

PLUMAS LAFCO
POLICIES, STANDARDS AND PROCEDURES

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A. PURPOSE AND EFFECT OF THESE POLICIES, STANDARDS, AND PROCEDURES

Plumas LAFCo is charged with the duty of applying and incorporating the policies and provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 into its decision making process regarding annexations, incorporations, reorganizations, formations and other changes of government. LAFCo is required to adopt written policies and procedures and to exercise its powers in a uniform manner consistent with those policies and procedures and within the policy directives of the Act. Specifically, the policies and standards set forth in this chapter are designed to:

1. Provide Information. Give LAFCo applicants who seek to reorganize guidance regarding the information they need to provide LAFCo so that the LAFCo staff can make appropriate determinations concerning their applications and provide information and notice to elected officials, governmental staff, and members of the general public as to the standards and procedures that LAFCo will use in evaluating applications.
2. Set Criteria. Provide LAFCo applicants with explicit guidance as to the criteria LAFCo will use in approving, disapproving, amending, or conditionally approving applications for changes of organization.
3. Provide Greater Consistency in Plumas LAFCo decision-making process by initiating regularly scheduled municipal service reviews.
4. Facilitate Communication among local agencies in the region.
5. Minimize Adverse Impacts of growth on the social, economic and environmental structure of Plumas County.
6. Provide for Planned, Orderly and Efficient Urban Development Patterns based upon comprehensive study and projection of future needs with appropriate consideration toward preserving open space and prime agricultural lands within those patterns.

B. THE LEGISLATURE'S CREATION OF LAFCO

1. LAFCo is an intra-local agency that was created by state legislation to ensure that changes in governmental organization occur in a manner that provides efficient and quality services and preserves open space land resources.
2. The creation of LAFCo was a legislative response to actions by local jurisdictions in the 1940's and 1950's. These agencies incorporated or annexed large, irregular portions of land in a manner that resulted in irrational urban boundaries and isolated populations without efficient services or with no services at all. In 1963, the Legislature established a Local Agency Formation Commission in each county and delegated to them its regulatory authority over local agency boundary changes.
3. Additional legislation in the 1960's extended LAFCo's authority. In the 1970's, the Legislature recognized the connection between decisions concerning governmental organization and the issues of urban sprawl and

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loss of prime agricultural land. In response to these concerns, Local Agency Formation Commissions were charged with implementing changes in governmental organization in a manner, which would preserve agricultural and open space land resources and provide for efficient delivery of services. Concerned that LAFCo organizations were responding reactively without considering long-term regional issues, in 1972 the Legislature began requiring LAFCo to adopt a sphere of influence for each agency in its jurisdiction. The sphere is the physical boundary and service area each local government agency is logically expected to serve as it expands and each proposal the Commission considers must be consistent with the sphere plan. The Legislature and the courts also require Plumas LAFCo to implement the California Environmental Quality Act (CEQA) as it applies to LAFCo actions.

4. In 1985, the Cortese-Knox Local Government Reorganization Act consolidated all statutes relative to local government changes of organization under Government Code § 56000, et.seq.. Later, in 1997, the Legislature assembled a Commission on Local Governance in the 21st Century to examine governance issues with special attention to the Local Government Reorganization Act. “Growth Within Bounds,” is the Commission’s report, and is based on four major findings: (1) The future will be marked by continued phenomenal growth, (2) California lacks a plan to accommodate growth, (3) local government is plagued by fiscal insecurity, and (4) the public is not engaged.

The Commission made eight recommendations:

- LAFCo policies and procedures should be uniform, streamlined and clarified.
- LAFCO must be neutral, independent, and balanced in representation of counties, cities, and special districts.
- LAFCo powers must be strengthened to prevent sprawl and ensure the orderly extension and evolution of local government services.
- The Legislature must strengthen LAFCo policies to protect agricultural and open-space lands.
- The Legislature must comprehensively revise the state-local fiscal relationship.
- The Legislature must develop incentives to encourage coordination of local plans within each region.
- The Legislature must enhance communication, coordination, and procedures of LAFCo organizations and local governments.
- The Legislature must increase opportunities for public involvement, active participation, and information regarding government decision-making.

These recommendations were incorporated into the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, which was

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adopted by the Legislature in September 2000, and became effective in 2001.

C. THE LEGISLATURE’S POLICY DIRECTION TO PLUMAS LAFCO

The Legislature has charged Plumas LAFCo with carrying out changes in governmental organization to promote specified legislative policies now codified in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Cortese-Knox-Hertzberg Act is set forth at length in Section 56000 of the Government Code. Section 56001, 56300, 56301, 56375, 56377, and 56668, contains the following major policy elements:

1. Orderly Growth. LAFCo is charged with encouraging orderly growth and development. Providing housing for persons and families of all incomes is an important factor in promoting orderly development.
2. Logical Boundaries. LAFCo is responsible for encouraging the logical formation and determination of boundaries.
3. Efficient Services. LAFCo must exercise its authority to ensure that affected populations receive adequate, efficient and effective governmental services.
4. Preserve Agricultural and Open Spaces. LAFCo is required to exercise its authority to guide development away from open space and prime agricultural land uses unless such actions would not promote planned, orderly, and efficient development.

