.90	6.00		18,181.10	62.51
20298700 TELEPHONE SVC	4,000.00	2,184.08		2,184.08			1,815.92	54.60
* 20 - SERVICES AND SUPPLIES	1,181,000.00	640,573.34		640,573.34	5,454.70		534,971.96	54.70
79790100 CONTINGENCY APPR	36,500.00						36,500.00	
* 79 - Appropriation for Con	36,500.00						36,500.00	
** Expenditure accounts	1,227,000.00	644,448.74		644,448.74	5,454.70		577,096.56	52.97
94941000 INTEREST INCOME	5,000.00-	1,462.00-		1,462.00-			3,538.00-	29.24
* 94 - REVENUE FROM USE OF M	5,000.00-	1,462.00-		1,462.00-			3,538.00-	29.24
96969900 SVC FEES OTHER	415,079.00-	58,203.81-		58,203.81-			356,875.19-	14.02
* 96 - CHARGES FOR SERVICES	415,079.00-	58,203.81-		58,203.81-			356,875.19-	14.02
97979000 MISC OTHER	915,333.00-	928,369.00-		928,369.00-			13,036.00	101.42
* 97 - MISCELLANEOUS REVENUE	915,333.00-	928,369.00-		928,369.00-			13,036.00	101.42
** REVENUE ACCOUNTS	1,335,412.00-	988,034.81-		988,034.81-			347,377.19-	73.99
*** Total	108,412.00-	343,586.07-		343,586.07-	5,454.70		229,719.37	311.89

Report: ZF_SL_SPEC_DIST
 UserID: 1009726
 System: PRD/020

Split Ledger Line Item Report
 067A LOCAL AGENCY FORMATI
 Period: 010 Fiscal Year: 2012

Date: 05/10/2012
 Time: 15:14:00
 Page: 1

Date	Year	Per	Document #	G/L Acct	BA	Cost Ctr	Amount	Text
04/20/2012	2012	010	1300458431	101000	067A		5,563.00	
Total Account Number 101000							CASH IN TREASURY-DP	5,563.00
04/02/2012	2012	010	1500042593	101200	067A		136.50-	
04/30/2012	2012	010	1500042893	101200	067A		188.70-	
Total Account Number 101200							CASH IN TREASURY-WIRE TRANSFERS	325.20-
04/02/2012	2012	010	2020774994	101500	067A		40,027.95-	
04/04/2012	2012	010	2020786029	101500	067A		588.00-	
04/09/2012	2012	010	2020797892	101500	067A		10,635.79-	
04/10/2012	2012	010	2020802135	101500	067A		7,719.56-	
04/10/2012	2012	010	2020802205	101500	067A		45.90-	
04/11/2012	2012	010	2020805089	101500	067A		34.66-	
04/11/2012	2012	010	2020805650	101500	067A		3,408.64-	
04/11/2012	2012	010	2020805674	101500	067A		86.84-	
04/12/2012	2012	010	2020808629	101500	067A		728.86-	
04/12/2012	2012	010	2020808631	101500	067A		38.47-	
04/12/2012	2012	010	2020809241	101500	067A		123.67-	
04/13/2012	2012	010	2020813467	101500	067A		13.17-	
04/13/2012	2012	010	2020813472	101500	067A		230.06-	
04/30/2012	2012	010	2020850697	101500	067A		86.84-	
Total Account Number 101500							PAID WARRANTS RECONCILIATION (IN	63,768.41-
04/01/2012	2012	010	107789036	102000	067A		531.00	FY 2011/12 -3RD QTR INT
Total Account Number 102000							CASH IN TREAS-JOURNAL VOUCHERS	531.00
04/03/2012	2012	010	107771949	109000	067A		861.75-	
04/03/2012	2012	010	107771954	109000	067A		67.25-	
04/03/2012	2012	010	107771999	109000	067A		371.75-	
04/03/2012	2012	010	107772160	109000	067A		416.60-	
04/01/2012	2012	010	107777709	109000	067A		138.50-	
04/18/2012	2012	010	107779581	109000	067A		190.41-	
04/18/2012	2012	010	107779596	109000	067A		570.00-	
04/24/2012	2012	010	107782773	109000	067A		259.90-	
04/25/2012	2012	010	107783923	109000	067A		2,280.00	
04/30/2012	2012	010	107790617	109000	067A		1,079.10-	
04/30/2012	2012	010	107790637	109000	067A		4.40-	
04/06/2012	2012	010	4900597791	109000	067A		340.33-	
04/06/2012	2012	010	4900597795	109000	067A		47.31-	
Total Account Number 109000							CASH IN TREAS-SPL	2,067.30-
04/02/2012	2012	010	2020773043	5100000	067A		86.84-	
04/02/2012	2012	010	2020774994	5100000	067A		40,027.95	
04/03/2012	2012	010	2020778692	5100000	067A		7,719.56-	
04/04/2012	2012	010	2020778762	5100000	067A		45.90-	
04/04/2012	2012	010	2020778770	5100000	067A		10,635.79-	
04/04/2012	2012	010	2020778801	5100000	067A		230.06-	
04/04/2012	2012	010	2020778904	5100000	067A		13.17-	
04/04/2012	2012	010	2020778924	5100000	067A		123.67-	
04/04/2012	2012	010	2020778957	5100000	067A		3,408.64-	
04/05/2012	2012	010	2020785031	5100000	067A		34.66-	
04/04/2012	2012	010	2020786029	5100000	067A		588.00	
04/09/2012	2012	010	2020793977	5100000	067A		38.47-	
04/09/2012	2012	010	2020793987	5100000	067A		728.86-	

Date	Year	Per	Document #	G/L Acct	BA	Cost Ctr	Amount	Text
04/09/2012	2012	010	2020797892	5100000	067A		10,635.79	
04/10/2012	2012	010	2020802135	5100000	067A		7,719.56	
04/10/2012	2012	010	2020802205	5100000	067A		45.90	
04/11/2012	2012	010	2020805089	5100000	067A		34.66	
04/11/2012	2012	010	2020805650	5100000	067A		3,408.64	
04/11/2012	2012	010	2020805674	5100000	067A		86.84	
04/12/2012	2012	010	2020808629	5100000	067A		728.86	
04/12/2012	2012	010	2020808631	5100000	067A		38.47	
04/12/2012	2012	010	2020809241	5100000	067A		123.67	
04/13/2012	2012	010	2020813467	5100000	067A		13.17	
04/13/2012	2012	010	2020813472	5100000	067A		230.06	
04/24/2012	2012	010	2020834100	5100000	067A		86.84-	
04/30/2012	2012	010	2020848014	5100000	067A		45.90-	
04/30/2012	2012	010	2020848032	5100000	067A		5,819.40-	
04/30/2012	2012	010	2020848085	5100000	067A		239.58-	
04/30/2012	2012	010	2020848202	5100000	067A		274.47-	
04/30/2012	2012	010	2020848207	5100000	067A		23.17-	
04/30/2012	2012	010	2020848216	5100000	067A		668.79-	
04/30/2012	2012	010	2020848266	5100000	067A		19.17-	
04/30/2012	2012	010	2020848305	5100000	067A		260.67-	
04/30/2012	2012	010	2020850697	5100000	067A		86.84	
Total Account Number 5100000 WARRANTS PAYABLE							33,264.80	
04/30/2012	2012	010	2020838034	5100020	067A		94.35-	
04/30/2012	2012	010	2020838046	5100020	067A		24.35-	
04/30/2012	2012	010	2020838076	5100020	067A		94.35-	
Total Account Number 5100020 WARRANTS PAYABLE - SPECIAL DISTR							213.05-	
04/02/2012	2012	010	1500042593	5150000	067A		136.50	
04/30/2012	2012	010	1500042893	5150000	067A		188.70	
04/02/2012	2012	010	1904412920	5150000	067A		136.50-	MLBD - TAX 3/30/2012
04/03/2012	2012	010	1904416052	5150000	067A		3,408.64-	*SAC LAFCO 916-874-6458
04/03/2012	2012	010	1904416055	5150000	067A		123.67-	*SAC LAFCO 11902900
04/03/2012	2012	010	1904416074	5150000	067A		10,635.79-	*SAC LAFCO SA111
04/03/2012	2012	010	1904416079	5150000	067A		230.06-	*SAC LAFCO 916-874-6458
04/03/2012	2012	010	1904416098	5150000	067A		34.66-	*SAC LAFCO C6187
04/03/2012	2012	010	1904416101	5150000	067A		34.66	*SAC LAFCO C6187
04/03/2012	2012	010	1904416103	5150000	067A		45.90-	*SAC LAFCO 1124105243
04/03/2012	2012	010	1904416106	5150000	067A		3,859.78-	*SAC LAFCO 916-874-6458
04/03/2012	2012	010	1904416108	5150000	067A		3,859.78-	*SAC LAFCO 916-874-6458
04/03/2012	2012	010	1904416113	5150000	067A		13.17-	*SAC LAFCO 27296554831121
04/04/2012	2012	010	1904417556	5150000	067A		34.66-	*SAC LAFCO C6187
04/06/2012	2012	010	1904419460	5150000	067A		728.86-	*SAC LAFCO 360243
04/06/2012	2012	010	1904419461	5150000	067A		38.47-	*SAC LAFCO C6187
04/23/2012	2012	010	1904429345	5150000	067A		86.84-	*SAC LAFCO 916-874-6458
04/24/2012	2012	010	1904431602	5150000	067A		24.35-	*PUFD 11865 04/30/12 MLBD Payroll Check
04/24/2012	2012	010	1904431607	5150000	067A		94.35-	*PUFD 14048 04/30/12 MLBD Payroll Check
04/24/2012	2012	010	1904431640	5150000	067A		94.35-	*PUFD 20766 04/30/12 MLBD Payroll Check
04/27/2012	2012	010	1904432923	5150000	067A		188.70-	MLBD - DIR DEP ACH 04/30/2012
04/27/2012	2012	010	1904434859	5150000	067A		5,819.40-	*SAC LAFCO SA111
04/27/2012	2012	010	1904434861	5150000	067A		23.17-	*SAC LAFCO C6187
04/27/2012	2012	010	1904434862	5150000	067A		45.90-	*SAC LAFCO 1124105243
04/27/2012	2012	010	1904434865	5150000	067A		19.17-	*SAC LAFCO 27296554831121
04/27/2012	2012	010	1904434866	5150000	067A		239.58-	*SAC LAFCO 916-874-6458
04/27/2012	2012	010	1904434867	5150000	067A		274.47-	*SAC LAFCO 3014263
04/27/2012	2012	010	1904434868	5150000	067A		260.67-	*SAC LAFCO 11902900
04/27/2012	2012	010	1904434870	5150000	067A		668.79-	*SAC LAFCO 360243

Date	Year	Per	Document #	G/L Acct	BA	Cost Ctr	Amount	Text
04/02/2012	2012	010	2020773043	5150000	067A		86.84	
04/03/2012	2012	010	2020778692	5150000	067A		3,859.78	
04/03/2012	2012	010	2020778692	5150000	067A		3,859.78	
04/04/2012	2012	010	2020778762	5150000	067A		45.90	
04/04/2012	2012	010	2020778770	5150000	067A		10,635.79	
04/04/2012	2012	010	2020778801	5150000	067A		230.06	
04/04/2012	2012	010	2020778904	5150000	067A		13.17	
04/04/2012	2012	010	2020778924	5150000	067A		123.67	
04/04/2012	2012	010	2020778957	5150000	067A		3,408.64	
04/05/2012	2012	010	2020785031	5150000	067A		34.66	
04/09/2012	2012	010	2020793977	5150000	067A		38.47	
04/09/2012	2012	010	2020793987	5150000	067A		728.86	
04/24/2012	2012	010	2020834100	5150000	067A		86.84	
04/30/2012	2012	010	2020838034	5150000	067A		94.35	
04/30/2012	2012	010	2020838046	5150000	067A		24.35	
04/30/2012	2012	010	2020838076	5150000	067A		94.35	
04/30/2012	2012	010	2020848014	5150000	067A		45.90	
04/30/2012	2012	010	2020848032	5150000	067A		5,819.40	
04/30/2012	2012	010	2020848085	5150000	067A		239.58	
04/30/2012	2012	010	2020848202	5150000	067A		274.47	
04/30/2012	2012	010	2020848207	5150000	067A		23.17	
04/30/2012	2012	010	2020848216	5150000	067A		668.79	
04/30/2012	2012	010	2020848266	5150000	067A		19.17	
04/30/2012	2012	010	2020848305	5150000	067A		260.67	

Total Account Number 5150000 CLAIMS PAYABLE 86.84

04/02/2012	2012	010	107771121	8025400	067A		538.25-	
04/02/2012	2012	010	107771121	8025400	067A		538.25	
04/30/2012	2012	010	107788790	8025400	067A		213.05-	15Total Check Amount
04/30/2012	2012	010	107788790	8025400	067A		188.70-	16Total Deposit Amount
04/30/2012	2012	010	107788790	8025400	067A		70.00-	6002Inc Tax-Fed Addl Tax
04/30/2012	2012	010	107788790	8025400	067A		31.00-	6210FICA ER Contrib
04/30/2012	2012	010	107788790	8025400	067A		21.00-	6201FICA EE Deduction
04/30/2012	2012	010	107788790	8025400	067A		7.25-	6501Medicare EE Ded
04/30/2012	2012	010	107788790	8025400	067A		7.25-	6503Medicare ER Contrib
04/02/2012	2012	010	1904412920	8025400	067A		136.50	95 TAX
04/24/2012	2012	010	1904431602	8025400	067A		24.35	04/30/12 MLBD Payroll Check
04/24/2012	2012	010	1904431607	8025400	067A		94.35	04/30/12 MLBD Payroll Check
04/24/2012	2012	010	1904431640	8025400	067A		94.35	04/30/12 MLBD Payroll Check
04/27/2012	2012	010	1904432923	8025400	067A	4544540000	188.70	95 DEP

Total Account Number 8025400 SD (HUMANIC) PAYROLL CLEARING 0.00

04/30/2012	2012	010	107788790	10112400	067A	4544540000	500.00	1180Bds & Comm Mem
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Total Account Number 10112400 SALARIES & WAGES - COMMISSION & 500.00

04/30/2012	2012	010	107788790	10122000	067A	4544540000	7.25	6503Medicare ER Contrib
04/30/2012	2012	010	107788790	10122000	067A	4544540000	31.00	6210FICA ER Contrib

Total Account Number 10122000 OASDHI - EMPLOYER COST 38.25

04/03/2012	2012	010	1904416103	20200500	067A	4544540000	45.90	ADVERTISING
04/27/2012	2012	010	1904434862	20200500	067A	4544540000	45.90	ADVERTISING

Total Account Number 20200500 ADVERTISING/LEGAL NOTICES 91.80

04/03/2012	2012	010	107772160	20202900	067A	4544540000	15.00	LOCKHART/DONALD, 0 45401201
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Date	Year	Per	Document #	G/L Acct	BA	Cost Ctr	Amount	Text
04/03/2012	2012	010	107772160	20202900	067A	4544540000	401.60	LOCKHART/DONALD, 0 45401201
04/03/2012	2012	010	1904416079	20202900	067A	4544540000	230.06	BUS CONF EXP
04/27/2012	2012	010	1904434866	20202900	067A	4544540000	239.58	BUS CONF EXP
Total Account Number 20202900 BUSINESS/CONFERENCE EXPENSE							886.24	
04/03/2012	2012	010	1904416055	20207600	067A	4544540000	123.67	OFFICE SUPPLIES
04/03/2012	2012	010	1904416098	20207600	067A	4544540000	34.66	OFFICE SUPPLIES
04/03/2012	2012	010	1904416101	20207600	067A	4544540000	34.66	OFFICE SUPPLIES
04/03/2012	2012	010	1904416113	20207600	067A	4544540000	13.17	OFFICE SUPPLIES
04/04/2012	2012	010	1904417556	20207600	067A	4544540000	34.66	OFFICE SUPPLIES
04/06/2012	2012	010	1904419461	20207600	067A	4544540000	38.47	OFFICE SUPPLIES
04/27/2012	2012	010	1904434861	20207600	067A	4544540000	23.17	OFFICE SUPPLIES
04/27/2012	2012	010	1904434865	20207600	067A	4544540000	19.17	OFFICE SUPPLIES
04/27/2012	2012	010	1904434867	20207600	067A	4544540000	274.47	OFFICE SUPPLIES
04/27/2012	2012	010	1904434868	20207600	067A	4544540000	260.67	OFFICE SUPPLIES
Total Account Number 20207600 OFFICE SUPPLIES							787.45	
04/06/2012	2012	010	1904419460	20227500	067A	4544540000	728.86	RENT LEASE EQUIPMENT
04/23/2012	2012	010	1904429345	20227500	067A	4544540000	86.84	RENT LEASE EQUIPMENT
04/27/2012	2012	010	1904434870	20227500	067A	4544540000	668.79	RENT LEASE EQUIPMENT
Total Account Number 20227500 RENT/LEASES EQUIPMENT							1,484.49	
04/03/2012	2012	010	1904416074	20253100	067A	4544540000	10,635.79	LEGAL SERVICES
04/27/2012	2012	010	1904434859	20253100	067A	4544540000	5,819.40	LEGAL SERVICES
Total Account Number 20253100 LEGAL SERVICES							16,455.19	
04/03/2012	2012	010	1904416052	20259100	067A	4544540000	3,408.64	OTHER PROF SERVICES
Total Account Number 20259100 OTHER PROFESSIONAL SERVICES							3,408.64	
04/01/2012	2012	010	107777709	20291000	067A	4544540000	138.50	April 2012 Countywide IT Alloc
Total Account Number 20291000 COUNTYWIDE IT SERVICES							138.50	
04/03/2012	2012	010	107771949	20291100	067A	4544540000	861.75	76548 FY11/12 4th Qtr Application Maintenance
04/30/2012	2012	010	107790617	20291100	067A	4544540000	1,079.10	
Total Account Number 20291100 SYSTEMS DEVELOPMENT SERVICES							1,940.85	
04/03/2012	2012	010	107771954	20291200	067A	4544540000	67.25	FY1112 4th Qtr Service Desk
04/30/2012	2012	010	107790637	20291200	067A	4544540000	4.40	
Total Account Number 20291200 SYSTEMS DEVELOPMENT SUPPLIES							71.65	
04/03/2012	2012	010	107771999	20291600	067A	4544540000	371.75	April 2012 WAN Allocation
Total Account Number 20291600 WAN Costs							371.75	
04/18/2012	2012	010	107779596	20291700	067A	4544540000	570.00	FY 11/12 4th Qtr Alarm Servcies
04/25/2012	2012	010	107783923	20291700	067A	4544540000	2,280.00	FY 11/12 ALARM REVERSAL
Total Account Number 20291700 ALARM SERVICES							1,710.00-	
04/24/2012	2012	010	107782773	20292300	067A	4544540000	259.90	Per. 10 - Messenger Services

Report: ZF_SL_SPEC_DIST
UserID: 1009726
System: PRD/020

Split Ledger Line Item Report
067A LOCAL AGENCY FORMATI
Period: 010 Fiscal Year: 2012

Date: 05/10/2012
Time: 15:14:00
Page: 5

Date	Year	Per	Document #	G/L Acct	BA	Cost Ctr	Amount	Text
Total Account Number 20292300							GS MESSENGER SERVICES	259.90
04/06/2012	2012	010	4900597791	20292600	067A	4544540000	340.33	
04/06/2012	2012	010	4900597795	20292600	067A	4544540000	47.31	
Total Account Number 20292600							GS STORE CHARGES	387.64
04/03/2012	2012	010	1904416106	20294300	067A	4544540000	3,859.78	LEASED PROP
04/03/2012	2012	010	1904416108	20294300	067A	4544540000	3,859.78	LEASED PROP
Total Account Number 20294300							LEASED PROPERTY USE CHARGESGS	7,719.56
04/18/2012	2012	010	107779581	20298700	067A	4544540000	190.41	Mar 2012 DTech Telecommunications Charges
Total Account Number 20298700							Telephone Svcs	190.41
04/01/2012	2012	010	107789036	94941000	067A	4544540000	531.00-	FY 2011/12 -3RD QTR INT
Total Account Number 94941000							INTEREST INCOME	531.00-
04/20/2012	2012	010	1300458431	96969900	067A	4544540000	5,563.00-	INVOICE NO. 51 A ,51 B , 52, 53, 54, 55, & 56
Total Account Number 96969900							SVC FEES OTHER	5,563.00-

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

June 6, 2012

TO: Sacramento Local Agency Formation Commission
 FROM: Peter Brundage, Executive Officer
 RE: Legislative Update

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

RECOMMENDATION

Staff respectfully recommends that your Commission provide a letter of support for Assembly Bill 2624 (attached.) No other action is recommended.

BACKGROUND

This memo is part of the ongoing effort to keep your Commission informed regarding various legislative matters.

One of the bills that CALAFCO is sponsoring will be considered before the Senate Natural Resources and Water Committee on June 12th. AB 2624 would include LAFCo as an eligible agency for Sustainable Growth Council grants. There was no registered opposition to this bill as it passed the Assembly Local Government Committee.

PENDING LEGISLATION

[AB 2238](#) ([Perea D](#)) Public water systems: drinking water.

Current Text: Amended: 5/25/2012

Introduced: 2/24/2012

Last Amended: 5/25/2012

Status: 5/31/2012-Read third time. Passed. Ordered to the Senate.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chapters
Dead	1st House			2nd House			Conc.					

Summary:

Current law requires the State Department of Public Health to administer programs to fund improvements and expansion of small community water systems using specified priorities. Current law requires the department to encourage the consolidation of small community water systems that serve disadvantaged communities if consolidation will help the affected agencies and the state meet specified goals. Current law allows funding of studies regarding the feasibility of consolidating 2 or more community water systems, at least one of which is a small community water system that serves a disadvantaged community. Current law requires the department to give funding priority to projects involving physical restructuring of 2 or more community water systems into a single, consolidated system when it is shown that the consolidation would further specified goals. This bill would require the

department to promote the consolidation of small community water systems that serve disadvantaged communities, as specified, and would require the studies performed prior to a construction project to include the feasibility of consolidating public water systems, unless the department makes a determination that consolidation is not feasible. This bill, if the local agency formation commission (LAFCO) conducted a study or service review of the consolidation within the previous 5 calendar years and found that consolidation was feasible, would require the department to consider the LAFCO's findings during the department's assessment of feasibility. This bill would also require the department to give priority to funding projects involving consolidation of 2 or more community water systems when the consolidation would further specified goals. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Remove Opposition Letter - May 2012](#)

Position: Not Oppose

Subject: Water, Municipal Services

CALAFCO Comments: This bill, sponsored by California Rural Legal Assistance, would require LAFCo to determine the feasibility of consolidations, reorganizations and other service efficiency alternatives in every water and wastewater MSR, regardless whether it affects disadvantaged unincorporated communities. We believe it will result in spending hundreds of thousands of dollars on useless studies. It also makes LAFCo eligible to apply for grants to fund the studies, but whether the funds can be used for MSRs, LAFCo eligibility, and the likelihood that it would actually receive any funds are significant questions. The bill also makes a number of changes to laws on grants and loans to local agencies for water and wastewater facilities in an attempt to direct more funds to DUCs. It would require state agencies to consider LAFCo MSRs and other studies when evaluating grants. We anticipate more amendments to this bill.

[AB 2624](#) ([Smyth R](#)) Sustainable communities.

Current Text: Introduced: 2/24/2012

Introduced: 2/24/2012

Status: 5/24/2012- Referred to Com. on N.R. & W.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Calendar:

6/12/2012 9:30 a.m. - Room 112 SENATE NATURAL RESOURCES AND WATER, PAVLEY, Chair

Summary:

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative measure approved by the voters at the November 7, 2006, statewide general election makes about \$5,400,000,000 in bond funds available for safe drinking water, water quality and supply, flood control, natural resource protection, and park improvements. Current law establishes the Strategic Growth Council and appropriated \$500,000 from the funding provided by the initiative to the Natural Resources Agency to support the council and its activities. The council is required to manage and award grants and loans to a council of governments, metropolitan planning organization, regional transportation planning agency, city, county, or joint powers authority for the purpose of developing, adopting, and implementing a regional plan or other planning instrument to support the planning and development of sustainable communities. This bill would make a local agency formation commission eligible for the award of financial assistance for those planning purposes.

Attachments:

[CALAFCO Support Letter - May 2012](#)

Sacramento LAFCo Support Letter

Position: Support

Subject: Sustainable Community Plans

CALAFCO Comments: Makes LAFCo an eligible agency to apply for Strategic Growth Council grants. Sponsored by CALAFCO.

[AB 2698](#) (Committee on Local Government) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Current Text: Amended: 4/30/2012

Introduced: 3/21/2012

Last Amended: 4/30/2012

Status: 5/31/2012-Referred to Com. on GOV. & F.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Summary:

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the power to approve the annexation of a contiguous disadvantaged community, under specified circumstances. Current law provides that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the residents within the affected territory are opposed to annexation. This bill would provide that an application to annex a contiguous disadvantaged community is not required if the commission finds that a majority of the registered voters within the affected territory are opposed to annexation. This bill contains other related provisions and other current laws.

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: CALAFCO-sponsored annual CKH Omnibus bill. Amended on April 30th to include CALAFCO protest provision and waiver of notice and hearing language.

[AB 2208](#) (Perea D) Drinking water.

Current Text: Amended: 4/16/2012

Introduced: 2/23/2012

Last Amended: 4/16/2012

Status: 5/24/2012-Referred to Com. on E.Q.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Calendar:

6/18/2012 1:30 p.m. - Room 112 SENATE ENVIRONMENTAL QUALITY, SIMITIAN, Chairman

Summary:

Current law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health. Current law, the Safe Drinking Water State Revolving Fund Law of 1997, establishes the Safe Drinking Water State Revolving Fund, which is continuously appropriated to the department for the provision of grants and revolving fund loans for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Current law prohibits the department from approving applications for this funding unless the department determines the proposed study or project meets specified criteria. This bill would state the intent of the Legislature to require the department to consider regional solutions when awarding grant money to provide clean water to underserved communities. This bill would authorize the department to combine proposed studies and projects from multiple applicants to enable these applicants to meet safe drinking water standards in a cost-effective manner. This bill

would require the department to give priority to those proposed studies or projects that consolidate services, especially in unincorporated communities, as specified.

Position: Watch

Subject: Water

CALAFCO Comments: While currently this bill does not directly affect LAFcos it is sponsored by the same people at AB 2238 (CRLA) and is in many ways tied to that bill. The current amendments do affect water and wastewater agencies which may be of concern to LAFcos and CALAFCO. It is also likely this bill will be significantly amended but at this time we don't know where it is going.

ACA 17 (Logue R) State-mandated local programs.

