

****AGENDA****

AMADOR LOCAL AGENCY FORMATION COMMISSION

6:00 P.M. – THURSDAY APRIL 16, 2020

Please Note: All LAFCO meetings are recorded.

DUE TO THE GOVERNOR'S EXECUTIVE ORDER N-25-20, THE AMADOR LOCAL AGENCY FORMATION COMMISSION WILL BE CONDUCTING ITS MEETING VIA TELECONFERENCE. THE PUBLIC MAY PARTICIPATE FROM HOME BY CALLING IN TO THE TELECONFERENCE LINE. IF YOU WOULD LIKE TO JOIN THE CALL, PLEASE EMAIL nmees.lafco@gmail.com or amador.lafco@gmail.com TO OBTAIN THE CALL-IN NUMBER AND ACCESS CODE.

The Chairman will, at certain times, invite the public to comment via phone. Public comment will also be accepted by email at nmees.lafco@gmail.com. All emails must be received prior to the start of the meeting and will be included in the record of the meeting. Emails received after those already included in the meeting materials will be read aloud into the record, and shall be subject to the same rules as would otherwise govern speaker comments at the Commission meeting.

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the LAFCO staff, at (209) 418-9377, by e-mail to amador.lafco@gmail.com. Requests must be made as early as possible, and at least two business days before the start of the meeting.

Meeting Materials are available for Public Review on the Amador LAFCO website.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA FOR APRIL 16, 2020**
- 4. APPROVAL OF THE MINUTES OF FEBRUARY 20, 2020**
- 5. APPROVAL OF CLAIMS TO APRIL 16, 2020**
- 6. PUBLIC FORUM – PUBLIC COMMENT**

Any person may address the Commission on any subject within the jurisdiction of LAFCO which is not on the agenda. No action may be taken at this meeting. There is a five (5) minute limit.

- 7. PUBLIC REVIEW DRAFT MUNICIPAL SERVICE REVIEW FOR AMADOR WATER AGENCY; LAFCO PROJECT #326; (public hearing)**

This item continued to the next LAFCO meeting, planned for May 21, 2020.

Staff will present the Amador Water Agency draft MSR and it will be circulated for comment. Final action is planned for the next LAFCO meeting. CEQA: Exempt, Public Resources Code Sections 21102 and 21150, descriptive and planning study for possible future action for which funding has not been committed.

**8. ADOPTION OF PROPOSED BUDGET FOR FISCAL YEAR 2020-21
(public hearing)**

The Commission will consider the staff draft proposed budget, make any desired changes, direct staff to transmit the proposed budget to agencies and set the hearing for adoption of the final budget for May 21, 2020.

9. OTHER BUSINESS, REPORTS

- a. Correspondence
- b. Commissioner Announcements
- c. Executive Officer's Report
- d. Budget Reports – provided in the meeting packet.
- e. Upcoming Financial Audit, FY 2018-19

10. ADJOURNMENT

Note: The next regular LAFCO meeting is scheduled for May 21, 2020.



Roseanne Chamberlain
Executive Officer

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 48 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

NOTE: State law requires that a participant in LAFCO proceedings who has a financial interest in the decision and who has made a campaign contribution to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

**PLEASE DO NOT REMOVE POSTING BEFORE:
APRIL 17, 2020**

AMADOR LAFCO

LOCAL AGENCY FORMATION COMMISSION

810 COURT STREET ♦ JACKSON, CA 95642 ♦ (209) 223-6380



DRAFT

MINUTES

February 20, 2020

This meeting was available via live audio streaming and was digitally recorded.

1. **Call to Order, Pledge of Allegiance & Roll Call**

The February 20, 2020, meeting of the Amador Local Agency Formation Commission (LAFCO), held at the County Administration Center, 810 Court Street, Jackson, California, was called to order by Chairman Crew at 6:03 p.m.

2. **Roll Call**

Members Present:

Pat Crew, Chairman
Jim Vinciguerra, Vice Chairman
Dominic Atlan, City Member
Brian Oneto, County Member (arrived at 6:15 p.m.)