D. LAFCO JURISDICTION

1. Specific Authority. LAFCo has the specific authority to review and approve or disapprove:
 - a) Annexations to, or detachments from, cities or districts.
 - b) Formation or dissolution of districts.
 - c) Incorporation or Disincorporation of cities.
 - d) Consolidation, merger or reorganization of cities or districts.
 - e) The establishment of a subsidiary district(s).
 - f) The preparation of Municipal Service Reviews and adoption, amendment and update of Spheres of Influence.
 - g) Extensions of service beyond an agency’s jurisdictional boundaries through Out-of-Agency-Service-Agreements.
 - h) Pursuant to Government Code §56434, the Commission may review and approve proposals that extend services into previously unserved territory.
 - i) Provision of new or different services by districts.
2. Limited Authority to Initiate Proposals. Under specific circumstances, Plumas LAFCo may initiate proposals resulting in consolidation of districts, formations, dissolution, merger, or establishment of subsidiary

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districts, or reorganizations that include any of those changes of organization.

3. Authority to Modify Proposals. Plumas LAFCo has the power to conduct studies, make recommendations, approve or disapprove proposals, modify boundaries and impose reasonable terms and conditions on approvals of proposals. Plumas LAFCo will weigh, balance, deliberate and set forth facts and determinations regarding each action taken by the Commission.

4. Limitation of Authority Relating to Land Use Conditions.

In order to carry out the legislative policies identified above, Plumas LAFCo will exercise its power to make findings and approve or disapprove applications, or to impose reasonable conditions on approved applications based upon findings of fact. However, while LAFCo organizations in general are charged with consideration of the impacts of land use in their determinations, they are prohibited from directing specific land use or zoning actions. Plumas LAFCo can deny an application where the land use that would result violates the statutory policies of the Cortese-Knox-Hertzberg Act.

The California Supreme Court has explained this unusual combination of power to deny coupled with no power to impose specific land use conditions to solve the same policy issue. It said the prohibition on imposing conditions regarding land use

"merely insures that final zoning decisions are made by the local agencies concerned. It certainly does nothing to detract from the power of a LAFCo to disapprove an annexation if it finds that it violates the detailed criteria which a LAFCo must consider."

Bozung v. LAFCo (1975) 13 Cal. 3d 263, 284.

Thus, for example, Plumas LAFCo may disapprove an application for an annexation to a city if it would create an area of urban development that is difficult to serve, or because it would cause the premature development of agricultural land. However, Plumas LAFCo could not carry out the same policies by requiring land to be rezoned from residential to agricultural use, or by other direct exercise of land use authority through the zoning or subdivision process.

E. PLUMAS LAFCO COMPOSITION AND LEGISLATIVE CHARGE

1. General Statutory Requirements. Plumas LAFCo is an independent and neutral, intra-local agency created by the Legislature to implement policies that the Legislature determined must be addressed from a regional perspective.
2. Independent Agency. Plumas LAFCo is, by statute, a separate public agency from the County, the cities and the districts that provide funding and appoint members from the different agencies and the public to the Commission.

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3. Intra-Local Representation. The legislative body of Plumas LAFCo is the Commission. The Legislature established the composition of the Commission to be representative of the local governmental agencies in the County by providing for city, county, special district, and public membership.
4. Public Interest. While the Commission is primarily made up of members appointed by individual local agencies, the Legislature requires the Commissioners to exercise their independent judgment in carrying out the provisions of the Act and to make their decisions impartially, on behalf of the public as a whole. Decisions required of Plumas LAFCo relating to the most efficient form of local government and the preservation of agricultural and open space lands inherently involve the balancing of potentially competing interests of cities, counties, and special districts. In addition, such determinations usually affect the public at large because of various options for the delivery of services.

The legislative charge to Plumas LAFCo Commissioners is to bring their experience and perspectives to bear in a manner that carries out the best policy from the perspective of the public as a whole. Commissioners are not selected to represent or to cast the vote of their appointing agencies. While Commissioners' decisions may be informed by their experience at their agency, the interests of that agency must not dictate those decisions.

Since Commission members are appointed by law to impartially carry out objective policies concerning public policy issues within the County, it is presumed that they will do so. It is for this reason that the Legislature determined that it is not an automatic conflict of interest for a Commissioner to vote on issues which may affect their appointing agency. Nevertheless, if a Commissioner feels that he or she is unable to act impartially, the Commissioner should voluntarily disqualify himself or herself from participation on the issues presented.

