

Notice of Public Hearing and Request for Comments

DATE: July 1, 2024
TO: Affected Agencies and Interested Parties
FROM: Sara Lytle-Pinhey, Executive Officer
SUBJECT: **STANISLAUS LAFCO POLICIES AND PROCEDURES UPDATE**

NOTICE IS HEREBY GIVEN that the Stanislaus Local Agency Formation Commission (LAFCO) will hold a public hearing on **Wednesday, July 24, 2024**, at a meeting starting at **6:00 P.M.** in the Basement Chambers at Tenth Street Place (1010 10th Street, Modesto) for the following:

Stanislaus LAFCO will consider an update to its Policies and Procedures document. The update includes several non-substantive changes to the following sections:

- *Policy 15, Rule 45 & Appendix C: Updated references to State law, including the Political Reform Act*
- *Rule 49: Updated references regarding use of the County's Expense Module*
- *Section 9: Updated Flowcharts with corrected references to the Government Code*

The sections with proposed changes are attached to this notice for your review and are also available on Stanislaus LAFCO's website at:

https://www.stanislauslafco.org/current_projects.shtml

The proposed updates are being made in accordance with the Cortese-Knox-Hertzberg Act (Government Code Section 56000 et. seq.), which requires LAFCOs to adopt written Policies and Procedures. Staff regularly updates the Policies and Procedures document to reflect current laws. The adoption of this Policies and Procedures update is considered to be a continuing administrative or maintenance activity and is therefore not a "project" for the purposes of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(2).

Stanislaus LAFCO is soliciting comments from all affected agencies and interested parties. Your comments should emphasize potential impacts in areas which your agency has expertise and/or jurisdictional responsibilities.

Comments will be accepted prior to and at the public hearing on **July 24, 2024**. All interested parties are invited to attend the public hearing. The staff report for the item will be available online at least five (5) days before the hearing date at: www.stanislauslafco.org

Comments may be sent to Stanislaus LAFCO, 1010 10th Street, 3rd Floor, Modesto, CA 95354 or by e-mail to lafco@stancounty.com. If you have any questions, please call (209) 525-7660.

POLICY 15 - OUT-OF-BOUNDARY SERVICE CONTRACTS OR AGREEMENTS

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H. Exemptions: Consistent with Government Code Section 56133, this policy does not apply to:

....

5. A local publicly owned electrical utility, as defined by Section ~~9604~~224.3 of the Public Utilities Code, providing electrical services that do not involve the acquisition, construction, or installation of electrical distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.

RULE 45: PROCEDURES TO IMPLEMENT THE REQUIREMENTS OF THE POLITICAL REFORM ACT, 1974.

- A.** The Commission has directed staff to proceed in the following ways to implement the requirements of the Political Reform Act. (Government Code Sections 56300, 56700.1, and 57009)
1. Informing the public who may apply for or participate in a proceeding, by inserting a notice of the general requirements of the Political Reform Act on the application, ~~consent disclosure~~ form, and agenda.
 2. Informing the Commissioners of the general requirements of the Act as it applies to the Commission, and then informing them of who the applicants or participants may be in advance **of a public hearing.**
- B.** For each ~~of the landowner lists~~**application** received, the Commission will be responsible to comply with the law by:
1. Disclosure, nonparticipation, and disqualification from the proceeding if a contribution of \$250 or more has been received from an applicant or participant up to twelve (12) months prior to the LAFCO ~~hearing proceedings; and,~~
 - ~~1.2.~~ Refusing a contribution of \$250 or more from an applicant or participant ~~from the date of filing (certificate) while the proceeding is pending and for twelve (12) months following the final decision on the application (Section 84308). until three (3) months after the hearing; and,~~
- C.** Pursuant to Government Code Sections 56700.1 and 81000 et seq., any person or combination of persons who directly or indirectly contribute \$1,000 or more in support of or in opposition to a ~~change of organization or reorganization~~**proposal** that has been submitted to Stanislaus LAFCO ~~and will require an election~~ must comply with the disclosure requirements of the Political Reform Act ~~of 1974 which apply to local initiative measures~~**(commencing with Section 84250)**. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information about the requirements pertaining to ~~the local initiative measure(s) to be presented to the electorate~~**disclosures** can be obtained by ~~calling~~**consulting** the Fair Political Practices Commission at ~~(916) 322-5660~~**www.fppc.ca.gov or 1-866-ASK-FPPC.**
- D.** Pursuant to Government Code Section 57009, expenditures for political purposes related to proceedings for a change of organization or reorganization that will be conducted pursuant to this part, and contributions in support of, or in opposition to those proceedings, shall be disclosed and reported to the ~~C~~ommission to the same extent and subject to same requirements as the Political Reform Act, Title 9 (commencing with Section 81000) as provided for local initiative measures. Refer to Appendix C for Stanislaus LAFCO's reporting and disclosure requirements ~~pursuant to AB 745.~~

RULE 49: RULES AND REGULATIONS FOR TRAVEL RELATED EXPENDITURES

The purpose of this section is to provide guidance on the use and expenditure of LAFCO resources and to establish a written policy for reimbursement of necessary travel expenses by Commissioners and Staff.

A. GENERAL POLICIES

LAFCO employees and Commissioners compelled to travel in the performance of their duties and in the service of the Commission shall be reimbursed for their actual and necessary expenses, including transportation expense, lodging, and meals and other reasonable incidental costs.

LAFCO employees and Commissioners should not suffer any undue loss when required to travel on official LAFCO business, nor should said individuals gain any undue benefit from such travel.

All travel arrangements are coordinated through the **Commission Clerk, Executive Officer** and should be as economical as possible considering the travel purpose, traveler, and timeframe available to accomplish the travel mission, available transportation and facilities, and time away from other duties.

Requests for travel authorization and reimbursement are processed using the LAFCO Travel Authorization Form to facilitate reimbursement. Receipts are required for reimbursement of lodging costs, registration fees, public transportation and other expenses as may be necessary to facilitate reimbursement.

B. TRAVEL AUTHORIZATION AND APPROVAL

Authorization and approval by the Executive Officer or the Commission is required for all travel. LAFCO employees and Commissioners must obtain authorization for travel before incurring costs and before commencing travel (e.g. completion of a "Travel Authorization" form).

C. REIMBURSEMENT PROCEDURES

1. Mileage: The Stanislaus County **Expense Module Mileage Chart** shall be used to obtain appropriate mileage. ~~When it is not reasonably possible to capture accurate costs for mileage using the County Mileage Chart, claimant's odometer reading may be used, rounded to the nearest mile, or through the submittal of written documentation from online sources such as Expedia Maps, or Map Quest.~~
2. Travel: Travel to meetings, conferences, workshops, training seminars and other Commission or CALAFCO related business shall be coordinated with the Clerk to the Commission ~~or the Executive Officer~~. A Travel Authorization form must be completed detailing anticipated expenses. The form shall be signed by the **Chair of the Commission** ~~or the Executive Officer~~. The Executive Officer shall sign employees' travel authorization forms.

3. Meals: The cost of meals will be reimbursed **at a per diem rate calculated in the consistent with the current Stanislaus County Expense Module.Travel Policy.**
4. Lodging: Lodging arrangements should be made, whenever possible and **practical—practicable**, at hotels/motels which offer a government discount or conference rate and also offer a Transient Occupancy Tax waiver, if available. When staying at such a facility, the name of the Staff/Commissioner and the Agency must appear on the receipt of the hotel/motel bill. Single rates will be paid, except when the room is occupied by more than one LAFCO employee or Commissioner. This policy shall not be construed to require shared sleeping accommodations while traveling on LAFCO business.

APPENDIX C

DISCLOSURE OF POLITICAL CONTRIBUTIONS POLICY AND EXPENDITURES REGARDING LAFCO PROCEEDINGS

(Amended ~~January 23, 2008~~ July 24, 2024)

~~Pursuant to Government Code Sections 56700.1 and 57009, effective January 1, 2008, expenditures for political purposes related to a proposal for a change of organization or reorganization and contributions in support or in opposition to any proposal at the conducting authority stage of the LAFCO process are subject to the reporting and disclosure to the same extent as required for local initiative measures under the Political Reform Act, Government Code Section 81000 et seq., and the regulations of the Fair Political Practices Commission implementing that law.~~

~~Stanislaus LAFCO adopts the following reporting and disclosure requirements to implement Government Code Sections 56700.1 and 57009.~~

1. Overview

The Commission finds that the public interest would be served by adoption of procedures for the public disclosure of contributions and expenditures relating to Commission proposals, and further finds that adopting the process is consistent with State law, including the Political Reform Act of 1974, as amended, and Government Code Sections 56100.1, 56700.1, and 57009.

2. Definitions

Unless otherwise provided, definitions of terms used herein shall be those contained in the Political Reform Act, as amended.