Current Text: Introduced: 2/15/2011

Introduced: 2/15/2011

Status: 4/14/2011- Referred to Com. on L. GOV.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Summary:

Under the California Constitution, whenever the Legislature or a state agency mandates a new program or higher level of service on any local government, the state is required to provide a subvention of funds to reimburse the local government. With regard to certain mandates imposed on a city, county, city and county, or special district that have been determine to be payable, the Legislature is required either to appropriate, in the annual Budget Act, the full payable amount of the mandate, determined as specified, or to suspend the operation of the mandate for the fiscal year. The California Constitution provides that the Legislature is not required to appropriate funds for specified mandates.

Position: None at this time

Subject: LAFCo Administration

CALAFCO Comments: Changes state mandate law in a proposed constitutional amendment. Included is specific language that releases mandate responsibility if the local agency can change an individual or applicant for the cost of providing the mandated service. Would likely exempt some mandates to LAFCo from state funding.

SB 46 (Correa D) Public officials: compensation disclosure.

Current Text: Amended: 6/2/2011

Introduced: 12/9/2010

Last Amended: 6/2/2011

Status: 8/22/2011- In Assembly. Read first time. Held at Desk.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Summary:

Current provisions of the Political Reform Act of 1974 require certain persons employed by agencies to file annually a written statement of the economic interests they possess during specified periods. The act requires that state agencies promulgate a conflict of interest code that must contain, among other topics, provisions that require designated employees to file statements disclosing reportable investments, business positions, interests in real property, and income. The act requires that every report and statement filed pursuant to the act is a public record and is open to public inspection. This bill would, commencing on January 1, 2013, and continuing until January 1, 2019, require every designated employee and other person, except a candidate for public office, who is required to file a statement of economic interests to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year, as specified. This bill contains other related provisions and other current laws.

Attachments:

[CALAFCO Opposition Letter](#)

Position: Oppose

Subject: LAFCo Administration

CALAFCO Comments: Similar to a 2010 bill, this would require all those who file a Form 700 to also file an extensive compensation and reimbursement disclosure report. Would require all local agencies, including LAFCo, to annually post the forms on their website.

SB 1090 (Committee on Governance and Finance) Local government: omnibus bill.

Current Text: Amended: 4/11/2012

Introduced: 2/15/2012

Last Amended: 4/11/2012

Status: 5/17/2012-Referred to Com. on L. GOV.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Calendar:

6/27/2012 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, SMYTH, Chair

Summary:

Current law sets forth the boundary descriptions of every county in the state, including the Counties of Fresno and Merced. This bill would revise the boundary descriptions for the Counties of Fresno and Merced. This bill contains other related provisions and other current laws.

Position: None at this time

CALAFCO Comments: Senate Omnibus bill. At this time it does not contain any LAFCo-related legislation.

AB 1266 (Nielsen R) Local government: Williamson Act: agricultural preserves: advisory board.

Current Text: Introduced: 2/18/2011

Introduced: 2/18/2011

Status: 7/14/2011-From consent calendar. Ordered to third reading. Ordered to inactive file at the request of Senator La Malfa.

2Year	Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
Dead	1st House				2nd House							

Summary:

Current law, the Williamson Act, authorizes a city or county to enter into contracts to establish agricultural preserves. Current law also authorizes the legislative body of a city or county to appoint an advisory board to advise the legislative body on agricultural preserve matters. This bill would specify matters on which the advisory board may advise the legislative body of a county or city. This bill would also state that the advisory board is not the exclusive mechanism through which the legislative body can receive advice on or address matters regarding agricultural preserves.

Position: None at this time

Subject: Ag Preservation - Williamson

CALAFCO Comments: Specifies additional responsibilities for the county or city Williamson Act advisory board. May also be a placeholder for more significant modifications to the Williamson Act.

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

June 6, 2012

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: **FY 2012-13 Final Budget**

RECOMMENDATION

Adopt the Final FY 2012-13 Budget Resolution with total Appropriations of \$1,081,200.

DISCUSSION

This report outlines the FY 2012-13 Final Budget based on the best available information. LAFCo must adopt the Final Budget by June 15th of each year. The Final Budget is based on an estimated Fund Balance by projecting year-end expenditures and revenues. Every attempt is made to accurately estimate Fund Balance because it is used as a base funding source for the following year's budget.¹

The FY 2012-13 Final Budget based on allocated costs and salary and benefits provided by the City of Sacramento and County of Sacramento. Nominal cost increases represent increases in allocated costs paid by LAFCo for support services provided by the County of Sacramento.

Salary and Benefit increases are based on policies and practices implemented by the County of Sacramento and City of Sacramento. These costs are determined by the respective agencies and LAFCo has no control over these cost increases. There is no cost of living or equity adjustments for employees other than changes to benefit costs such as retirement, insurance, social security, and other similar benefit costs.

¹ The final Fund Balance will not be available from the County Auditor until late July or early August. Staff will report back to the Commission in August or September after the Year-End Fund Balance is available to advise the Commission if any adjustments are required.

The Final Budget includes increases for our annual audit and increases in charges for systems and data support provided by the County of Sacramento as discussed in this report.

Summary FY 2011-12 Final Budget

Appropriations	\$1,081,200
Funding Sources	
Project Revenues	250,000
Assessments	686,500
Fund Balance-General	127,200
Miscellaneous Project Revenue	15,000
Interest Earnings	<u>2,500</u>
Total Revenue and Assessments	\$1,081,200

LAFCo Funding Sources

LAFCo's Budget is primarily funded from assessments from contributing agencies, Fund Balance, and project revenue. Project revenue can vary from year to year. The table below summarizes the estimated revenue and funding sources for FY 2012-13:

Summary of Revenue Sources		
Source	Amount	Percent
Fund Balance	\$127,200	10.2%
Interest	2,500	.2%
Assessments	686,500	56.0%
Project Revenue	<u>265,000</u>	<u>33.6%</u>
Total Base Budget	\$1,081,200	100.0%

Fund Balance or carryover is used to help fund next year's budget. Historically, fund balance has averaged about \$100,000 to \$120,000 for the last several years. Fund Balance is dependent on cost savings and/or revenues in excess of revenue budgeted.

Affected Agency Assessment

The final budget assumes no assessment increase. Total contributions from other affected agencies will remain at \$686,500, the same as the last five (5) years. LAFCo's contribution from the cities, county, and special districts is \$228,833 for each category or

1/3 each. The cities and special districts allocation is calculated as a percentage of their revenue compared to the total revenue for their category. Consequently, individual assessments for each affected agency may vary from year to year, however, the 1/3 share in the amount of \$228,833 will not change next fiscal year. This calculation is pursuant to State law [GC 56381] and uses the most recent State Controller's Report for Cities and Special Districts to make the assessment allocation to each affected agency.

Issues to be Considered for Final Budget

Cost of living adjustments for salary and benefits are based on city and county policies for the respective employees. (Note: LAFCo contracts with the city and county for staff). Currently, the County and City are not proposing COLA or equity increases for Salaries.

Summary of Reserves, Year End Fund Balance Estimate, Revenues and Expenditures for current FY 2010-11 Budget

Estimated Fund Balance (6-30-12)

Fund Balance (Undesignated)	\$127,200
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Currently the Year-End Balance is estimated to be \$127,200. This may be optimistic and it will be adjusted for the Final Budget based on actual information. The actual Year-End Fund Balance is not available until late July. If fund balance is greater than estimated the excess will be placed in reserves, however, if Fund Balance is lower than \$127,200, it may be necessary to transfer a sufficient amount from reserves to balance the FY 2012-13 budget.

General Fund Reserves (6-30-11)

Reserve Balance (7-1-2011)	\$220,933
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Currently, the Commission General Reserve Fund Balance is \$220,933. This amount has been set aside for unanticipated expenditures, revenue shortfalls and/or litigation. These funds cannot be spent without Commission approval. No increase or decrease is anticipated at this time except as described in the Fund Balance section of this report.

FY 2012-13 Final Budget

The attached budget summarizes the FY 2012-13 Final Budget. No significant changes are proposed for the base budget. Project revenue and project expenses are based on anticipated projects for FY 2012-13. The project costs are estimates and could change as would the revenue estimates when additional information becomes available.

Summary of Budget Changes

Salary and Benefits

Salary and Benefits do not include and COLA or equity adjustments pursuant to the County of Sacramento and City of Sacramento Personnel Budget Reports. LAFCo staff is either employees of the County of Sacramento or City of Sacramento. Salary and Benefit adjustments are determined by the respective agencies i.e. either the approval of the Sacramento City Council or County Board of Supervisors. Minor increases represent changes in benefit costs such as medical insurance premiums, retirement contributions, increased employer share of social security taxes, etc.

Estimated Increase: None

Service and Supply Accounts

It is estimated that service and supply accounts will *increase* by approximately \$4,700 from last year's base budget attributable to the following changes in allocated costs and auditing fees shown below.

The following table summarizes the net change from last year's budget to the proposed budget. The *net increase* in the Proposed Budget is estimated to be \$4,700 based on current information.

Summary of Budget Changes Between FY 2010-11 and FY 2012-13	
Audit Fees	3,000
Countywide IT Services	200
IT Maintenance	1,400
WAN Network	100
Total Net Increase	\$4,700

Contract Costs and Revenue

LAFCo contracts for legal, environmental and surveyor services. All contracts include both reimbursable and non-reimbursable expenses. The reimbursable expenses are related to project and/or applications. The non-reimbursable expenses do not relate to specific projects or applications and reflect the on-going costs of operating an independent LAFCo.

The following contract amounts represent non-reimbursable expenditures. These accounts have not increased in several years and remain the same as previous years. For example, legal expenditures may include charges for legal opinions that may be requested

by Commissioners, general legal advice, and information that is needed that is not related to a specific project.

	<u>Non-Project</u>
Legal	\$60,000
Environmental Services	20,000
Surveyor	<u>0</u>
Total Net Cost	\$80,000

Contingencies

The Proposed Budget recommends that \$36,500 be budgeted in contingencies to offset unanticipated expenses or revenue shortfalls that may occur during the budget year. This minimal amount remains unchanged from previous years. If it is not needed it is a savings that contributes to year-end carryover and Fund Balance.

Summary of Project Costs and Revenues

The following table highlights possible projects that may commence in the next fiscal year. The estimated cost of these projects will be entirely offset by revenue. These costs are estimates and could be either higher or lower.

Estimated Project Costs

City of Elk Grove SOIA	\$70,000
Cordova Hills	30,000
Greenbriar Litigation	40,000
New Projects	60,000
Project Contingency	<u>50,000</u>
Total	\$250,000

Estimated Project Revenue

Project Fees and Revenue	<u>\$250,000</u>
Total	\$250,000

Operating Efficiencies

Staff continues to review overall expenditures and evaluate all cost savings opportunities.

Conclusion and Recommendation

Based on the estimated year-end Fund Balance, the FY 2012-13 Final Budget is balanced. However, it may be necessary to take money from reserves to offset any Year-End Fund Balance shortfall. Staff recommends that the Commission adopt the FY 2012-13 Final Budget.

Respectfully Submitted,

A handwritten signature in black ink that reads "Peter Brundage". The signature is written in a cursive style with a large, looped "P" and "B".

Peter Brundage
Executive Officer

PB

Attachment

(FY 2012-13 Final Budget June, 2012)

Sacramento Local Agency Formation Commission

Final Budget FY 2012-13 (June, 2012)

Base Budget with Projects

Acct	Description	Final Budget		Change
		11-12	12-13	Increase/(Decrease)
Salary and Benefit Accounts				
1000	Total Salaries & Benefits	480,000	480,000	0
1005	Secretary Part time	42,000	42,000	0
1124	Commission Reimbursement	9,000	9,000	0
1240	Worker's Comp	500	500	0
1250	Unemployment	0	0	0
Total 1000's Account		531,500	531,500	0
Service and Supply Accounts				
2005	Advertising-public notice, meetings etc.	7,500	7,500	0
2022	Periodicals, Books, Subs	2,000	2,000	0
2029	Business & Conf Expenses	12,000	12,000	0
2035	Education/Training	2,200	2,200	0
2039	Employee Transportation	200	200	0
2051	Liability Insurance for Commission	7,000	7,000	0
2061	Membership CaLAFCo Dues	7,250	7,250	0
2076	Office Supplies	8,000	8,000	0
2081	Postage	5,000	5,000	0
2275	Rents/Leases Equipment-Copier	18,000	18,000	0
2505	Accounting/Audit Fees	5,000	8,000	3,000
2531	Legal Costs projects	0	0	0
2531	Legal-General	60,000	60,000	0
2591	Other Professional Services	30,000	30,000	0
2591	Misc Costs	0	0	0
2591	Misc Billable Project	400,000	250,000	(150,000)
2910	County Wide IT Servcies	1,700	1,900	200
2911	System Dev Sve Web & Desktop Suppo	17,000	17,000	0
2912	System Dev Sup Maintenance	500	1,900	1,400
2916	WAN Wide Area Network	4,500	4,600	100
2917	Security Alarm Monitoring	0	0	0
2921	Printing Services/Duplication	2,250	2,250	0
2923	GS Messenger Services	0	0	0
2926	GS Stores	1,000	1,000	0
2934	P/W Charges	7,400	7,400	0
2943	Lease Facility Charges	48,500	48,500	0
2987	Telephone	4,000	4,000	0
2990	GS Other Dept Svc	500	500	0
2995	County Allocated Costs	7,500	7,000	(500)
Total 2000's Account		659,000	513,200	(145,800)
7900	Contingency Base	36,500	36,500	0
7901	Contingency Surplus	0	0	0
	General Purpose Reserve	0	0	0
Total Contingency		36,500	36,500	0
Total Appropriations and Contingency		1,227,000	1,081,200	(145,800)
Less: Project Revenue-Variou				
		15,000	15,000	0
Revenue Reimbursement-Projects				
		400,000	250,000	(150,000)
Interest Earnings				
		5,000	2,500	(2,500)
Fund Balance/Carryover				
		120,500	127,200	6,700
Reserve or Fund Balance Betterment-Adjustment				
		0	0	0
Assessments from Contributing Agencies				
		686,500	686,500	0
Total Funding		1,227,000	1,081,200	(145,800)
Estimated Surplus/Shortfall		0	0	0

Government Code 56381 - Statutory Funding Formula and Budget Process

56381. (a) 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, and to each independent special district.

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

(1) (A) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs.

(B) 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.

(C) The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. Except as provided in subparagraph (D), an independent special district's total revenue shall be calculated for non-enterprise activities as total revenues for general purpose transactions less revenue category aid from other governmental agencies and for enterprise activities as total operating and non-operating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations. For the purposes of fulfilling the requirement of this section, a multicounty independent special district shall be required to pay its apportionment in its principal county. It is the intent of the Legislature that no single district or class or type of district shall bear a disproportionate amount of the district share of costs.

(D) (i) For purposes of apportioning costs to a health care district formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code that operates a hospital, a health care district's share, except as provided in clauses (ii) and (iii), shall be apportioned in proportion to each district's net from operations as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development, as a percentage of the combined independent special districts' net operating revenues within a county.

(ii) A health care district for which net from operations is a negative number may not be apportioned any share of the commission's operational costs until the fiscal year following positive net from operations, as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development.

(iii) A health care district that has filed and is operating under public entity bankruptcy pursuant to federal bankruptcy law, shall not be apportioned any share of the commission's operational costs until the fiscal year following its discharge from bankruptcy.

(iv) As used in this subparagraph "net from operations" means total operating revenue less total operating expenses.

(E) Notwithstanding the requirements of subparagraph (C), the independent special districts' share may be apportioned by an alternative method approved by a majority of the districts, representing a majority of the combined populations. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs

(C) and (D), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.

(F) Notwithstanding the requirements of subparagraph (C), no independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district as otherwise provided in this section. In those counties in which a district's share is limited to 50 percent of the total independent special districts' share of the commission's operational costs, the share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equals the share apportioned by the auditor to independent special districts.

(2) In counties in which there is no independent special district representation on the commission, the county and its 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 paragraph (1).

(3) In counties in which there are no cities, the county and its special districts shall each provide a one-half share of the commission's operational costs. The independent special districts' share shall be apportioned in the manner described for cities' apportionment in paragraph (1). If there is no independent special district representation on the commission, the county shall pay all of the commission's operational costs.

(4) Instead of determining apportionment pursuant to paragraph (1), (2), or (3), any alternative method of apportionment of the net operating expenses of the commission

may be used if approved by a majority vote of each of the following: the board of supervisors; a majority of the cities representing a majority of the total population of cities in the county; and the independent special districts representing a majority of the combined total population of independent special districts in the county. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs (C) and (D) of paragraph (1), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.

(c) After apportioning the costs as required in subdivision (b), the auditor shall request payment from the board of supervisors and from each city and each independent special district 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 the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission. Between the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission. When the city and district payments are received by the commission, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county. 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. The commission shall appropriate sufficient funds in its budget for the subsequent fiscal year to repay the loan.

56381.6. (a) Notwithstanding the provisions of Section 56381, for counties whose membership on the commission is established pursuant to Sections 56326, 56326.5, 56327, or 56328, the commission's annual operational costs shall be apportioned among the classes of public agencies that select members on the commission in proportion to the number of members selected by each class. The classes of public agencies that may be represented on the commission are the county, the cities, and independent special districts. Any alternative cost apportionment procedure may be adopted by the commission, subject to a majority affirmative vote of the commission that includes the affirmative vote of at least one of the members selected by the county, one of the members selected by the cities, and one of the members selected by districts, if special districts are represented on the commission.

(b) Allocation of costs among individual cities and independent special districts and remittance of payments shall be in accordance with the procedures of Section 56381. Notwithstanding Section 56381, any city that has permanent membership on the commission pursuant to Sections 56326, 56326.5, 56327, or 56328 shall be apportioned the same percentage of the commission's annual operational costs as its permanent member bears to the total membership of the commission, excluding any public members selected by all the members. The balance of the cities' portion of the commission's annual operational costs shall be apportioned to the remaining cities in the county in accordance with the procedures of Section 56381.

RESOLUTION NO. LAFC 2012-07-0606-00-00

THE SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

**RESOLUTION APPROVING THE
FISCAL YEAR 2012-13 FINAL BUDGET**

WHEREAS, the Sacramento Local Agency Formation Commission has conducted a public hearing on May 2, 2012, during which all additions and deletions amending the Final Budget for Fiscal Year 2012-2013 (FY 2012-13) were considered and made.

WHEREAS, in accordance with Government Code Section 56381, that the Final Budget for FY 2012-13 is hereby adopted in accordance to the following:

(1)	Salaries and Employees Benefits	\$ 9,500
(2)	Services and Supplies	\$1,035 ,500 ¹
(3)	Other Charges	-0-
(4)	Fixed Assets	
	(A) Land	-0-
	(B) Structures and Improvements	-0-
	(C) Equipment	-0-
(5)	Expenditure Transfers	-0-
(6)	Contingencies	\$ 26,500
(7)	Provision for Reserve Increases	\$ <u>0</u>
	TOTAL BUDGET REQUIREMENTS	\$1,081,200

TOTAL FUNDING **\$1,081,200**

WHEREAS, the FY 2012-13 Budget is subject to any salary and benefit changes made by the County Board of Supervisors and Sacramento City Council during their budget deliberations. LAFCo contracts with City and County staff. These positions are subject to salary and benefits which are approved by the respective agencies;

WHEREAS, that means of financing the expenditures program will be by monies derived from Revenue, Fund Balance Available, and Contributions from Affected Agencies in the amount of \$1,081,200.

NOW THEREFOR, BE IT RESOLVED that the Final Budget for FY 2012-13 be and is hereby adopted with the listed attachments which show in detail the approved appropriations subject to limitations attached hereto and by reference made a part hereof.

¹ Includes reimbursement to City and County of Sacramento for Reimbursements of Salary and Benefits for Executive Officer, Assistant Executive Officer and Commission Clerk.

BE IT FURTHER RESOLVED that Resolution No. *L AFC 2012-07-0606-00-00* was adopted by the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**, on the *6th day of June 2012* , by the following vote, to wit:

	Motion	2nd	Aye	No	Absent	Abstain
Gay Jones	_____	_____	_____	_____	_____	_____
Susan Peters	_____	_____	_____	_____	_____	_____
Ron Greenwood	_____	_____	_____	_____	_____	_____
Christopher Tooker	_____	_____	_____	_____	_____	_____
Robert Jankovitz	_____	_____	_____	_____	_____	_____
Jimmie Yee	_____	_____	_____	_____	_____	_____
Jay Schenirer	_____	_____	_____	_____	_____	_____

Commission Vote Tally Aye _____ No _____ Absent _____ Abstain _____
 Passed Yes _____ No _____

By:

Gay Jones, Chair
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

ATTEST:

Diane Thorpe
Commission Clerk

Sacramento Local Agency Formation Commission

Final Budget FY 2012-13 (June, 2012)

Base Budget with Projects

Acct	Description	Change		
		Final Budget 11-12	Final Budget 12-13	Increase/(Decrease)
Salary and Benefit Accounts				
1000	Total Salaries & Benefits	0	0	0
1005	Secretary Part time	0	0	0
1124	Commission Reimbursement	9,000	9,000	0
1240	Worker's Comp	500	500	0
1250	Unemployment	0	0	0
Total 1000's Account		9,500	9,500	0
Service and Supply Accounts				
2005	Advertising-public notice, meetings etc.	7,500	7,500	0
2022	Periodicals, Books, Subs	2,000	2,000	0
2029	Business & Conf Expenses	12,000	12,000	0
2035	Education/Training	2,200	2,200	0
2039	Employee Transportation	200	200	0
2051	Liability Insurance for Commission	7,000	7,000	0
2061	Membership CaLAFCo Dues	7,250	7,250	0
2076	Office Supplies	8,000	8,000	0
2081	Postage	5,000	5,000	0
2275	Rents/Leases Equipment-Copier	18,000	18,000	0
2505	Accounting/Audit Fees	5,000	8,000	3,000
2531	Legal Costs projects	0	0	0
2531	Legal-General	60,000	60,000	0
2591	Other Professional Services	30,000	30,000	0
2591	Contract Employee Salary and Benefits	522,000	522,000	0
2591	Misc Billable Project	400,000	250,000	(150,000)
2910	County Wide IT Services	1,700	1,900	200
2911	System Dev Sve Web & Desktop Suppo	17,000	17,000	0
2912	System Dev Sup Maintenance	500	1,900	1,400
2916	WAN Wide Area Network	4,500	4,600	100
2917	Security Alarm Monitoring	0	0	0
2921	Printing Services/Duplication	2,250	2,250	0
2923	GS Messenger Services	0	0	0
2926	GS Stores	1,000	1,000	0
2934	P/W Charges	7,400	7,400	0
2943	Lease Facility Charges	48,500	48,500	0
2987	Telephone	4,000	4,000	0
2990	GS Other Dept Svc	500	500	0
2995	County Allocated Costs	7,500	7,000	(500)
Total 2000's Account		1,181,000	1,035,200	(145,800)
7900	Contingency Base	36,500	36,500	0
7901	Contingency Surplus	0	0	0
	General Purpose Reserve	0	0	0
Total Contingency		36,500	36,500	0
Total Appropriations and Contingency		1,227,000	1,081,200	(145,800)
	Less: Project Revenue-Variou	15,000	15,000	0
	Revenue Reimbursement-Projects	400,000	250,000	(150,000)
	Interest Earnings	5,000	2,500	(2,500)
	Fund Balance/Carryover	120,500	127,200	6,700
	Reserve or Fund Balance Betterment-Adjustment	0	0	0
	Assessments from Contributing Agencies	686,500	686,500	0
Total Funding		1,227,000	1,081,200	(145,800)
Estimated Surplus/Shortfall		0	0	0

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

*1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458*

June 6, 2012

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer *PB*
RE: FY 2012-13 Contracts

RECOMMENDATION:

Authorize the Executive Officer to sign the attached contracts for FY 2012-13.

A.	Miller & Owen	Commission Counsel
B.	Environmental Planning Partners	Environmental Support
C.	James Marta, CPA	FY 2011-12 Audit

DISCUSSION:

The attached contract renewals cover the various on-going consulting services for FY 2012-13. These contracts include amounts for reimbursable project costs as well as funding for general support that is not reimbursable.

The following contract amounts have been included in the FY 2012-13 Final Budget:

	<u>Contract Amount</u>	<u>Revenue</u>	<u>Net Cost</u>
Legal	\$160,000	\$100,000	\$60,000
Environmental	50,000	30,000	20,000
James Marta, CPA	<u>8,000</u>		<u>8,000</u>
Total	\$218,000	\$130,000	\$88,000

**AGREEMENT BETWEEN
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
AND
MILLER & OWEN
A Professional Corporation**

This Agreement is made and entered into this 30th day of June 2012, by and between the **SACRAMENTO LOCAL AGENCY FORMATION COMMISSION** (hereinafter referred to as "LAFCo"), and **MILLER & OWEN, A Professional Corporation** (hereinafter referred to as "Contractor").

1. **CONTRACTORS OBLIGATION** Contractor shall provide legal services, representation, consultation, research, opinions, and advice. Contractor shall send LAFCo a detailed statement for fees and costs incurred every month.

2. **LAFCO'S RESPONSIBILITIES** For the purposes described in this Agreement, LAFCo shall pay Contractor for services rendered at the hourly rate outlined in Exhibit "A," attached hereto.

The total amount paid to Contractor under this Agreement shall not exceed \$60,000 for services that are not reimbursed by third parties and \$100,000 for services that are reimbursed by third parties for a total amount not to exceed \$160,000 unless the amount is amended in writing by the parties. The total amount does not include any amounts for litigation. In the event of litigation the contract amount may be amended.

3. **CONTRACTOR'S RESPONSIBILITIES** Contractor shall provide legal services to LAFCo, as requested, in order to assist LAFCo in relation to proceedings undertaken. Contractor's services may include, but are not necessarily be limited to:

Representing LAFCo as general counsel including, but not limited to, litigation if any. If litigation is initiated, the budgeted amount may increase upon written agreement of the parties.

Making recommendations to LAFCo on the development of LAFCo positions on various issues as requested by staff or the Commission.

4. **TERM** The term of this Agreement shall be effective from July 1, 2012, through June 30, 2013. It is the parties' intent that this Agreement may be annually renewed by LAFCo and Contractor.

5. **TERMINATION** This Agreement may be terminated as follows:

By mutual consent of both parties; or

By LAFCo upon written notice thereof to Contractor.

ASSIGNMENT Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same without prior written consent of LAFCo, except that claims for money due or to become due Contractor from LAFCo under this Agreement may be assigned by Contract to a bank, trust company, or other financial institution without such approval, written notice of any such transfer shall be furnished promptly to LAFCo. Any attempt at assignment of rights under this Contract except for those specifically consented to by both parties or as stated above shall be void.

MODIFICATION This Agreement may only be modified by a written amendment hereto, executed by both parties.

SEVERABILITY If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

CONFIDENTIAL RELATIONSHIP All dealings of the parties hereto are confidential, and no report, data, information or communication developed, prepared or assembled by Contractor hereunder shall be revealed or made available to any person or entity other than LAFCo without LAFCo's permission except as provided by law.