5. Commission Composition. Plumas LAFCo Commissioners are selected from the groups most affected by its decisions: the City of Portola, the County of Plumas, the Public, and Special Districts. At present, the Special Districts have not chosen to participate. Plumas LAFCo presently has five members, each of whom serve four-year terms. These members are:
 - a) Two Portola City Council members and one alternate from the City of Portola who are appointed by the City Council and Mayor of Portola. (If more than one city existed in Plumas County a committee of Mayors from each city would select the two City Council members and one alternate from the ranks of all City Council members elected in Plumas County.)
 - b) Two members from the Plumas County Board of Supervisors and one alternate appointed by the Plumas County Board of Supervisors.

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- c) Presently there is no representation on the Commission by representatives of the Special Districts in Plumas County. (If a majority of the forty-three Special Districts requested the LAFCo Executive Officer to convene a meeting of Special District Representatives (Special District Selection Committee), upon a favorable vote of the majority to participate and fund Plumas LAFCo, the Commission would be expanded to seven members in accordance with the provisions of Government Code Section 56332. (Two Special District Board Members and one alternate would be appointed by written ballot of the governing boards of special districts at the meeting convened by the Executive Officer of Plumas LAFCo.)
- d) One Public Member and one public alternate appointed by the Commission. Such Public Member must receive at least one affirmative vote from each of the other two categories of elected membership presently sitting on the Commission.

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II. LAFCO GENERAL POLICIES AND STANDARDS

The following are the general policies and standards that Plumas LAFCo will attempt to apply to matters under LAFCo consideration. Circumstances may arise where the application of one policy or standard may conflict with the application of another; in that event, Plumas LAFCo will exercise its discretion to balance policies in a manner consistent with the directives within the Cortese-Knox-Hertzberg Act and with the standards set forth in these written policies and procedures.

A. COMMUNICATION BETWEEN LOCAL AGENCIES

Plumas LAFCo has determined that an important part of its role is to encourage and promote communication and collaborative planning and studies between public agencies (such as the county, cities and special districts), members of the public, and service-providing members of the private sector such as water and electric companies.

B. URBAN DEVELOPMENT

Plumas LAFCo will encourage proposals that promote urban development to include annexation to a city or district where it is reasonable to do so, and to discourage proposals for urban development without annexation. Plumas LAFCo will also encourage cities and districts to annex lands that have been developed to urban levels, particularly areas that receive city or district services.

Urban Development includes development that utilizes either public water or sewer, and which involves industrial or commercial use, or residential use with density of at least one unit per 1.5 acres.

C. DISCOURAGING URBAN SPRAWL

Plumas LAFCo will discourage urban sprawl, and the Commission will make findings and deny proposals that can reasonably be expected to result in sprawl. Sprawl is characterized by irregular, dispersed, and/or disorganized urban or suburban growth patterns occurring at relatively low density and in a manner that precludes or hinders efficient delivery of municipal services, especially roads, public sewer and public water.

D. ENVIRONMENTAL CONSEQUENCES (CEQA)

LAFCO shall operate in accordance with the California Environmental Quality Act (CEQA), Public Resources Code Sections 21000 and the Guidelines for implementation of the California Environmental Quality Act. Like other public agencies, LAFCO is required to comply with the California Environmental Quality Act and consider the environmental consequences of its actions. Each proposal must receive the appropriate environmental review for consideration by the Commission in making its decisions. LAFCO is frequently a “responsible agency” and reviews and considers the environmental document prepared for the project by another agency (a city, The county, or a special district). Occasionally LAFCO will be the “lead agency” and may be required to prepare and certify a Negative Declaration or Environmental Impact Report (EIR) for a proposal. If a city, the county, or a special district is the proponent, it is usually the lead agency.

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One of the following determinations must be made by the lead agency after the appropriate environmental review:

- a) The project is exempt and a Notice of Exemption is prepared.
- b) A Negative Declaration is prepared, circulated for public review and certified by the governing body after an initial study finds that no significant impact to the environment will occur. The lead agency is required to consult with LAFCO staff during the review process.
- c) An EIR is prepared, circulated, and certified by the governing body if a project may have significant impacts on the environment. The lead agency must consult with LAFCO staff during the process.

E. BALANCING JOBS AND HOUSING

Plumas LAFCo will encourage applications, which improve the regional balance between jobs and housing. Plumas LAFCo will consider the impact of a proposal on the regional supply of residential housing for all income levels. The agency that is the subject of the proposal must demonstrate to the Commission that any adverse impacts of the proposal on the regional affordable housing supply will be mitigated.

F. COMPACT URBAN FORM AND INFILL DEVELOPMENT ENCOURAGED

When reviewing proposals that result in urban development, Plumas LAFCo will consider whether the proposed development is timely, compact in form and contiguous to existing urbanized areas. Plumas LAFCo will favor development of vacant or under-utilized parcels already within a city or other urbanized area before annexation of new territory.

G. PUBLIC ACCESSIBILITY AND ACCOUNTABILITY

LAFCO recognizes that the public's ability to participate in the local governance process is improved when the government structure is simple, accessible, and when decision-makers are accountable to those affected. The Commission will consider this principle when it evaluates proposals for change of organization or reorganization.