- a. "Contribution" as used herein shall have the same definition as provided in Government Code Section 82015, as amended.
- b. "Expenditure" as used herein shall have the same definition as provided in Government Code Section 82025, as amended.
- c. "Independent expenditure" as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term "measure" as used in Section 8203301 shall ~~be replaced with the term "proposal for organization or change of organization"~~ **also mean "LAFCO proposal."**
- d. "Political Purposes" as used in herein shall mean for the purpose(s) of:– (i) influencing public opinion **and/or actions of voters**; (ii) lobbying public officials **including LAFCO Commissioners**; and/or, (iii) influencing legislative or administrative action as defined in Government Code Section 82032. It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

3. Applicability

These policies and procedures are applicable to LAFCO proposals, as defined in Government Code Section 82035.5 and sphere of influence adoption, amendment or review, when applications for same are submitted for filing with the Executive Officer. LAFCO proposals include but are not limited to annexation to a city or district, incorporation, or formation or dissolution of a special district.

4. Disclosure Requirements for Petitions for Proposals for a Change of Organization or Reorganization**General Requirements of Disclosure**

- a. Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization ~~or~~, reorganization, **or sphere of influence adoption or amendment proposal** submitted to the Commission ~~to which Government Code Section 567001.1 applies~~, shall comply with the reporting and disclosure requirements of **Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act** (Government Code Section 81000 et seq.) ~~to the same extent and subject to the same requirements as for local initiative measures~~. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures on the reporting and disclosure forms published by the Fair Political Practices Commission.
- b. ~~Disclosures~~**Contributions and expenditures** made pursuant to this Section shall be ~~filed with the Commission's Executive Officer~~**disclosed and reported pursuant to the Political Reform Act**, as designated in Section ~~5-7~~**below**.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the Executive Officer establish a date to serve as the "election" date for this purpose. The Executive Officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.
- d. In the event the originally scheduled hearing date for the ~~proposal for proposed~~**change of** organization or reorganization is rescheduled or continued to a later date, the obligation to file continues reports shall be filed on or before the 10th day of each month following the original hearing date with respect to contributions and expenditures received in the previous calendar month up to and including the third calendar month following final action by the commission on the proposal.

5. Disclosure Requirements for Conducting Authority Proceedings

- a. Any person or combination of persons who directly or indirectly makes an expenditure for political purposes of \$1,000 or more related to conducting authority proceedings for a change of organization or reorganization to which Government Code Section 57009 applies, or in support of or in opposition to those conducting authority proceedings, shall comply with the reporting and disclosure requirements measures of the Political Reform Act (Government Code Section 81000 et seq.) to the same extent and subject to the same requirements as for local initiative measures. Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.
- b. ~~Disclosures-Contributions and expenditures~~ made pursuant to this Section shall be ~~filed with the commission's Executive Officer~~ **disclosed and reported pursuant to the Political Reform Act** as designated in Section ~~below~~ **7**.
- c. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled conducting authority hearing on the proposal for organization or reorganization. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the Executive Officer establish a date to serve as the "election" date for this purpose.

The Executive Officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

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

6. Certain Reports and Disclosures Excluded

This policy requires only that the persons subject to it disclose ~~via reports to the Commission's Executive Officer contributions, expenditures and independent~~ **and report** expenditures with respect to expenditures for political purposes related to a petition to the Commission for a proposal for ~~an~~ **change of** organization or reorganization **pursuant to the Political Reform Act. This policy also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls pursuant to Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.** ~~and does not impose on such persons the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.~~

7. ~~Where to File~~ Reporting Requirements

~~All reports and disclosures required hereunder shall be filed with the Commission's Executive Officer.~~ Contributions and expenditures for political purposes related to a proposal or proceeding shall be disclosed and reported pursuant to Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act (Title 9 commencing with Section 81000).

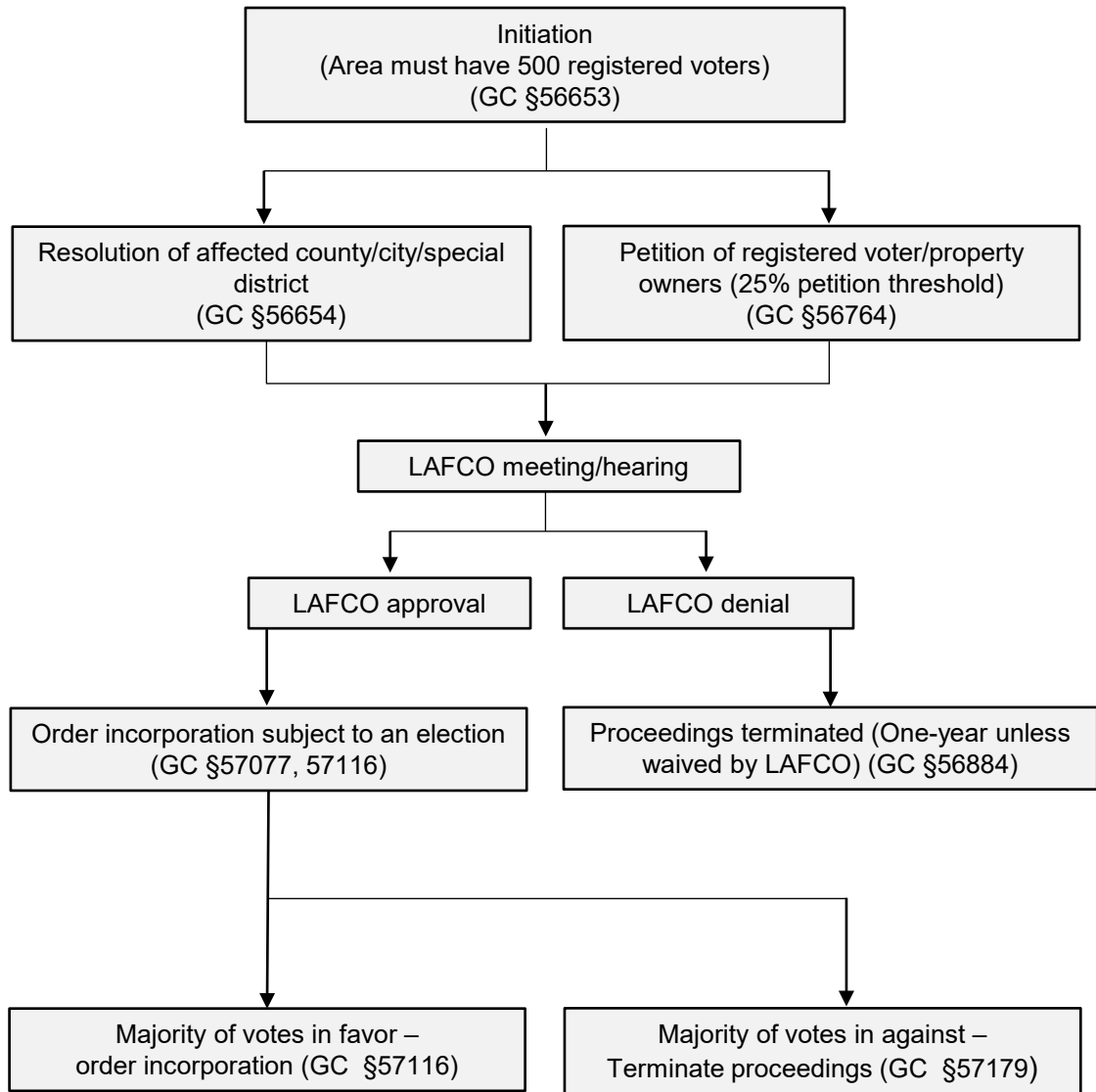
8. Reporting Requirements are Non-exclusive