INDEPENDENT CONTRACTOR No employer/employee relationship is intended by the parties hereto, the relationship of Contractor to the LAFCo being that of independent contractor. LAFCo will not be required to make payroll deductions or provide worker's compensation insurance or health benefits.

INSURANCE During the term of this Agreement, Contractor shall maintain professional liability insurance which is reasonably satisfactory to LAFCo in an amount not less than \$500,000 per occurrence and \$1,000,000 umbrella coverage. Contractor shall also maintain worker's compensation insurance in an amount not less than \$1,000,000.

SURVIVAL Contractor shall remain obligated under all clauses of this Agreement which expressly or by their nature extend beyond the term hereof.

NOTICES All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with a United States Post Office for delivery by registered or certified mail and addressed to the parties at the following addresses, unless such addresses are changed by notice, in writing, to the other party:

LAFCo: Sacramento Local Agency Formation Commission
Attention: Peter Brundage
1112 I Street, #100
Sacramento CA 95814-1280

CONTRACTOR: MILLER & OWEN
Attention: Nancy C. Miller
A Professional Corporation
428 J Street, Suite 400
Sacramento CA 95814

ADDITIONAL PROVISIONS This Agreement shall be governed by the laws of the State of California. It constitutes the entire agreement between the parties regarding its subject matter. This Agreement supersedes all proposals, oral or written, and all negotiations, conversations or discussions heretofore and between the parties related to the subject matter of this Agreement.

Executed by Contractor and by LAFCo in Sacramento, California on the date and year first above written.

SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION

MILLER & OWEN
A Professional Corporation

By: _____
Peter Brundage
Executive Officer

By: _____
Nancy C. Miller

Exhibit A

RATE SCHEDULE FY 2011-12

Nancy C. Miller	\$275.00
William L. Owen	\$275.00
Christiane E. Layton	\$255.00
Paul J. Chrisman	\$255.00
Madeline E. Miller	\$220.00
Jennifer V. Gore	\$205.00
Matt McOmber	\$190.00
Paralegals	\$105.00

In addition, only the following costs will be billed as follows:

In-house photocopying will be billed at \$.05 a copy. Other photocopying, postage, long distance telephone charges, federal express, courier service, court and administrative fees, and all other "out of pocket" costs will be billed at actual costs. Travel to and from client is not billed.

Hourly rates may increase upon written amendment by the parties. The firm usually adjusts rates annually.

**AGREEMENT BETWEEN
SACRAMENTO LOCAL AGENCY FORMATION COMMISSION
AND
ENVIRONMENTAL PLANNING PARTNERS, INCORPORATED**

This Agreement is made and entered into this 1st day of July, 2012, by and between the SACRAMENTO LOCAL AGENCY FORMATION COMMISSION (hereinafter referred to as "LAFCo"), and ENVIRONMENTAL PLANNING PARTNERS, Inc.

1. **CONTRACTORS OBLIGATION** Contractor shall provide environmental planning services, environmental document preparation, consultation, research, opinions, and advice. Contractor shall send LAFCo a detailed statement for fees and costs incurred every month.
2. **LAFCO'S RESPONSIBILITIES** For the purposes described in this Agreement, LAFCo shall pay Contractor for services rendered at the hourly rate outlined in Exhibit "A," attached hereto.

The total amount paid to Contractor under this Agreement shall not exceed \$20,000 for services that are not reimbursed by third parties and \$30,000 for services that are reimbursed by third parties for a total amount not to exceed \$50,000 unless the amount is amended in writing by the parties. The total amount does not include an amount for litigation. In the event of litigation, the contract may be amended.

3. **CONTRACTOR'S RESPONSIBILITIES** Contractor shall provide environmental planning services to LAFCo, as requested, in order to assist LAFCo in complying with the California Environmental Quality Act in LAFCo's consideration of projects and applications brought before LAFCo. Contractor's services may include, but are not necessarily limited to:
 - Preparing environmental documents compliant with the California Environmental Quality Act for LAFCo projects. Such documents under this contract include Notices of Exemption, Initial Studies, and Negative Declarations. If an expanded Initial Study with special technical studies or an Environmental Impact Report is initiated, the budgeted amount may increase upon written agreement of the parties.
 - Reviewing and commenting upon environmental documents prepared by local lead agencies to support applications submitted to LAFCo in LAFCo's role as a responsible agency under terms of the California Environmental Quality Act.
4. **TERM** The term of this Agreement shall be from the effective date of July 1, 2012 through June 30, 2013.

5. **TERMINATION** This Agreement may be terminated as follows:

By mutual consent of both parties; or

By LAFCo upon written notice thereof to Contractor

ASSIGNMENT Contractor shall not assign any interest in this Agreement and shall not transfer any interest in the same without prior written consent of LAFCo, except that claims for money due or to become due Contractor from LAFCo under this Agreement may be assigned by Contract to a bank, trust company, or other financial institution without such approval, written notice of any such transfer shall be furnished promptly to LAFCo. Any attempt at assignment of rights under this Contract except for those specifically consented to by both parties or as stated above shall be void.

MODIFICATION This Agreement may only be modified by a written amendment hereto, executed by both parties.

SEVERABILITY If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

CONFIDENTIAL RELATIONSHIP All dealings of the parties hereto are confidential, and no report, data, information or communication developed, prepared or assembled by Contractor hereunder shall be revealed or made available to any person or entity other than LAFCo without LAFCo's permission except as provided by law.

INDEPENDENT CONTRACTOR No employer/employee relationship is intended by the parties hereto, the relationship of Contractor to the LAFCo being that of independent contractor. LAFCo will not be required to make payroll deductions or provide worker's compensation insurance or health benefits.

INSURANCE During the term of this Agreement, Contractor shall maintain professional liability insurance that is reasonably satisfactory to LAFCo in an amount not less than \$1,000,000 per occurrence and \$1,000,000 aggregate. Contractor shall also maintain worker's compensation insurance as required by statute.

SURVIVAL Contractor shall remain obligated under all clauses of this Agreement that expressly or by their nature extend beyond the term hereof.

NOTICES All notices that are required to be given by one party to the other under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited with a United States Post Office for delivery by registered or certified mail and addressed to the parties at the following addresses, unless such addresses are changed by notice, in writing, to the other party:

LAFCO: Sacramento Local Agency Formation Commission
Attention: Peter Brundage
1112 I Street, #100
Sacramento CA 95814-1280

CONTRACTOR: Environmental Planning Partners Inc.
Attention: Robert D. Klousner
PO Box 627
7281 Lone Pine Drive, Suite D-203
Sloughouse, CA 95683

ADDITIONAL PROVISIONS This Agreement shall be governed by the laws of the State of California. It constitutes the entire agreement between the parties regarding its subject matter. This Agreement supersedes all proposals, oral or written, and all negotiations, conversations or discussions heretofore and between the parties related to the subject matter of this Agreement.

In addition, only the following costs will be billed as follows:

In-house photocopying will be billed at \$.05 a copy. Other photocopying, postage, long distance telephone charges, federal express, courier service, court and administrative fees, and all other "out of pocket" costs will be billed at actual costs.

Hourly rates shown in Exhibit A attached

Executed by Contractor and by LAFCo in Sacramento, California on the date and year first above written.

***SACRAMENTO LOCAL AGENCY
FORMATION COMMISSION***

ENVIRONMENTAL PLANNING PARTNERS
Incorporated

By: _____
Peter Brundage
Executive Officer

By: _____
Robert D. Klousner

Exhibit A

2012-2013 RATE SCHEDULE

Client: Sacramento Local Agency Formation Commission

Matter: Environmental Document Preparation and Consulting

Hourly rates for Planning Partners' personnel:

Principal	\$145.00
Principal Planner/Scientist	\$125.00
Prof. Planner/Scientist	\$120.00
Senior Planner	\$105.00
Assoc. Planner/Scientist	\$95.00
Assistant Planner	\$90.00
Planning Technician	\$85.00
Cartographer	\$75.00
Support	\$57.50



James Marta & Company
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

March 1, 2012

Peter Brundage
Executive Officer
Sacramento Local Agency Formation Commission
1112 I Street, Suite 100
Sacramento, CA 95814

We are pleased to confirm our understanding of the services we are to provide for Sacramento Local Agency Formation Commission for the year ended June 30, 2012.

I. SCOPE OF WORK

We have been engaged to perform an audit of Sacramento Local Agency Formation Commission's basic financial statements as of June 30, 2012. The purpose of an audit is to express an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America, and is limited to the period covered by our audit.

II. MANAGEMENT'S RESPONSIBILITIES

At the outset, it is imperative that we state the scope of your responsibilities in connection with this engagement. The financial statements are the responsibility Sacramento Local Agency Formation Commission's management. Encompassed in that responsibility are the establishment and maintenance of effective internal control over financial reporting, the establishment and maintenance of proper accounting records, and the selection of appropriate accounting principles.

Management is responsible for the design and implementation of programs and controls to prevent or detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, regulators, or others. In addition, management is responsible for identifying and ensuring that the entity complies with applicable laws and regulations.

We will assist in the preparation of your financial statements, but the responsibility for the financial statements remains with you. You are responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

As part of our engagement we may propose standard, adjusting, or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on your financial statements. Further, you are responsible for designating a qualified management-level individual to be responsible and accountable for overseeing these services.

III. OUR RESPONSIBILITY

Our responsibility is to express an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles, and is limited to the period covered by our audit. Facts and circumstances may require us to qualify that opinion, or to disclaim it, or to express an adverse opinion. Other facts and circumstances may require us to provide additional information on our report. We will keep you informed if and when we begin to reach conclusions that our report may need to be modified because of such facts and circumstances.

IV. CHARACTER AND LIMITATIONS OF AN AUDIT

Our audit will be conducted in accordance with Generally Accepted Auditing Standards (GAAS) and Generally Accepted Government Auditing Standards. Those standards require that we initially assess the risk that errors, fraud, irregularities, and illegal acts may cause the financial statements to contain a material misstatement. This is necessary because we do not audit all the transactions and balances in the financial statements, only a selected portion of them, in some cases a very small portion. The costs for us to examine a large portion of them, or all of them of a certain category, or all of them in all categories, would be prohibitive. Consequently, there are risks.

In making this initial assessment, we are required to obtain an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of financial statements and to design appropriate audit procedures. Those considerations mandate your complete cooperation and honesty about your knowledge and understanding of the possibility of the existence of errors, fraud, irregularities and illegal acts. By signing this letter, you agree that you will provide this cooperation and that you will be totally honest with us.

Based on that assessment, the standards require us to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement, whether caused by errors, fraud, irregularities and illegal acts. Accordingly, a material misstatement may remain undetected. While we are required to exercise due care and professional skepticism, since our opinion is based on the concept of reasonable assurance, we are not an insurer and our report does not constitute a guarantee. We will inform you of all matters of fraud that come to our attention. We will also inform you of illegal acts that come to our attention, unless they are clearly inconsequential. We will inform you of any need to extend our procedures because of them and our estimate of their additional cost.

The discovery, subsequent to the date of the auditor's report, that one or more errors, frauds, irregularities, or illegal acts causing the financial statements to contain one or more material misstatements, have occurred does not necessarily mean that our audit was not conducted in accordance with generally accepted auditing standard.

An audit includes obtaining an understanding of internal control sufficient to plan the audit, but is not designed to provide assurance on internal control or to identify significant deficiencies conditions. However, during the audit, if we become aware of such reportable conditions or ways that we believe management practices can be improved, we will communicate them to you in a separate letter.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, legal counsel, creditors, and financial institutions.

The Commission's management hereby promises that it will make every diligent effort to maintain proper books and records that accurately reflect its business activities, that it will be completely truthful with us and that we may rely upon both oral and written statements and responses to questions. Management further promises to immediately advise us if it become aware of any inaccuracy in the record-keeping or dishonesty in any of its business dealings, including its statements to us. Management acknowledges that the promises are the cornerstone of its relationship with us and are made to induce us to accept this audit engagement, and that we would not accept this audit engagement without such promises.

Management is responsible for making all financial records and related information available for purposes of the audit. In the event that the financial information provided is incomplete or inaccurate, then we will either complete the work at our standard rate, or delay the audit until this information is complete and accurate.

At the conclusion of our audit, we will require you to furnish us a management representation letter confirming, among others, your responsibility for your financial statements and for the design and implementation of program and controls to prevent and detect fraud. This letter is a required audit procedure prior to issuing our report. By signing this engagement letter and furnishing a management representation letter, you agree to indemnify us and hold us harmless for any liability and costs arising from knowing misrepresentations by management.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

V. OTHER STIPULATIONS

Fees

Our fee for the audit will not exceed \$8,000 for the fiscal year ended June 30, 2012. This fee includes the cost of a board presentation in Sacramento, California; additional cost will be added for time and travel expense to an alternate location. Invoices are payable upon presentation. Unpaid fee balances 30 days over due will bear interest at 18 percent per annum.

Whenever possible, we will attempt to use your organization's personnel to assist in the preparation of schedules and analyses of accounts. We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. This effort could substantially reduce our time requirements, facilitate the timely conclusion of the audit, and help you hold down audit fees. If assistance is not provided or accounting is not complete and we must complete these items, the additional time and costs will be charged at our standard hourly rates.

Our initial fee estimate assumes we will receive the aforementioned assistance from your personnel and unexpected circumstances will not be encountered. In the event that the GASB, FASB, AICPA, GAO, OMB, or the State issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you before proceeding further. Before starting the additional work, we will prepare an estimate of the time necessary, as well as the fee for performing the additional work. Our fee for addressing the additional requirements will be our standard hourly rates for each person involved in the additional work.

Reports

We will provide you with 15 copies of the report. If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

You agree to distribute the report those charged with governance and the appropriate officials of the responsible party.

Working Papers

The working papers for this engagement are the property of James Marta & Company and constitute confidential information. However, we may be requested to make certain working papers available or provide copies of them to certain regulators pursuant to authority given to it by law or regulation. If requested, access to such working papers will be provided under the supervision of James Marta & Company.

We agree to retain our workpapers related to this audit for a period of at least seven (7) years from the date of our report.

Mediation Provision

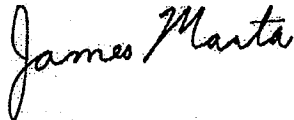
Disputes arising under this agreement (including scope, nature, and quality of services to be performed by us, our fees and other terms of the engagement) shall be submitted to mediation. A competent and impartial third party, acceptable to both parties shall be appointed to mediate, and each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. If the dispute requires litigation, the court shall be authorized to impose all defense costs against any non-prevailing party found not to have participated in the mediation process in good faith.

Several technical accounting and auditing words and phrases have been used herein. We presume you to understand their meaning or that you will notify us otherwise so that we can furnish appropriate explanations.

If the foregoing is in accordance with your understanding, please indicate your agreement by signing the duplicate copy of this letter and returning it to us.

We appreciate the opportunity to serve you and look forward to working with you and your staff.

Sincerely,



James Marta & Company

RESPONSE:

This letter correctly sets forth our understanding.

Approved by:

Title:

Date:

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

*1112 I Street, Suite #100
Sacramento, California 95814
(916) 874-6458*

June 6, 2012

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer
RE: **Rio Linda/Elverta Community Water District – Draft
Municipal Service Review – Report Back (LAFC 07-10)**

RECOMMENDATION

Receive and file status report.

Overall the District continues to provide adequate water service to the community and progress is being made to address the water supply and water quality issues. The following summarizes the significant issues and concerns that continue to exist:

1. Difficulty related to Board meetings;
2. Minimal cash flow to build up a financial reserve; and
3. Litigation and related legal costs.

DISCUSSION

This report summarizes the actions, developments, and events related to the Rio Linda Elverta Community Water District that have occurred since May 2, 2012.

I. Board of Directors

The Board of Directors approved Mary Henrici's contract for a term of 2 years and 1 month commencing June 1, 2012.

II. Progress of Well and Pipeline Construction

Well No. 15

The District has completed drilling Well No. 15 and completed construction of the pipeline. The well is not operational and will be completed by the Spring of 2013 because construction is not permitted in wetland areas between October 15th and April 15th. Optimistically, this well could be operational by the Fall of 2012. The District has met with the contractor for a preconstruction meeting and work has commenced to complete the pump installation, install the backup generator and connection to the water system.

Well No. 14

The District has completed drilling the test well. The California Department of Water Resources has taken water samples to determine the water quality. The test results are not yet available.

Well No. 3

A contract has been awarded to make repairs to Well No. 3 in order to place this well into production. This well can produce approximately 500 gpm and the arsenic levels are under State and Federal requirements.

III. Status of CDPH Compliance Orders

The water quality and quantity continue to be satisfactory. Water pressure is subject to variation because of leaks and equipment failures. However, generally, water pressures remain adequate and comply with CDPH standards.

The District has satisfied one of the Compliance Orders issued by the CDPH related to reporting requirements and staffing plans. The first Compliance Order related to water supply and capacity has not been satisfied because well construction is not complete.

IV. Sacramento Suburban Water District Interconnection

No changes in the operation or status of the intertie with Sacramento Suburban Water District. RLECWD and Sacramento Suburban Water District renewed this Agreement during March, 2012.

V. Status of District Operations

District Financial Condition

No significant changes in the overall financial situation of the District. Cash Flow remains tight. Accounts Payable are current, however, legal expenses related to litigation

continue to have a significant impact on cash flow and prevent the district's ability to develop cash reserves.

Staffing and Employee Relations

No items to report.

Urban Water Management Plan

No report.

Liability Insurance

The Association of California Water Agencies (ACWA) has extended the District's liability coverage for a 6 month period, however, this amended policy does not cover "employment practices". The District is attempting to find coverage for this exclusion.

In addition, ACWA is requesting that the Board of Directors have additional training on conducting business public hearings at Board meetings. District staff is attempting to arrange this training.

District Operations

The General Manager's report for April 11, 2012 to May 15, 2012 is attached highlighting the status of various district operations.

Also attached is a summary of the annual accomplishments of Mary Henrici, since she took over as General Manager.

Pending Litigation as of May 21, 2012

Currently, the pending litigation is set forth as follows:

- 1) CONFERENCE WITH GENERAL COUNSEL – PENDING LITIGATION - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) (Teamsters Local 150 v. RLECWD, PERB case # SA-CE-736M).
- 2) CONFERENCE WITH GENERAL COUNSEL – PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE - The Board of Directors will meet in closed session pursuant to Government Code § 54957(b)(1).
- 3) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2011-00103481.

4) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1095.

5) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1108.

6) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending/Potential Litigation. Cal OSHA v. RLECWD - Docket #R2D1-2288 to 2290). Discussion and action.

7) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) - Pending litigation - Liz Myers, Fair Employment and Housing Matter.

8) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) - Pending litigation - Liz Myers, Federal Case CIV S-11-02671 EFB.

9) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) - Pending litigation – Joseph Sherrill, Unemployment Insurance Hearing Case #'s 4194600 and 4194601.

10) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(b)(3)(C) - Pending litigation – Michael Phelan.

VI. Summary of Issues

Overall the District is providing adequate water service to the community and progress is being made to address the water supply capacity issue. However, there are several concerns that continue to exist:

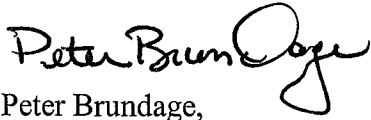
1. Difficulty related to Board meetings;
2. Minimal cash flow to build up a financial reserve; and
3. Litigation and related legal costs.

VII. Next Steps

LAFCo staff will continue to work with CDPH and the District to monitor the situation. We will keep the Commission informed.

Respectfully Submitted;

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

A handwritten signature in black ink that reads "Peter Brundage". The signature is written in a cursive style with a large, looped "P" and "B".

Peter Brundage,
Executive Officer

cc: Board of Directors and General Manager RLECWD
California Department of Public Health
Sacramento Grand Jury

Attachments

Manager Report

For April 11, 2012 through May 15, 2012

On April 12, 2012 I attended the semi monthly SGA meeting. The discussed the

On April 17, 2012 I had a construction meeting with Koch and Koch, Sara Rogers, Pat Goyet and Jim Carson regarding well #15. It was noted that the easements would be needed for the discharge pipeline immediately as the contractor wished to proceed with work in that direction. He had completed the gas and power line ditches. He has also ordered the pump and generator.

On April 18, 2012 I attended the RWA budget meeting with President Trautman.

On April 19, 2012 I attended the SAWWA meeting and listened to a Sacramento County detective discuss the measures they are taking to curb backflow thefts.

On April 23 through the 26th I attended the California Rural Water Association conference. At this conference I learned about managing insurance risk. This class was taught by Utility Resource Insurance Services. They are one of the four agencies which I applied for insurance. I then attended a class on AB 54 which is new legislation regarding mutual water company Board governance requirements. I then attended a class on infrastructure planning and funding. This class went over some of the requirements to obtain State and Federal grants and loans. Then it was off to Rates and Rates Structures noting the pros and cons of the different types of rate structures and how defensible they are in the 218 process. The last class was strictly on Management techniques which was also very informative.

On May 1, 2012 the drilling of the monitoring well at site #14 started.

On May 2, 2012 I attended the Lafco meeting where they discussed our current insurance situation and the fact that my contract renewal should have been dealt with months ago.

On May 7 through the 10th I attended the ACWA conference. It was determined on May 7th that the ACWA JPIA would retain all of the District's insurances except the Employment Practices Liability Insurance. This will be reviewed again at the December ACWA conference in San Diego. This measure passed by a slim margin. After the meeting and over the next few days I networked with other agencies and ACWA Board members. It was noted by many that the District has appeared to turn around but there was a lot of work to do with this Board. I also attended a class on regulatory changes that have impacted storage tank design where they discussed the pros and cons of the different types of storage tanks. I also attended another very informative class on the public records act put on by the law firm of Burke, Williams and Sorensen. The last class I attended which I felt was the most informative for the Board of Directors was Employment Litigation: Limiting liability through governance. The Board has received the information from this class in their mail boxes.

On May 11, 2012 I received information from Alliant insurance they wanted a response to the last Sac Bee article which has now made it into the insurance circles. They have requested more information on the Board's actions to improve governance for the brokers that are interested in possibly quoting the District insurance.

On May 15, 2012 I met with the well #15 contractor and went over their progress on the site. I also walked the site and discussed the drainage easements with engineers Rogers and Carson. Later that day I went to the well #14 site and spoke with the contractor regarding their prior nights work which disturbed a few of the neighbors. This is the second time during this contract that the contractor has worked late into the night. I note to the contractor that this was unacceptable and will not be tolerated anymore. The well #14 contract notes that work will be stopped at 5 p.m. each day and the work went on all night. I also communicated with the neighbors and let them know this will not be happening again.

Accomplishments since June 1, 2011

When I came into this position in June of 2011 this agency had several problems.

There was a pile approximately 1 and a ½ ft tall on every flat surface in my office.

There were not any copies of any contracts or insurance policies (district or health) in the office.

Health Department compliance. 3 compliance orders were in effect.

Osha Compliance. No one had addressed all of the issues that OSHA required fixing. So we were going to have several thousand dollars in fines.

CDPH Loan document was not yet signed because they were waiting for a full time experienced General Manager to come into this District.

It had been 3 years since the union employees had a contract.

Lafco was seriously considering dissolving the District due to their inability to pay the bills in a timely manner and being fiscally sound in other ways such as putting money aside into capital improvement funds and loan payment funds as required by our 2 state and federally funded loan projects.

These items are not normally required to be dealt with when you walk into an agency. But I knew they were there. What I did not know about was the political turmoil that exists on this Board. The fact that Board members dislike each other so much that they try to recall each other. That several of your past staff have sued you due to Board actions. There is also a unique circumstance of a Board member owning a newspaper that every single month says nothing but negative things about our agency and the staff. These items all have to do with governance. This is also not a normal situation. I was told when I came to this agency that I would be supported by the Board of Directors. I am by the majority of the Board but there are a couple that try to "throw me under the bus" as quoted by one of the Board to the Executive Director of Lafco at every opportunity. One writes nothing but half truths and misquotes in a paper that is passed out at the Sacramento Groundwater Authority meetings. These meetings are comprised of a group of people that represent the water agencies all over the Sacramento area. They are my peers.

None of the items listed above are considered normal by any standard. So when it is said that is what you get paid for that is doing your job. It is not, this goes way beyond the ordinary day to day business of a maintained water company.

But on to the positive side of the agency. Since I have been here this is a brief list of what has been accomplished:

We now only have 1 CDPH compliance order which will be completed when the wells are completed.

All items that were out of compliance with OSHA are now corrected.

The CDPH loan has been signed and we have been working to complete the wells as fast as the Government has allowed us to proceed. If all goes well, #14A and 15 will be completed by Fall of this year.

There is now a union contract in place.

Lafco is now comfortable with the direction the District is going.

Our CDPH District Engineers are now comfortable with the direction the district is going.

The Bookkeeper, Board President and I have restructured the financial statements to the standardized statements that all companies receive.

One prior year audit has been completed and the bank statement audit is underway.

There is now a safety program (required by osha)

There are now daily rounds done to all well sites (an industry standard)

All equipment now has current registration.

There were a large variety of items that just were not up to date dmv pull list, bank account signers, supplier signers, capacity fees, etc. and some that still are not Urban Water Management Plan is in RFP mode to be brought to next Board meeting, Aged accounts receivable need to be investigated, surcharge fund amounts paid need to be investigated. (this is half way done), appropriation limitation hearing needs to be set, new budget needs to be created, all audit recommendations need to be implemented (this is over half way done), etc. etc. If I worked 24 hours a day for the next 6 months I might have this place caught up to current day on all items. The problem is this was not a place that had been kept up to date on any front whatsoever so I had to come in and fix the past along with keeping up with the present.

I have also created a few cost savings

Removing 8 phone lines \$3,500.00 per year.

Changing phone and internet providers \$6,000 per year

Changing garbage service \$500.00 per year

Changing billing paper source \$1,200.00 per year

Amounts forgiven:

RWA \$4,361.00

State Controllers office \$6,000.00

Air quality management late fees.

Late fees on numerous accounts.

There has also been over \$2,700.00 in metals recycled and put into the general fund.

Needless to say I have been very busy and feel that I deserve the raise and benefits changes that I am requesting.



RIO LINDA / ELVERTA COMMUNITY WATER DISTRICT

730 L Street
PO Box 400
Rio Linda, Ca 95673
Office (916)991-1000
Fax (916)991-6616

Board of Directors Regular Meeting

Monday, May 21, 2012
Meeting will begin at 6:30 P.M.