Staff Present:

Roseanne Chamberlain, Executive Officer
Nancy Mees, Clerk to the Commission

3. **Approval of Agenda for February 20, 2020**

Motion: It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to approve the agenda as submitted. (3 yes, 0 no, 2 absent)

4. **Approval of the Minutes of January 9, 2020**

Motion: It was moved by Commissioner Atlan, seconded by Commissioner Vinciguerra, and carried unanimously to approve the Minutes for January 9, 2020, as submitted. (3 yes, 0 no, 2 absent)

5. **Approval of Claims to February 20, 2020**

Motion: It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to approve the Approval of Claims – Meeting Final, as submitted. (3 yes, 0 no, 2 absent)

6. **Public Forum – Public Comment**

There was no public comment.

7. **Public Review Draft Municipal Service Review for Sutter Creek Fire Protection District, LAFCO Project #322 (public hearing continued from January 9, 2020)**

Chairman Crew opened the public hearing.

Executive Officer Chamberlain reported that comment letters had been received from CalFire and Amador Fire Protection District, and that those letters were in the meeting packet.

Chairman Crew commented that this item should be continued to a date certain, probably sometime this summer. Ms. Chamberlain agreed and added that if all information had still not been received by the new date set, the action could be continued again. Commissioner Atlan asked if there would be any negative effect in postponing the MSR that long and Ms. Chamberlain responded that there would not as this particular MSR's accompanying SOI does not involve any annexations or amendments.

Chairman Crew stated that he would like to see a full board present at the next hearing on this MSR. Ms. Chamberlain said the June 18, 2020, meeting would be a good date to rehear this item.

There was no public comment.

Motion: It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to continue the public hearing to the June 18, 2020, LAFCO Commission meeting. (3 yes, 0 no, 2 absent)

Ms. Chamberlain commented that the meeting packet for that meeting would contain the Draft MSR with any changes resulting from comments being highlighted.

8. **Affirm Existing Sphere of Influence for Lockwood Fire Protection District, LAFCO Project #315; Resolution #2020-02 (public hearing)**

Executive Officer Chamberlain reviewed the location of the District and said that, although their MSR had been approved recently, the SOI action had been postponed so that the District could decide whether it wished to modify its sphere. The District decided to maintain the current coterminous sphere; however, there will be times when their fire trucks will be dispatched by CalFire to a location outside of their boundary.

There was no public comment.

Motion: It was moved by Commissioner Vinciguerra, seconded by Commissioner Atlan, and carried unanimously to close the public hearing. (3 yes, 0 no, 2 absent)

Motion: It was moved by Commissioner Atlan, seconded by Commissioner Vinciguerra, and carried unanimously to adopt Resolution 2020-02 affirming the existing sphere of influence for Lockwood Fire Protection District, which includes limited areas outside the district boundaries. (3 yes, 0 no, 2 absent)

9. **Mid-Year Budget Report and Discussion of Work Plan Progress**

Clerk Mees reported that the adopted work plan for fiscal year 2019-20 is progressing well, with a couple annexations completed, one CSA dissolved, and six MSR/SOIs either completed or in

process at this point. She commented that, in addition to the cost savings in having staff performing the MSR reviews this time, some additional benefits have become apparent: (1) it has allowed staff to become much more familiar with each district and its boundaries, leading to the finding of previously missed facts, such as snow removal having never been formally approved as a service in Pine Acres, and to sphere amendments that more accurately reflect the service provision and needs of each district; and (2) it has allowed staff to become acquainted with the boards of each district, opening up communication channels, and thus making it easier to encourage the boards to try to comply with MSR determinations and letting them know that LAFCO is available to help them.

Ms. Mees stated that, with the exception of the unexpected increase in liability insurance and CALAFCO fees, the other expenses in the budget are only at 50 percent or less even though we are more than half way through the fiscal year. All city cost shares have been collected, with only the county share remaining unpaid. Staff has contacted the auditor's office, and they are taking care of making that payment as soon as possible.

10. Update Regarding Implementation Checklist for Each Agency Following MSR Determinations

Executive Officer Chamberlain reported that Clerk Mees had come across the idea of using checklists as an MSR follow-up tool at a conference she attended a few months ago. Ms. Chamberlain stated that, although LAFCO has no enforcement ability with respect to determinations, the checklist could be useful in making it easy for districts to see what needs to be done and a suggested timeline for accomplishing the determinations made in the MSRs. Ms. Chamberlain added that the checklists would be sent to the districts and also put on the website, with accomplishments being noted as they occur.