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

9. Sunset Provision

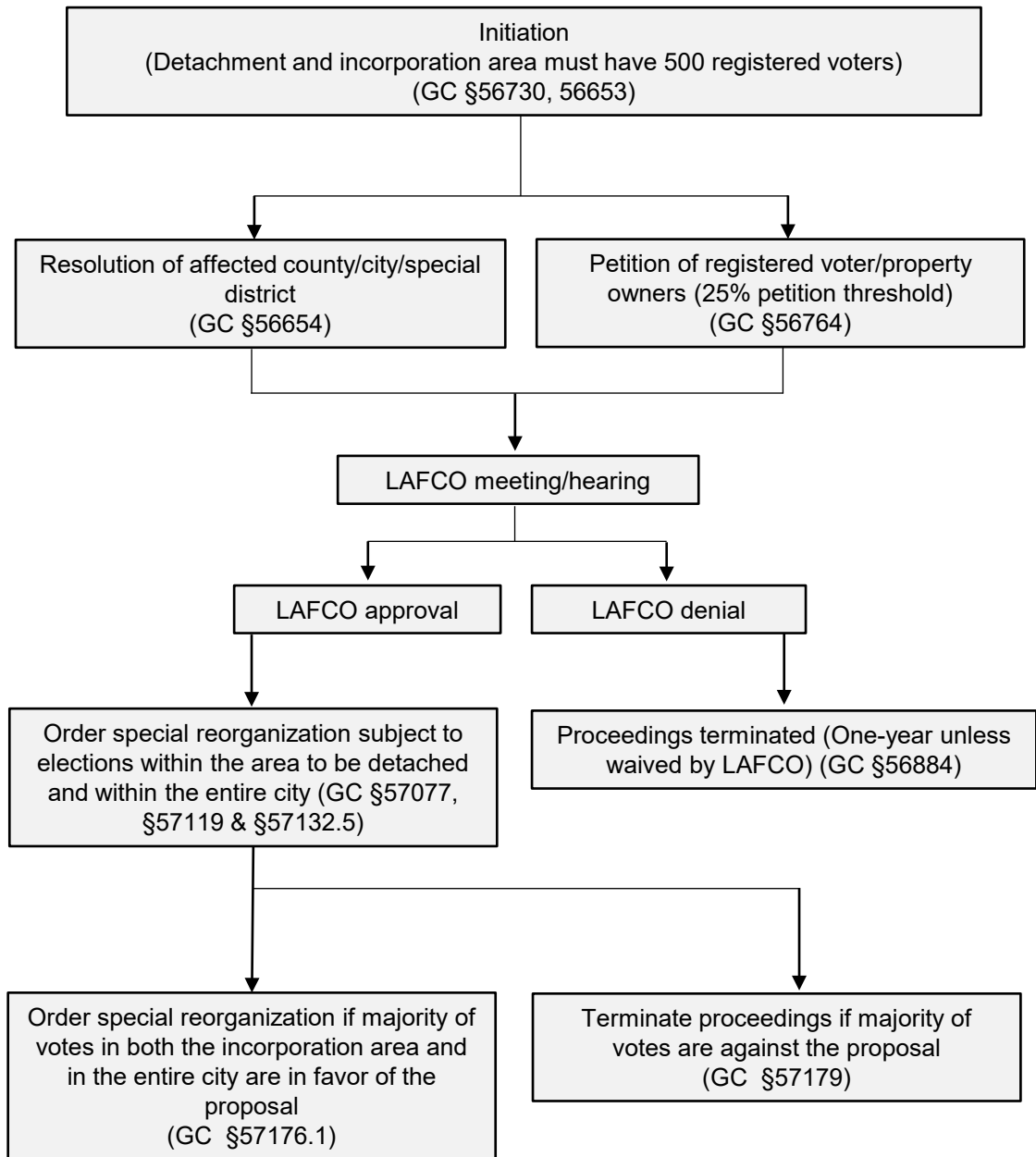
This policy is intended to implement Government Code Sections **56100.1**, 56700.1, and 57009 and shall be of no further force and effect upon the effective date of legislation repealing or amending those sections to ~~transfer responsibility for enforcing disclosure of expenditures for political purposes affecting commission proceedings to the Fair Political Practices Commission or otherwise~~ terminated the responsibility of this commission to adopt and implement this policy.

City Incorporation



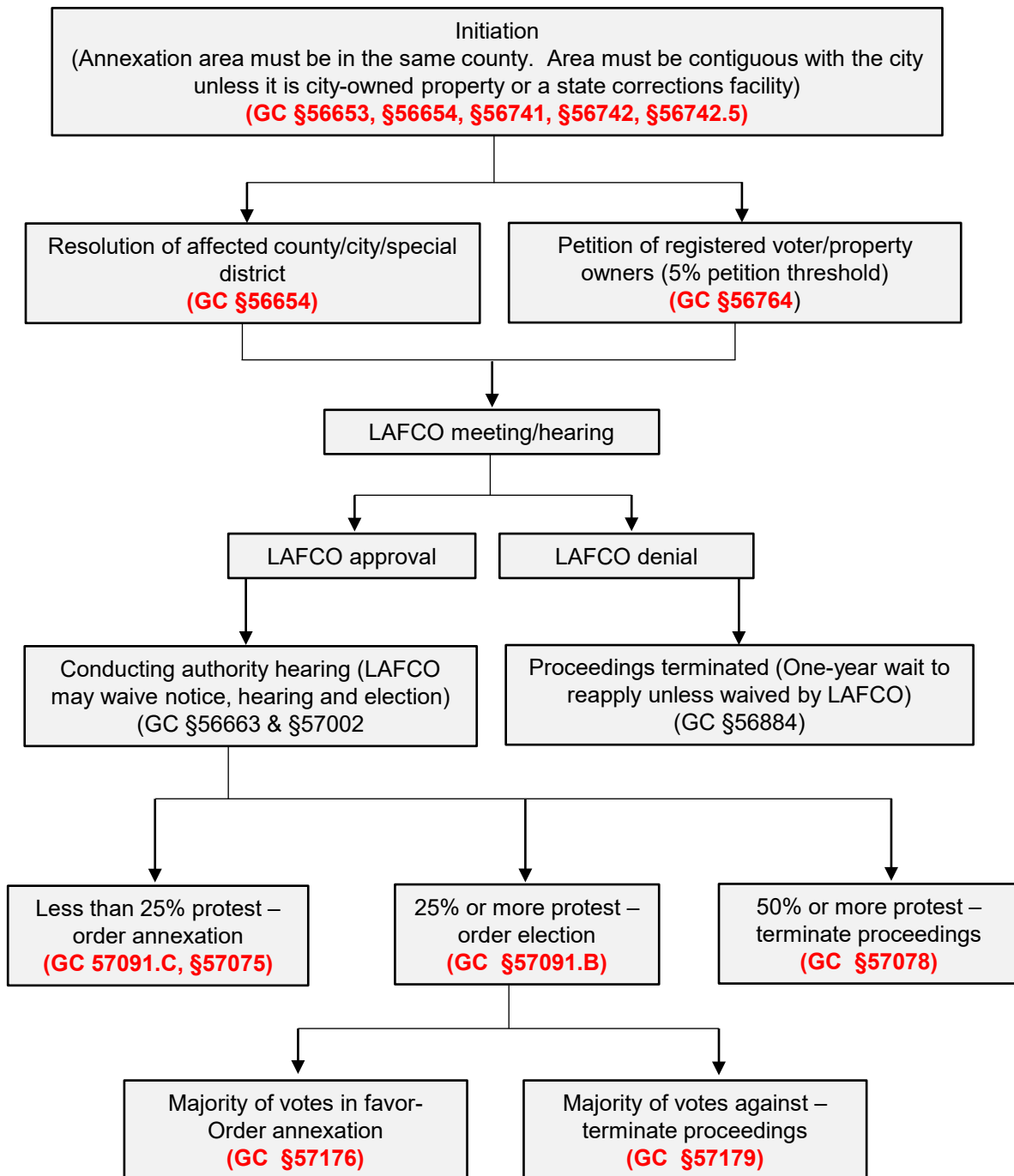
This chart summarizes provisions of the California Government Code and is subject to change. Please refer to the Government Code sections referenced for further information. (Updated July 2024)

Special Reorganization (City Detachment and Incorporation)



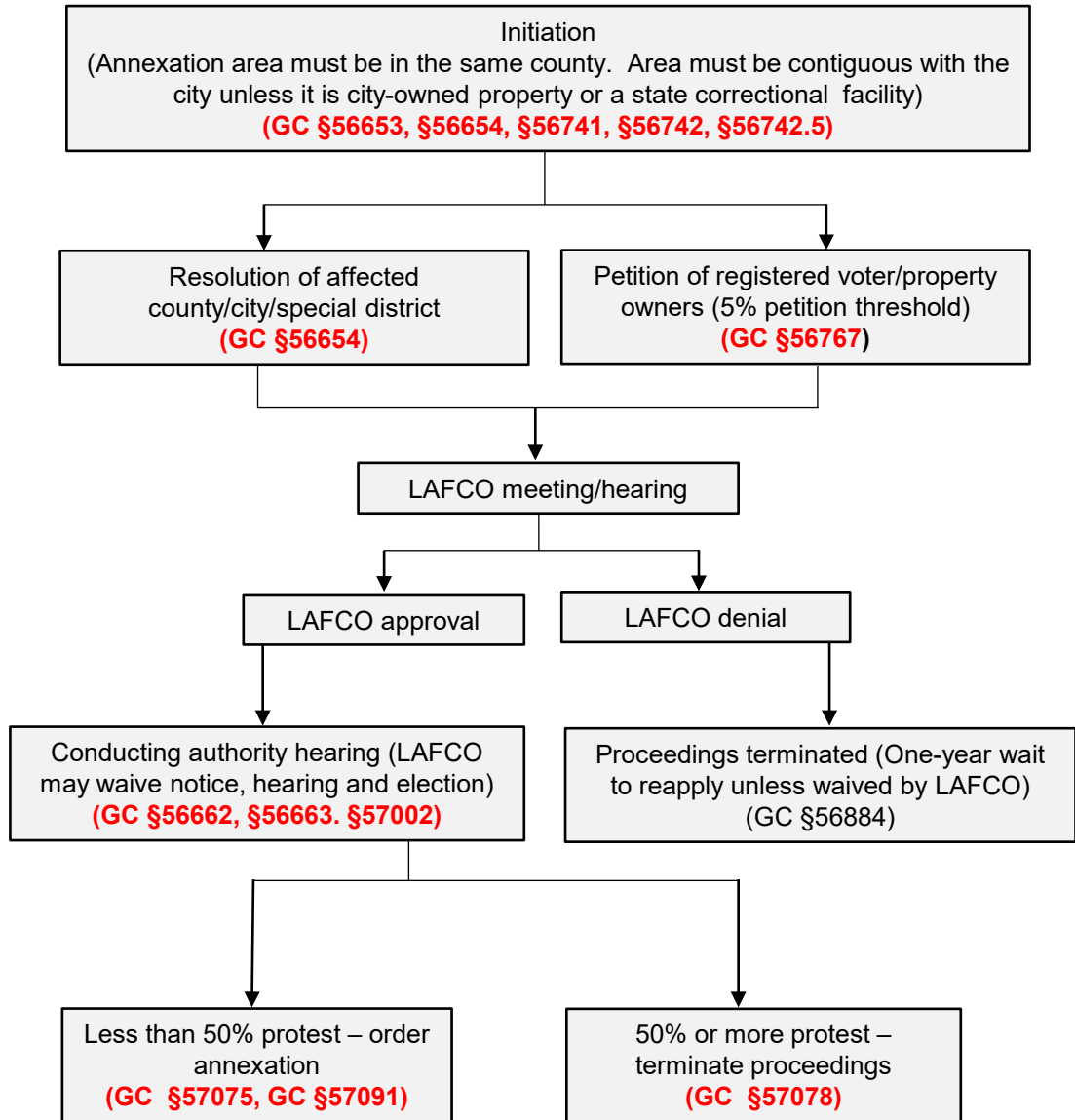
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Inhabited City Annexation