Meeting Location:
Visitor's / Depot Center
6730 Front St
Rio Linda, CA 95673

The next Regular Meeting is scheduled for
Monday, June 18, 2012
at 6730 Front Street, Rio Linda

It is the intent of the Board that meetings shall remain as informal as reasonably possible consistent with the business needs of the District. The Board President or a majority of the Board may invoke formal proceedings pursuant to Robert's Rules of Order should action be deemed necessary. The Board may discuss and take action on any item listed on this agenda including items listed as information items. The Board may also listen to other items that do not appear on this agenda, but the board will not discuss or take any action on those items, except for items determined by the Board pursuant to state law to be of an emergency or urgent nature requiring immediate action. Copies of the agenda are posted at the Community Center, the District Office and on the District's Web Site at <http://www.RLECWD.com>. All documents relating to items listed on this agenda are available for public inspection at the District office: 730 L Street, Rio Linda, California. The public will be given the opportunity to directly address the Board on each listed item during the Boards consideration of that item. An opportunity for public comment on other items within the jurisdiction of the Board is offered under the item "Public Comment" and such comments are welcomed. Reasonable time limitations may be imposed on each speaker by the Board President. The Board may address any items in any order as approved by the Board.

Upon request, agendas and documents in the agenda packet will be made available in appropriate alternative formats to persons with a disability, as required by law. Any such request must be made in writing to the Rio Linda/Elverta Community Water District, 730 L Street, or P.O. Box 400, Rio Linda, CA 95673. Requests will be valid for the calendar year in which the request is received and must be renewed prior to January 1st of the next year. Persons needing disability-related modifications or accommodations in order to participate in public meetings, including persons requiring auxiliary aids or services, may request such modifications or accommodations by calling the Rio Linda/Elverta Community Water District at (916) 991-1000 at least 48 hours prior to the meeting.

Rio Linda / Elverta Community Water District, Board of Directors

Jerry Trautman, President Frank Caron, Director Vivien Spicer-Johnson, Director
Cathy Hood, Vice President Courtney Caron, Director

General Manager/Secretary to the Board
Mary Henrici

CALL TO ORDER AND ROLL CALL	The President will call the meeting to order and take roll.
PLEDGE OF ALLEGIANCE	The President will lead the pledge of allegiance.
ANNOUNCEMENTS	
PUBLIC COMMENT	Members of the public are invited to speak to the Board regarding items within the subject matter jurisdiction of the District that are not on the agenda or items on the consent agenda. Each speaker may address the Board once under Public Comment for a limit of 2 minutes. (Policy Manual § 2.01.160) The Board cannot act on items not listed on the agenda and, therefore the Board cannot respond to non-agenda issues raised during Public Comment other than to provide general information.

Monday, May 21, 2012

1. CONSENT CALENDAR	The Board will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any Board member, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.
A. MINUTES: 1.) March 19, 2012, Regular Meeting 2.) March 22, 2012, Special Meeting 3.) April 16, 2012, Regular Meeting 4.) April 29, 2012, Special Meeting	The Board will review and approve minutes of previous meetings.
B. EXPENDITURES: 1.) Operations Expenditures 2.) Capital Improvement Expenditures 3.) SRF Expenditures 4.) Security Deposits	The Board will review and approve the expenditures since the meeting of April 16, 2012.
C. CREDIT CARD ACTIVITY:	The Board will review and approve the credit card activity since the meeting of April 16, 2012.
2. ITEMS FOR DISCUSSION AND ACTION	
1. Customer request waiver of \$40.00 tag fee. Requested by G.M., Mary Henrici	The Board will discuss and decide on whether to waive a \$40.00 tag fee for a customer who has been a customer for 30 years.
2. General Manager's Contract and Conflict with CalPERS Retirement Contract Requested by G.M., Mary Henrici	The Board will discuss and correct the amount of payment to CalPERS Retirement by General Manager as it does not comply with the CalPERS guidelines.
3. General Manager's Contract, current contract expires 5/31/2012 Requested by G.M., Mary Henrici	The Board will discuss and possibly approve the General Manager's contract.
4. Joint Powers Insurance Authority Insurance Liability Coverage and Agreement Requested by G.M., Mary Henrici	The Board will discuss and take action on the Joint Powers Insurance Authority Board of Directors decision related to the District Insurance.
5. Well #15 Change Order Requested by G.M., Mary Henrici	The Board will receive information on Well #15 and the request for a change order.
6. Well #15 Easements Requested by G.M., Mary Henrici	The Board will approve each of the landowners' requests as outlined in the Technical Memorandum.
7. Director Responsibilities Requested by Director Frank Caron	The Board will discuss the responsibilities of Directors.
8. Resolution 2012-10 Requested by G.M., Mary Henrici	The Board will discuss and possibly approve Resolution 2012-10 amending section 1.01.060 of the Administrative and Personnel regulations to change the adoption/amendment of policies.
9. General Counsel's Contract Requested by Directors' Frank Caron / Jerry Trautman	The District's rights under the General Counsels contract will be discussed with possible action.
10. Resolution 2012-07 Revisions to Policy Manual Requested by G.M., Mary Henrici	The Board will approve adopting a resolution which would no longer require a resolution to add/change or amend the policy manual. 2.01.170 Form of Action

Monday, May 21, 2012

11. Board Training Requested by G.M., Mary Henrici	The Board will discuss governance training for the Board.
12. Job Description Approval Requested by G.M., Mary Henrici	The Board will approve job descriptions.
13. Resolution 2012-08, Regular Board Meetings Requested by G.M., Mary Henrici	The Board will approve Resolution 2012-08, Setting Date and Time of Regular Board Meetings.
14. Settlement Agreement and Release with Mary Harris Requested by G.M., Mary Henrici	The Board will discuss and possible approve the settlement agreement and release with Mary Harris for legal fees.
15. District Vehicle Usage Requested by Director Johnson	The Board will discuss staff concerns regarding personal vehicle usage for business.
16. Auditor Recommended Accounting Policies a.) District Investment Policy b.) Operating & Reserve Policy c.) Whistle Blower / Conflict of Interest d.) Risk Assessment Requested by Director Johnson	The Board will discuss and approve policies recommended in the 2009-10 Audit
17. Ordinance 2011-01 Requested by Director Johnson	The Board will discuss and determine designating funds from Ordinance 2011-01.
18. District Water Service Application Requested by G.M., Mary Henrici	The Board will discuss and approve the Districts water service application.
19. Update from Richardson and Company Requested by G.M., Mary Henrici	The Board will receive an update from Richardson and Company on the current audits.
20. Removal of Director Hood as Vice-President Requested by Director Frank Caron	The Board will discuss removing Director Hood as Vice-President of the Board and possibly vote for a new Vice-President.
3. FINANCIAL REPORTS	DISTRICT FINANCIAL REPORTS
a.) Bank Balances - May 2012 b.) Balance Sheet c.) Profit / Loss and Budget Performance d.) SRF Accumulative Costs	Written reports attached
4. INFORMATION ITEMS	DISTRICT ACTIVITY REPORTS
a.) General Manager's Report b.) Water Production Report c.) Report of District Operations d.) Monthly Source Production e.) Monthly Pressure Readings f.) District Engineers Report	Written reports attached

Monday, May 21, 2012

5 BOARD REPORTS	
<p>a.) Regional Water Authority - Trautman, Hood, Henrici b.) Sacramento Groundwater Authority - Johnson c.) LAFCo - F. Caron d.) Other Reports</p>	<p>Per AB 1234 the Board of Directors will report on their meeting activities.</p>
6 DIRECTORS AND GENERAL MANAGER COMMENTS	
	<p>Directors' and the General Manager may comment on matters not on the agenda, but no action other than placing the matter on a future agenda for discussion or a report from staff is allowed by the Brown Act.</p>
7 CORRESPONDENCE TO THE BOARD	
	<p>Any letters and correspondence to the Board from the community and other entities.</p>
8 PUBLIC COMMENT FOR CLOSED SESSION	
	<p>Public comment for closed session items only: The public is invited to comment on any item listed on the closed session agenda. Each speaker is limited to 2 minutes.</p>
9 CLOSED SESSION	<p>The Board of Directors will convene to Closed Session to discuss the following items.</p>
CLOSED SESSION	<ol style="list-style-type: none"> 1.) CONFERENCE WITH GENERAL COUNSEL - PENDING LITIGATION - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a) (Teamsters Local 150 v. RLECWD, PERB case # SA-CE-736M). 2.) CONFERENCE WITH GENERAL COUNSEL - PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE - The Board of Directors will meet in closed session pursuant to Government Code § 54957(b)(1). 3.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2011-00103481. 4.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1095. 5.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill. Sac. Superior Court Case # 34-2012-8000-1108. 6.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending/Potential Litigation. Cal OSHA v. RLECWD - Docket #R2D1-2288 to 2290). Discussion and action.

Monday, May 21, 2012

CLOSED SESSION (continued)	<p>7.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Liz Myers - Fair Employment and Housing Matter.</p> <p>8.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Liz Myers - Federal Case CIV S-11-02671 EFB</p> <p>9.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(a). Pending Litigation - Joseph Sherrill, Unemployment Insurance Hearing Case #'s 4194600 and 4194601.</p> <p>10.) CONFERENCE WITH GENERAL COUNSEL - The Board of Directors will meet in closed session pursuant to Government Code § 54956.9(b)(3)(C). Potential Litigation - Michael Phelan.</p>
Reconvene Open Session	The President will reconvene the open session of the meeting.
Announcements from Closed Session	The President will report on any actions taken in closed session. Including any motion or resolution required as a result of closed session discussions.
ADJOURNMENT	The President will adjourn the meeting.

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

June 6, 2012

TO: Sacramento Local Agency Formation Commission

FROM: Peter Brundage, Executive Officer

RE: **CITY OF RANCHO CORDOVA DETACHMENT FROM**
SACRAMENTO COUNTY SERVICE AREA NO. 1
(01-12) [CEQA: Exempt Sec.15061(b)(3)]

CONTACT: Donald J. Lockhart AICP, Assistant Executive Officer, 874-2937

RECOMMENDATION

1. Certify the CEQA Categorical Exemption as adequate and complete for the City of Rancho Cordova Detachment from County Service Area No. 1, and direct the Executive Officer to file the Notice of Exemption with the appropriate government entity.
2. Accept the Municipal Service Review/ Master Services Element prepared by the City of Rancho Cordova as adequate and complete for this project.
3. Approve the City of Rancho Cordova Detachment from County Service Area No. 1 (Street and Highway Safety Lighting).
4. Condition the detachment of the City of Rancho Cordova from County Service Area No. 1 subject to the terms and conditions listed below:
 - a. The effective date of said detachment will be July 1, 2012 or upon the filing of the Certificate of Completion by the Executive Officer of the Sacramento Local Agency Formation Commission, if filed after that date.
 - b. The City of Rancho Cordova shall continue to levy the existing assessments currently authorized by the County of Sacramento for County Service Area No. 1, and continue to provide at a minimum the current level of service. The City of Rancho Cordova may increase these assessments pursuant to Proposition 218, or as otherwise provided by law.

- c. The boundaries of the detachment are coterminous with the current corporate boundary of the City of Rancho Cordova, as set forth in Exhibit A, attached.
 - d. The City of Rancho Cordova and the County of Sacramento shall adopt a Transition Agreement to ensure the efficient transfer of responsibility for operations, maintenance, and Underground Service Alerts (USA) locating and marking activities, for street lights and highway safety light equipment and installations within the city limits, with no adverse impact to existing and future assessment payers.
5. Pursuant to provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, your Commission should exercise delegation of authority to the Executive Officer to act as Conducting Authority for the Detachment of Rancho Cordova from County Service Area No. 1.
 6. Authorize your Chair to sign the Resolution making these determinations.

PROPONENT

Ted Gaebler, City Manager
City of Rancho Cordova
c/o Elizabeth Sparkman, Senior Engineer
2729 Prospect Park Drive
Rancho Cordova, CA 95670
(916) 851-8714
esparkman@cityofranhocordova.org

On May 2, 2011 the Rancho Cordova City Council adopted Resolution No. 43-2011 (attached), initiating these detachment proceedings before your Commission. At the direction of Council, staff prepared the project application, which was submitted on March 21, 2012.

BACKGROUND

County Service Area No. 1 is governed by the Board of Supervisors; it was formed in 1986 to provide funding for all street light and safety light services through one entity. CSA No. 1 was formed by reorganizing five existing street lighting maintenance districts. CSA No. 1 funds street light and highway safety light services, and Underground Service Alert (USA) locating and marking activities, within the unincorporated area of Sacramento County and in the city Rancho Cordova via a service charge collected on the annual property tax bill. Each year the Board of Supervisors receives various reports and holds a public hearing to accept public testimony on CSA No. 1 and sets the following year's service charges and service levels.

On June 14, 2005, the Board of Supervisors authorized the formation of four distinct zones within CSA 1, restructuring the district.

Zone 1 - Sacramento County Unincorporated Area

Zone 2 - City of Rancho Cordova

Zone 3 - City of Citrus Heights (*detached June 7, 2006 – LAFC RES# 1325*)

Zone 4 - City of Elk Grove (*detached August 3, 2007 – LAFC RES# 1303*)

Individual budgets for Zones 1 and 2 have been adopted based on the service charges included in the Written and Engineer's Reports. The 2011/12 proposed budget for CSA No. 1 was approved on August 9, 2011. The Zones allow each sub-area to determine rates and service levels based upon respective community standards; i.e., rates may be increased if a particular Zone seeks a commensurate enhancement of service.

Proposed Detachment

The City of Rancho Cordova was incorporated on July 1, 2003. Since 2004, by mutual agreement, Sacramento County has provided operations, maintenance, and Underground Service Alerts (USA) locating and marking activities, for street lights and highway safety light equipment and installations via CSA No. 1, within the city limits.

The boundaries of the proposed detachment are coterminous with the boundaries of the City of Rancho Cordova. Rancho Cordova is located east of the City of Sacramento, and west of the City of Folsom, both north and south of Highway 50. The City covers approximately 35 square miles in the eastern portion of Sacramento County.

Proposed Transition Agreement

The City and County entered into an agreement entitled, "Agreement for Street Light and Highway Safety Light Maintenance and Operations Services Between the County of Sacramento the City of Rancho Cordova," on June 22, 2004 (County Contract No. 52339.) The County provides various services for coordination of street light and highway safety light installation, maintenance and operation with funding provided by CSA1. The agreement continues in effect "as long as City territory is included in County Service Area 1 for street light and highway safety light services."

The City of Rancho Cordova now desires to assume all such responsibilities. It is the City's desire to align the service delivery with their local government structure for more direct accountability. If the detachment is approved, the City will provide these services directly to the residents and businesses within the city limits. The City asserts that through this local control, an enhanced service level may be delivered, more efficiently. The City of Rancho Cordova, as a municipal corporation organized and existing under the laws of the State of California, is authorized to provide these municipal services.

That Agreement addresses termination of the Agreement and detachment of City territory from CSA1. The Agreement identifies how the agencies will share the cost of certain

efforts related to the detachment of the City from CSA1. The Transition Agreement will incorporate the terms of the previous agreement.

Both City and County staff have been actively negotiating a Transition Agreement, and kept your staff informed of the Agreement status. (See attached draft.) This Agreement will memorialize the financial and operational arrangements between the County and the City to ensure the efficient transition to the City of operational control of and financial responsibility for operations, maintenance, and USA locating and marking activities for street light and highway safety light equipment and installations within the boundaries of the City following the detachment if approved by your Commission. Adoption of the Agreement and is anticipated to occur by the County Board of Supervisors on June 12, and the City Council on June 18. Staff recommends that such action be included as a condition of Commission approval of the proposal.

New Service District

The City of Rancho Cordova has prepared both an updated Municipal Service Review and Engineers Report, specific to the service issues related to the proposed detachment. On April 16, 2012, the City Council took the necessary actions to initiate the formation of the Rancho Cordova Lighting District No. 2012-1. ***This will establish a new, citywide lighting operations and maintenance District.*** This District will allow the City to continue to levy the direct assessment charges previously authorized under CSA 1. The city proposes to form the District pursuant to the provisions of the Landscape and Lighting Act of 1972, (Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500.) After formation, in each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year, and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year. If in any year, the proposed annual assessments for the District exceed the assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through property owner protest ballot proceeding before that new or increased assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment. Your staff has no objection to this proposal.

On June 18, 2012, the City will hold a public hearing on the matter of transferring the assessment and maintenance responsibility from CSA No. 1 to the City. Following consideration of all public comments and written protests after the conclusion of the Public Hearing, the City Council will determine if a majority protest exists and may order amendments to the Engineer's Report or confirm the Report as submitted.

Funding

The gross 2011-12 secured value for Rancho Cordova was \$1,880,130,470. The gross 2011-12 unsecured value for Rancho Cordova was \$4,274,220,434, (6,154,350,904 total.)

Due to the timing of the transfer of services as it relates to the County’s tax roll deadlines, the assessment will be levied by the County for Fiscal Year 2012/2013. The County has designated the City as Zone 2 in the County’s Engineer’s Report. The City and County are in the process of negotiating an agreement for the sharing of revenue and maintenance responsibility for Fiscal Year 2012/2013. The City prepared Fiscal Year 2012/2013 Engineer’s Report describes the District and the proposed assessments as it transitions from CSA No. 1 to the City.

The Report was prepared pursuant to the provisions of the Landscape and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 in accordance with the Resolution of Initiation adopted by the City Council. The proposed assessments are based on the County’s methodology and historical cost to maintain the improvements that provide a special benefit to properties assessed within the District. Each parcel within the District is required to be assessed proportionately for the special benefits provided to the parcel from the improvements.

The current annual assessment and proposed 2012/2013 rates, which have not increased since the passage of Proposition 218 in 1996, are:

<u>Improvement Type</u>	<u>Proposed Annual Rates</u>
Safety Lights	\$ 2.56 per parcel
Street Lights (Residential)	\$15.32 per parcel
Street Lights (Non-Residential)*	\$0.2519 per front foot

(*Non-Residential parcels include commercial and multi-family properties.)

The following Table provides a summary of the estimated total assessments to be levied in Fiscal Year 2012-2013.

Benefit Classifications	Applied Rates	Parcels	Applied Front Footage	Total Estimated Revenue
Safety Light Only	\$2.56 per Parcel	7,366	N/A	\$ 18,857
Street and Safety Light (Residential)	\$2.56 + \$15.32 per Parcel	10,020	N/A	\$ 179,158
Street and Safety Light (Non-Residential)	\$2.56 per Parcel + \$0.2519 per front foot	3,416	595,507.50	\$ 158,753
TOTALS		20,802		\$356,768

Budget

For Fiscal Year 2012/2013, the Street and Highway Safety Light operations and maintenance activities of the City will be funded through the assessments. The funds collected through District assessments will be used to cover the operation and maintenance costs of street and highway safety lights. The proposed District budget is summarized in the attached Engineer's Report, including the estimated costs to provide the improvements, the collection of administrative costs and the special benefit assessment.

Proposition 218 Process

LAFCo is responsible for the City of Rancho Cordova detachment from CSA No. 1 proceedings. After the detachment is approved, the City Council may conduct the necessary ballot process if it wishes to increase existing assessment levels. Staff recommends that as a condition of project approval, the City of Rancho Cordova shall carry forward the current assessment per parcel currently levied, and continue to provide at a minimum the current level of service.

ANALYSIS OF PROPOSAL

Over-Arching Policy Considerations

The Cortese-Knox-Hertzberg Local Government Reorganization Act recognizes that urban population densities and intensive residential, commercial, and industrial development necessitate a broad spectrum and high level of community services and controls. The Legislature also recognizes that when areas become urbanized to the extent that they need the full range of community services, priorities are required to be established regarding the type and levels of services that the residents of an urban community need and desire; that community service priorities may be established by weighing the total community service needs against the total financial resources available for securing community services; and that those community service priorities are required to reflect local circumstances, conditions, and limited financial resources (Sec. 56001).

A core issue that your Commission may address is that the Sacramento region is expected to continue to gain new residents as the economy recovers and improves. This anticipated growth raises an important question. In an era of limited resources and increasing population, how can we work together to maintain mobility, enhance air quality, sustain economic prosperity and preserve those assets that make the Sacramento region an attractive place to live and work?

During the incorporation proceedings for the City of Rancho Cordova, the full array of public services to be provided by the new city was considered. Your Commission imposed a condition of approval to ensure that, at a minimum, street and highway safety lighting would be maintained at the current level at the date of incorporation. This has been accomplished by the joint maintenance agreement between the City and County.

The Board creation of distinct zones facilitates this detachment. Detachment represents a positive, cooperative solution to address local service delivery needs.

Detachment Process

Your Commission has the power to approve or deny, with or without amendment, wholly, partially, or conditionally, proposals for the detachment of territory from a dependent service district. If your Commission approves the detachment of the City of Rancho Cordova (CSA No. 1, Zone 2,) then the proceedings will move to the Conducting Authority.

The Cortese-Knox-Hertzberg Local Government Reorganization Act provides that LAFCo act as the Conducting Authority for the detachment. After Commission adoption of a resolution making determinations for the City of Rancho Cordova detachment from CSA 1, protest proceedings shall be undertaken. In light of scheduling considerations, such as the upcoming annual July recess, staff respectfully recommends that your Commission delegate your authority to your Executive Officer for Conducting Authority Proceedings. [56375, et al ,57000. (a),(c)]

The detachment may be defeated by adequate protest submitted and not withdrawn by affected landowners, and registered voters during the Conducting Authority proceedings. If your Commission names your Executive Officer to act as Conducting Authority, your Executive Officer will give notice and hold a public hearing upon a date certain in staff offices. In the event of successful completion of LAFCo proceedings, the Certificate of Completion will be filed, and the transfer of all service responsibilities will proceed, consistent with the Transition Agreement.

Description of Services

As noted above, after detachment, during the transition period, the City will establish a new, citywide Rancho Cordova Lighting District No. 2012-1, (District.) All lighting improvements and facilities maintained and serviced through District assessments will be owned or operated by the City of Rancho Cordova or Sacramento Municipal Utility District (SMUD) after the transfer from CSA 1. The District Engineer's Report separates charges into two categories by type of light.

- Highway Safety Lights are those lights located at intersections, on major streets and along the rear of properties that abut major streets.
- Street Lights are all lights not designated as Highway Safety Lights, primarily, local street lighting.

[CSA No. 1 services also include monitoring the USA network, identification of proposed excavation in the vicinity of street lights and marking those underground facilities to prevent excavation damage. The City of Rancho Cordova is aware of the obligation to respond to USA calls and has included this item in the projection of the cost for this service.]

Maintenance services will be provided by City personnel, private contractors, and SMUD. The District provides funding for all Street and Highway Safety Lighting services within the City of Rancho Cordova including but not limited to the following activities:

- Maintenance, repair and replacement of street light poles and fixtures, including changing light bulbs, painting, photoelectric cell repair or replacement, and repairing damage caused by automobile accidents, vandalism, time, and weather.
- Electrical conduit and pullbox repair and replacement due to damage by construction and weather.
- Service-call maintenance, repair and replacement including painting, replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Payment of the electrical bill for the existing street lighting system.
- Responding to constituent and business inquiries and complaints regarding street lighting.
- Remedial projects for major repairs or upgrading of facilities. Engineering services are provided by the Public Works Department or by private consultant.
- Installation of Highway Safety Street Lights for highway safety purposes only along major streets at intersections. These Safety Lights are normally installed by SMUD, if they meet SMUD's strict criteria for installation. They are installed on SMUD facilities and maintained by SMUD, but are paid for by the District.
- Street light inventory database creation and maintenance, pole numbering, and mapping to establish and keep current the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of street light electrical conduits, and marking the location of those underground conduits in the field to prevent them from excavation damage.
- Acquisition of land, easements, and rights-of-way necessary to maintain the Street and Highway Safety Lighting system.
- Maintenance means the furnishing of services and materials for the ordinary and usual operation of the public lighting facilities. This includes repair, removal, or

- replacement of all or part of any of the improvements or appurtenant facilities necessary for the operation of the lighting improvements.
- Servicing means the furnishing of all labor, materials, equipment, and utilities necessary to maintain and operate all public lighting facilities provided by the City.

The Street and Highway Safety Lights were installed in accordance with the County's standards. The City adopted County Standards upon incorporation. The charges reflect the historical costs to maintain the improvements.

Demand for service will continue to grow at the same pace as real estate development within the City. Current estimated population of the City is 65,502, with a population at build-out estimated to approach 150,000. Current City projections indicate a growth rate of an average of 200 units annually. Unlike other major infrastructure items such as sewer and water, the street lighting capacity is not capped by the size of local infrastructure. Sacramento Municipal Utility District ("SMUD") provides electricity that keeps the street lights on. The projected capacity is adequate for full implementation of the City's street lights. SMUD currently generates approximately half of its own electricity and purchases the other half from the wholesale market.

Future Street and Safety lighting needs are to be determined by the City, which adopted standards upon incorporation based on the County's standards for acceptable illumination levels on accepted streets. The City is currently considering revising or upgrading the standards by adopting the American Association of State Highway and Transportation Officials (AASHTO) *Roadway Lighting Design Guide* as its specification. The AASHTO guide outlines recommended illumination levels for various types of roadway classifications. Factors such as the roadway type, pole height, fixture type, wattage, driveway locations, block sizes, as well as other factors determine the lighting needs.

New Street and Safety Lighting systems will be installed as new residential and commercial development occurs. There are areas within the City that do not have local street lights. No installation of street lights for these areas is contemplated with the detachment from CSA 1. An inventory of the existing system is anticipated to be undertaken, which will document the conditions of the poles in general terms. Maintenance will include checking all street lights on main thoroughfares during non-daylight hours, once every other month, maintaining a written log, troubleshooting and repairing any found outages.

Participating in the system protection program, Underground Service Alert (USA,) has been contracted to mark and locate the infrastructure to minimize the opportunity for contractors to damage underground infrastructure including the street lighting system. Deferred maintenance typically involves re-painting the street and safety light poles and an inspection of wood street light poles for rotting and to replace with metal poles.

County Public Works Staff has reviewed this description of services, and all of their comments have been addressed.

Environmental Considerations

LAFCo is the lead agency consistent with CEQA Guidelines §15050 et. seq., regarding the environmental documentation for the detachment of Rancho Cordova from County Service Area No. 1.

LAFCo has prepared a Notice of Exemption Section 15061(b)(3)], as the appropriate CEQA document due to its finding that the proposed project will not have a significant effect on the environment.

The proposed project consists of the detachment of an existing, developing area from a dependent special district, where changes do not change the geographical area in which previously existing powers are exercised, and is therefore exempt from the provisions of CEQA.

CONSISTENCY WITH LAFCO POLICES AND PROCEDURES, CITY SPHERE OF INFLUENCE AND CITY GENERAL PLAN

Sphere of Influence/Master Services Element/Municipal Service Review

The affected territory constitutes the entire city limits, which is coincident with the approved Sphere of Influence. The proposed detachment of Rancho Cordova from CSA No. 1 is consistent with LAFCo Policies and Procedures which require a Master Services Element/Municipal Service Review for the consideration of financial and service impacts.