H. ADEQUATE SERVICES

Plumas LAFCo will consider the ability of an agency to deliver adequate, reliable and sustainable services and water resources, and will not approve a proposal that has significant potential to diminish the level of service in the agency's current jurisdiction. The agency must provide satisfactory documentation of capacity to provide service within a reasonable amount of time.

I. EFFICIENT SERVICES

Community needs are normally met most efficiently and effectively by proposals that:

1. Utilize Existing Public Agencies rather than create new ones.
2. Consolidate the Activities and Services of public agencies in order to obtain economies from the provision of consolidated services.

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3. Restructure Agency Boundaries and service areas to provide more logical, effective, and efficient local government services.

J. COMMUNITY IMPACTS

Plumas LAFCo will consider the impacts of a proposal and any alternative proposals on adjacent areas, on mutual social and economic interests, and on the local government structure. The Commission may deny a proposal if adverse impacts are not mitigated to an acceptable level.

K. CONFORMANCE WITH GENERAL AND SPECIFIC PLANS

1. Consistency with General and Specific Plans. Plumas LAFCo will approve changes of organization or reorganization only if the proposal is consistent with the General Plan and relevant Specific Plans of the applicable planning jurisdiction.
2. Planning Jurisdiction. The applicable planning jurisdiction is as follows:
 - a) For areas within a city's sphere of influence, the city is the applicable planning jurisdiction.
 - b) For areas outside a city's sphere of influence, Plumas County is the applicable planning jurisdiction.
3. Notification of Consistency. Prior to consideration of the application and proposal by Plumas LAFCo, the applicable planning jurisdiction shall advise Plumas LAFCo in writing whether the proposal meets all applicable consistency requirements of state law, including internal consistency. If the applicable planning jurisdiction is also applying to Plumas LAFCo by Resolution of Application, such findings may be included in the Resolution. Plumas LAFCo shall retain independent discretion to determine consistency and may require additional information if necessary, particularly where the proposal involves an amendment to the general plan of the applicable planning jurisdiction
4. Consistency Found Adequate. For purposes of this standard, the proposal shall be deemed consistent if the proposed use is:
 - a) Consistent with the applicable General Plan designation and text;
 - b) The applicable general plan is legally adequate and internally consistent; and
 - c) The anticipated types of services to be provided are appropriate to the land use designated for the area.
5. Prezoning or Planning. All territory proposed for annexation must be specifically planned and/or prezoned by the planning agency. The prezoning or zoning of the territory must be consistent with its general plan and sufficiently specific to determine the likely intended use of the property. State law permits no subsequent change to the zoning by a city for a period of two years under most circumstances

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L. BOUNDARIES

1. Definite Boundaries Required. Plumas LAFCo will not accept as complete any application for a proposal unless it includes boundaries that are definite, certain, and fully described.
2. Boundary Criteria. Plumas LAFCo will normally favor applications with boundaries that do the following:
 - a) Create logical boundaries within the affected agency's Sphere of Influence, and where possible, eliminate previously existing islands or other illogical boundaries.
 - b) Follow natural or man-made features and include logical service areas, where appropriate.
3. Boundary Adjustments. Plumas LAFCo will request that applicants amend their proposals if boundaries;
 - a) Split neighborhoods or divide an existing identifiable community, commercial district, or other area having a social or economic identity.
 - b) Result in islands, corridors, or peninsulas of incorporated or unincorporated territory or otherwise cause or further distort existing boundaries.
 - c) Are drawn for the primary purpose of encompassing revenue-producing territories.
 - d) Create areas where it is difficult to provide services.
4. Boundary Disapprovals. If Plumas LAFCo cannot suitably adjust the boundaries of a proposal to meet the criteria established in item 2 above, it will normally deny the proposal.

M. REVENUE NEUTRALITY

Revenue Neutrality Is Applicable to All Proposals. Plumas LAFCo will approve a proposal for a change of organization or reorganization only if the Commission finds that the proposal will result in a similar exchange of both revenues and service responsibilities among each affected agency. A proposal is deemed to have met this standard if the amount of revenue that will be transferred from an agency or agencies currently providing service in the subject territory to the proposed service-providing agency is substantially equal to the expense the current service provider bears in providing the services to be transferred.

1. Adjustment to Create Revenue Neutrality. In the event, the expense to the new service provider is substantially greater than or less than that amount of revenue transferred from the current service provider, the current service provider and new service-providing agency must agree to revenue transfer provisions to compensate for the imbalance.
Such provisions may include, but are not limited to, tax sharing, lump-sum payments, and payments over a fixed period.
2. Failure to Achieve Revenue Neutrality. Where achieving substantial revenue neutrality is not possible because of the limitations of state law,

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Plumas LAFCo shall impose all feasible conditions available to reduce any revenue imbalance, or it may deny the proposal. The Commission recognizes that strict compliance with the revenue neutrality standard may not be feasible for certain proposals and that the need for service may sometimes outweigh the requirement for complete revenue neutrality. Where the failure to achieve revenue neutrality is primarily due to a disagreement between the affected agencies, the Commission shall deny the application.