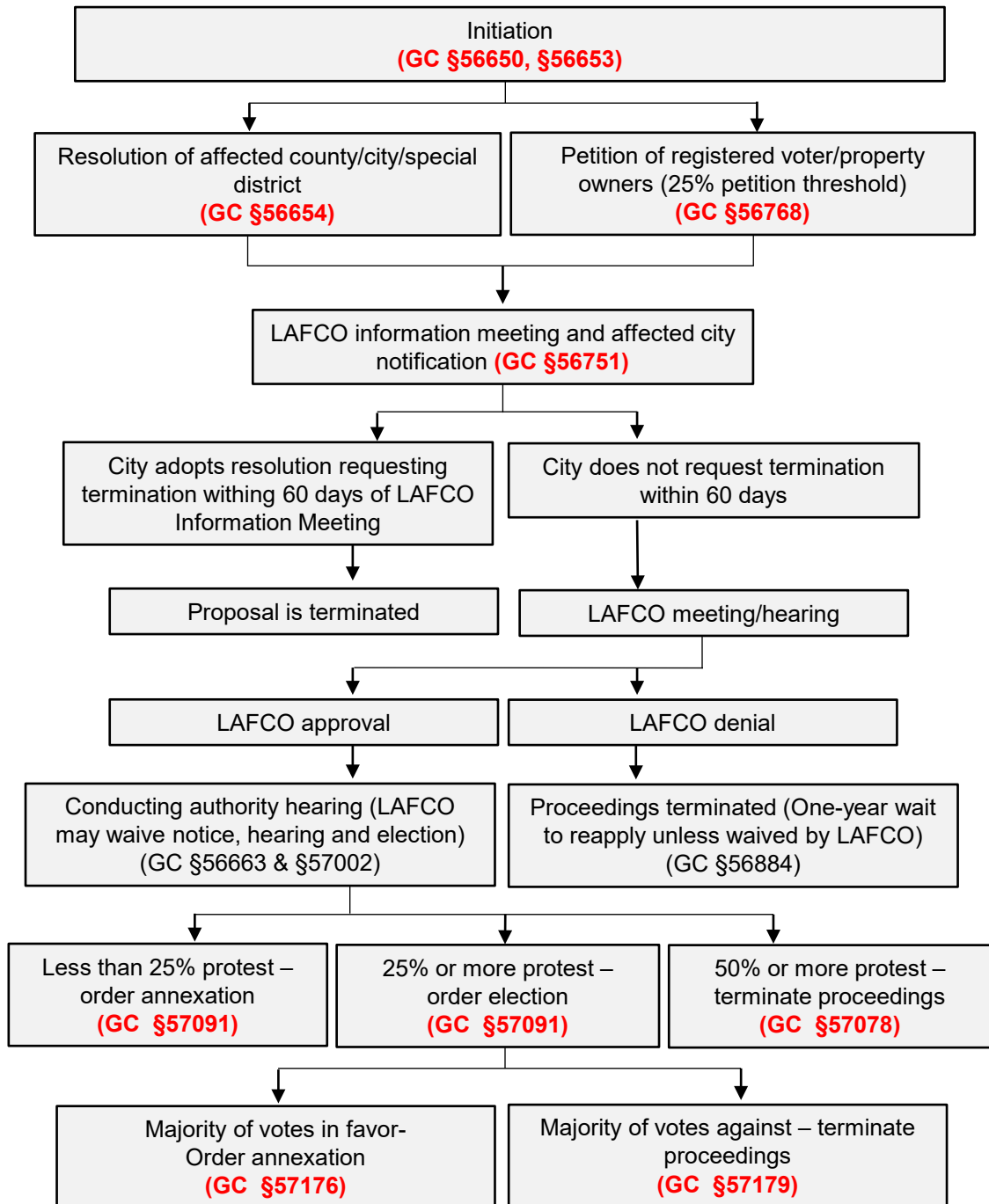
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Uninhabited City Annexation



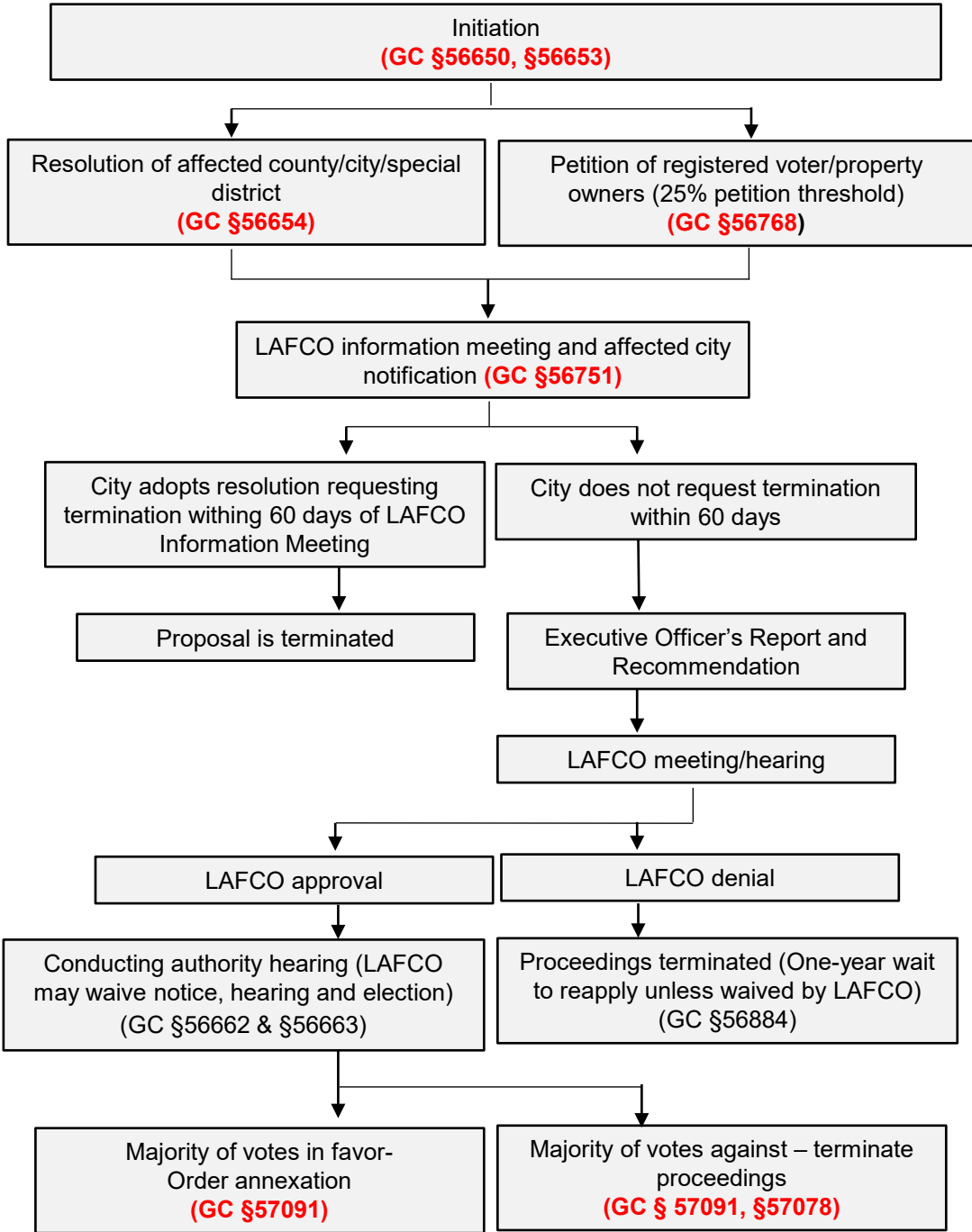
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Inhabited City Detachment (Other than Special Reorganization)