The Municipal Service Review is a state mandate, which essentially supersedes the local Master Services Element requirement of your Commission. The MSR is a comprehensive planning tool for LAFCo. Sacramento LAFCo has developed standards related to the Master Service Element of any agency's Sphere of Influence. Agencies must have an updated Master Services Element which meets the following standards:

- a. Is consistent with the Master Services Element of the Spheres of Influence of any overlapping jurisdiction;
- b. Demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the area included within the proposed boundary;
- c. Identifies existing land use and a reasonable projection of land uses which would occur if services were provided consistent with the updated Element;
- d. Presents a map that clearly indicates the location of existing and proposed facilities, including plan for timing and location of facilities;

- e. Describes the nature of each service to be provided;
- f. Describes the service level capacity of the service provider's facilities;
- g. Identifies the anticipated service level to be provided;
- h. Describes any actions, improvements, or construction necessary to reach required service levels, including costs and financing methods;
- i. Provides copies of district enabling legislation pertinent to the provision of service levels, including costs and financing methods;
- j. Identifies projected revenue and identifies savings occurring as a result of the action; and
- k. Provides existing and five year population projects within agency boundaries.

The proponent has provided the Municipal Service Review and Engineer's Report (Report) for the detachment of Rancho Cordova from CSA No. 1 and the levy and collection of annual assessment charges commencing in fiscal year 2012/13. The assumption of all services and related administrative functions, including its structure (organization), proposed services, and method of apportionment and charges that are described in the Report are based on current development and improvement plans including all estimated direct expenditures, incidental expenses, and reserves associated with the services.

The Municipal Service review and Engineer's Report complies with the Master Services Element/Municipal Services Review criteria.

Analysis of Proposal

Your Commission has adopted specific standards for actions to ensure that fair and consistent decisions are reached in accordance with Cortese-Knox-Hertzberg legislation.

Your Commission may make exceptions to these specific standards if it determines that such exceptions:

- Are necessary due to unique circumstances;
- Are necessary due to conflicts between general and specific standards;
- Result in improved quality or lower cost of services available; or
- There exists no feasible or logical alternative.

Standards

I. STANDARDS FOR ANNEXATION/ DETACHMENT TO AND FROM ALL AGENCIES

These standards govern LAFCo determinations regarding annexations and detachments to and from all agencies.

1. An application to LAFCo for an annexation or detachment requires the submittal of an application form, supporting documentation and required fees, as set forth in Chapter II of LAFCo's policies, standards and procedures. In addition, the application shall be accompanied by a response to the applicable standards set forth in this section. On or after January 1, 1992, no application for an annexation proposed by an agency shall be accepted as complete by LAFCo in the absence of a Sphere of Influence Master Services Element for that agency approved by LAFCo as provided in the LAFCo standards.
2. The annexation or detachment must be consistent with the General Policies and General Standards in Chapters III and IV.
3. The annexation or detachment must be consistent with the Spheres of Influence boundary. The land subject to annexation shall lie within the existing Sphere of Influence boundary of the annexing city or district.
4. The annexation must be consistent with the applicable Master Services Elements...
5. The annexation must provide the lowest cost and highest quality of urban services for the affected population. LAFCo will approve an annexation or detachment only if the Commission determines that the annexing agency possesses the capability to provide the most efficient delivery of applicable urban services for the affected population.
 - a. For purposes of this standard, the most efficient services are those which are provided at the most optimum combination of service cost and service level. In the case of providers with similar service costs, the provider with higher service levels shall be deemed more efficient. In the case of providers of similar service levels, the provider at the lowest cost shall be deemed more efficient. In comparing the providers of adequate but low-cost services, with high-quality, high-cost services, the Commission shall retain discretion to determine the optimum efficiency based on compliance with the other provisions of these standards.
 - b. For purposes of this standard, "affected population" means (1) the population which inhabits or will inhabit the area to be annexed; (2) the population currently served by a service provider operating in the area

proposed to be annexed; (3) inhabitants of potential alternative service providers; and (4) *in the case of a detachment, the inhabitants of both the area detached and those remaining in the area currently served by the service providers.*

- c. In evaluating the capability of an annexing agency or of alternative agencies, to provide the required service, LAFCo shall utilize the service elements of the proposed annexing entity, current service providers, and potential alternative service providers. In addition, LAFCo shall take into account the following factors:
 1. Physical accessibility of the territory to the agency's service provision resources; for example, is the agency the provider of sewer services which is located closest to the subject territory?;
 2. The agency's possession of an ability to acquire resources necessary to provide the needed service; for example, an agency may be judged unable to acquire water rights necessary to provide the water services needed by a territory proposed for annexation;
 3. The agency's historic service provision, effectiveness and efficiency; for example, an agency may be judged an inefficient service provider if it has a previously documented history of service disruptions, accidents, safety hazards, excessive complaints, non-compliance with CEQA, illegal activities or excess costs/charges; and
 4. The appropriateness of the agency's organizational structure to meeting service needs.
 - d. LAFCo shall determine the most efficient overall service provider or combination of providers.
6. Applications to annex lands consisting of unincorporated islands will be approved by the LAFCo Commission.
 7. Annexation to cities shall reflect logical allocations of existing roads and rights-of-way.
 8. Annexation boundaries shall be adjusted to maximize the amount of developed urban land inside a city's Sphere of Influence which is annexed to the city.
 9. An annexation or detachment shall not be approved merely to facilitate the delivery of one, or a few, services to the detriment of the delivery of a larger number of services, or services more basic to public health and welfare.

10. The LAFCo Commission will not approve city annexation requests for territory that is not pre-zoned.
11. The LAFCo Commission shall take one of the following three actions on an application for annexation or detachment:
 - a. Approve the application if it has found the change to result in the most efficient delivery of services for the affected population and complies with other applicable standards;
 - b. Approve the application on the condition that the applicant agree to actions necessary to maximize the efficiency of urban services. These may include, but are not limited to:
 1. Waiver of detachment from an existing service provider or, in the alternative, appropriate detachment fees;
 2. Entering into a Joint Powers Agreement with another service provider.
 - c. Deny the annexation on the grounds that a more efficient combination of services for the affected population may be provided by either existing or a combination of new and existing service providers.

In the event of denial, LAFCo may present to the applicant, ... and affected service providers, a statement of the reasons for the denial, and recommendations for actions necessary to ensure the most efficient form of urban services delivery to the affected population.

C. DETACHMENTS FROM CITIES AND DISTRICTS

1. The LAFCo shall not approve the detachment of territory from a high-quality service provider unless the following can be demonstrated:
 - a. The detachment is necessary to ensure delivery of services essential to the public health and safety;
 - b. The successor provider supplies services of equal or higher quality; and
 - c. The detachment does not significantly reduce the efficiency of service delivery to the remaining inhabitants of the current service provider's territory from which the detachment will occur.
2. The service plans of special districts which lie within a city's Sphere of Influence should provide for orderly detachment of territory from the district or merger of the district as district territory is annexed to the city.

3. The LAFCo will consider detachments in areas which require organized public service if another service provider is capable and willing to provide the service(s).
4. The LAFCo will not approve a detachment from a city or special district which conflicts with the adopted Master Services Element of the Sphere of Influence plan of the agency from which detachment is sought.
5. Detachment from a city or special district shall not relieve the landowners within the detaching territory from existing obligations for bonded indebtedness or other indebtedness under similar security instrument incurred previously by the city or district to provide service to the detaching applicant unless the following apply:
 - a. The relief from indebtedness is part of a revenue exchange agreement applying to the detachment; or
 - b. The service benefits previously received by the applicant can be readily assumed by another landowner within the district who is willing to assume the financial responsibility in exchange for the added services.

Policy Consistency Summary

The proposed Detachment complies with Sacramento LAFCo policies. The City of Rancho Cordova desires to improve service levels (i.e., more timely repair of street and highway safety lighting facilities). The County of Sacramento does not oppose this detachment; respective staffs are in the process of negotiating a Transition Agreement. The proposed detachment will not adversely impact ratepayers in the territory remaining within County Service Area No. 1. Revenue and expenses related to Zone 2 (City of Rancho Cordova) will be transferred to the City of Rancho Cordova. Thus, no surplus and no deficit will result to either the City of Rancho Cordova or to CSA 1.

Each of the above standards and requirements has been satisfactorily met for the detachment of the City of Rancho Cordova from the County Service Area No. 1. Each of these items listed above has been discussed in detail in this report, and in the accompanying attachments.

CONFORMANCE WITH APPLICABLE GENERAL AND SPECIFIC PLANS

Applicable Sacramento LAFCo Policies:

1. LAFCo will approve changes of organization or reorganization only if the proposal is consistent with the General Plan and applicable Specific Plans of the pertinent planning agency.
2. For purposes of the above policy, the pertinent planning agency is as follows:

- d. For an application for annexation or detachment from a district whose territory lies in both the city and the unincorporated area of the county, the General Plan of the city unless the project lies outside of the city's Sphere of Influence;

City of Rancho Cordova General Plan

The proposed detachment is consistent with the following Goals and Policies of the 2003 General Plan.

- Goal ISF.1: Build a vibrant first-rate City that is fiscally sound.
- Action ISF.1.1.2 – Annually review the Fiscal Impact of New Development (FIND) Model and update as needed to reflect actual costs of City Services.

- Goal ISF.2: Ensure the development of quality infrastructure to meet community needs at the time they are needed.
- Action ISF.2.1.1 - Except when prohibited by state law, require sufficient capacity in all public facilities to maintain desired service levels and avoid capacity shortages, traffic congestion, or other negative effects on safety and quality of life.
- Action ISF.2.1.2 – Adopt a phasing plan for the development of public facilities in a logical manner that encourages the orderly development of roadways, water and sewer, and other public facilities.

- Goal ISF.4: Provide a full range of local services that meet local needs.

Effect of Proposal on CSA1

By establishing the various zones within CSA1, the Board of Supervisors has effectively preserved the fiscal and service integrity of the balance of CSA1, in light of the detachment of Zone 2/City of Rancho Cordova.

Public Comment and Affected Districts

Staff has received no public comment on the proposal.

The proposal was routed for review and comment to the Sacramento County Public Works Agency, Sacramento Metro Fire District (SMFD), Sacramento Municipal Utility District (SMUD), and Caltrans. No other agency comments were received.

The Sacramento County Public Works Agency does not object to the proposal. They provided the following comments, which have been adequately addressed.

City and County staff have met on several occasions to discuss the following items:

- Transition date
- Transfer of City's share of operating and reserve funds

- Retention of funds by County until final account reconciliation
- Transfer to City of a share of the spare parts inventory
- Transfer to City of plans, assessment/benefit database, and inventory of street and safety lights
- Pending Service Request information related to street lights
- Pending lawsuit/claim information related to street lights
- How joint City/County facilities will be operated
- Forwarding of Service Requests to City after detachment

It is anticipated that a transition agreement acceptable to both parties will be executed prior to the effective date of the City of Rancho Cordova's detachment from CSA1, and that this new agreement will replace the current maintenance and operations agreement.

RECOMMENDATION

I recommend your Commission adopt the attached Resolution:

- 1) Certify the CEQA Categorical Exemption as adequate and complete for the Detachment of City of Rancho Cordova from County Service Area No. 1, and direct the Executive Officer to file the Notice of Exemption with the appropriate government entity.
- 2) Accept as adequate the proposed Municipal Service Review/ Master Services Element prepared by the City of Rancho Cordova.
- 3) Approve the Detachment of the City of Rancho Cordova from County Service Area No. 1.
- 4) Condition detachment of the City of Rancho Cordova from County Service Area No. 1 on the terms and conditions listed below:
 - a. The effective date of said detachment will be July 1, 2012 or upon the filing of the Certificate of Completion by the Executive Officer of the Sacramento Local Agency Formation Commission, if filed after that date.
 - b. The City of Rancho Cordova shall continue to levy the existing assessments currently authorized by the County of Sacramento for County Service Area No. 1, and continue to provide at a minimum the same level of service. The City of Rancho Cordova may increase these assessments pursuant to Proposition 218, or as otherwise provided by law.
 - c. The boundaries of the detachment are coterminous with the existing City of Rancho Cordova boundaries, as set forth in Exhibit A, attached.

- d. The City of Rancho Cordova and the County of Sacramento shall adopt a Transition Agreement to ensure the efficient transfer of responsibility for operations, maintenance, and Underground Service Alerts (USA) locating and marking activities, for street lights and highway safety light equipment and installations within the city limits, with no adverse impact to existing and future assessment payers, or current service levels.
- 5) Pursuant to provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission exercises delegation of authority to the Executive Officer to act as Conducting Authority for the Detachment of City of Rancho Cordova from County Service Area No. 1, and to complete the protest proceedings prior to July 1, 2012.

Respectfully submitted,

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

Peter Brundage
Executive Officer

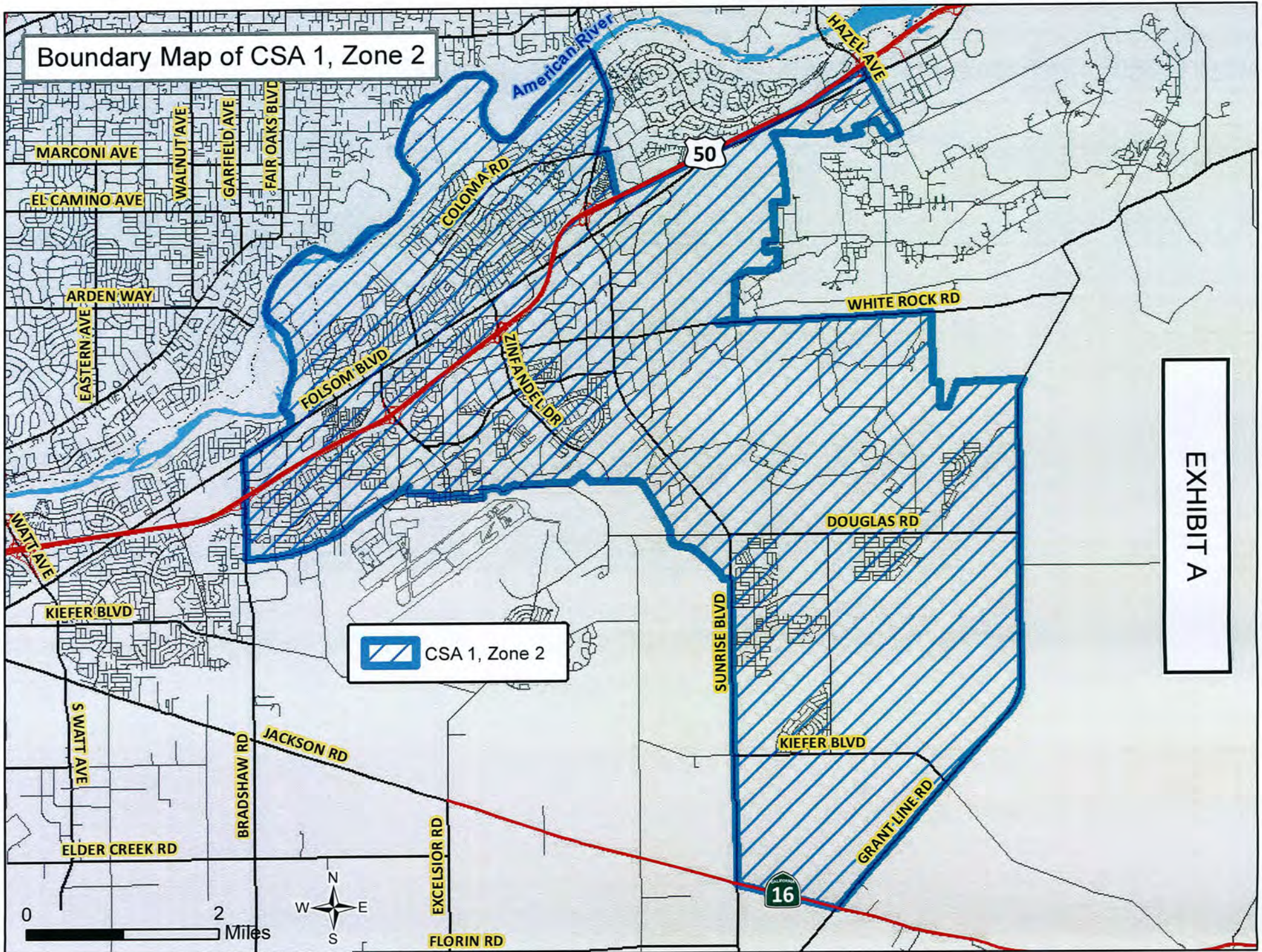
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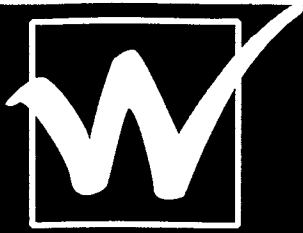
Map (Exhibit A)
City of Rancho Cordova MSR and Engineer's Report
Draft Transition Agreement
Board of Supervisors CSA 1 Report

DL:dl

(City of RC Detach from CSA1)

Boundary Map of CSA 1, Zone 2





ENGINEER'S REPORT

CITY OF RANCHO CORDOVA

FORMATION OF

LIGHTING DISTRICT NO. 2012-1

FISCAL YEAR 2012/2013

Submitted this 16th Day of March, 2012

CITY OF RANCHO CORDOVA
2729 PROSPECT PARK DRIVE
RANCHO CORDOVA, CA 95670

PREPARED BY
WILLDAN FINANCIAL SERVICES



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ENGINEER'S REPORT AFFIDAVIT

Formation of the Rancho Cordova

Lighting District No. 2012-1,

Establishment of Annual Assessments (Conversion of Sacramento
County CSA 1 Zone 2)

The District includes all parcels of land within the

**City of Rancho Cordova,
County of Sacramento,
State of California**

This Report and the enclosed budget, assessments, diagram and descriptions outline the proposed formation of the Rancho Cordova Lighting District No. 2012-1, which includes each lot and parcel of land within the City of Rancho Cordova and said District, as the same existed at the time this Report was prepared. Reference is hereby made to the Sacramento County Assessor's Parcel Maps for a detailed description of the lines and dimensions of each lot and parcel within the District. The undersigned respectfully submits the enclosed Report as directed by the City Council of the City of Rancho Cordova.

Dated this _____ day of _____, 2012.

Willdan Financial Services
Assessment Engineer
On Behalf of the City of Rancho Cordova

By: _____

Jim McGuire
Senior Project Manager

By: _____

Richard Kopecky
R. C. E. # 16742

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INTRODUCTION

Pursuant to the provisions of the Landscape and Lighting Act of 1972, being Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500 (hereafter referred to as the "1972 Act"), the City Council of the City of Rancho Cordova, County of Sacramento, State of California (hereafter referred to as "City"), has by resolution initiated proceedings in connection with the establishment of a special benefit assessment district to be designated as:

Rancho Cordova Lighting District No. 2012-1

(hereafter referred to as "District"), for the purpose of continuing and providing for the ongoing maintenance, servicing and operation of public lighting improvements (safety lights and street lights) within the City that has previously been provided and administered by the County of Sacramento as part of County Service Area 1 (CSA-1). Upon the formation of this District, the parcels with the City of Rancho Cordova will be detached from CSA-1 and the maintenance, servicing and operation of the improvements will become the responsibility of the City of Rancho Cordova with the City Council acting as the legislative body for the District. The City Council proposes to form the District, and continue the levy and collection of annual assessments on the County tax rolls to provide ongoing funding for the costs and expenses required to service and maintain the safety light and street light improvements for the benefiting lots and parcels of land within the boundaries of the District that were previously included in Zone 2 of CSA-1 and for which the County of Sacramento has been maintaining through the annual levy of assessments.

County Service Area 1 was created in 1986 by the Sacramento County Board of Supervisors by reorganizing five existing street light maintenance districts. CSA-1 was established to provide street light services to those portions of Sacramento County that were unincorporated in 1986. Since the establishment of CSA-1, the cities of Citrus Heights, Elk Grove and Rancho Cordova have been incorporated and in July 2005, the Board of Supervisors approved the creation of zones within CSA-1. The creation of these zones allowed incorporated cities and the County to supplement CSA-1 revenues specific to those areas. This action also facilitated the eventual Local Agency Formation Commission (LAFCO) approved detachment of Elk Grove (August 2005) and Citrus Heights (June 2006) from CSA-1, leaving Rancho Cordova as the only incorporated city that is still part of CSA-1.

This Engineer's Report (hereafter referred to as "Report") has been prepared in connection with the formation of the Rancho Cordova Lighting District No. 2012-1 and the continued levy and collection of annual assessments related thereto commencing in fiscal year 2012/2013, as required pursuant to Chapter 1, Article 4 of the 1972 Act. This Report describes the District, the improvements, and the assessments to be levied on properties within the District in connection with the special benefits the properties receive from the maintenance and servicing of the District improvements. The formation of this District and the annual assessments will provide a continued funding source for the City to fund in part the ongoing maintenance, servicing and operation, of the safety lights and street lights that provide special benefits to the properties within the District.

The improvements and assessments described in this Report are based on the improvements and assessments previously established by the County of Sacramento for CSA-1 Zone 2 and the assessment revenues will be used to fund in part the annual direct expenditures and incidental expenses, associated with the maintenance and servicing of those improvements. The formation of the District, the structure of the District (organization), the improvements, the

method of apportionment, and assessments described herein have been established to continue the maintenance of the existing improvements and assessments previously established by the County of Sacramento for CSA-1 and as such are not considered to be new or increased assessments under the provisions of the California Constitution Article XIID.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Sacramento County Assessor's Office. The Sacramento County Auditor/Controller uses Assessor's Parcel Numbers and specific Fund Numbers to identify properties to be assessed on the tax roll for special benefit assessments.

As part of this District formation to continue the assessments previously levied by the County of Sacramento as part of CSA-1, in addition to the proceedings conducted the Local Agency Formation Commission (LAFCO) for the detachment of the City of Rancho Cordova from CSA-1, the Rancho Cordova City Council will conduct a noticed public hearing pursuant to the provisions of the 1972 Act to consider public testimonies, comments and written protests regarding the formation of the District and levy of assessments. Assuming LAFCO has approved the detachment from CSA-1, upon conclusion of the public hearing and consideration of any protests, the City Council may approve the Report (as submitted or amended), order the formation of the District, and the levy and collection of assessments as described herein and approved. In such case, the assessments for fiscal year 2012/2013 shall be submitted by the City to the Sacramento County Auditor/Controller for inclusion on the property tax roll for each parcel and the assessments for CSA-1 will be discontinued.

Each subsequent fiscal year, an Engineer's Report shall be prepared and presented to the City Council describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year, and the City Council shall hold a noticed public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year. If in any year, the proposed annual assessments for the District exceed the assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through property owner protest ballot proceeding before that new or increased assessment may be imposed. It should be noted that an increased assessment to an individual property resulting from changes in development or land use does not constitute an increased assessment.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. The District is being formed with two (2) designated benefit zones that collectively encompass all lots and parcels of land within the boundaries of the City of Rancho Cordova and were previously included in Zone 2 of CSA-1. The two benefit zones are designated as "Safety Light Only" Zone, which includes those lots and parcels of land within the District that are associated and benefit from only safety light improvements; and "Safety Light and Street Light" Zone, which includes those lots and parcels of land within the District that are associated and benefit from both safety light improvements and local street light improvements.

Part II

Method of Apportionment: A discussion of benefits the improvements and services provide to properties within the District and the method of calculating each property's proportional special benefit and annual assessment.

Part III

District Budget: An estimate of the annual costs to service, maintain and operate the safety light and street light improvements and appurtenant facilities within the District that had been previously funded in part through CSA-1 assessments. This budget includes an estimate of direct operational costs (energy and maintenance costs), anticipated repair and replacement of the existing facilities and incidental expenses authorized by the 1972 Act such as administration expenses and collection of appropriate fund balances.

Part IV

District Diagram: A diagram showing the exterior boundaries of the District and the Zones therein is provided in this Report and includes all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Sacramento County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Sacramento County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel based on the parcel's proportional special benefit as outlined in the method of apportionment. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2012/2013.

PART I — PLANS AND SPECIFICATIONS

Description of the District

The territory within the District shall consist of all lots and parcels of land within the boundaries of the City of Rancho Cordova that in fiscal year 2011/2012, were designated as CSA-1 Zone 2. Within these boundaries, parcels are identified and grouped into one of two designate benefit zones based on the special benefits properties receive from the District improvements, namely Safety Lights Only or Safety Lights and Street Lights. The two Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition the District Diagram in Section IV of the Report provides a visual representation of the District showing the exterior boundaries of the District and the Zones therein.

Improvements and Services

Improvements and Services Authorized by the 1972 Act

As generally defined by the 1972 Act and may be applicable to this District, the improvements and associated assessments may include one or more of the following:

- The installation or construction of public lighting facilities including, but not limited to street lights, safety lights and traffic signals;
- The installation or construction of any facilities which are appurtenant to any of the foregoing or which are necessary or convenient for the maintenance or servicing thereof;
- The maintenance or servicing, of any of the foregoing including the furnishing of services and materials for the ordinary and usual maintenance, operation, and servicing of any improvement including but not limited to:
 - Repair, removal, or replacement of all or any part of any improvements;
 - Grading, clearing, removal of debris, the installation or construction of curbs, gutters, walls, sidewalks, or paving, or water, irrigation, drainage, or electrical facilities;
 - Electric current or energy, gas, or other illuminating agent for any public lighting facilities or for the lighting or operation of any other improvements;
- Incidental expenses associated with the improvements including, but not limited to:
 - The costs of the report preparation, including plans, specifications, estimates, diagram, and assessment;
 - The costs of printing and advertising, and publishing, posting and mailing of notices;
 - Compensation payable to the County for collection of assessments;
 - Compensation of any engineer or attorney employed to render services;
 - Any other expenses incidental to the construction, installation, or maintenance and servicing of the improvements;
 - Costs associated with any elections held for the approval of new or increased assessments.

Description of District Improvements

The District's annual assessments will finance in part the maintenance, operation and servicing of the District's lighting improvements (safety lights and street lights) which generally includes the furnishing of labor, materials, equipment and electricity for the ordinary and usual maintenance, operation, and servicing of street lights within the public right-of-ways and easements dedicated to the City, incidental expenses including administrative costs as well as the performance of periodic repairs, replacement and expanded maintenance resulting from damage or vandalism. These services and activities more specifically may include, but are not limited to:

- Payment of the electrical bill for the safety lights and street lights.
- Maintenance, repair and replacement of light poles and fixtures, including changing light bulbs, painting, photoelectric cell repair or replacement, and repairing damage cause by automobile accidents, vandalism, time, and weather.
- Electrical conduit and pullbox repair and replacement due to damage by construction and weather.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of lighting electrical conduits, and marking the location of those underground conduits in the field to prevent damage by excavation.
- Service-can maintenance, repair and replacement including painting, replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Remedial projects for major repairs or upgrading of facilities. Construction for such projects are usually performed by contract, however City maintenance workers may execute small projects.
- Street light inventory database, pole numbering and mapping to establish the number of streetlights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Acquisition of land, easements and right-of-ways necessary to maintain the street and safety lighting system.
- Responding to citizens and Council member inquiries and complaints regarding street lighting. Resolving complaints may require an engineering study and possible project.