Commissioner Oneto commented that many of the requirements listed are hard for some of the smaller districts to accomplish. Ms. Chamberlain replied that the checklists are a way for LAFCO to assist the districts in achieving the determinations.

11. Other Business, Reports

- a. Correspondence – Executive Officer Chamberlain reported that CALAFCO is submitting a bill to the legislature that would amend the provisions governing the approval process for cities and districts wanting to provide new and extended outside services by contract. The wording would make it explicit that LAFCO must determine whether the contract is exempt, therefore preventing agencies from self-exempting such contracts. Ms. Chamberlain added that Amador LAFCO has already been doing this, requiring cities and districts to notify LAFCO of any proposed extension of service so LAFCO can decide whether or not it is exempt. She stated that Amador LAFCO can send a letter in support of this bill.
- b. Commissioner Announcements – none.
- c. Executive Officers Report – Ms. Chamberlain reported that the networking group of women water managers held its first meeting, and everyone felt it was a good exchange of ideas and information. They would like to continue meeting quarterly, rotating the meetings among the various districts.

Ms. Chamberlain stated that CSDA is offering scholarships of up to \$1,500 to small districts to assist them in developing websites.

She also reported that she has been in discussion with legal counsel from both our own and other districts with respect to AB5 regarding contractors. The sense seems to be that it will not apply to government contracts such as those for small counties using contractors for LAFCO staff rather than having to make them employees. We will have to wait and see how this develops.

Ms. Chamberlain stated that she has negotiated with Gene Mancebo, formerly the AWA General Manager, to assist in the MSR update for AWA at a reasonable rate for a limited amount of time. Commissioner Atlan commented that he believes AWA should reimburse LAFCO for that cost. Ms. Chamberlain replied that she has an upcoming meeting with the current General Manager at AWA, John Kingsbury, to discuss the MSR and its cost.

Ms. Chamberlain reported that Pine Acres is currently down to two board members, and that she has been in conversation with Supervisor Axe regarding possible appointments to the district's board.

The city selection committee met and rotated Commissioner Atlan from city seat 2 to seat 1, rotated Commissioner Coburn from alternate to seat 1, and appointed David Groth from Amador City as the new alternate. Ms. Chamberlain is trying to get in touch with him to provide a LAFCO orientation.

Ms. Chamberlain stated that she believed Willow Springs Water District to have been long inactive, but that she recently found out that, because it was reported to the state that the district still has \$2,000 plus in assets, it cannot be dissolved using the streamlined process. She is therefore trying to contact John Applegate, her last known contact for Willow Springs, to discuss the possibility of dissolving the district under the normal provisions.

Commissioner Oneto asked about the rates agreed upon with Mr. Mancebo, and Ms. Chamberlain responded that they had agreed to a rate of \$50 per hour for up to 20 hours of work. Commissioner Oneto stated that as long as counsel approves it, it should be fine. Ms. Chamberlain said counsel had reviewed the memorandum written by Mr. Mancebo and approved it. Ms. Chamberlain added that she will create a document she can sign acknowledging she has signed off on the memorandum, as that will be necessary for the auditor to pay Mr. Mancebo.

- d. Budget Reports – in the commissioner review binder.

Adjournment

The next regular LAFCO meeting (March 19, 2020) is cancelled. The next meeting is scheduled for April 16, 2020. Chairman Crew adjourned the meeting at 6:32 p.m.

Pat Crew, Presiding Officer
LOCAL AGENCY FORMATION COMMISSION

ATTEST: _____
Nancy Mees, Clerk to the Commission

APPROVAL OF CLAIMS - PACKET DRAFT

AGENDA OF April 16, 2020

APPROVAL OF CLAIMS April 16, 2020

Agenda Item 5

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>INV.DATE</u>	<u>AMOUNT</u>
R Chamberlain 2/18/2020-4/9/2020	Consulting Services Labor Expense Total, (mileage, PO Box, phone)	2/20/2020 estimate 2/20/2020 estimate	\$ 2,790.00 \$ 362.92
N Mees 2/19/2019-4/9/2020	Clerical & Admin Labor Expense Total	2/20/2020 estimate	\$ 1,266.00 \$ -
Amador Ledger	Public Notice for 4/16/20 hearing	3/27/2020	\$ 88.32
Gene Mancebo	Contract work on AWA MSR, Proj.#326	4/1/2020	\$ 1,000.00
LAFCO Board	Meeting Stipends (Maximum of 5 @ \$50.00)		\$ 250.00
	TOTAL		\$ 5,757.24