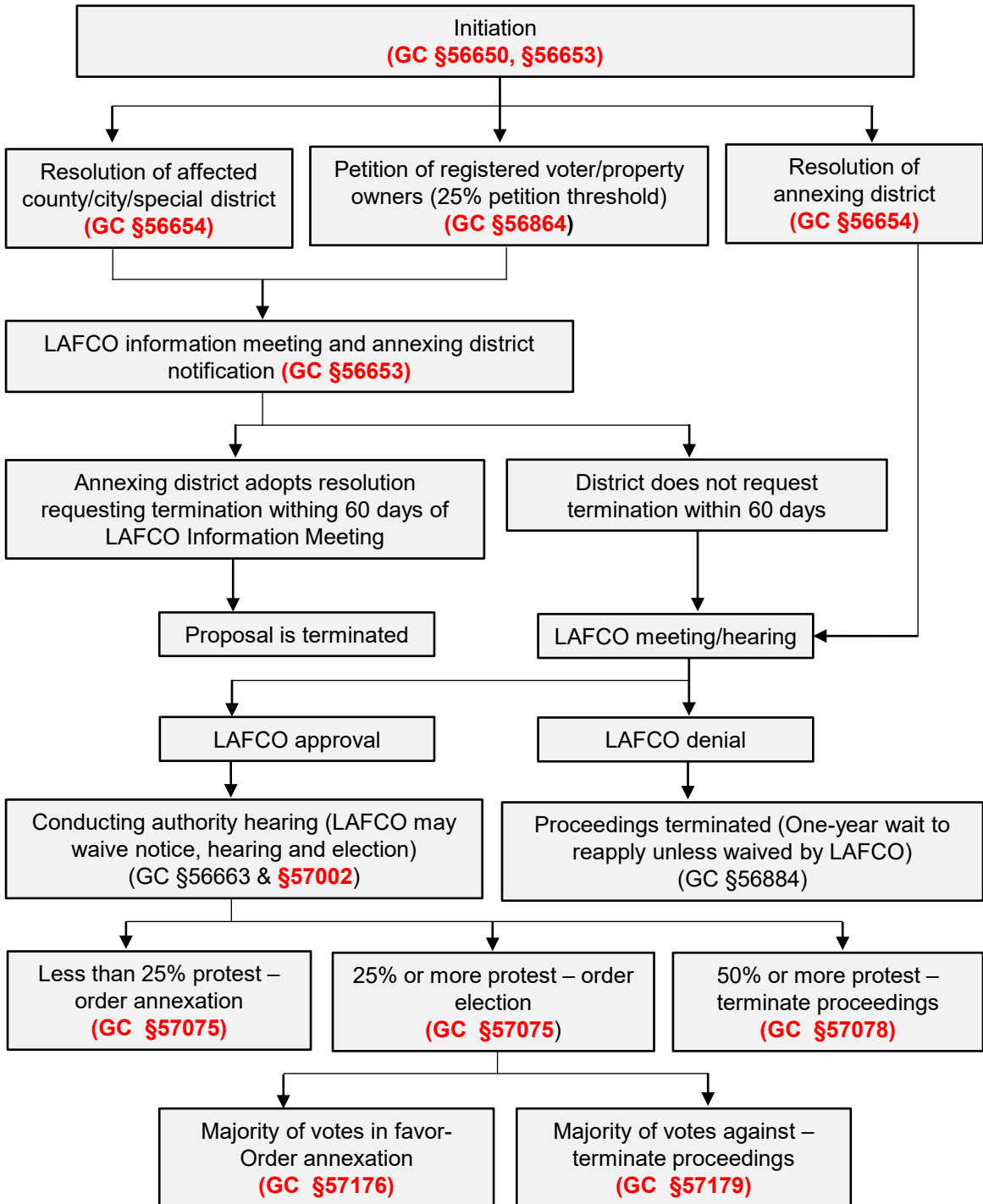
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Uninhabited City Detachment (Other than Special Reorganization)



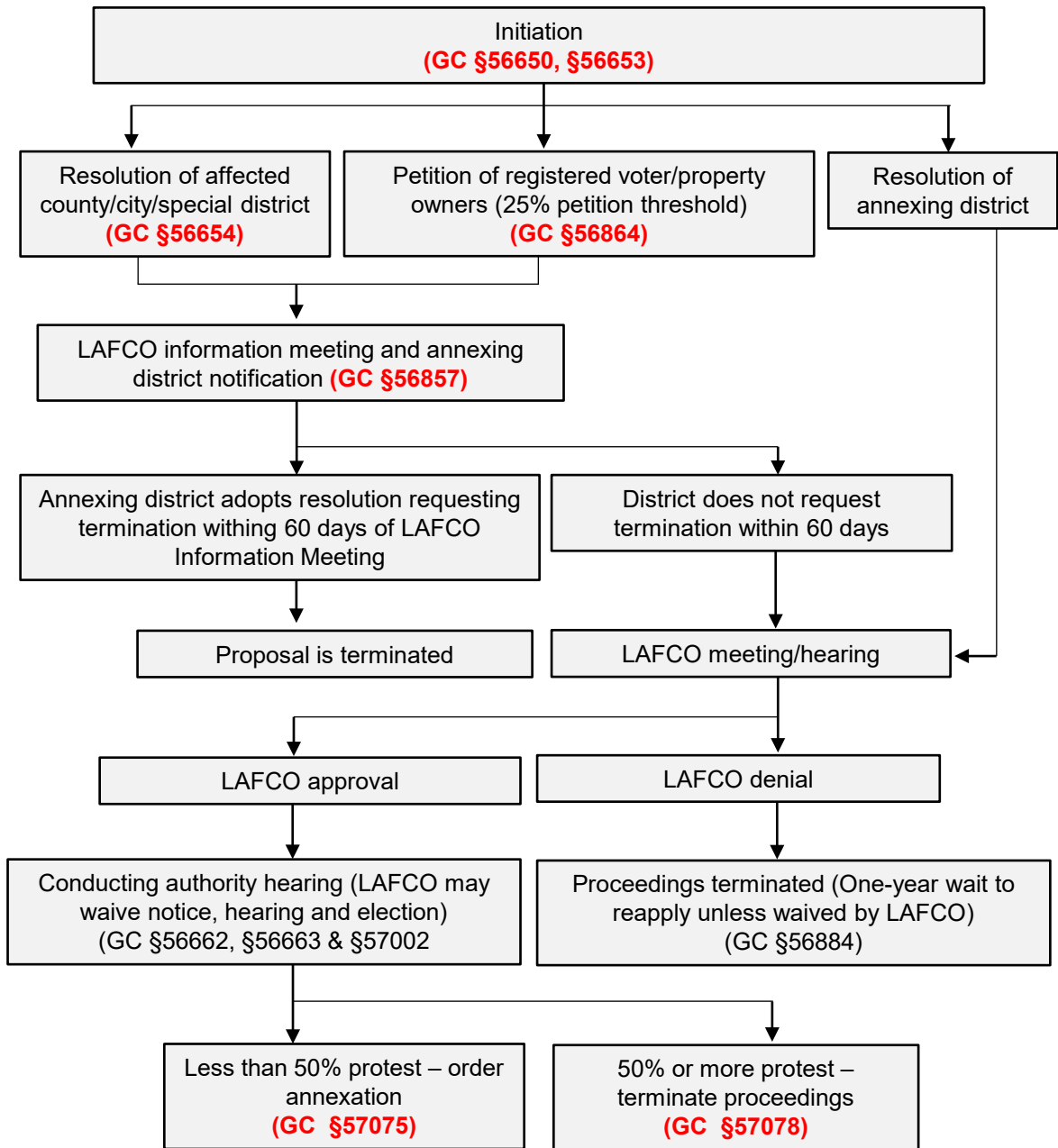
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Inhabited District Annexation