3. Revenue Sharing Agreements. Paragraphs 1, 2, and 3 of this section will be considered to be complied with if:
 - a) The affected agencies have agreed to a specific revenue split for the proposal and have filed a copy of that agreement with the Executive Officer with a statement that the agreement adequately provides for revenue neutrality, or
 - b) A master tax exchange agreement or agreed-upon formula is in effect between the affected agencies and the agencies confirm in writing that such agreement is applicable to this proposal and that it provides for a balanced exchange of service costs and revenues.

N. PRIME AGRICULTURAL AND OPEN SPACE LAND CONSERVATION

A primary goal of Plumas LAFCo is the preservation of open space and prime agricultural lands. Plumas LAFCo will exercise its powers to preserve prime agricultural ("ag") land as defined in Section 56064 of the Government Code, and open space land as defined in Section 65560 of the Government Code pursuant to the following standards

1. Conditions for Approval of Prime Ag/Open Space Land Conversion.

Plumas LAFCo will apply a heightened level of review when considering proposals for changes of organization or reorganization which are likely to result in the conversion of prime ag/open space land use to other uses, and will approve such proposals only when the Commission finds that the proposal will lead to planned, orderly, and efficient development. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria are met:

- a) The land subject to the change of organization or reorganization either is contiguous to lands developed with an urban use or lands which have received all discretionary approvals for urban development.
- b) The proposed development of the subject lands is consistent with the Spheres of Influence Plan, including the municipal services review of the affected agency or agencies and the land subject to the change of organization is within the current 5 year sphere of influence horizon boundary or the 10 year sphere horizon boundary as established by Plumas LAFCo.
- c) The land subject to the change of organization is likely to be developed within 5 years. In the case of very large developments,

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annexation should be phased wherever feasible. If the Commission finds that phasing is not feasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period.

- d) Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable 5 and 10 year spheres of influence that is planned and developable for the same general type of use.
 - e) The proposal will have no significant adverse effect on the physical and economic integrity of other adjacent or nearby ag/open space lands.
2. Approved Sphere of Influence Plan Required. Plumas LAFCo will not make the affirmative findings that the proposed development of the subject lands is consistent with the Spheres of Influence in the absence of an approved Spheres of Influence Plan, containing all of the elements required by Section III.B. below.
3. Finding with Respect to Alternative Sites. Plumas LAFCo will not make the affirmative findings that insufficient vacant non-prime or open space land exists within the Spheres of Influence plan unless the applicable jurisdiction has:
- a) Identified within its Sphere of Influence all "prime agricultural land" and "open space land".
 - b) Enacted measures to preserve prime ag/open space land identified within its Sphere of Influence for agricultural or open space use.
 - c) Adopted as part of its General Plan specific measures to facilitate and encourage in-fill development as an alternative to the development of prime ag/open space lands.
4. Determining Impact on Adjacent Ag/Open Space Lands. In making the determination, whether conversion will adversely impact adjoining prime agricultural or open space lands, Plumas LAFCo will consider the following factors:
- a) The prime ag/open space significance on the subject and adjacent areas relative to other ag/open space lands in the region.
 - b) The use of the subject and the adjacent areas.
 - c) Whether public facilities related to the proposal would be sized or situated so as to facilitate the conversion of adjacent or nearby prime ag/open space land, or will be extended through or adjacent to any other prime ag/open space lands which lie between the project site and existing facilities.
 - d) Whether natural or man-made barriers serve to buffer adjacent or nearby prime ag/open space land from the effects of the proposed development.

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- e) Applicable provisions of the General Plan open space and land use elements, applicable growth-management policies, or other statutory provisions designed to protect agriculture or open space land.
- 5. Comments on Prime Ag/Open Space Projects. Plumas LAFCo will comment upon, whenever feasible, a Notice of Preparation for Environmental Impact Reports or projects which involve the development of large tracts of open space or agricultural land.
- 6. Williamson Act Contracts - Spheres. The Commission will not normally approve a change to the Sphere of Influence of a local government agency of land that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (the Williamson Act) if that local government agency provides or would provide facilities and services related to sewers, nonagricultural water, or streets and roads to the land unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the Sphere of Influence. LAFCO will make specific findings considering the criteria and applicability of Government Code Section 56426.5 prior to approval of a change to the Sphere of Influence.
- 7. Williamson Act Contracts – Annexations. LAFCO will not normally approve or conditionally approve a change of organization or reorganization that would result in an annexation by a city or a special district of land that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (the Williamson Act), if that city or special district provides or would provide facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract. LAFCO shall consider the criteria and applicability of annexing land pursuant to Government Code Section 56856.6.
- 8. Agricultural Buffer Policy. LAFCO will normally disapprove an annexation of territory to a City or District or the formation of a district that will facilitate urban development where the territory to be annexed or formed is adjacent to agricultural lands unless adequate protections are included in the proposal to protect agricultural activities on nearby agricultural lands. Adequate protection shall normally be provided for an open space buffer of adequate width along the boundary (for example, 300 feet in width) so as to protect adjacent agricultural lands and activities. The Commission will consider other methods after making a finding, based on thorough environmental analysis and substantial evidence in the record, or that a buffer of reduced width and (or) an alternative are equally effective in protecting adjacent agricultural land and activities. Any protections shall be in the form of long-term legally enforceable restrictions such as a restrictive covenant or open space easement enforceable by the public as well as the annexing or forming agency.