For the purpose of determining benefit and the proportional assessment of special benefit the light fixtures to be maintained by the District are defined as either "Street Lights" or "Safety Lights". Safety Lights are lights located at intersections on major streets and along the rear of properties that abut major streets. All other lights are designated as Street Lights. The following table provides a summary of the safety light and street light inventory within the City at the time this Report was prepared. Detailed maps identifying the location and extent of the District's Safety Lights and Street Lights are on file in the Office of Public Works, and by reference these documents are made part of this Report.

Type of Light	Number of Lights
Safety Light	428
Street Light	4,240
Total District Lights	4,668
Decorative Light ⁽¹⁾	92
Total City Lights	4,760

⁽¹⁾ The 92 decorative lights shown above are contained within a single residential development and these lights are funded by a separate revenue source levied on those parcels. Therefore these lights are not included as part of the District's improvements, budget or assessments. Parcels within this residential development are included in the "Safety Light Only" zone

PART II — METHOD OF APPORTIONMENT

Based on the provisions of the 1972 Act and the California Constitution, this section of the Report summarizes the benefits associated with the District's safety and street light improvements and services to be provided by the District; the resulting District structure (zones of benefit); and the formulas used to calculate each parcel's proportional special benefit assessment obligation based on the entirety of the cost of providing the various improvements (method of assessment).

Benefit Analysis

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, which include but are not limited to the construction, maintenance, operation, and servicing of public street lighting improvements and appurtenant facilities.

The 1972 Act further requires that the cost of these improvements be levied according to benefit rather than assessed value:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

In conjunction with the provisions of the 1972 Act, the California Constitution Article XIID addresses several key criteria for the levy of assessments, notably:

Article XIID Section 2d defines District as:

"District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service";

Article XIID Section 2i defines Special Benefit as:

"Special benefit" means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute "special benefit."

Article XIID Section 4a defines proportional special benefit assessments as:

"An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

The method of apportionment (method of assessment) established herein is based on the premise that each assessed property receives special benefits from the maintenance, serving and operation of either safety lights locate throughout the District or both safety lights and local street lights and these improvements will be funded in part by such assessments, and the assessment obligation for each parcel reflects that parcel's proportional special benefits as

compared to other properties that receive such special benefits as outlined in the preceding definitions established in the 1972 Act and the California Constitution.

To identify and determine the proportional special benefit to each parcel within the District, as well as any general benefit associated with the improvements, it is necessary to consider the entire scope of the improvements provided as well as the properties that benefit from those improvements. The District's improvements and the associated costs described in this Report, have been carefully reviewed and have been identified and allocated based on a benefit rationale and calculations that proportionally allocate the net cost of only those improvements determined to be of special benefit to properties within the District and is consistent with the method of apportion previously established for the assessments as part of CSA-1.

While the California Constitution requires that *"The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement..."*; it is reasonable to conclude that the reasons for installing street lights are somewhat different than the reasons for installing safety lights and therefore the benefits associated with street lights and safety lights are different which also suggests that the apportionment of the cost to provide those improvements would be different.

As previously noted, Safety Lights are lights located at intersections on major streets and along the rear of properties that abut major streets. As such, it is evident that these lights are installed in part for the purpose of providing nighttime traffic illumination and circulation and are not entirely the result of specific property development, although the location and extent of these lights are most certainly driven by development of properties in the area which in turn increases traffic circulation and therefore facilitates the need for safety lights. Therefore, while the need for such lights is most often facilitated by development in the area and certainly a special benefit to properties within the District, because safety lights promote nighttime traffic illumination and circulation for the general public as well as for properties in the District, these lights obviously provide some measure of benefit to the community as a whole and to the public at large (general benefit). However, in reviewing the overall extent and location of the Safety Lights, it has been determined that about 47% of these lights are located on major streets that are considered through-traffic corridors, namely Bradshaw Road, Folsom Boulevard and Sunset Boulevard. The remaining Safety Lights are located on major streets and intersections that are considered internal City traffic routs primarily providing access to the parcels in the District. Therefore it would be reasonable and conservative to assume that no more than 25% of the total maintenance and operation (O&M) costs of providing Safety Lights would be considered general benefit.

In reviewing the location and extent of the City's Street Light improvements and the relationship these improvements have to properties within the District, it has been determined that these lights are entirely local light improvements that were installed in connection with the development of nearby properties or were a precursor to property development and would otherwise not be necessary or required. As such, these local street light improvements have a direct and particular relationship to, and provide special benefit to, the properties located in close proximity to those street lighting improvements and serve as extension of those properties and developments into the public areas (streets) that serve those properties. These lights clearly provide special benefits that affect these properties in a way that is particular and distinct from its effect on other parcels, and that real property in general and the public at large do not share. This is most evident in the fact that the Street Lights are concentrated within the City's various residential developments and developed non-residential areas and the absence of such lights within many portions of the District. Therefore, since certain areas of the City forgo the need of local street lighting, the maintenance costs associated with local street lighting is not

considered to be a general benefit. It is reasonable to conclude that the District's Street Lights are solely a special benefit to those properties and developments in close proximity to those lights. However, these lights are not exclusive or typically isolated to a particular parcel, but are rather shared and directly affect entire neighborhoods or groups of parcels. In this District, it has been determined that each parcel that is assessed for Street Lights is at least within two-hundred feet of a street light although that light may be located across the street from the parcel.

Zones of Benefit

In order to calculate and identify the proportional special benefit received by each parcel and their proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District

Article XIIID Section 4a reads in part:

"...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones ("Zones") as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements."

Therefore, in order to separate general benefits from special benefits and to ensure each parcel is assessed for only the special benefits received from the improvements two benefit zones have been established and every parcel in the City is grouped into one of these two Zones:

- **Safety Lights Only Zone:** Includes all parcels that receive special benefits from the maintenance of Safety Lights only which includes lights located at intersections on major streets and along the rear of properties that abut major streets.
- **Street Lights and Safety Lights:** Includes all remaining parcels within the City that specially benefit from maintenance of Street Lighting (local lights) as well as Safety Lights.

The District Budget, incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the street light improvements and the allocation of those costs that are considered general benefit. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Office of Public Works Services Department and by reference these documents are made part of this Report. A diagram showing the exterior boundaries of the District and the two Zones therein is attached and incorporated herein under Part IV (District Diagram) of this Report.

Assessment Methodology

In order to calculate and identify the proportional special benefit received by each parcel and their proportionate share of the improvement costs it is necessary to consider not only the improvements and services to be provided, but the relationship each parcel has to those improvements as compared to other parcels in the District

Article XIIID Section 4a reads in part:

"...The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement or the maintenance and operation expenses of a public improvement or for the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Safety Lights and Street Lights, like most public improvements, provides varying degrees of benefit (whether they be general or special) based largely on the extent of such improvements, the location of the improvements in relationship to the properties, the specific use of each property, and the reason or need for such improvements as it relates to individual properties. In this District these issues are each considered in determining the proportional special benefit to each parcel by the use of benefit zones, the separation of general benefit and special benefit, and County land use designations.

Safety Lights

Safety Lights are located throughout the District and properties throughout the City are considered to benefit proportionally from Safety Lights and are therefore levied a flat rate calculated by the following formula.

$$\text{Net Safety Light Cost} / \text{Total Assessable Parcels} = \text{Levy per Parcel}$$

Street Lights

Only properties that benefit from Street Lights are charged for Street Lights. Parcels are classified based on land use into two categories; Residential and Non-Residential. Residential parcels that have street lights are levied equally. Non-Residential are levied on a front footage basis. Formulas for both Non-Residential and Residential parcels are illustrated below.

Residential Parcels

$$\text{Net Residential Street Light Cost} / \text{Residential Parcels} = \text{Levy per Residential Unit}$$

Non-Residential Parcels

$$\text{Net Non-Residential Street Light Cost} / \text{Non-Residential Front Footage} = \\ \text{Levy per Non-Residential Front Foot}$$

$$\text{Levy per Non-Residential Front Foot} \times \text{Non-Residential Parcel Front Footage} = \\ \text{Levy per Parcel}$$

Exempt

Excepted from the assessment would be the areas of public streets and other roadways (typically not assigned an APN by the County), dedicated public easements, open space areas and rights-of-ways including public greenbelts and parkways. Also excepted from assessment would be utility rights-of-ways, common areas (such as in condominium complexes), landlocked parcels, small parcels vacated by the County, bifurcated lots, and any other property that cannot be developed. These types of parcels do not benefit from the improvements.

The land use classification for each parcel has been based on the Sacramento County Assessor's Roll.

Rates

The following Table shows the assessment rates proposed to be levied in Fiscal Year 2012/2013. It is important to note that these rates are the same rates applied under CSA 1 and have not increased since the passage of Proposition 218 in 1996.

Proposed Fiscal Year 2012/2013 Assessment Rates

Improvement Type	Proposed Rates
Safety Lights	\$2.56 per parcel
Street Lights (Residential)	\$15.32 per parcel
Street Lights (Non-Residential) *	\$0.2519 per front foot

* Non-Residential parcels include commercial and multi-family properties

The following Table provides a summary of the estimated total assessments to be levied in Fiscal Year 2012/2013.

Benefit Classifications	Applied Rates	Parcels	Applied Front Footage	Total Estimated Revenue
Safety Light Only	\$2.56 per Parcel	7,366	N/A	\$ 18,857
Street and Safety Light (Residential)	\$2.56 + \$15.32 per Parcel	10,020	N/A	\$ 179,158
Street and Safety Light (Non-Residential)	\$2.56 per parcel + \$0.2519 per front foot	3,416	595,507.50	\$ 158,753
Totals		20,802		\$ 356,768

PART III — DISTRICT BUDGET

District Budget

The following budget outlines the estimated costs to maintain the improvements and the anticipated expenditures for fiscal year 2012/2013.

Description	Total Budget	Safety Lights	Street Lights
Annual Maintenance & Operation (O&M)			
Electrical Costs	\$ 189,448	\$ 43,484	\$ 145,964
Maintenance Costs	143,892	16,692	127,200
Total Annual O&M Expenses	\$ 333,340	\$ 60,176	\$ 273,164
Annual Administrative Expenses			
District Administration	\$ 18,920	\$ 2,824	\$ 16,096
County Fees	520	184	336
Miscellaneous Administration Expenses	1,000	149	851
Total Annual Administration Expenses	\$ 20,440	\$ 3,157	\$ 17,283
Additional Operating Expenses			
Repairs/Replacements & Capital Expenditures	\$ 70,000	\$ 6,300	\$ 63,700
Reserve Fund Collection	-	-	-
Total Additional Operating Expense	\$ 70,000	\$ 6,300	\$ 63,700
TOTAL DISTRICT EXPENSES	\$ 423,780	\$ 69,633	\$ 354,147
Contributions/Adjustments			
Reserve Fund Transfer	\$ -	\$ -	\$ -
General Benefit Contribution	(15,044)	(15,044)	-
Other Revenue Contributions	(51,968)	(1,336)	(50,632)
Total Contributions/Adjustments	\$ (67,012)	\$ (16,380)	\$ (50,632)
NET ASSESSMENT BUDGET	\$ 356,768	\$ 53,253	\$ 303,515
(Balance to Levy)			
District Statistics			
Total Parcels	21,115	21,115	13,436
Parcels Levied	20,802	20,802	13,436
Front Footage	-	N/A	595,507.50
Per Parcel Rate (As Applicable)	-	\$2.56	\$15.32
Per Front Foot Rate (As Applicable)	-	N/A	\$0.2519

Description of District Budget

Annual Maintenance & Operation (O&M) — Includes the regular annual costs of maintaining and servicing lighting improvements. This may include, but is not limited to, the costs for labor, utilities, equipment, supplies, nor repairs, and replacements and upgrades of fixtures that are required to properly maintain the items that provide a direct benefit to the District.

- **Electrical Costs** — Includes the cost of providing electricity to the lights. Additionally, some lights may be maintained by the Sacramento Municipal Utility District (“SMUD”) and the cost for maintenance of these lights is included as part of the utility bill for those lights.
- **Maintenance Costs** — Includes the contract labor associated with the maintenance of the lights and the cost of the preparing and maintaining the light inventory. This cost is based on an estimated annual cost of \$30.00 per street light and \$39.00 per safety light.

Annual Administrative Expenses — Includes the indirect costs not included above that are necessary to properly maintain the District on an annual basis.

- **District Administration** — Includes the estimated cost to coordinate District services including responding to property owner inquiries relating to the assessments and services and contracting with professionals to provide administration, legal, and engineering services to the District that are required on an annual basis. This also includes the costs for the City to account for the funds, calculate the assessments, prepare the annual Report, and place the assessment on the property tax bills.
- **County Fees** — Includes the cost or a portion of the costs that the County charges to place the assessments onto the Sacramento County Secured Tax Roll.
- **Miscellaneous Administration Expenses** — Includes other minor administrative costs such as telephone, copying, noticing, mailing, office supplies and fees related to District Administration.

Total O&M and Administration Expenses — This is the total of the Annual Maintenance & Operation (O&M) and Annual Administrative Expenses which are considered to be the direct costs for the regular annual maintenance, servicing and operation of the District improvements.

Additional Operating Expenses — Includes funding needs to support the improvements that are not included or considered to be costs associated with the regular annual maintenance, servicing and operation of the District improvements.

- **Repairs/Replacements & Capital Expenditures** — Includes, but is not limited to repairs that are only required periodically, repairs and replacements resulting from damage or vandalism, capital improvement expenditures to rehabilitate or upgrade the improvements, and collection of funding (installments) for future capital improvement projects. The amount collected each fiscal year is based on an estimate of current and future needs, but may be limited by available funding (assessment revenues and City contributions).
- **Reserve Fund Collection** — Includes, funds that may be collected and retained specifically to provide a cash flow reserve and/or establish a fund balance to fund unexpected expenditures or periodic expenses. The 1972 Act authorizes the collection of reserves, but limits the fund balance to an amount necessary to meet the required expenditures of the District from the period of July 1 (the beginning of the Fiscal Year) through the time the City receives the first

installment of assessment revenues collected from the property tax bills and provided by the County (typically January or February)

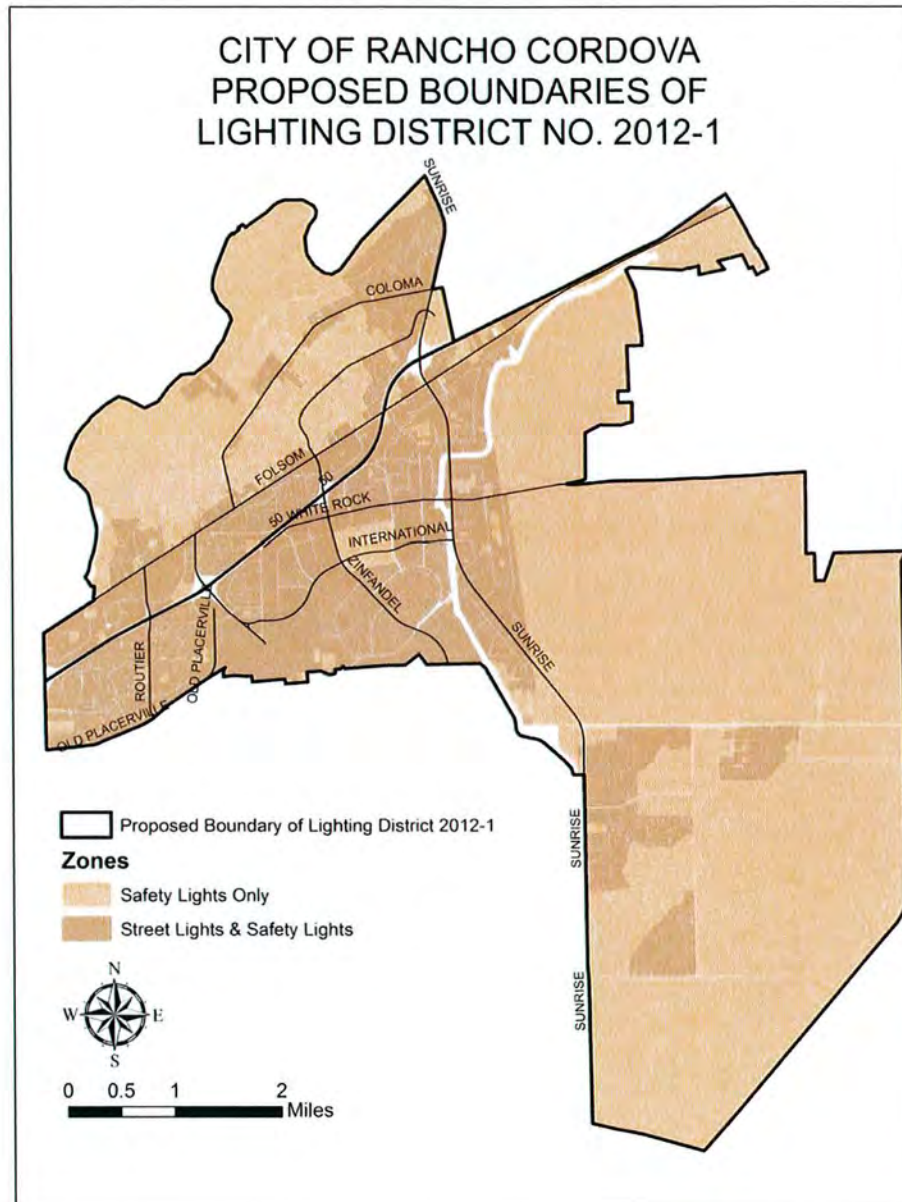
Contributions/Adjustments — Represents funding from sources other than assessments to support the annual costs budgeted for the maintenance, servicing and operation of the District improvements.

- Reserve Fund Transfer – Funding transferred from the Reserve Fund or assessment surplus (if available) to offset a portion of the Total Expenses budgeted.
- General Benefit Contribution — Funding from the City utilizing revenue sources other than assessment revenues to pay the proportional costs for the regular annual maintenance, servicing and operation of the District improvements that have been determined to be of General Benefit and which cannot be included as part of the annual assessments. This City funding may be from the City's General Fund or any other funding source available to the City.
- Other Revenue Contribution – Additional funds designated for use by the District that are not District assessments. Often referred to as a City Contribution, these funds may be from any source available to the City to support the District and reduce the amount to be collected by the District assessments ("Net Assessment Budget"). If the Total District Expenses minus any Reserve Fund Transfer and General Benefit Contribution results in an amount greater than the amount that can be collected through the assessments, the City would either have to reduce expenses or contribute funds to balance the budget.

Net Assessment Budget (Balances to Levy) —Represents the total amount proposed to be levied and collected as assessments on the property tax rolls for the fiscal year.

PART IV — DISTRICT DIAGRAM

The parcels within the District consist of all lots and parcels of land within the City of Rancho Cordova. The following page provides a boundary map that displays exterior boundaries of the District, as well as the two zones of benefit within the District as the same existed at the time this Report was prepared. The combination of this map and the Assessment Roll contained in this Report constitute the Assessment Diagram for this District.



PART V — ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Sacramento County Assessor's Office. A listing of the Assessor's Parcel Numbers (APNs) to be assessed within this District, along with the corresponding Assessment Amount to be levied for fiscal year 2012/2013 is provided in the following. If any APN submitted for collection of the assessments is identified by the County Auditor/Controller of the County of Sacramento to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the City Council.

I. INFRASTRUCTURE, FACILITIES AND SERVICES/ GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

I. a - What is the current demand for services (baseline)?

The current demand for services is described in the City of Rancho Cordova Lighting District Engineer's report and is represented by the current inventory of lights and current assessment roll. In summary, this includes approximately 4,591 highway safety and street lights..

I. b – What is the projected demand for services?

Demand for service will continue to grow at the same pace as real estate development within the City. Current projections indicate a new potential growth of an additional 35,000 households at build out.

I. c – What is the existing and projected service capacity?

Unlike other major infrastructure items such as sewer and water, the street lighting capacity is not limited by the size of local infrastructure. Sacramento Municipal Utility District ("SMUD") provides electricity that keeps the street lights lit. The projected capacity is adequate for full implementation of the City's street lights. SMUD currently generates approximately half of its own electricity and purchases the other half from the wholesale market.

I. d - How are infrastructure needs determined?

Street and Safety needs are determined by the City, which adopted standards upon incorporation based on the County's standards for acceptable illumination levels on accepted streets. The City is currently considering revising or upgrading the standards by adopting the American Association of State Highway and Transportation Officials (AASHTO) *Roadway Lighting Design Guide* as its specification. The AASHTO guide outlines recommended illumination levels for various types of roadway classifications. Factors such as the roadway type, pole height, fixture type, wattage, driveway locations, block sizes, as well as other factors determine the lighting needs.

I. e - Provide schedules for infrastructure replacements and upgrades; explain how schedules are being met? Describe operation and maintenance programs(s) including any identified areas of deferred maintenance?

New Street and Safety Lighting systems will be installed as new residential and commercial development/redevelopment occurs. There are areas within the City that do not have local street lights. No installation of streetlights for these areas is contemplated with the detachment from CSA 1. Following the detachment, an

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inventory of the existing system is anticipated to be undertaken which will document the conditions of the poles in general terms . The City plans to provide proactive maintenance to include checking all street lights on main thoroughfares during non-daylight hours, once every six months, maintaining a written log, troubleshooting and repairing any found outages. Participating in the system protection program, Underground Service Alert (USA) has been contracted to mark and locate the infrastructure to minimize the opportunity for contractors to damage underground infrastructure including the street lighting system. Addressing deferred maintenance typically involves re-painting the street and safety light poles and an inspection of any remaining wood street light poles for rotting and to replace with metal poles.

I. f - How will new or upgraded infrastructure be financed?

According to the City's General Plan, Infrastructure, Services and Finance Element, the City goals include providing quality public infrastructure and services. The General Plan contains Policy ISF.2.1 to ensure the development of public infrastructure that meets the long-term needs of residents and ensure infrastructure is available at the time such facilities are needed. To that end, ISF.2.1.2 requires the adoption of a phasing plan for the development of public facilities in a logical manner that encourages the orderly development of roadways, water and sewer, and other public facilities. The roadway infrastructure includes installation of streetlights. The construction of the infrastructure is financed through a combination of private development costs and impact fees.

The General Plan also contains Policy ISF.2.3 to ensure that adequate funding is available for all infrastructure and public facilities. IFS.2.3.1 is a requirement to secure financing for all components of the transportation system through the use of special taxes, assessment districts, developer dedications or other appropriate mechanisms. Through the entitlement process the City requires that new development provide a funding mechanism for maintenance services for all new public improvements associated with the project including but not limited to streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, and street lights. Maintenance of the public improvements including street lights are to be paid for by these financial mechanisms including assessment districts and service CFDs.

I. g - List infrastructure deficiencies; indicate if deficiencies have resulted in permit or other regulatory violations; explain how deficiencies will be addressed.

There is an existing deficiency in service level due to a lack of revenue. The current methodology is to perform maintenance activities on a per request basis. Current revenue levels do not allow for any proactive maintenance activities. This type of service likely results in lights remaining unlit in a number of locations for months at a time. This lack of revenue and low level of service may result in safety issues and the standards (minimum lighting levels) are not being met.

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In 2006 Sacramento County CSA-1 staff recommended and the Board approved the creation of new benefit categories for enhanced street light services and decorative street lights. This provided an increase in revenue for annexations into the district. However, the existing service charges remain unchanged and are fixed at the 1996 rates.

Based upon our research and conversations with County Staff we are not aware of any permit or regulatory violations. Service levels have been reduced over time to balance expenditures with assessment revenue.

I. h – Describe capital facilities that are underutilized; explain how underutilized facilities could be shared with other agencies?

This question is non-applicable.

I. i - How are service needs forecast?

Near term service of roadway lighting systems are typically not forecast, but rather scheduled based on needs as determined by night-time inspection and service requests. Long term needs are forecast based on roadway construction, anticipated growth, the Capital Improvement Program, periodic inspections and historical data. (Also see question I. a).

I. j – How are growth/population projections integrated with plans for future service?

As mentioned above in question I.f, the City has specific policies regarding development approvals and financing for infrastructure. The City has adopted the County lighting standards to provide cost efficiency in installation and maintenance of new lighting along with providing an attractive uniform appearance. As new development progresses in a logical and orderly manner, the street lights will be installed and energized.

I. k – Provide maps of service areas for services that are provided less-than agency wide.

Street lights and safety lights are provided City wide. Please see City wide map.

I. l – Describe any variance or inequity in levels of service provided to customers. Explain why unequal service levels are present.

There are variances of level of service based on the funding available to provide services. The parcels annexed to the district after the new enhanced benefit category was established in 2006 are providing sufficient revenues to fully fund street light and safety light services in those areas. There will remain a deficiency in service levels in the other pre-existing areas covered by CSA-1 due to a lack

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of revenue. Through the use of contract services, the City anticipates being able to more efficiently provide service with the revenue available.

I. m – Provide the assessor parcel number or addresses of properties, which are located outside agency boundary and receive agency services; list type of service and date service commenced.

None

I. n – Explain policies or procedures that establish priorities for directing services to infill areas.

The Rancho Cordova General Plan contains the following policies related to this issue:

ISF.2.1.2 Adopt a phasing plan for the development of public facilities in a logical manner that encourages the orderly development of roadways, water and sewer, and other public facilities.

ISF.2.1.3 Withhold public financing or assistance from projects that do not comply with the planned phasing of public facilities, and approve interim facilities only in special circumstances.

This policy direction favors infill development where infrastructure is already available, and discourages the development of properties outside of infill areas and where public facilities are planned. Additionally, because the most of the relevant infrastructure is in place, the development impact fee structure favors development in the infill areas.

I. o. - Describe provisions for providing services in emergency situations.

When street lights are knocked down, the site is made safe within a two to three hour time frame by clearing obstacles and deactivating power. Street lights and the highway safety lights that are located in conjunction with traffic signals are not connected to backup batteries. Replacement of inoperable street lights and highway safety lights are is anticipated to take approximately one week.

II. EVALUATION OF MANAGEMENT EFFICIENCIES

II. a - Is organization structure similar with like service providers? Describe any differences.

The City of Rancho Cordova operates with a City Council/City Manager form of government. The overall operation of the street and safety light system (including establishing budgets and priorities) will be at the direction of the City Council, with day-to-day operation at the direction of the City Manager and other key City staff. This is similar to the current system under which the Sacramento County Board of Supervisors operates as the Board of Directors for CSA 1.

III. FINANCING CONSTRAINTS AND OPPORTUNITIES/ OPPORTUNITIES FOR RATE RESTRUCTURING

III. a - Describe the rate setting methodology.

The initial methodology mirrors CSA 1 methodology. Please see Engineer's Report for a complete description.