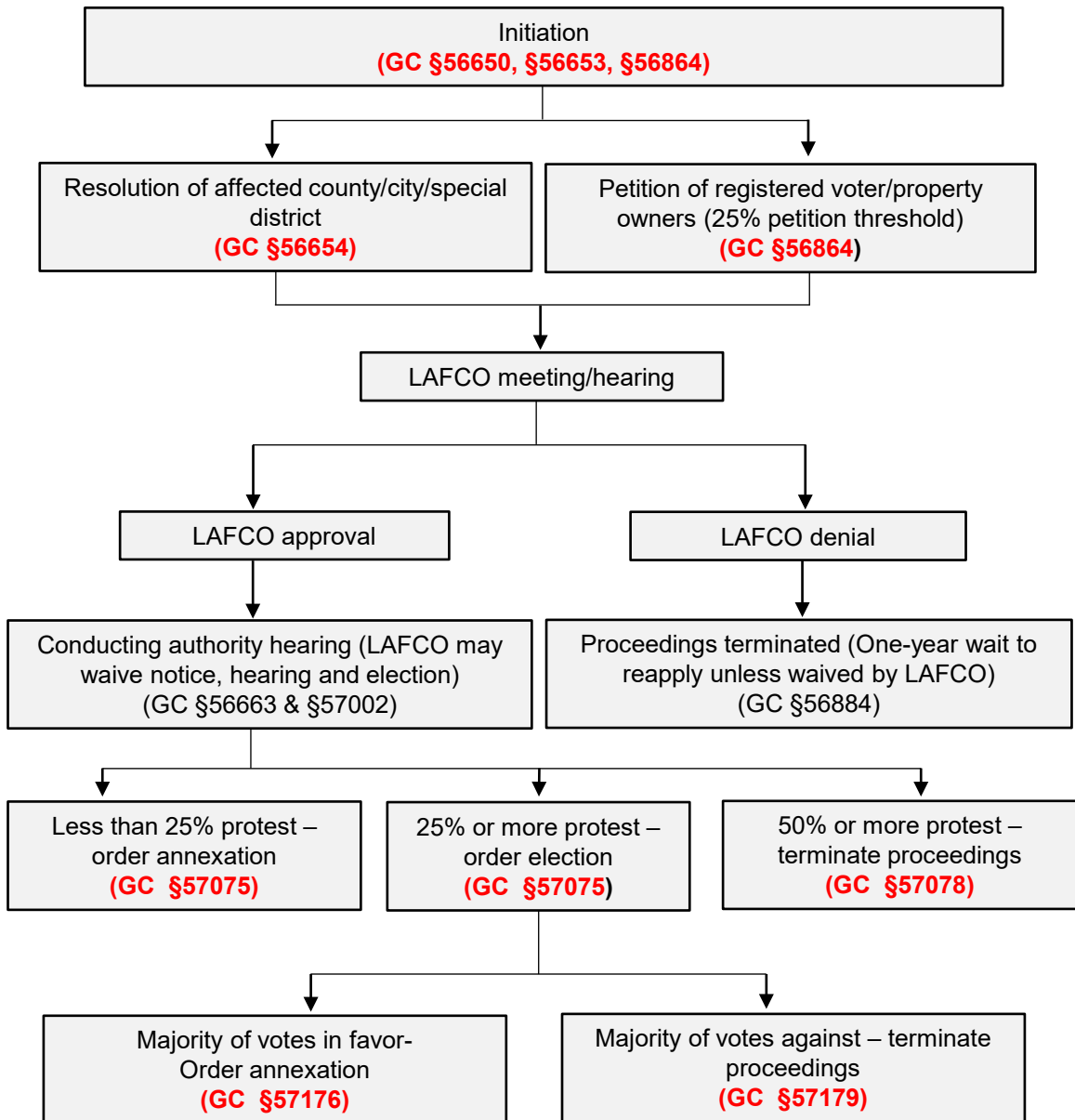
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Uninhabited District Annexation



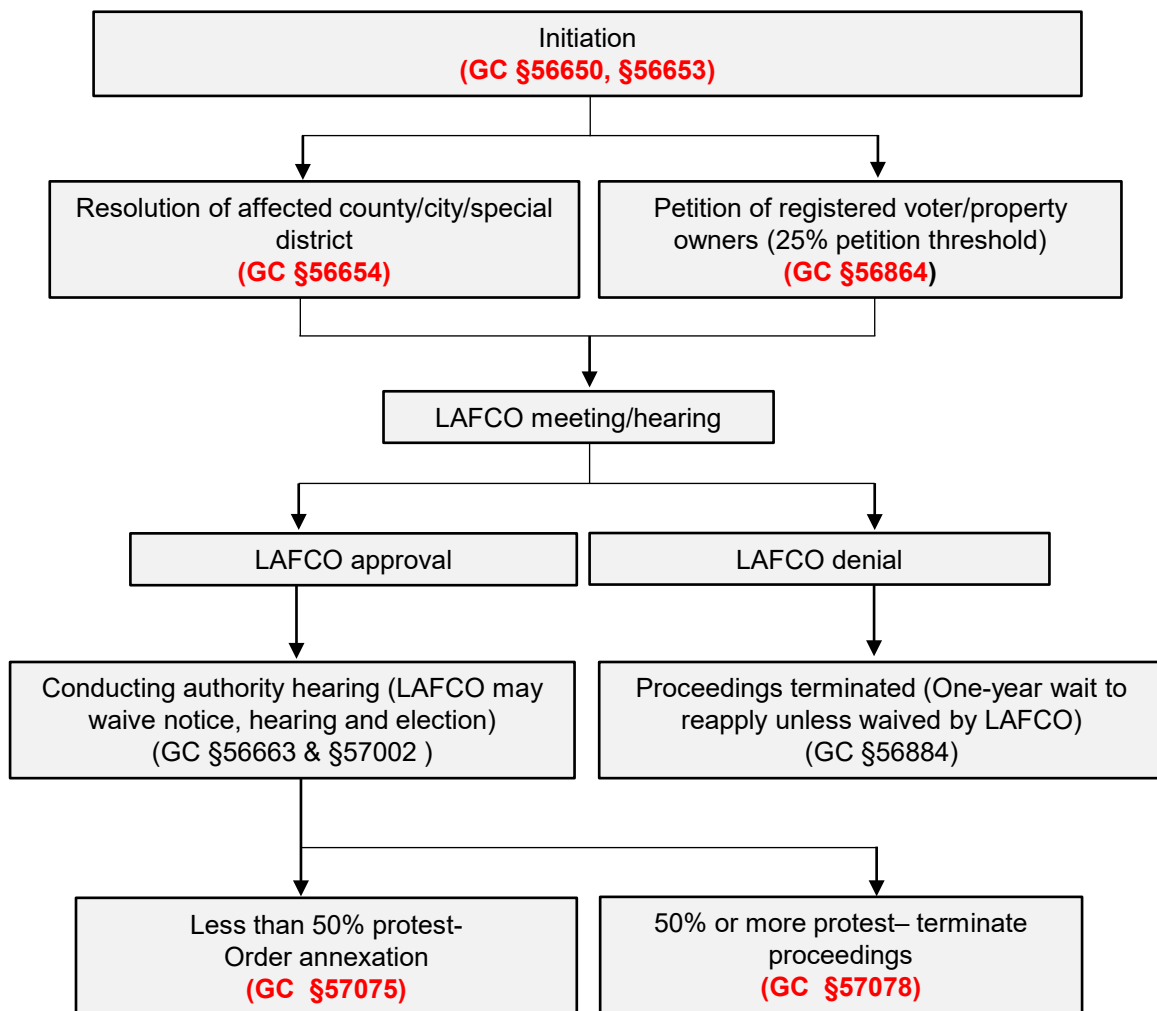
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Inhabited District Detachment



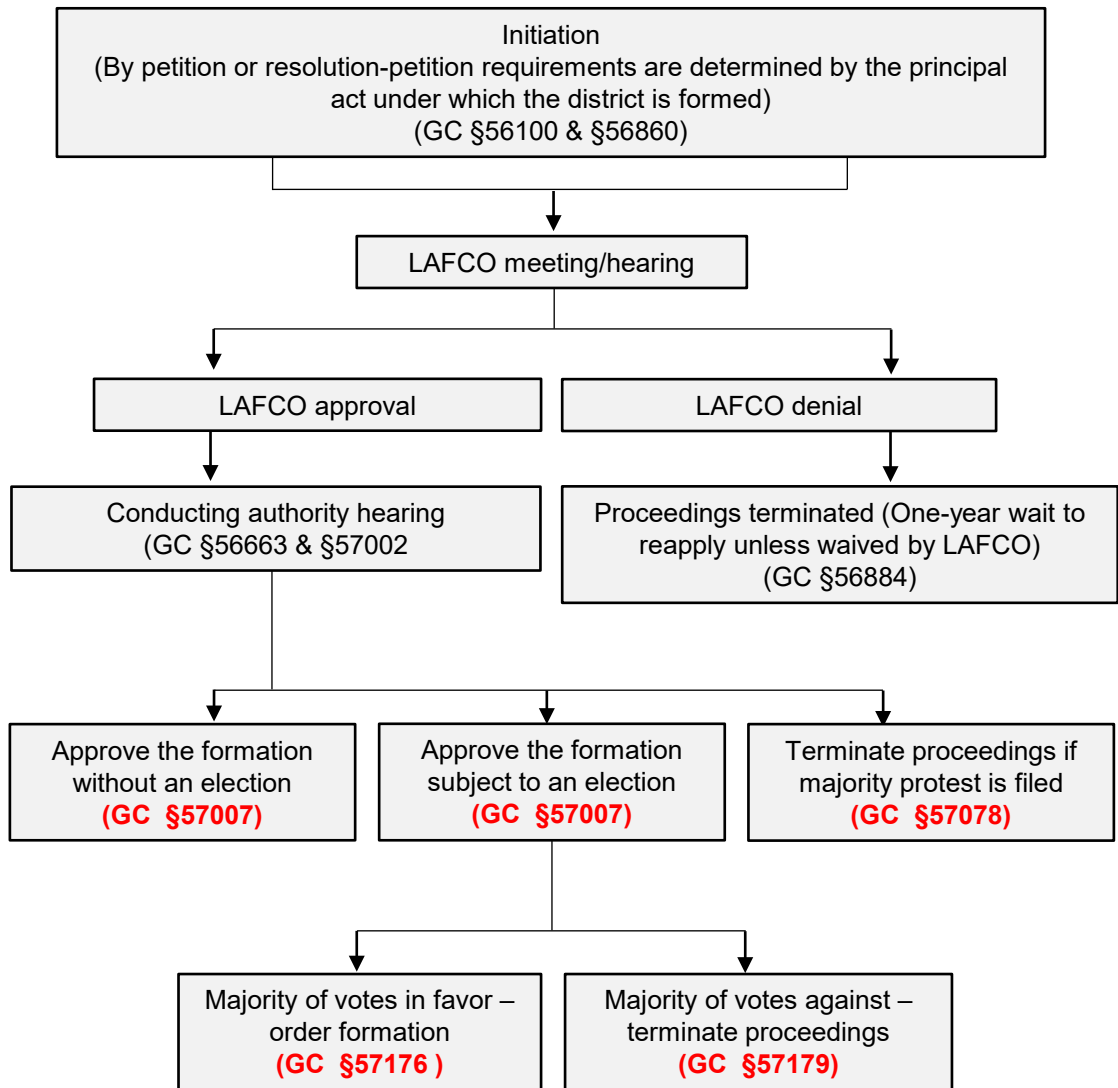
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Uninhabited District Detachment