** Note: Denotes any invoices paid prior to Commission Approval, per Policy 2.3.7

CHAIR:

Presiding Officer

ATTEST:

Nancy Mees
CLERK TO THE COMMISSION

AGENDA ITEM #8

TO: ALL COMMISSIONERS, ALTERNATES
FROM: NANCY MEES, COMMISSION CLERK & ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER
SUBJECT: PROPOSED FISCAL YEAR BUDGET 20-21
DATE: MEETING OF APRIL 16, 2020

BACKGROUND & SUMMARY

Government Code §56381 provides that the Commission shall annually adopt a proposed budget at a public hearing no later than May 1. The proposed budget is then transmitted to the county, cities, districts and others. The statutes specify that the final budget shall be no less than the previous year unless the Commission makes certain findings. The staff recommended proposed budget for 2020-21 is slightly more than the previous year's budget appropriation.

LAFCO staff projects a Fund Balance of \$43,785 (actual general fund at 2/25/20 of \$83,894 less projected expenses to year-end of \$15,801). The fund balance was calculated conservatively to ensure we have sufficient revenue to reach the end of the fiscal year.

The Municipal Services Review (MSR) work continues in 2020-21 by in-house staff, so the Professional & Special Services total has been left at the same amount as last year. The increased budget items are those that staff knows will increase over last year: (1) liability insurance; (2) CALAFCO changed its dues structure in 2020, thereby increasing Amador LAFCO's dues for 2021; and (3) County Maintenance-Programs (a cost paid to the County) is an expense every year, but has not been separately shown on the budget. It is not a new expense, and it is added as a new line item for 2020-21.

Staff recommends that \$80,475 in cost savings and general reserves be carried forward to reduce agency payments. The transfer-in from the fund balance and general reserves is increased by \$1,075 from last year in order that the Agency Cost Share can remain the same as last year and not increase. Over the last ten years, LAFCO has successfully kept the agency payments relatively low and level, avoiding increases in the recession years by cost containment and prudently using reserves.

It has been six years since the last outside financial audit, and LAFCO staff is now in the process of having the audit for FY 18-19 prepared.

WORK PLAN

The 20-21 Proposed Budget includes the following work plan:

- Prepare Municipal Service Review updates for agencies in-house using LAFCO staff, in lieu of contracting with more costly consultants. Complete Backbone Services chapters for water and fire services to provide a comprehensive review of these services.
- Continue to adopt, update and/or affirm the spheres of influence for all agencies as the Municipal Service Reviews are completed.
- Continue to process applications expediently and accurately.
- Complete boundary research and verification for districts, including GIS mapping, corrections and changes with state agencies, census bureau, and local entities.
- Complete postings to the website for reliable GIS maps for all LAFCO agencies.
- Continue to update the LAFCO website to enhance public access and reduce staff time for public inquiries.
- Continue to shift administration work to trained support staff to decrease cost of the Executive Officer.
- Write clear procedures for remaining LAFCO processes as time is available.
- Continue to purge files, organize and create digital back up of hard copy project files.
- Continue to assist special districts and others with operational and organizational assistance.
- Continue to assist County and City staff with research and support.

The budget provides funding for 10 LAFCO meetings as in prior years. Staff expects more projects going forward, but there is uncertainty about the economy following the pandemic. Meetings will be held as needed to ensure timely hearing of applications. If more than 10 meetings are needed, project fees and operating contingency will be sufficient for the costs.

Three commissioners and staff are budgeted to attend to attend the CALAFCO annual conference in Monterey (October 21-23). If additional commissioners are available to attend, money would be available to cover the expense from operating contingency.

No funding is committed to staff attending the CALAFCO staff workshop. Historically, staff only attended when conference funds remained after the annual conference. The commission may wish to consider increasing the conference line item for participation at the staff workshop.