III. b - Describe all revenue sources.

The revenue source for street light and safety light maintenance is the property based assessment. This will be transferred from CSA 1 to a City wide Lighting District to be formed under the 1972 Landscaping and Lighting District Act. As referenced in Section I. g and III. c. The City Council will decide how to adjust the level of service to stay within the assessment revenue or supplement the service with other revenue sources such as the General Fund. The use of contracted services and efficiencies of administration will result in enhanced service levels for unchanged revenue.

Additionally, the City and the County are currently in negotiations regarding a Transition Agreement. This agreement will include elements such as a final transition date, split of operating reserve, backlog of service calls, SMUD utility bill turn-over, and a contingency plan of service transition that is mutually agreed upon by both agencies.

III. c – Explain constraints associated with agency's ability to generate revenue. What options are available – special assessments/special taxes/increases in sales taxes?

The City is not currently contemplating an increase to the service area assessment. If an increase is proposed at a later time, a ballot procedure will be conducted under Article XIII D of the California State Constitution (Proposition 218). This process requires a mailed ballot be sent to property owners that specifically benefit from the infrastructure and maintenance. Ballots are weighted based on the proposed assessment and require a fifty percent approval based on returned ballots.

III. d - Describe policies and procedures for establishing and maintaining reserves/retained earnings. What is the dollar limit of reserves/retained earnings? What is the ratio of undesignated, contingency, and emergency reserves to annual gross revenue?

Through efficiencies in providing services, the City's goal is to establish two reserve funds associated with the Lighting District. The Cash Flow Reserve will be grown over a period of years to provide an adequate amount of funds in order

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to meet the expenditures required for the District from the period of July 1 (the beginning of the Fiscal Year) through December 31 due to the six-month delay in the District's receipt of the assessment collections. The Replacement Reserve goal will be established after the completion of the inventory and evaluation of the existing lighting system. Once the goal is established the City would endeavor fund the Replacement Reserve over a period of 5 to 10 years to accumulate funds for the planned replacement of improvements that cannot be collected in a single fiscal year.

III. e - Explain any variances in rates, fees, taxes, etc., which are charged to agency customers. Describe rate/fee policies.

In CSA-1 there are two service levels, based on benefit, within the street lighting program as described in the Engineer's Report. Assessments for Highway Safety Lights are charged to all properties within the City. Assessments for Street Lights are charged to only the properties that directly benefit from the presence of street lighting. Please see Engineer's Report for a more detailed explanation of the assessment methodology and benefit discussion.

III. f - Explain policies and procedures for fee rebates, tax credits, or other relief given to agency customers. Provide details of any rebates, etc., issued during the past three years.

Special Assessments by definition are assessed on property based on the special benefit received by the property; therefore there are no credits or other relief given to property owners.

III. g - Describe policies and practices for depreciation and replacement of infrastructure.

Upon completion of the inventory and determination of the overall status of the system, the City will establish a replacement schedule of the light standards based on the age and condition of the lights. Current City policy is to depreciate street lights over twenty years. SMUD owned and maintained lights will continue to be the responsibility of SMUD for replacement and depreciation.

IV. GOVERNMENT STRUCTURE OPTIONS/ LOCAL ACCOUNTABILITY AND GOVERNANCE

IV. a - Describe rules, procedures, and programs for public notification of agency operations, meetings, programs etc. How is public participation encouraged? Are meetings accessible to the public, i.e. evening meetings, adequate meeting space, etc.?

The City of Rancho Cordova notifies residents of agency operations, meetings, programs etc. through a variety of mechanisms. Foremost, the City will determine

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if State Law has specific requirements for various topics and follow the law. The City consistently meets or exceeds State Law in publication requirements. Residents are encouraged to attend meetings through a variety of mechanisms used to solicit participation. Those often include: press releases, notification in the local newspaper, distribution to the City Manager's list-serve, announcement in the City's quarterly newsletter, information posted on the website (www.cityofranhocordova.org) and sometimes direct mailings. The Rancho Cordova City Council meetings are also broadcast on Metro Cable 14. It is the City's goal to accurately and efficiently convey information about the City's policy objectives and municipal service activities to state and federal leaders, the press, and the public.

City Council and City Staff encourages participation of residents in all meetings, whether at regular City Council meetings or special topical public meetings. The City of Rancho Cordova falls under and fully complies with the Ralph M. Brown Act for public meetings. The Brown Act requires the governing board of local agencies to hold their meetings in public except under specified, limited circumstances where closed sessions are authorized. The Act is found in the Government Code starting at Section 54950.

Public Meetings are generally held in the City's Council Chambers, 2729 Prospect Park Drive, in the City of Rancho Cordova commencing at 5:30 pm in the evening so residents can attend. To date, the Council Chambers has proven to be an adequate location for meetings of various sizes. However, meetings are not constrained to the Council Chambers. Periodically throughout the year, workshops or special meetings have often been held in the American River Room located at City Hall or at various off-site locations to engage a broad range of constituents throughout the community.

IV. b - Describe Public Outreach efforts, (i.e. newsletters, bill inserts, website, etc.)

The City's 8-page newsletter, "City Views", is distributed to every Rancho Cordova household and business address 4 times per year. The newsletter is a major source of City information regarding upcoming programs; initiatives; public hearings, meetings and events; and service updates.

The City's Public Information Office regularly sends out news releases about accomplishments, service options and updates, events and meetings, and other current City news. The distribution list includes the local newspaper (Grapevine Independent) and other area and regional newspapers, magazines, TV and radio stations, and on-line information service providers.

The City's website is another outlet for City news releases and information. Most is posted on the Home Page but can also be sourced through the "What's New" and the Calendar links.

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Facebook is the newest means of communicating to the public. News releases are posted there as well as other City announcements. More than 1,000 users are City friends.

Additional outreach is done with flyers that are placed on City counters and also given to other agencies such as the Park District, Senior Center, Library, Chamber of Commerce, the Cordova Community Center, the Rancho Cordova Police Station, and the Neighborhood Services Center.

Posters are displayed on an easel in the City Hall lobby.

Recently, trash bill inserts have been used to provide information regarding the City's Solid Waste Program. Often, they contain information to educate residents on initiatives in that department.

The City has about 20 different e-blast distribution lists. In addition, we often ask the Chamber of Commerce and Cordova Community Council to e-blast information.

The City will use news releases, its website and Facebook, bill inserts, and the City Views to educate residents on the transfer of street light maintenance responsibility and include phone numbers for service calls of non-operating street and safety lights.

Public meeting and agenda information is also posted at City Hall for residents.

V. OPPORTUNITIES FOR SHARED FACILITIES/COST AVOIDANCE OPPORTUNITIES

V. a - Describe the reasons it will benefit city residents from detaching from CSA 1.

City residents will benefit from detaching from CSA 1 by receiving improved service response times and more local control over the use of their assessment funds. Currently with the services being provided by the County, response times can take as long 20 days due to the shortfall of funds in CSA 1 to maintain and/or improve service time. When services transition to a private contract, response times would expect to be shortened to 5 days.

Local control over assessment funds will ensure local accountability and oversight of finances to ensure funds collected in Rancho Cordova are sufficient for improved service to residents for the street lighting system. Local control will also allow voters the ability to increase their assessment should they vote for an increased assessment rate in the future.

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The City currently sees no opportunities for shared facilities/cost avoidance opportunities because there would be no other service provider in Rancho Cordova. While SMUD owns and maintains some existing light poles within the boundaries of Rancho Cordova, the City will be responsible for payment of their maintenance under their current service agreement.

V. b - Are your service plans compatible with other local agencies? Explain.

Our service plans are compatible with local agencies which have an interest in street light and roadway safety lighting services. The City of Rancho Cordova would be the sole provider of this service and would administer the program in an efficient and effective manner to ensure that residents and non-residential users receive the highest benefit from this program.

The City's service contract will provide residents with service no more than five days from a service request. and would also provide for inventory checks for trouble-shooting twice a year.

VI. ADDITIONAL INFORMATION

VI. a - Please provide any additional information that you would like LAFCo to evaluate as part of your agency's Municipal Service Review.

County of Sacramento – CSA 1 Zones

On June 14, 2005, the Board of Supervisors adopted a Resolution forming four Benefit Zones within CSA 1. The zones divide CSA 1 into four distinct areas which include the following: Zone 1 - Sacramento County; Zone 2 - City of Rancho Cordova; Zone 3 - City of Citrus Heights, and; Zone 4 - City of Elk Grove. The primary purpose of establishing the four zones is to allow Sacramento County to move forward a ballot procedure while allowing the Cities currently serviced by CSA 1 the option to detach from CSA 1 and pursue their own financing mechanisms if they so choose.

The establishment of these Zones ensures that Zone 2, the City of Rancho Cordova, can clearly transition service from CSA 1 to Rancho Cordova maintained and operated service district. The formation of zones ensures a smooth transition of service and defines a clear service boundary.

On November 14, 2006, the Board of Supervisors approved an Engineer's Report and introduced an Ordinance that provided for the creation of four new benefit categories within CSA 1. The new benefit categories provided for enhanced street and safety light services through the collection of increased service charges. The increased service charges would be collected within new

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developments to fund additional staff time so that service response times would be improved.

On July 1, 2010, the City annexed an area east of Sunrise Boulevard referred to as the finger area. The street lights in this area have been incorporated into Zone 2 of CSA 1.

VI. b. - Indicate any information relevant to your agency which LAFCo should obtain from other agencies.

Comments from SMUD, the County of Sacramento, and Caltrans would be appropriate.

VI. c - Please forward any publications your agency has produced that will assist LAFCo staff in a review of your agency's service provision.

DRAFT

**AGREEMENT FOR TRANSITION OF OPERATIONS AND
MAINTENANCE OF STREET LIGHTS AND HIGHWAY SAFETY LIGHTS
IN THE CITY OF RANCHO CORDOVA (DETACHMENT FROM CSA1)**

This Agreement for Transition of Operations and Maintenance of Street Lights and Highway Safety Lights in the City of Rancho Cordova (Detachment from County Service Area 1) ("Agreement") is made and entered into this _____ day of _____ 2012, by and between the County of Sacramento, a political subdivision of the State of California ("County"), and the City of Rancho Cordova, a municipal corporation organized and existing under the laws of the State of California ("City").

RECITALS:

WHEREAS, City and County entered into an agreement entitled, "Agreement for Street Light and Highway Safety Light Maintenance and Operations Services Between the County of Sacramento the City of Rancho Cordova, " dated June 22, 2004 (County Contract No. 52339) whereby County provides various services to City for coordination of street light and highway safety light installation, maintenance and operation with funding provided by CSA1, and said agreement continues in effect "as long as City territory is included in County Service Area 1 for street light and highway safety light services"; and

WHEREAS, City and County anticipate that City territory will be detached from CSA1 effective July 1, 2012, as on March 21, 2012, City requested that the Sacramento Local Agency Formation Commission approve the City's request to reorganize CSA1 by detaching from it all the territory within the City limits; and

WHEREAS, this Agreement is intended to memorialize the financial and operational arrangements between the County and the City to assure an efficient transition to the City of operational control of and financial responsibility for operations, maintenance, and USA locating and marking activities for street light and highway safety light equipment and installations within the boundaries of the City associated with the detachment from CSA1.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and covenants hereinafter set forth, the City and the County hereby agree as follows:

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated by reference.
2. **Definitions.** For purposes of this Agreement, the following words and terms shall have the following meanings:
 - "CSA1" means County Service Area 1.
 - "SMUD" means the Sacramento Municipal Utility District.
 - "Transition Date" means July 1, 2012.
 - "USA" means Underground Service Alert.
 - "Zone 2" means that part of the territory encompassed by CSA1 that lies within the boundary of the City of Rancho Cordova.

3. **Assumption of Control.** The City shall assume operational control of and financial responsibility for operations, maintenance, and USA locating and marking activities for street light and highway safety light equipment and installations within the boundaries of the City as of the Transition Date.

4. **Inventory.** The County shall provide all relevant information, including any inventory of lights based on maintenance records and any related documents it has in its possession, regarding the physical inventory of street lights and highway safety lights within Zone 2 to the City prior to the Transition Date.

5. **Financial Matters.**

A. **Fund Balance.** The Zone 2 fund balance is \$251,000 as of May 11, 2012. The second installment of the service charge revenues is anticipated in May 2012 and is estimated at \$150,000. Expenses from February 2012 through June 30, 2012 are anticipated to be \$149,000. Therefore, the fund balance as of June 30, 2012 is anticipated to be \$252,000.

B. **Transfer of Fund Balance.** The County shall transfer the Zone 2 fund balance as of the Transition Date, minus an amount not to exceed \$75,000 for the purpose of paying any SMUD bills or other equipment bills or other costs incurred including County labor, as part of the separation process, to the City within forty-five (45) days of the Transition Date. Not later than forty-five (45) days after the Transition Date, the County, if requested, shall provide the City a detailed accounting of expenditures and revenues of Zone 2 for the 2011-2012 Fiscal Year.

C. **Final Reconciliation of Costs.** The County shall transfer to the City any balance remaining of the \$75,000 retained of the fund balance on or before October 1, 2012. The County, if requested, shall provide the City a detailed accounting of the deductions from the retained amount. If costs of SMUD bills and other equipment bills and costs exceed \$75,000, the City shall pay to the County the excess within thirty (30) days following the City's receipt of an invoice from the County.

D. **Accounting Records.** The County shall maintain financial records to document the revenues of CSA1 and the County's expenditures for Zone 2. Such records shall be adequate to allow for a complete, comprehensive and independent audit and shall be made available for inspection and audit by the City upon reasonable notice.

E. **SMUD Energy Bills.** The City shall be responsible for the energy costs relating to street lights and highway safety lights in its territory on and after the Transition Date.

The County and the City shall prepare and deliver to SMUD a joint instruction as to the amounts to be billed to the County and to the City prior to the Transition Date.

F. **Lawsuits.** The County hereby represents to the City that, as of the date hereof, no actions have been filed against the County seeking damages related to the operation of street lights or highway safety lights within the boundaries of the City.

The County shall defend, indemnify, and hold harmless the City, its officers, employees, and agents from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys' fees, arising out of or resulting from the operations and maintenance of street lights and highway safety lights within the territory of the City during the period prior to and as of the Transition Date caused in whole or in part by the

negligent or intentional acts or omissions of the County's Board of Supervisors, officers, employees, or agents.

The City shall defend, indemnify, and hold harmless the County, its officers, employees, and agents from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys' fees, arising out of or resulting from the operations and maintenance of street lights and highway safety lights within the territory of the City subsequent to the Transition Date caused in whole or in part by the negligent or intentional acts or omissions of the City Council or the City's officers, employees, or agents.

6. Operational Matters.

A. Shared Facilities. Certain facilities located at the boundary of the City serve areas on both sides of the boundary. A single electrical service may provide power for street lights located in both jurisdictions. Assignment of responsibility for maintaining such facilities is detailed in the Agreement for Maintenance of Joint Transportation Facilities Between the County of Sacramento and the City of Rancho Cordova. When it becomes necessary to separate the systems due to modification of the roadway or redevelopment of property abutting the roadway, the City and County will each pay one-half the cost of the design, equipment, labor and inspection necessary to provide independent electrical services for the street lights located within each jurisdiction.

B. As-built Plans. No less than thirty (30) days before the Transition Date the County shall deliver to the City any as-built plans within its possession for street light and highway safety light equipment and installations for which the City will assume responsibility as of the Transition Date. The as-built plans are stored by the County in electronic format and may be delivered to the City as such.

C. Operations and Maintenance Procedures. No less than thirty (30) days before the Transition Date the County shall deliver copies of all relevant operations and procedures manuals and other relevant technical information in its possession to the City.

D. Open Service Requests. The County shall deliver to the City a listing of each open service request five (5) days prior to the Transition Date.

E. Future Service Calls. Prior to the Transition Date, the City shall provide the County with an operational telephone number to which to forward any calls requesting service regarding street lights and highway safety lights following the Transition Date.

F. Easements. The County agrees that, upon request of the City, the County will transfer to the City the County's rights under any easement, license, encroachment permit, access agreement or similar arrangement by which the County has access to private property for the operation and maintenance of street lights and highway safety lights within the City.

G. Equipment. The County shall identify its final inventory list of spare parts for street lights and highway safety lights fifteen (15) days prior to the Transition Date. The County shall transfer to the City a proportionate amount of its inventory of spare parts for street lights and highway safety lights. The City shall arrange for and pay the costs of transporting the materials. Upon mutual consent and understanding by County and City, City may reimburse County for any costs associated with the continued storage of City inventory of spare parts for street lights and highway safety lights at the County Facility after the Transition Date, until such time as City may arrange for the transportation of the City materials.

7. **Effective Date of Agreement.** This Agreement shall be effective as of the date it is fully executed by the parties.
8. **Insurance.** Each party, at its sole cost and expense, shall carry insurance –or self-insure - its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation, and business automobile liability adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages.
9. **Governing Laws and Jurisdiction.** This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.
10. **Assignment.** Neither party hereto shall assign, subcontract, or transfer any interest in this Agreement, or any duty hereunder without the prior written consent of the other party, which shall not be unreasonably withheld.
11. **Amendments.** This Agreement may be modified or amended, or any of its provisions waived, only by a subsequent written agreement executed by each of the parties hereto.
12. **Entire Agreement.** This Agreement and any attachments hereto constitute the sole, final, complete, exclusive and integrated expression and statement of the terms and conditions of this Agreement between the parties hereto concerning the transition of responsibilities for street lighting and highway safety lighting in Zone 2 and supersedes all prior negotiations, representations or agreements, oral or written, that may be related thereto and does not serve to terminate the Agreement for Street Light and Highway Safety Light Maintenance and Operations Services Between the County of Sacramento the City of Rancho Cordova, " dated June 22, 2004 (County Contract No. 52339), which shall continue in effect and terminate by its terms when City territory is no longer included in CSA1.
13. **Construction and Interpretation.** It is agreed and acknowledged by the parties hereto that the provisions of this Agreement have been arrived at through negotiation, and that each of the parties has had a full and fair opportunity to revise the provisions of this Agreement and to have such provisions reviewed by legal counsel. Therefore, any rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.
14. **Waiver.** The waiver at any time by any party of any of its rights with respect to a default or other matter arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.
15. **Severability.** The invalidity, illegality or unenforceability of any provision of this Agreement shall not render the other provisions unenforceable, invalid or illegal, provided that such invalidity does not materially affect the respective rights and obligations of the parties.
16. **Successors and Assigns.** This Agreement shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, if any there be.

17. Notices. Any notice, demand, request, consent, or approval that either party hereto may, or is required to, give the other shall be in writing and shall be deemed to have been served on the date deposited, and received three (3) days after being deposited, in the United States mail, first class postage prepaid, and addressed as follows:

COUNTY:

CITY:

Chief of Operations and Maintenance
Department of Transportation
4100 Traffic Way
Sacramento, CA 95827

Public Works Director
City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670

Either party hereto shall have the right to serve any notice by personal delivery, and change the address at which it will receive such communications by giving fifteen (15) days' advance notice to the other party.

18. Authority To Execute. Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

19. Counterparts. This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO,
a political subdivision of the State of California

By: _____
Michael J. Penrose, Director
Department of Transportation
Agreement approved by the Board of Supervisors
with authority delegated to the Director to sign:

Date: _____

Agenda Date: _____ Item No.: _____ Resolution No.: _____

REVIEWED AND APPROVED BY COUNTY COUNSEL:

By: _____
William Burke, Deputy County Counsel

Date: _____

CITY OF RANCHO CORDOVA,
a municipal corporation of the State of California

By: _____
Ted Gaebler, City Manager

Date: _____

Attest:

Mindy Cuppy, City Clerk

Date: _____

Reviewed and Approved as to form:

Adam Lindgren, City Attorney

Date: _____

APPROVED
BY RESOLUTION# 2011-0613
BOARD OF SUPERVISORS

**COUNTY OF SACRAMENTO
CALIFORNIA**

AUG 9 2011

By Cyndi Lee
Clerk of the Board

For the Agenda of:
August 9, 2011
Timed: 10:45 a.m.

To: Board of Supervisors

From: Department of Transportation

Subject: County Service Area 1 - Conduct A Public Hearing On The Fiscal Year 2011-12 Service Charges; Confirm The Written Report And Adopt The Service Charges For Fiscal Year 2011-12

Supervisorial
District: All

Contact: Russ Childers, Senior Civil Engineer, 875-5745

Overview

County Service Area 1 (CSA1) funds street light and highway safety light maintenance and operation services in the unincorporated area of Sacramento County and in the City of Rancho Cordova via a service charge collected on the annual property tax bills. Each year, the Board of Supervisors receives various reports and conducts a Public Hearing to accept public testimony and set the following year's service charges.

Recommendations

1. Open the Public Hearing on the Written Report for Fiscal Year 2011-12 (Written Report) set by the Board on July 19, 2011, for today at 10:45 a.m., in the Board of Supervisors Chambers, receive public testimony, and close the Hearing.
2. Adopt the attached resolution confirming the Written Report and establishing Fiscal Year 2011-12 service charges for street and safety lighting services provided by CSA1.

Measures/Evaluation

Measures or an evaluation are not applicable to this agenda item.

Fiscal Impact

Safety Light and Street and Safety Light service charges are frozen at 1996 levels by State law and are unchanged for Fiscal Year 2011-12. Enhanced and Decorative Street and Safety Light service charges have been adjusted for Fiscal Year 2011-12 per Ordinance No. 1543. A Road Fund contribution of \$400,000 for CSA1 Zone 1 – Unincorporated Area is included in the Department of Transportation's Fiscal Year 2011-12 Approved Recommended Budget.

BACKGROUND

CSA1 is governed by the Board of Supervisors and was formed in 1986 to provide a financing mechanism for the operation and maintenance of street and highway safety lights in the unincorporated territory of the County of Sacramento. The City of Rancho Cordova waived

detachment from CSA1 at the time of incorporation and remains in CSA1. On December 12, 2006, the Board adopted Ordinance No. 1543 establishing service charge allocation formulas and the procedure to collect CSA1 service charges on the property tax roll. The procedure requires that the Board receive an annual Engineer's Report and a Written Report detailing individual parcel numbers and corresponding service charges; conduct a Public Hearing on the Written Report; consider all public testimony; and approve the Written Report containing the following year's service charges. Ordinance 1543 also created Enhanced and Decorative Street and Safety Light service charges to be utilized within new developments. These new benefit categories are indexed to inflation.

DISCUSSION

The Chart below is a comparison of the Fiscal Year 2010-11 service charges and the proposed Fiscal Year 2011-12 service charges included in the attached Engineer's Report.

ANNUAL SERVICE CHARGE	2010-11	2011-12
Safety Light Only	\$2.56 per parcel	\$2.56 per parcel
Street and Safety Light (Residential)	\$17.88 per parcel	\$17.88 per parcel
Street and Safety Light (Non-Residential)	\$2.56 plus \$0.2519 per front foot	\$2.56 plus \$0.2519 per front foot
Enhanced Street and Safety Light (Residential)	\$33.42 per parcel	\$35.09 per parcel
Enhanced Street and Safety Light (Non-Residential)	\$0.5449 per front foot	\$0.5721 per front foot
Decorative Street and Safety Light (Residential)	\$45.06 per parcel	\$47.31 per parcel
Decorative Street and Safety Light (Non-Residential)	\$0.8958 per front foot	\$0.9406 per front foot

The Written Report contains the most accurate parcel information available on the preparation date. However, the Assessor's Office continues to process parcel changes and corrections to establish the Fiscal Year 2011-12 Tax Roll. Therefore, while the Written Report is the best possible representation of the distribution of street and highway safety lighting service charges, it is subject to minor changes pending the final production of the lien date tax roll.

MEASURES/EVALUATION

Measures or an evaluation are not applicable to this agenda item.

71-J ANALYSIS

Section 71-J of the County of Sacramento Charter is not applicable to this agenda item.

FINANCIAL ANALYSIS

The passage of Proposition 218 in November 1996 froze the street light and safety light service charges at their then current levels. The service charges existing at the time of passage of Proposition 218 cannot be raised without an affirmative vote of the affected property owners via a ballot procedure. Therefore, the Safety Light Only, Street and Safety Light (Residential) and Street and Safety Light (Non-Residential) service charges applied to existing properties for Fiscal Year 2011-12 are unchanged.

Ordinance No. 1543 provides that the Enhanced Street and Safety Light (Residential), Enhanced Street and Safety Light (Non-Residential), Decorative Street and Safety Light (Residential) and Decorative Street and Safety Light (Non-Residential) service charges be adjusted annually based on the greater of five-percent, or the prior year increase in the All-Urban Consumer Price Index, or the Sacramento Municipal Utilities District (SMUD) electrical rate increase. The Enhanced Street and Safety Light (Residential), Enhanced Street and Safety Light (Non-Residential), Decorative Street and Safety Light (Residential) and Decorative Street and Safety Light (Non-Residential) service charges have been increased five-percent for Fiscal Year 2011-12. Several large residential and commercial developments are included in the Enhanced and Decorative street light benefit categories. However, construction has halted due to the economic downturn. If the street lights within these developments are not installed, energized and accepted for maintenance prior to issuance of the Fiscal Year 2011-12 Tax Roll, the Enhanced and Decorative street light portions of the service charges will not be assessed and the net increase in service charge revenue for Fiscal Year 2011-12 will be zero.

There was a \$162,000 Road Fund contribution to the CSA1 Unincorporated Zone 1 Budget in Fiscal Year 2010-11. A Road Fund contribution of \$400,000 is included in the Department of Transportation's Fiscal Year 2011-12 Approved Recommended Budget.

LEGAL ANALYSIS

Legal analysis is not applicable to this agenda item.

Notice of today's public hearing was published on two separate occasions in the Sacramento Bee as required by law. At this time, the Municipal Services Agency has received no written protests on this public hearing. Therefore, after hearing and considering all written and oral protests to the Written Report, it is recommended that the Board adopt the attached resolution confirming the Written Report and establishing Fiscal Year 2011-12 service charges for street and safety lighting services provided by CSA1.