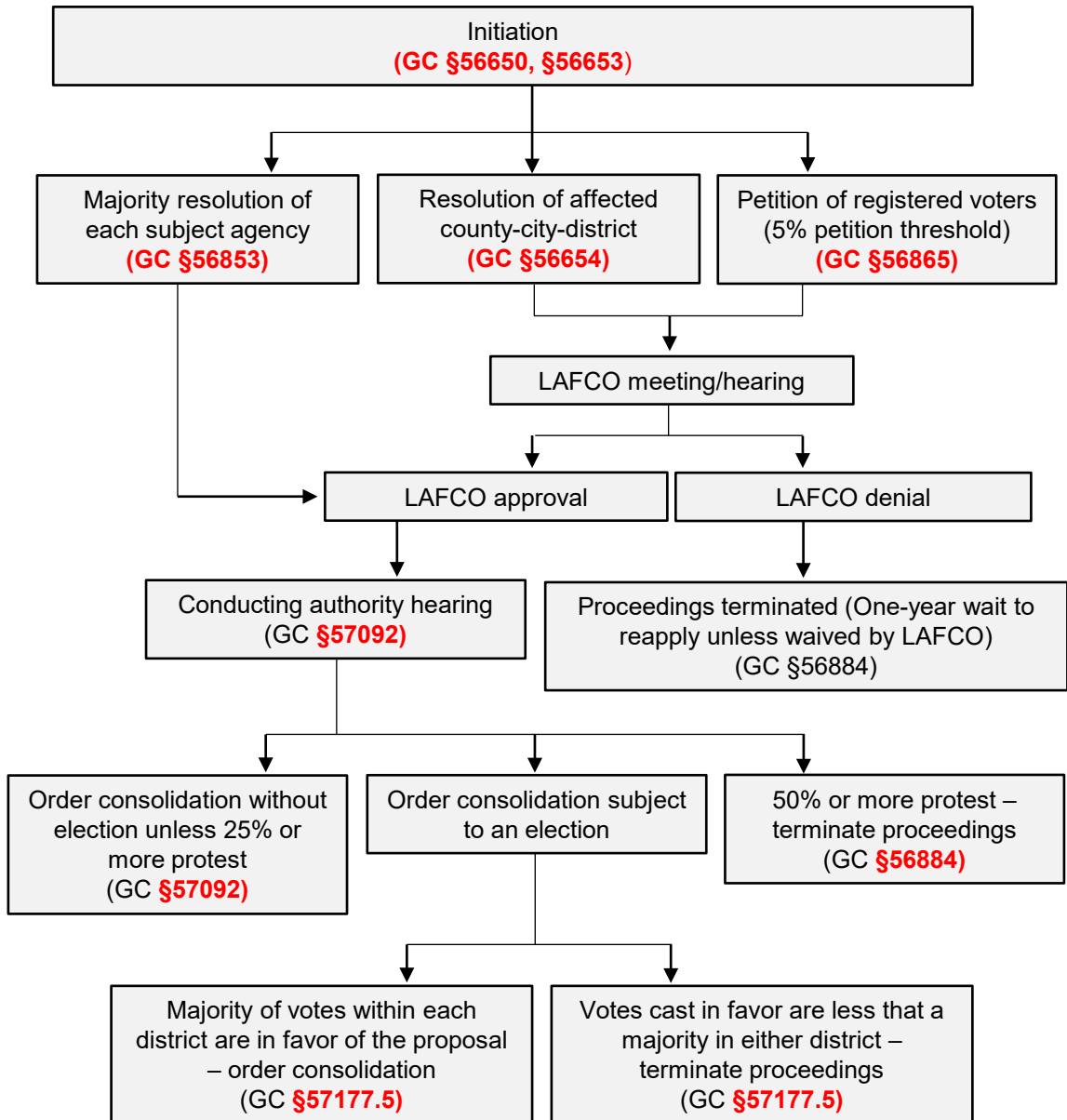
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District Formation



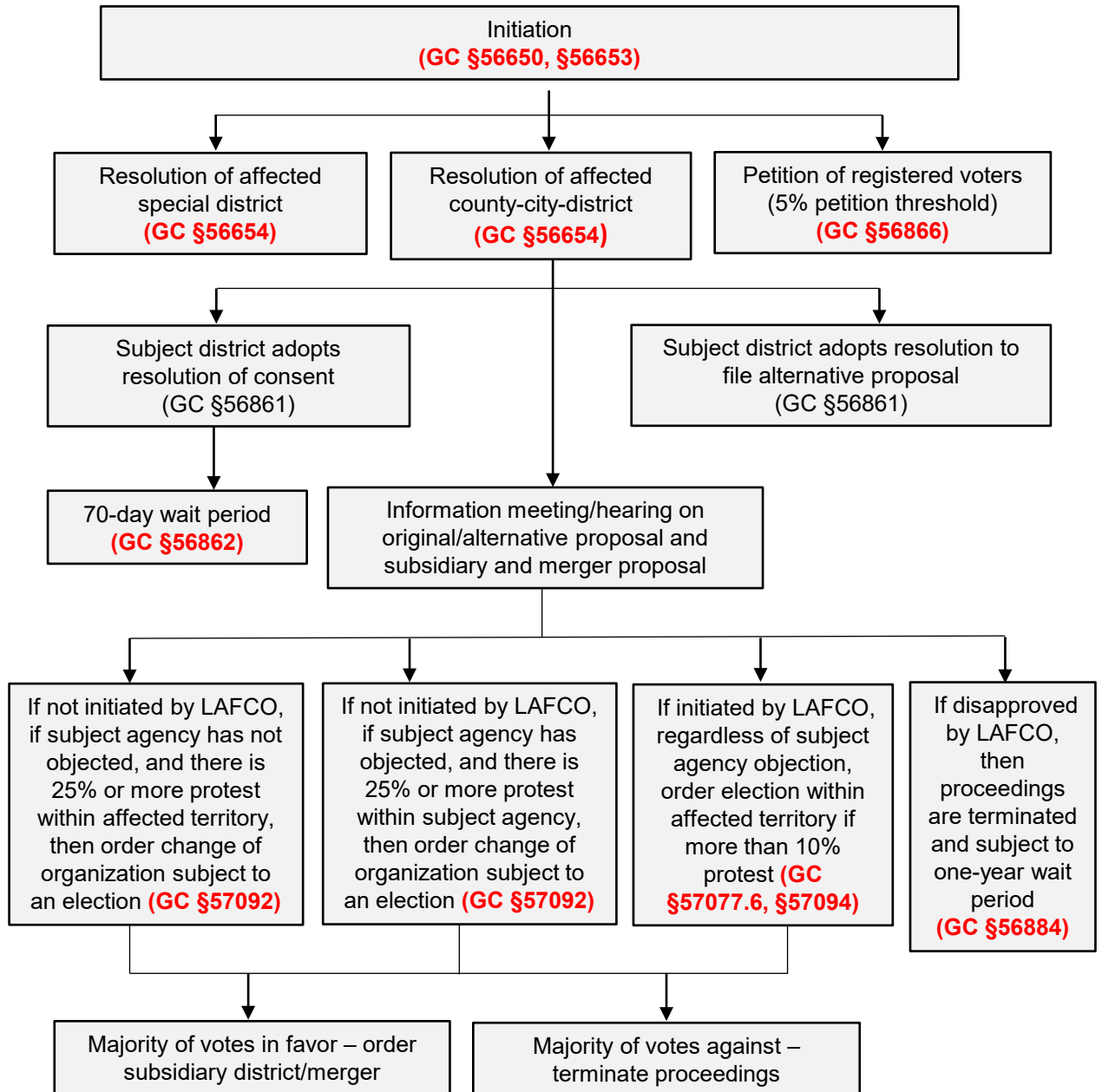
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District Consolidation – Registered Voter District (Not initiated by LAFCO)