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O. NEED FOR SERVICES

A need for the services that will be made available must be established. Plumas LAFCo will determine that a need for service exists if any of the following situations is present:

1. Public Health and Safety Threat. If the lack of the service creates a demonstrated threat to the public health and safety.
2. Community Needs. If a proposal includes the extension or provision of community services that are not considered growth inducing, such as fire protection, recreation, road maintenance, etc., and the residents of the area have indicated a desire for the service. A positive indication from the residents may be established by a city or district being requested by residents to initiate annexation on their behalf.
3. Five-year urbanization. If a proposal will result in the extension of services that may reasonably be expected to result in urbanization of the subject territory, the area growth patterns must indicate that the subject area is likely to be developed for urban use within five years, if permitted, and local planning regulations provide:
 - a) It is designated for urban uses in the appropriate land use authority's General Plan;
 - b) If the proposal includes annexation to a city, the subject territory has been pre-zoned for urban uses; and
 - c) Development at the site is consistent with the policies of the applicable General Plan, and the policies of the Cortese-Knox-Hertzberg Act.

P. TRIBAL LANDS

If a proposal involves an amendment or establishment of a Sphere of Influence or change of organization, which could ultimately lead to the provision of services to tribal lands, the proper tribal authority shall be informed of LAFCO's intention to seek a partial waiver of sovereign immunity prior to its approval of a change of organization.

Q. UPDATED MUNICIPAL SERVICE REVIEW REQUIRED

At the time LAFCO receives an application for a sphere of influence amendment, information contained in the applicable Municipal Service Review (MSR) shall be reviewed and updated, as necessary. Revised determinations within an applicable MSR will be required when significant changes in the MSR baseline result in inconsistencies with existing MSR determinations.

R. EXCEPTIONS

Plumas LAFCo may make exceptions to any of the standards in this Chapter if it determines that such exceptions can be justified under one or more of the following grounds:

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1. Unique. The project has a unique physical constraint that is so unusual and inconsistent with other similar locations that granting an exception would constitute a grant of a special privilege.
2. Standards Conflicts. The exception is required to resolve conflicts between standards of the policies set forth herein.
3. Quality/Cost. Making an exception results in significantly improved quality or substantially lower cost of service available.
4. No Alternative. The exceptions are required because no feasible or logical alternative exists.

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III. SPHERES OF INFLUENCE

A. GENERAL POLICIES

Plumas LAFCo must adopt a sphere of influence for each city and each district in its jurisdiction, and all Plumas LAFCo actions must be consistent with a sphere plan. Plumas LAFCo must review and update each agency's Sphere of Influence at least once every five years, as necessary. A Sphere of Influence is defined in Section 56425 of the Government Code as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the commission."

The determination of a Sphere of Influence is one of the most important planning functions given to Local Agency Formation Commissions by the state legislature. The Cortese-Knox-Hertzberg Act is an important tool for "planning and shaping the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities describes Spheres of Influence." Spheres serve a similar function in LAFCo determinations as general plans do for cities and counties. Consistency with the adopted sphere plan is mandatory, and changes to the plan require careful review.

While Plumas LAFCo encourages the participation and cooperation of the subject agency, the sphere of influence plan is a LAFCo responsibility, and the Commission is the sole authority as to the sufficiency of the documentation and the plan's consistency with law and Plumas LAFCo policy. In determining the sphere of influence of each agency, Plumas LAFCo must consider and prepare a written statement of its determinations with respect to the following four factors *as required by Section 56425 (e) of the Cortese-Knox-Hertzberg Act*:

- The present and planned land use in the area;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services provided by the agency; and
- Any social or economic communities of interest in the area that the Commission determines are relevant to the agency.

In order to prepare and update spheres of influence, Plumas LAFCo is required to conduct a review of the municipal services provided in the county, region, sub-region, or other appropriate designated area. The standards, procedures, and policies Plumas LAFCo applies to service reviews are set forth in these policies and procedures. Spheres of influence must be consistent with the findings of the applicable municipal service reviews, and will be modified as necessary.

1. Consistency Requirement. Every sphere of influence plan must be internally consistent, as well as consistent with LAFCO's Policies and Procedures, the state legislature's policy direction to LAFCO, the sphere plans of all other agencies in the area, the Commission's statement of written determinations with respect to its review of municipal services in the applicable area, and with the long range planning goals for the area.