Respectfully submitted,

APPROVED:
STEVEN C. SZALAY
Interim County Executive

MICHAEL J. PENROSE, Director
Department of Transportation

By: ROBERT B. LEONARD, Administrator
Municipal Services Agency

RMC:rmc

Attachment:
Resolution

CC: R. Childers, Operations and Maintenance, Transportation
R. Mananquil, Operations and Maintenance, Transportation
R. Moghissi, Operations and Maintenance, Transportation

RESOLUTION NO. 2011-0613

RESOLUTION CONFIRMING THE WRITTEN REPORT, SETTING FORTH FISCAL YEAR 2010-2011 SERVICE CHARGES FOR STREET AND SAFETY LIGHTING WITHIN COUNTY SERVICE AREA NO. 1, AND FIXING FISCAL YEAR 2011-2012 SERVICE CHARGES

WHEREAS, on October 21, 1986, the Board of Supervisors (the "BOARD"), of the County of Sacramento (the "COUNTY"), approved Resolution No. 86-1465 Approving and Ordering the Formation of County Service Area No. 1 ("CSA1"); and

WHEREAS, pursuant to said formation, the BOARD, on May 12, 1987, adopted COUNTY Ordinance No. 1331, Providing a Procedure for Collecting Street and Highway Safety Lighting Service Charges within CSA1; and

WHEREAS, on June 14, 2005, the BOARD approved COUNTY Resolution No. 2005-0793, Approving and Ordering the Formation of Benefit Zone 1 - Sacramento County Unincorporated Area, and Zone 2 - City of Rancho Cordova, within CSA1; and

WHEREAS, on July 19, 2005, the BOARD adopted COUNTY Ordinance No. 1531, Providing a Procedure for Collecting Street Lighting and Safety Lighting Service Charges within CSA1 and Repealing Ordinance No. 1331; and

WHEREAS, on December 12, 2006, the BOARD adopted COUNTY Ordinance No. 1543, herein after referred to as "ORDINANCE", which provided a new procedure for collecting Street Lighting and Safety Lighting Service Charges within CSA1 and Repealing Ordinance No. 1531; and

WHEREAS, said ORDINANCE requires that once a year the BOARD shall cause to be prepared a Written Report which shall contain a description of each parcel of real property receiving safety lighting only or street and safety lighting services and the amount of the charge for each parcel for such year in conformance with the statement of service charges as set forth in the ORDINANCE, Section 2.6.2; and

WHEREAS, said ORDINANCE requires the Clerk of the Board to fix a time, date, and place for a public hearing on the Written Report and for filing objections and protests thereto; and

WHEREAS, on August 9, 2011, the BOARD held a public hearing on the Written Report detailing individual parcel numbers and corresponding service charges for street lighting and safety lighting services provided by CSA1 for Fiscal Year 2011-12; and

WHEREAS, at the public hearing all interested persons were given an opportunity to address the BOARD and present evidence upon the matter; and

WHEREAS, the BOARD has considered the propriety of the Written Report, and has further considered the comments and evidence presented by all interested persons at the hearing and has determined to act upon the matter.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED

Section 1. Confirming the Written Report

1. Notice as required pursuant to the provisions of the County Service Area Law, Division 2, commencing with Section 25210.1 of the Government Code of the State of California, has been duly and properly given.
2. All written and oral protests against the Written Report have been duly considered by this BOARD.
3. The exterior boundaries of CSA1 and of each Zone are described in Exhibit A, attached hereto and incorporated herein.
4. The submitted Written Report is confirmed subject to conformance with the Fiscal Year 2011-12 lien date property tax roll.

Section 2. Fixing Fiscal Year 2010-11 Service Charges

1. All owners of property located within Zones 1 and 2 whose property receive benefit from safety lights shall pay a service charge to CSA1 in proportion to the estimated benefits from safety lighting to be received by each parcel. The revenues obtained from this service charge within each Zone shall be dedicated to financing the portion of the total operating and maintenance costs of providing safety lighting services within that Zone not otherwise offset by other available revenues.
2. All owners of property located within Zones 1 and 2 whose property receive benefit from street lights and safety lights shall pay a service charge to CSA1 for the estimated benefits derived from the existence of street and safety lighting. The revenues obtained from this service charge within each Zone shall be dedicated to financing the portion of the total operating and maintenance costs of providing street and safety lighting services within that Zone not otherwise offset by other available revenues.
3. The BOARD shall not impose street and safety lighting service charges upon common areas and properties detached from CSA1.

- 4.
5. The charges authorized by this Resolution for Fiscal Year 2011-12 shall be:
 - a. Service charge for parcels with safety lighting benefit only, \$2.56 per parcel.
 - b. Service charge for parcels with safety and street lighting benefit as follows:
 - (1) Residential parcel, \$17.88 per parcel.
 - (2) Non-residential parcel, \$0.2519 per front foot + \$2.56 per parcel.
 - c. Service charge for parcels with safety and decorative street lighting benefit as follows:
 - (1) Residential parcel, \$47.31 per parcel
 - (2) Non-residential parcel, \$0.9406 per front foot.
 - d. Service charge for parcels with safety and enhanced street lighting benefit as follows:
 - (1) Residential parcel, \$35.09 per parcel
 - (2) Non-residential parcel, \$0.5721 per front foot.

On a motion by Supervisor Peters, seconded by Supervisor Yee, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 9th day of August 2011, by the following vote, to wit:

AYES:	Supervisors,	Nottoli, Peters, Serna, Yee, MacGlashan
NOES:	Supervisors,	None
ABSENT:	Supervisors,	None
ABSTAIN:	Supervisors,	None

Roberta MacGlashan

Chair of the Board of Supervisors
of Sacramento County, California



In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chairman of the Board of Supervisors, County of Sacramento on 8/9/11

By *V. Holgers*
Deputy Clerk, Board of Supervisors

FILED
BOARD OF SUPERVISORS

AUG 9 2011
BY *Cyndi Lee*
CLERK OF THE BOARD

ATTEST: *Cyndi Lee*
Clerk, Board of Supervisors

AGENDA ITEM CONTINUATION
MEMO

MEETING DATE: JULY 19, 2011

**TITLE: COUNTY SERVICE AREA 1 – RECEIVE
AND FILE WRITTEN REPORT AND
ENGINEERS REPORT FOR FISCAL YEAR
2011-12 SERVICE CHARGES**

**BOARD ACTION: DESIGNATE AUGUST 9, 2011 FOR PUBLIC
HEARING**

COUNTY OF SACRAMENTO
CALIFORNIA

42

Revised

For the Agenda of:
July 19, 2011

To: Board of Supervisors
From: Department of Transportation
Subject: County Service Area 1- Receive And File Written Report And Engineers Report For Fiscal Year 2011-12 Service Charges; Designate August 9, 2011, For Public Hearing And Direct Staff To Provide Public Notice

Supervisory
Districts: All

Contact: Russ Childers, Senior Civil Engineer, 875-5745

Overview

County Service Area 1 (CSA1) funds street light and highway safety light maintenance and operation services in the unincorporated area of Sacramento County and in the City of Rancho Cordova via a service charge collected on the annual property tax bills. Each year, the Board of Supervisors receives various reports and conducts a Public Hearing to accept public testimony and set the following year's service charges.

Recommendations

1. Receive the Written Report and Engineer's Reports for Fiscal Year 2011-12
2. Designate August 9, 2011, at 10:45 a.m. in the Board Chambers as the date, time, and place to conduct a Public Hearing on the Fiscal Year 2011-12 service charges.
3. Direct Staff to provide Notice of the Public Hearing as required by law.

Measures/Evaluation

Measures or an evaluation are not applicable to this agenda item.

Fiscal Impact

Safety Light and Street and Safety Light service charges are frozen at 1996 levels by State law and are unchanged for Fiscal Year 2011-12. Enhanced and Decorative Street and Safety Light service charges have been adjusted for Fiscal Year 2011-12 per Ordinance No. 1543. A Road Fund contribution of \$400,000 for CSA1 Zone 1 – Unincorporated Area is included in the Department of Transportation's Fiscal Year 2011-12 Recommended Budget.

BACKGROUND

CSA1 is governed by the Board of Supervisors and was formed in 1986 to provide a financing mechanism for the operation and maintenance of street and highway safety lights in the unincorporated territory of the County of Sacramento. The City of Rancho Cordova waived detachment from CSA1 at the time of incorporation and remains in CSA1.

On December 12, 2006, the Board adopted Ordinance No. 1543 establishing service charge allocation formulas and the procedure to collect CSA1 service charges on the property tax roll. The procedure requires that the Board receive an annual Engineer's Report and a Written Report detailing individual parcel numbers and corresponding service charges; conduct a public hearing on the Written Report; consider all public testimony; and approve the Written Report containing the following year's service charges. Ordinance 1543 also created Enhanced and Decorative Street and Safety Light service charges to be utilized within new developments. These new benefit categories include an inflation factor.

DISCUSSION

The Chart below is a comparison of the Fiscal Year 2010-11 service charges and the proposed Fiscal Year 2011-12 service charges included in the attached Engineer's Report.

ANNUAL SERVICE CHARGE	2010-11	2011-12
Safety Light Only	\$2.56 per parcel	\$2.56 per parcel
Street and Safety Light (Residential)	\$17.88 per parcel	\$17.88 per parcel
Street and Safety Light (Non-Residential)	\$2.56 plus \$0.2519 per front foot	\$2.56 plus \$0.2519 per front foot
Enhanced Street and Safety Light (Residential)	\$33.42 per parcel	\$35.09 per parcel
Enhanced Street and Safety Light (Non-Residential)	\$0.5449 per front foot	\$0.5721 per front foot
Decorative Street and Safety Light (Residential)	\$45.06 per parcel	\$47.31 per parcel
Decorative Street and Safety Light (Non-Residential)	\$0.8958 per front foot	\$0.9406 per front foot

The Written Report contains the most accurate parcel information available on the preparation date. However, the Assessor's Office continues to process parcel changes and corrections to establish the Fiscal Year 2011-12 Tax Roll. Therefore, while the Written Report is the best possible representation of the distribution of street and highway safety lighting service charges, it is subject to minor changes pending the final production of the lien date tax roll.

The City of Rancho Cordova has notified the County and the Local Agency Formation Commission (LAFCo) of its intention to create a new street light district and to detach from CSA1. An agreement between the City Council and the County Board of Supervisors addressing detachment issues will be prepared prior to the final LAFCo action on the detachment. The detachment process is currently underway and is expected to be completed by July 2012. Therefore, City of Rancho Cordova territory is included in the CSA1 written report for Fiscal Year 2011-12.

MEASURES/EVALUATION

Measures or an evaluation are not applicable to this agenda item.

71-J ANALYSIS

Section 71-J of the County of Sacramento Charter is not applicable to this agenda item.

FINANCIAL ANALYSIS

The passage of Proposition 218 in November 1996 froze the street light and safety light service charges at their then current levels. The service charges existing at the time of passage of Proposition 218 cannot be raised without an affirmative vote of the affected property owners via a ballot procedure. Therefore, the Safety Light Only, Street and Safety Light (Residential) and Street and Safety Light (Non-Residential) service charges applied to existing properties for Fiscal Year 2011-12 are unchanged.

Ordinance No. 1543 provides that the Enhanced Street and Safety Light (Residential), Enhanced Street and Safety Light (Non-Residential), Decorative Street and Safety Light (Residential) and Decorative Street and Safety Light (Non-Residential) service charges be adjusted annually based on the greater of five percent, or the prior year increase in the All-Urban Consumer Price Index, or the Sacramento Municipal Utilities District (SMUD) electrical rate increase. The Enhanced Street and Safety Light (Residential), Enhanced Street and Safety Light (Non-Residential), Decorative Street and Safety Light (Residential) and Decorative Street and Safety Light (Non-Residential) service charges have been increased five percent for Fiscal Year 2011-12. Several large residential and commercial developments are included in the Enhanced and Decorative street light benefit categories. However, construction has halted due to the economic downturn. If the street lights within these developments are not installed, energized and accepted for maintenance prior to issuance of the Fiscal Year 2011-12 Tax Roll, the Enhanced and Decorative street light portions of the service charges will not be assessed and the net increase in service charge revenue for Fiscal Year 2011-12 will be zero.

There was a Road Fund contribution of \$162,000 to the CSA1 Zone 1 – Unincorporated budget in Fiscal Year 2010-11. A Road Fund contribution of \$400,000 to CSA1 Zone 1 – Unincorporated is included in the Department of Transportation’s Fiscal Year 2011-12 Recommended Budget.

The County has received \$880,000 of Energy Efficiency and Conservation Block Grant (EE&CBG) funds to replace older street light fixtures with new, energy efficient light emitting diode (LED) street light fixtures. The EE&CBG project is part of a larger countywide project. Therefore, the EE&CBG funds are not reflected in the CSA1 Zone 1 Budget.

The EE&CBG funds will allow the replacement of approximately 1,500 street light fixtures, which will reduce the CSA1 Zone 1 energy bill by approximately \$62,000 per year. Approximately \$12.7 million of additional funds would be needed to replace the remaining 20,500 street light fixtures in the County’s inventory with energy efficient LED fixtures.

LEGAL ANALYSIS

Legal analysis is not applicable to this agenda item.

Respectfully submitted,

APPROVED:
STEVEN C. SZALAY
Interim County Executive

MICHAEL J. PENROSE, Director
Department of Transportation

By: _____
ROBERT B. LEONARD, Administrator
Municipal Services Agency

RMC:rmc

Attachment 1: Engineers Report

CC: R. Childers, Operations and Maintenance, Transportation
R. Mananquil, Operations and Maintenance, Transportation
R. Moghissi, Operations and Maintenance, Transportation

July 19, 2011

COUNTY OF SACRAMENTO

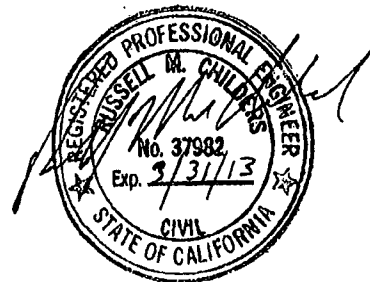
MUNICIPAL SERVICES AGENCY
DEPARTMENT OF TRANSPORTATION

COUNTY SERVICE AREA NO. 1

ENGINEER'S REPORT
A Summary of Operating Requirements and Service Charges

FISCAL YEAR 2011-12

Prepared Under the Direction of:



Russell Mark Childers
Department of Transportation
Operations and Maintenance Division
June 20, 2011

- Service-can maintenance, repair and replacement including painting, replacing worn out electrical components and repairing damage due to accidents, vandalism and weather.
- Payment of the electrical bill for the existing street lighting system.
- Responding to citizens and Board members inquiries and complaints regarding street lighting. Resolving complaints may require an engineering study and possible project.
- Remedial projects for major repairs or upgrading of facilities. Engineering services are provided by the Department of Transportation of the Sacramento County Municipal Services Agency, or by private consultant. Construction is usually performed by contract. However, County maintenance forces may do small projects.
- Installation of street lights at intersections for safety purposes along major streets. These safety lights are normally installed by Sacramento Municipal Utility District (“SMUD”), if they meet SMUD’s strict criteria for installation. They are installed on SMUD facilities and maintained by SMUD, but are paid for by CSA1.
- Street light inventory database, pole numbering and mapping to establish the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Acquisition of land, easements and rights-of-way necessary to maintain the street and safety lighting system.

CREATION OF ZONES

On July 19, 2005, the Board of Supervisors approved the creation of zones within CSA1. The creation of zones allowed incorporated cities and the County to supplement CSA1 revenues. It also facilitated the detachment of two incorporated cities from CSA1. On August 3, 2005 and June 7, 2006, the Local Agency Formation Commission (LAFCo) approved the detachment of the cities of Elk Grove and Citrus Heights from CSA1. The CSA1 Fiscal Year 2011-12 revenue and expenditure is reported for the remaining two zones:

Zone 1 – Sacramento County Unincorporated Area

Zone 2 – City of Rancho Cordova

The service charges are based on the expenditure and revenue requirements set forth in Tables I and II. The costs were developed based on the existing number and type of lights to be maintained for the fiscal year, along with engineering judgment about the level of maintenance that can be provided with the available revenues. These costs are estimated and derived from records kept by the County of Sacramento of costs incurred in prior years for the types of expenditures shown.

SERVICE CHARGE CALCULATION

For the purpose of determining benefit, and the associated levy on the tax bill, the light fixtures maintained by CSA 1 are defined as either street lights or safety lights. Safety lights are lights located at intersections on major streets, and along the rear of properties that abut major streets. All other lights are designated as street lights.

The service charge for parcels that benefit from both street lights and safety lights are apportioned to each benefiting parcel within a zone in proportion to the benefits received. Benefiting parcels are classified as residential or non-residential parcels with separate charges for each. The service charge for residential parcels is a flat rate per parcel per year. The service charge for non-residential parcels is calculated by multiplying the applicable front foot charge by the length of the parcel's public street frontage. Service charges for parcels that benefit only from safety lights are apportioned to all benefiting parcels within a zone in proportion to the benefits received. The service charge per parcel is a flat rate per year, regardless of whether the parcel is residential or non-residential.

OPERATING REQUIREMENTS

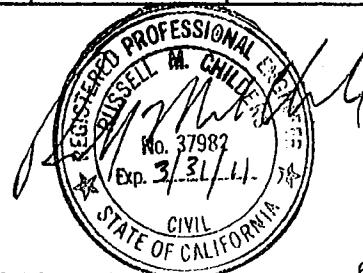
Tables I and II show the anticipated Fiscal Year 2011-12 revenues and expenditures for each zone.

SERVICE CHARGES

The following chart compares the service charges levied in the previous fiscal year with the proposed Fiscal Year 2011-12 service charges:

SACRAMENTO COUNTY SERVICE AREA NO. 1
TABLE I
ZONE 1 - UNINCORPORATED SACRAMENTO COUNTY
STREET LIGHTING SUMMARY ANALYSIS
FY 2011-12

DESCRIPTION	TOTAL BUDGET	ESTIMATED YEAR END EXPENDITURES	PROPOSED BUDGET
	FY 10-11	FY 10-11	FY 11-12
USES OF FUNDS:			
Advertising, Legal Notices & Mail	\$2,000	\$3,000	\$2,000
Construction (Order 22375)	9,000	0	9,000
Electricity	1,882,000	1,550,000	1,700,000
Accounting & Fiscal Services	0	700	0
Property Tax Collection Service Charges	4,000	4,000	4,000
Legal Services	2,000	0	2,000
Other Professional Services - Unanticipated Support	0	0	0
Other Operating Expenses Supplies	0	6,000	6,000
System Development Services (compass)	0	0	0
Municipal Services Agency:			
AFS Allocated costs (Order #21534=\$2,792, Order #20801=\$819)	7,977	6,500	9,007
Transportation:			
Transportation - Maintenance (2615) (Order TD5ZU1)	947,000	875,000	947,000
Transportation - Support Engineering (2613) (Order TD3ZU2)	50,000	50,000	50,000
Transportation - Inventory/Data Base (2613) (Order TD3ZU3)	125,000	125,000	125,000
Transportation - (2619)	2,500	3,500	2,500
Transportation (2609)	3,000	2,500	3,000
MIS CSA 1	14,473	14,473	13,646
PIPFS Services (191112)	3,500	1,500	3,500
Bad Debt Expense	58,000	80,000	58,000
Tax/Lic/Assess	105,000	105,000	105,000
Provision for Reserves:	0	0	0
TOTAL USES OF FUNDS	\$3,015,450	\$2,827,173	\$3,039,653
SOURCES OF FUNDS:			
Reserve Release	\$0	\$0	\$0
Property Taxes-Cur Sec.	250,000	250,000	256,000
Property Taxes-Cur Unsecured	25,000	25,000	25,000
Property Taxes-Cur Sup.	6,000	6,000	6,000
Augmentation Secured	20,000	20,000	20,000
Augmentation Unsecured	2,000	2,000	2,000
Augmentation - Other	14,000	14,000	14,000
Property Tax-Sec Redemption	0	1,000	0
Property Tax-Prior-Unsecured	300	300	300
Property Tax - Penalties	60	70	60
Interest Income	25,000	15,000	25,000
Transfers In	0	0	0
Homeowner Prop Tax Reli	4,500	4,500	4,500
Service Charges-Special Assessments	1,950,000	2,032,290	1,950,000
Services to Others	0	0	0
Bad Debt Recovery	10,000	5,000	10,000
Donations & Contributions	162,000	162,000	400,000
Misc. Other Revenue	35,000	70,000	35,203
TOTAL SOURCES OF FUNDS	\$2,503,860	\$2,607,160	\$2,748,063
FUND BALANCE AVAILABLE	\$511,603	\$288,194	\$291,590



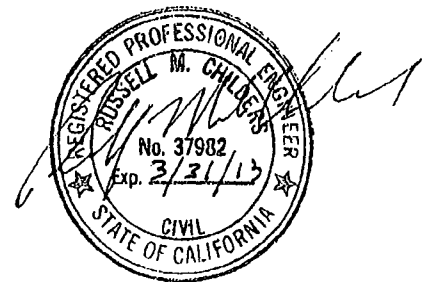
SACRAMENTO COUNTY SERVICE AREA NO. 1
TABLE II
ZONE 2 - CITY OF RANCHO CORDOVA
STREET LIGHTING SUMMARY ANALYSIS
FY 2011-12

DESCRIPTION	BOS TOTAL BUDGET	ESTIMATED YEAR END EXPENDITURES	PROPOSED BUDGET
	FY 2010-11	FY 2010-11	FY 2011-12
USES OF FUNDS:			
Advertising, Legal Notices & Mail	\$0	\$0	\$0
Electricity	227,265	250,000	250,000
Accounting & Financial Services	0	0	0
Property Tax Collection Service Charges	100	0	100
Legal Services	500	0	0
Other Professional Services - Unanticipated Support	650	0	500
Data Processing Services	0	0	650
Cash/Inv Shortages	0	0	0
Other Operating Exp. Su	0	0	0
System Development Services (compass)	0	0	0
COMPASS	0	0	0
Municipal Services Agency:			
AFS Allocated costs	2,143	1,800	229
MSA Contract Mgmt Svc.	0	0	0
Transportation:			
Transportation - Maintenance (2615) (Order TD5ZR1)	64,201	64,201	64,201
Transportation - Support Engineering (2613) (Order TD3ZR2)	5,000	2,000	5,000
Transportation - Inventory/Data Base (2613) (Order TD3ZR3)	22,000	20,000	22,000
Transportation - (2619)	0	0	0
Transportation - (2609)	2,000	2,000	2,000
MIS CSA 1	1,951	1,000	1,840
IFS Services (191113)	0	0	0
Bad Debt Expense	9,500	4,000	9,500
Tax/Lic/Assess	12,000	12,000	12,000
Provision for Reserves	0	0	0
TOTAL USES OF FUNDS	\$347,310	\$355,001	\$368,020
SOURCES OF FUNDS:			
Reserve Release	\$0	\$0	\$0
Interest Income	1,000	540	1,000
Transfers In	0	0	0
Service Charges-Special Assessments	330,000	377,282	330,000
Bad Debt Recovery	300	0	300
Donations & Contributions	0	0	0
Misc. Other Revenue	4,000	0	3,889
TOTAL SOURCES OF FUNDS	\$335,300	\$377,822	\$335,189
FUND BALANCE AVAILABLE	12,010	\$0	\$32,831



The following chart presents typical examples of the proposed service charges for 2011-12:

<u>Parcel Description</u>	<u>Total Service Charge for Existing Standard Street Lighting</u>	<u>Total Service Charge for New Enhanced Standard Street Lighting</u>	<u>Total Service Charge for New Decorative Street Lighting</u>
1. Single-Family Residential Property			
a. with Street & Safety Light Benefit	\$17.88	\$35.09	\$47.31
b. with Safety Light Benefit only	\$2.56	\$2.56	\$2.56
2. Agricultural Property			
a. with Street & Safety Light Benefit	\$17.88	\$35.09	\$47.31
b. with Safety Light Benefit only	\$2.56	\$2.56	\$2.56
3. Multi-Family Property			
200 Front Feet,			
a. with Street & Safety Light Benefit	\$52.94	\$114.42	\$188.12
b. with Safety Light Benefit only	\$2.56	\$2.56	\$2.56
1,000 Front Feet,			
c. with Street & Safety Light Benefit	\$254.46	\$572.10	\$940.60
d. with Safety Light Benefit only	\$2.56	\$2.56	\$2.56
4. Commercial Property			
80 Front Feet,			
a. with Street & Safety Light Benefit	\$22.71	\$45.77	\$75.25
b. with Safety Light Benefit only	\$2.56	\$2.56	\$2.56
1,500 Front Feet,			
c. with Street & Safety Light Benefit	\$380.41	\$858.15	\$1,410.90
d. with Safety Light Benefit only	\$2.56	\$2.56	\$2.56



**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 19, 2011

To: Board of Supervisors

From: Department of Transportation

Subject: County Service Area 1- Receive And File Written Report And Engineers Report For Fiscal Year 2011-12 Service Charges; Designate August 9, 2011, For Public Hearing And Direct Staff To Provide Public Notice

Supervisory
Districts: All

Contact: Russ Childers, Senior Civil Engineer, 875-5745

Overview

County Service Area 1 (CSA1) funds street light and highway safety light maintenance and operation services in the unincorporated area of Sacramento County and in the City of Rancho Cordova via a service charge collected on the annual property tax bills. Each year, the Board of Supervisors receives various reports and conducts a Public Hearing to accept public testimony and set the following year's service charges.

Recommendations

1. Receive the Written Report and Engineer's Reports for Fiscal Year 2011-12
2. Designate August 9, 2011, at 10:15 a.m. in the Board Chambers as the date, time, and place to conduct a Public Hearing on the Fiscal Year 2011-12 service charges.
3. Direct Staff to provide Notice of the Public Hearing as required by law.

Measures/Evaluation

Measures or an evaluation are not applicable to this agenda item.

Fiscal Impact

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BACKGROUND

CSA1 is governed by the Board of Supervisors and was formed in 1986 to provide a financing mechanism for the operation and maintenance of street and highway safety lights in the unincorporated territory of the County of Sacramento. The City of Rancho Cordova waived detachment from CSA1 at the time of incorporation and remains in CSA1.

On December 12, 2006, the Board adopted Ordinance No. 1543 establishing service charge allocation formulas and the procedure to collect CSA1 service charges on the property tax roll. The procedure requires that the Board receive an annual Engineer's Report and a Written Report detailing individual parcel numbers and corresponding service charges; conduct a public hearing on the Written Report; consider all public testimony; and approve the Written Report containing the following year's service charges. Ordinance 1543 also created Enhanced and Decorative Street and Safety Light service charges to be utilized within new developments. These new benefit categories include an inflation factor.

DISCUSSION

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MEASURES/EVALUATION

Measures or an evaluation are not applicable to this agenda item.

71-J ANALYSIS

Section 71-J of the County of Sacramento Charter is not applicable to this agenda item.

FINANCIAL ANALYSIS

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County Service Area 1- Receive And File Written Report And Engineers Report For Fiscal Year 2011-12 Service Charges; Designate August 9, 2011, For Public Hearing And Direct Staff To Provide Public Notice

Page 4

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LEGAL ANALYSIS

Legal analysis is not applicable to this agenda item.

Respectfully submitted,

APPROVED:
STEVEN C. SZALAY
Interim County Executive

MICHAEL J. PENROSE, Director
Department of Transportation

By: _____
ROBERT B. LEONARD, Administrator
Municipal Services Agency

RMC:rmc

Attachment 1: Engineers Report

CC: R. Childers, Operations and Maintenance, Transportation
R. Mananquil, Operations and Maintenance, Transportation
R. Moghissi, Operations and Maintenance, Transportation