Limited legal services are funded with \$9,000 as in prior years. The legal defense reserve is fully funded with \$10,000 added this year to our current balance of \$63,153 legal reserve balance.

REVENUES AVAILABLE AND FUND BALANCES

The year-end fund balance calculations are attached and are based on account balances as of February 25, 2020. A final fund balance will only be known after the close of the fiscal year in late July. Fund Balance projections are shown on the attached spreadsheet.

POLICY DIRECTION & ASSUMPTIONS

The staff proposed budget is based on policy directions given in past years as follows:

- Use fund balance and general reserves to offset and maintain the agencies' cost share.
- Provide for a general reserve to help even out the cities' and county's cost for LAFCO over future years. Provide an operating contingency and general reserve for emergencies or extraordinary work.
- Augment the Legal Defense Fund (101738) with \$10,000 to bring the total from about \$63K to \$73K.
- Allow everyone who is available to attend the CALAFCO annual conference for training.

A long-range planning session is not included in this budget. If the commission is willing, long range planning could improve the financial effectiveness of LAFCO.

PLANNED BUDGET SCHEDULE

The LAFCO budget process has four steps: adoption of a proposed budget, distribution to agencies, second hearing for adoption of final budget, and formal transmittal of final budget to the agencies and to the Auditor for apportionment. Unless the Commission directs otherwise, staff will follow the successful process used each year since 2007, as shown below.

- Adopt the proposed budget on April 16, 2020.
- Transmit the proposed budget to agencies the week of April 20th and post to the LAFCO Web site.
- Review by the cities, counties, public.
- Amend as needed and adopt the final budget on May 21st.
- Transmit the Final Budget to Auditor and Agencies the week following adoption as required by state law.

EXECUTIVE OFFICER'S RECOMMENDATIONS:

1. Review, make any desired changes, and approve a Proposed Budget for Fiscal Year 2020-21.
2. Approve the proposed work plan and give additional direction to staff as needed.

3. Direct staff to transmit the budget materials to cities, districts and others as specified in Government Code Section 56381.
4. Direct staff to schedule adoption of the final budget.

Attachments: Staff Draft Proposed Budget
Calculation of Projected Fund Balance

Amador LAFCO - Proposed Budget FY 2020-21

Budget Code	Expense Category	Approved 19-20	Proposed 20-21	Difference
Revenues				from Prior Year
44100	Interest	\$2,200	\$3,300	\$1,100
46930	Project Fees	\$25,000	\$25,000	\$0
	From General Fund Balance	\$79,400	\$79,275	-\$125
Subtotal Non-Agency Revenues		\$106,600	\$107,575	\$975
45640	Agency Cost Share	\$57,190	\$57,190	\$0
Revenue Subtotal		\$163,790	\$164,765	\$975.00
Operating Expense				
50310	FICA (stipends)	\$50	\$50	\$0
50400	Emp Insurance	\$150	\$150	\$0
51200	Communications	\$600	\$600	\$0
51504	Liability Insurance	\$3,010	\$3,200	\$190
51760	Maint. -Programs	\$0	\$250	\$250
52000	Membership	\$1,075	\$1,520	\$445
52200	Office Expense (total)	\$1,015	\$1,015	\$0
	Postage	160	160	0
	Supplies	325	325	0
	Printing/copies 52205	480	480	0
	Publications, Ref Maps	50	50	0
52300	Prof & Spec Serv Total	\$123,500	\$123,500	\$0
	Legal Services	9,000	9,000	0
	Executive Officer	38,000	38,000	0
	Project Support	25,000	25,000	0
	Clerical/Support	15,000	15,000	0
	Meeting Exp/Stipend	2,500	2,500	0
	Audit	4,000	4,000	0
	GIS, mapping	10,000	10,000	0
	Other County Services (Inc. Rent)	2,000	2,000	0
	MSR	18,000	18,000	0
52300(1017)	Legal Defense Reserve	\$10,000	\$10,000	\$0
52400	Public Notice	\$1,000	\$1,000	\$0
52900	Mileage/travel	\$3,000	\$3,000	\$0
52910	Conf/Mtgs (includes travel)	\$5,500	\$5,500	\$0
Operating Expense Sub-total		\$148,900	\$149,785	\$885
59500	Operating Contingency	\$14,890	\$14,980	\$90
Total Budget Appropriation		\$163,790	\$164,765	\$975