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2. Sphere Boundaries. In establishing the boundaries of a sphere of influence plan for an agency, LAFCO will consider the factors listed in Section 56425 (e) of the Government Code as noted above.
 - a. With respect to the second factor (present and probable need for public facilities and services), LAFCO will not include lands that are unlikely to require the services provided by the agency, for example, lands not designated for development by the applicable General Plan, territory where development is constrained by topographical factors, or areas where the projected and historical growth rates do not indicate a need for service within the timeframe of the sphere plan.
 - b. With respect to the third factor (present capacity of facilities and adequacy of services), LAFCO will not include areas in an agency's sphere of influence, which cannot feasibly be served by the agency within a time frame consistent with the sphere plan.
3. No Concurrent Amendment. Plumas LAFCo will not amend a Sphere of Influence concurrently with its action on an applicants' proposal. Exceptions to this standard will generally be discouraged and will only occur when necessary and practical and at the direction of the Commission upon the recommendation of the Executive Officer.
4. Time Factor. Sphere of Influence amendments and municipal service reviews will ordinarily take longer to process than applications for changes of organization and will generally require information that is more detailed.
5. Updated Plans Encouraged. Agencies are encouraged to keep the supporting documentation for their Municipal Service Reviews and Sphere of Influence plans up to date so that applications for changes of organization or reorganization are able to proceed with minimal delay.
6. Areas of Concern. Plumas LAFCo may designate, in its discretion, a geographic area beyond the Sphere of Influence as an Area of Concern to any local agency.
 - a) An Area of Concern is a geographic area beyond the Sphere of Influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency ("the Concerned Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such situation would be the Concerned Agency with appropriate reason to request special consideration

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from the Acting Agency in considering projects adjacent to the City.

- b) Plumas LAFCo will notify any Concerned Agency when the Commission receives notice of a proposal of another agency in the Area of Concern to the Concerned Agency, and will give great weight to its comments.
- c) If requested, Plumas LAFCo will seek to obtain a Joint Powers Agreement or other commitment between the agencies so that the Acting Agency provides advance notice to the Concerned Agency of any actions, or projects being considered within the area of concern, and commits to considering any comments made by the Concerned Agency.

- 7. Zero and Minus Spheres. The Commission may adopt a “zero” sphere of influence (encompassing no territory) for an agency when the Commission has determined that the public service functions of the agency are either non-existent, no longer needed, or should be reallocated to some other agency of government. Adoption of a “zero” sphere indicates the agency should ultimately be dissolved. The Commission may initiate dissolution of an agency when it deems such action appropriate. The Commission may adopt a “minus” sphere (excluding territory currently within that agency’s boundaries) when it has determined that territory within the agency’s boundaries is not in need of the agency’s services, or when the agency has no feasible plans to provide efficient and adequate service to the territory in question.

B. CONTENTS OF THE SPHERE OF INFLUENCE PLAN

- 1. General Requirements. The Sphere of Influence Plans for all cities and special districts within Plumas LAFCo jurisdiction shall contain the following:
 - a. A sphere map and phased plan for annexation of the depicted territory defining the probable boundary of the agency’s service area 20 years hence (the long-term horizon) and identifying a near-term horizon defining the agency’s logical boundary for lands likely to be annexed prior to the next sphere review or update (typically within five years). The phased annexation plan may include specific conditions for particular areas that must be satisfied before annexations may occur.
 - b. Documentation to support the Commission’s determinations regarding the factors stated in §56425(e). Generally this information will be provided in the applicable Municipal Service Review(s), supplemented and updated as necessary to assure the information and analysis satisfy LAFCO policy requirements and are complete, current, and accurate.
- 2. Specific Requirements for City Sphere Plans

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- a. City/County Agreement. When required by G. C. §56425(b), a city and the county shall meet and confer regarding the boundaries of the city's sphere prior to the Commission's final determination. If a city and the county have reached agreement regarding the boundaries, development standards, and zoning requirements within a proposed city sphere, the Commission shall give great weight to the agreement in the Commission's final determination of the city's sphere.
 - b. Parcel Inventory and Absorption Study. The Commission must be able to make a positive determination that the city's sphere is consistent with its historical and expected growth rates, and that the territory within the sphere is likely to be annexed within the 20-year timeframe. The Commission's determination will be based on information provided by the city, including 1) a vacant land inventory, 2) an analysis of the vacant lands to determine their suitability for development, and 3) a market study to determine the absorption rate of the usable vacant lands. If the city is unable to supply such information, LAFCO will make a sphere determination after considering the city's historical growth rates for each land use designation, pertinent city land use and zoning regulations, and the physical characteristics of the property intended to be included in the sphere.
 - c. Spheres for New Cities. The Commission will adopt a Sphere of Influence Plan for a newly incorporated city within a year of the date of incorporation.
3. Specific Requirements for District Sphere Plans
- a) Appropriate capacity. A district's sphere plan must document that the territory within the district's sphere is likely to require the district's services and that the district has or will have the capacity to serve the area at the appropriate level.
 - b) Multi-service Districts. LAFCO shall adopt a sphere of influence plan for each distinct function or class of service provided by a district. These sphere plans may or may not be coterminous. Each sphere shall establish the nature, location, and extent of the functions or classes of services provided by the district.
 - c) Spheres for New Districts. LAFCO will adopt a Sphere of Influence Plan for a newly formed district within two years of the completion of formation proceedings.