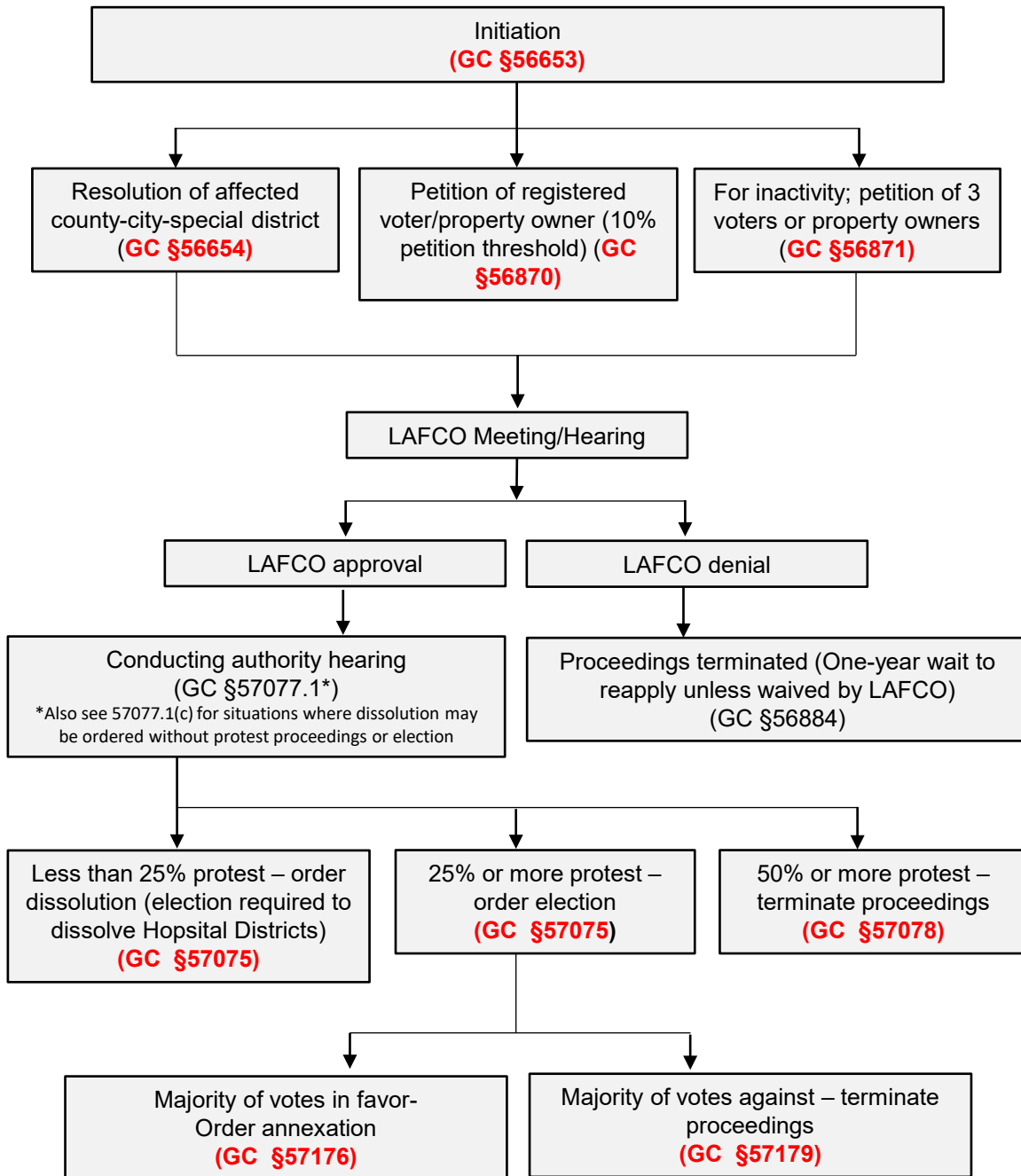
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District Merger and Establishment of Subsidiary District



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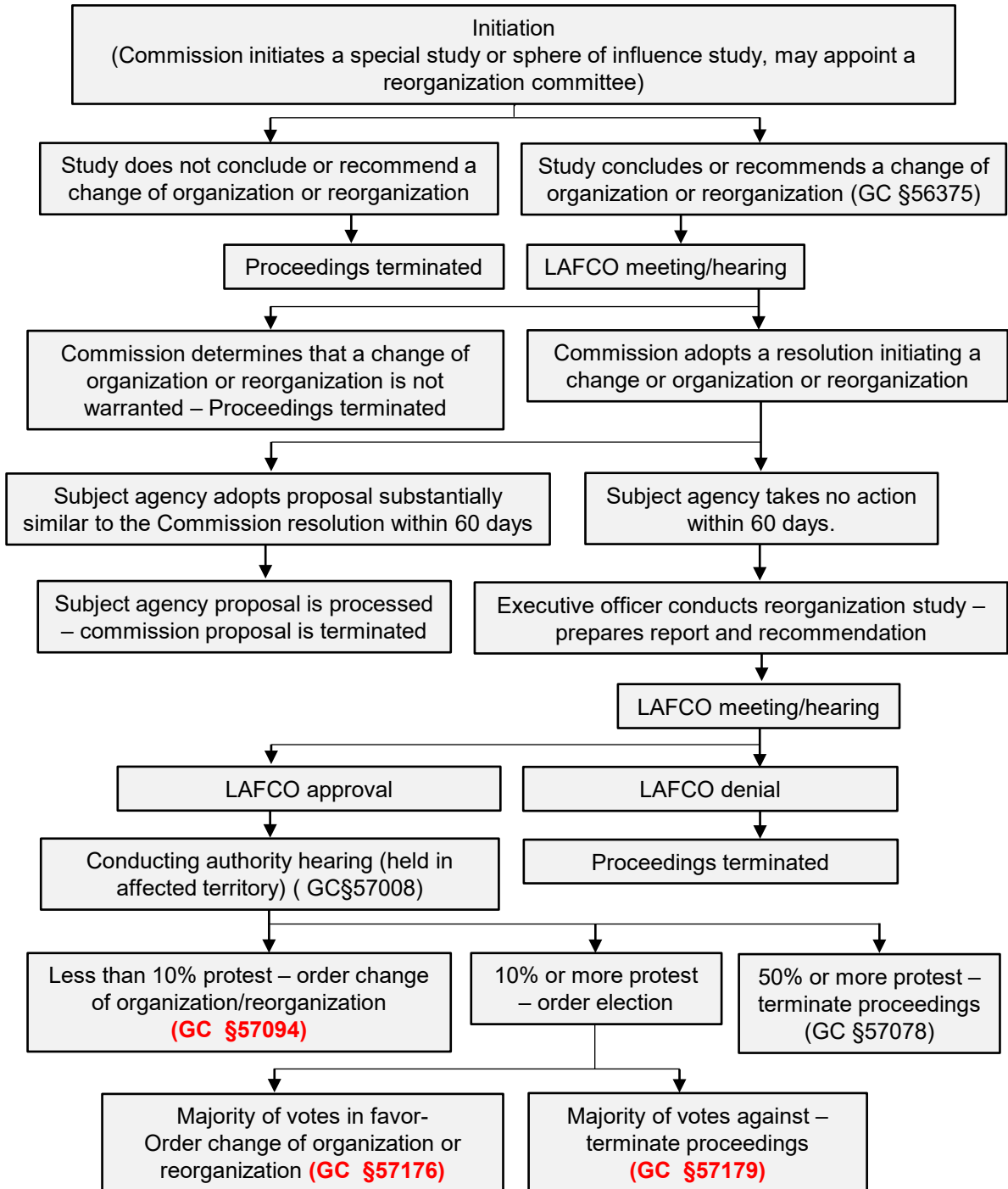
District Dissolution (Not Initiated by LAFCO)



This chart summarizes provisions of the California Government Code and is subject to change. Please refer to the Government Code sections referenced for further information. (Updated July 2024)

LAFCO-Initiated Change of Organization / Reorganization

This chart outlines only those types of changes of organization or reorganization as outlined in GC §56375 and does not include LAFCO-initiated dissolutions (GC §56375.1).



This chart summarizes provisions of the California Government Code and is subject to change. Please refer to the Government Code sections referenced for further information. (Updated July 2024)