**Amador LAFCO - Fund Balance Projection
for FY 2020-21 Budget**

Based on Actuals As of February 25, 2020

Budget Code	Expense Category	Budget 2019-20	Actual rev/exp as of 2/25/20	Projected Total rev/exp to year end	Projected Year End/Difference from Budget	Projected Add'l cost/revenue
Revenues						
44100	Interest	\$2,200	\$2,189	\$3,284	\$1,084	\$1,095
46930	Project Fees	\$25,000	\$2,106	\$3,159	-\$21,841	\$1,053
	From Fund Balance	\$79,400	\$79,400	\$79,400	\$0	
Subtotal Non-Agency Revenues		\$106,600	\$83,695	\$85,843	-\$20,757	\$2,148
45640	Agency Cost Share	\$57,190	\$57,190	\$57,190	\$0	
Revenue Subtotal		\$163,790	\$140,885	\$143,033		
Operating Expense						
50310	FICA (stipends)	\$50	\$23	\$35	\$15	\$12
50400	Emp Insurance	\$150	\$90	\$135	\$15	\$45
51200	Communications	\$600	\$356	\$534	\$66	\$178
51504	Liability Insurance	\$3,010	\$3,157	\$3,157	-\$147	\$0
51760	Maint.-Programs	\$0	\$164	\$246	-\$246	\$82
52000	Membership	\$1,075	\$0	\$1,518	-\$443	\$1,518
52200	Office Expense	\$1,015	\$421	\$632	\$383	\$211
52300	Prof & Spec Serv Total	\$123,500	\$26,313	\$39,470	\$84,030	\$13,157
	Legal Defense Reserve	\$10,000	\$10,000	\$10,000	\$0	\$0
52400	Public Notice	\$1,000	\$360	\$540	\$460	\$180
52900	Mileage/travel	\$3,000	\$635	\$953	\$2,047	\$318
52910	Conf/Mtgs (includes tr	\$5,500	\$3,314	\$3,414	\$2,086	\$100
Operating Expense Sub-total		\$148,900	\$44,833	\$60,634	\$88,266	\$15,801
59500	Operating Contingency	\$14,890	\$0	\$0	\$14,890	\$0
Expense Subtotals		\$163,790	\$44,833	\$60,634	\$103,156.00	\$15,801

Projected Year End Actual Revenues	\$143,033
Less Projected Actual Expenses	\$60,634
Projected Fund Balance/Budget Calculation	\$82,399

<i>Fund Balance/Balance Sheet By Fund as of 2/25/20</i>		
101739	LAFCO General Fund	\$83,894
101737	LAFCO Project Fund (includes general reserve)	\$47,964
Projected Fund Balance All Accounts		\$131,858
101738	Legal Defense Fund	\$63,153

LAFCO Draft Proposed Budget FY2020-21

5 messages

Nancy Mees <nmees.lafco@gmail.com>

Tue, Mar 31, 2020 at 12:36 PM

To: Amy Gedney <citymanager@cityofsuttercreek.org>, Connie Gonsalves <cgonsalves@ci.jackson.ca.us>, Gloria Stoddard <gstoddard@cityofplymouth.org>, "J. Hanken" <jhanken@ione-ca.com>, Janice Traverso <jtraverso@ione-ca.com>, Jeff Gardner <jgardner@cityofplymouth.org>, Karen Darrow <kdarrow@cityofsuttercreek.org>, Susan Peters <cmanager@ci.jackson.ca.us>, Susan Turner <pungaro@ci.jackson.ca.us>, Tim Knox <TheBlueVictorian@frontiernet.net>, Yvonne Kimball <ykimball@ci.jackson.ca.us>, Chuck Iley <ciley@amadorgov.org>
Cc: Roseanne Chamberlain <amador.lafco@gmail.com>

Attached is the Draft Proposed Budget for LAFCO for fiscal year 2020-21. The Agency Cost Share remains the same as last fiscal year's.

The Public Hearing on the Draft Proposed Budget will take place on Thursday, April 16, 2020. The logistics of the hearing, however, have not yet been determined. The location and manner of the meeting will be sent out in the agenda in a couple of weeks.

The official transmittal of the Proposed Budget will be sent out after the Commissioners have approved it at the April meeting. The Final Budget will then be approved at the May 21, 2020, LAFCO Commission meeting.

If you have any questions, please contact us.

Nancy Mees
Clerk to the Commission
Amador LAFCO
(209) 418-5942

 **Draft Proposed Budget 4-16-20 (2).pdf**
649K

Amy Gedney <agedney@cityofsuttercreek.org>

Wed, Apr 1, 2020 at 8:38 AM

To: Nancy Mees <nmees.lafco@gmail.com>, Amy Gedney <citymanager@cityofsuttercreek.org>, Connie Gonsalves <cgonsalves@ci.jackson.ca.us>, Gloria Stoddard <gstoddard@cityofplymouth.org>, "J. Hanken" <jhanken@ione-ca.com>, Janice Traverso <jtraverso@ione-ca.com>, Jeff Gardner <jgardner@cityofplymouth.org>, Karen Darrow <kdarrow@cityofsuttercreek.org>, Susan Peters <cmanager@ci.jackson.ca.us>, Susan Turner <pungaro@ci.jackson.ca.us>, Tim Knox <TheBlueVictorian@frontiernet.net>, Yvonne Kimball <ykimball@ci.jackson.ca.us>, Chuck Iley <ciley@amadorgov.org>
Cc: Roseanne Chamberlain <amador.lafco@gmail.com>

While I understand that the "show must go on", in light of our current circumstances, I believe that this item needs to be pushed out. If we are going to wind up reducing our budgets significantly, I would expect the same from LAFCO. It is WAY too early to make assumptions that the allocations will be the "same as last year."

Thanks,

Amy

Amy Gedney

City Manager

City of Sutter Creek

209-267-5647 x 284

Amador LAFCO <amador.lafco@gmail.com>
To: Amy Gedney <agedney@cityofsuttercreek.org>
Cc: Mees Nancy <nmees.lafco@gmail.com>

Wed, Apr 1, 2020 at 5:04 PM

Amy:

Thanks for your prompt reply to our advanced notice about the adoption of the proposal for the LAFCO budget. We are all working under rather adverse circumstances and early communication both ways is a good thing. We are trying our best to comply with the statutory budget deadlines, which are designed to give everyone plenty of time to comment and engage in the process. We will be sure the commission receives your request to defer action on the proposed budget.

Please also note that this is the staff draft for the proposed budget. The commission will tell us what they want in the way of changes before the approved proposal goes out. And there is no final action until June. We all hope things will be getting back to normal by then.

The statutes provide for us to send the proposed budget out to cities and others after the commission's hearing on it (April 16 this year). We wanted to give all the agencies an advance notification, well before the April 16 agenda documents are available. This was to allow everyone enough time since we know individual schedules are variable now and many staff are hard to reach.

While we can't really project the exact allocation among the cities, it is proportionate and is based on city revenues so it is equitable among the funding agencies in whatever amount is finally settled on in June.

We are in the process of organizing the public participation arrangements for our April 16 meeting. Be sure to look for the agenda which will have participation information included. And we will be sure to convey your emailed request for a delay to the Commission.

Roseanne

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE DURING PLANNING

April 8, 2020

To the Board of Commissioners
Amador Local Agency Formation Commission

We are engaged to audit the financial statements of the governmental activities and the major fund of Amador Local Agency Formation Commission (Commission) for the year ended June 30, 2019. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the Commission. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Commission's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the budgetary comparison information, which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have not been engaged to report on the introductory section, which accompanies the financial statements but is not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, and Other

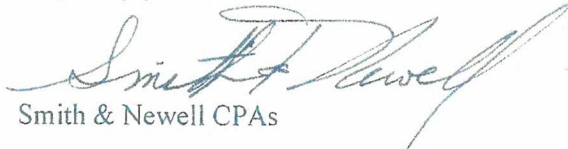
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Norman Newell is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Smith & Newell CPAs

ENGAGEMENT LETTER

April 8, 2020

To the Board of Commissioners
Amador Local Agency Formation Commission

We are pleased to confirm our understanding of the services we are to provide Amador Local Agency Formation Commission (Commission) for the year ended June 30, 2019. We will audit the financial statements of the governmental activities and the major fund, including the related notes to the financial statements, which collectively comprise the basic financial statements of the Commission as of and for the year ended June 30, 2019. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Commission's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Commission's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Budgetary comparison information.

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information.

- 1) Introductory section.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Commission and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the Commission's financial statements. Our report

will be addressed to management and the governing board of the Commission. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the Commission is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Commission's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Commission in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written 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.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we report.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our report to the Commission; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Smith & Newell CPAs and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Smith & Newell CPAs personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

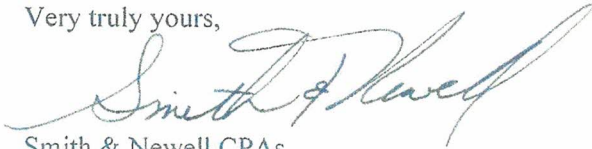
The audit documentation for this engagement will be retained for a minimum of seven years after the report release date or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Norman Newell is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be as stated in our audit contract. The contracted fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Commission and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Smith & Newell CPAs

RESPONSE:

This letter correctly sets forth the understanding of Amador Local Agency Formation Commission.

Management signature: _____

Title: _____

Date: _____

2020 Events Calendar

JANUARY

- 13 CALAFCO University course (Orange County)
- 17 CALAFCO Legislative Committee (Irvine)
- 21-23 CA Assn. of Sanitation Agencies Conference (Indian Wells)
- 22-24 League New Mayor & Council Academy (Sacramento)

FEBRUARY

- 21 CALAFCO Board of Directors Meeting (San Diego)

MARCH

- 5-8 Local Government Commission Ahwahnee Conference (Yosemite)
- 6 CALAFCO Legislative Committee (Sacramento)
- 12 Assn. of CA Water Agencies Legislative Symposium (Sacramento)
- 24 CALAFCO University course (Newport Beach) **CANCELED**
- 25-27 CALAFCO Staff Workshop (Newport Beach) **CANCELED**

APRIL

- 3 CALAFCO Legislative Committee (San Diego) **CANCELED**
- 22 League of Cities Legislative Day (Sacramento) **CANCELED**

MAY

- 1 CALAFCO Board of Directors Meeting (Sacramento) **Conference Call**
- 8 CALAFCO Legislative Committee (Conference call)
- 19-20 CA Special Districts Assn. Legislative Days (Sacramento) **CANCELED**
- 27-28 CA State Assn. of Counties Legislative Days (Sacramento)

JUNE

- 12 CALAFCO Legislative Committee (Conference call)
- 17-18 League Mayor & Council Executive Forum (Monterey)

JULY

- 17 CALAFCO Legislative Committee (Conference call)
- 24 CALAFCO Board of Directors Meeting (San Diego)
- 28-31 Assn. of CA Water Agencies Conference (Monterey)

AUGUST

- 12-14 CA Assn. of Sanitation Agencies Annual Conference (Squaw Valley)
- 24-27 CA Special Districts Assn. Annual Conference (Palm Desert)

SEPTEMBER

- 16-17 Regional Council of Rural Counties Annual Conference (Napa)

OCTOBER

- 2 CALAFCO Legislative Committee (2021) (Conference call)
- 7-9 League Annual Conference (Long Beach)
- 21-23 CALAFCO Annual Conference (Monterey)
- 22 CALAFCO Annual Business Meeting (Monterey)
- 23 CALAFCO Board of Directors Meeting (Monterey)
- 28-30 Fire District Assn. Annual Meeting (Napa)

NOVEMBER

- 6 CALAFCO Legislative Committee (2021) (Sacramento)
- 13 CALAFCO Board of Directors Meeting (Sacramento)

DECEMBER

- 1-4 CA State Assn. of Counties Annual Conference (Los Angeles)
- 1-4 Assn. of CA Water Agencies Conference (Indian Wells)

Sharing Information and Resources

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS

1020 12th Street, Suite 222
Sacramento, CA 95814
916 442 6536

For current information and other CALAFCO resources please visit www.calafco.org