C. MUNICIPAL SERVICE REVIEWS

In order to establish an appropriate sphere for an agency, LAFCO must have adequate information on present and future service needs in the area and the capabilities of the agency to meet those needs. To this purpose, the Cortese-Knox-Hertzberg Act requires LAFCO to conduct service reviews prior to establishing or updating spheres of influence. A service review is a comprehensive review of provision of specified services within a designated geographic area. Its purpose is

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to evaluate the provision of services on a regional basis and to recommend actions, when necessary, to promote the efficient provision of those services. The service reviews are intended to help LAFCO, the public and other agencies better understand the public service structure and evaluate options for the provision of efficient and effective public services. LAFCO uses the information and analysis provided by the Municipal Service Review (MSR) to ascertain whether an agency can provide adequate and efficient services to the areas in the agency's sphere within the applicable time frame.

LAFCO will prepare or update the appropriate Municipal Service Reviews prior to or in conjunction with the adoption or update of an agency's sphere of influence plan. In general, LAFCO will conduct such reviews on a service-by-service basis for designated geographic areas. The Commission will periodically develop and implement a multi-year coordinated schedule for preparing MSRs and updating spheres of influence, in accordance with the legislature's direction to review each agency's sphere of influence every five years and update as necessary and provided for in LAFCO's budget.

- a) General Standards. LAFCO shall prepare Municipal Service Reviews in conformance with the provisions of Government Code §56430. A Municipal Service Review must provide information specific to each agency to support the Commission's written determinations with respect to the following:
 - Growth and population projections for the affected area.
 - Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
 - Financial ability of agencies to provide service.
 - Status of, and opportunities for, shared facilities.
 - Accountability for community service needs, including governmental structure and operational efficiencies.
 - Any other matter related to effective or efficient service delivery.
- b) Municipal Service Reviews Must Support Spheres of Influence. In addition to the requirements discussed above, Municipal Service Reviews shall contain information on which the Commission can base its determination of the appropriate sphere of influence for an agency, including:
 - i) Identification of existing land uses and a reasonable projection of land uses, which would occur if services were provided consistent with each agency's sphere of influence plan. This analysis should include maps and explanatory text detailing the following:
 - Present designated and actual land uses in the area, improved and unimproved properties, and agricultural and open space lands, as defined by G.C. Sections 56064 and 56059.
 - Proposed future land uses in the area.
 - ii) Discussion of present and probable future needs for public facilities and services in the sphere area. The discussion should include

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- consideration of the need for all types of major facilities, not just those provided by the agency.
- iii) A determination of the present and future capacity of facilities and adequacy of services the agency provides or has plans to provide. The review must include specific information and analysis of how the agency will meet anticipated growth in demand within its current boundaries and within the area included in its sphere. This information will guide the Commission's designation of appropriate sphere horizons in the Sphere of Influence Plan. The required information should include the following:
- Maps and explanatory text that indicate the location and capacity of existing and proposed facilities, including a plan for timing and location of new or expanded facilities.
 - An estimate of projected revenue and expense over the sphere horizons, specifically identifying the cost of planned new facilities or services and projected source(s) of revenue to fund those new facilities or services.
 - Actual and projected costs of services to consumers in current dollars. A statement of actual and projected allocations of the cost of services between existing and new residents shall be included.
- iv) Identification of any relevant social or economic communities of interest in the area. For example, an area which is completely within one subdivision governed by a single homeowner's association should be noted, in order to avoid unnecessary division of the territory between service agencies.
- c) Uses of the Municipal Service Review. Upon approval of the Municipal Service Review, it will be utilized by LAFCO both in establishing the agency's sphere of influence and in the consideration of all proposals affecting that agency.

D. AMENDMENTS AND UPDATES OF SPHERES

1. Adoptions and Revisions. Plumas LAFCo will adopt, amend, or update Sphere of Influence Plans after a public hearing and pursuant to the procedures set forth in Section 56430 of the Cortese-Knox-Hertzberg Act. Sphere actions are subject to the provisions of the California Environmental Quality Act. After the initial updates, Sphere of Influence Plans for every city and special district within the county shall be updated as necessary as determined by the Commission. Wherever possible, city sphere updates shall be scheduled to coincide with city general plan updates.
2. Amendments and Updates Defined. Amendments generally involve discrete changes to a sphere of influence map or plan that are proposed by an agency or individual to accommodate a specific proposal. An

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amendment may or may not involve changes to the Municipal Service Review information.

Updates generally involve a comprehensive review of the entire sphere of influence plan, including the map and applicable Municipal Service Review(s).

3. Amendments Required. An amendment to the sphere of influence plan or municipal services review will be required in the following circumstances:
 - a) To modify a sphere by adding or removing territory
 - b) To move territory from one sphere horizon to another.
 - c) When a district seeks to provide a new or different function or class of service.
 - d) When an agency proposes a significant change in its plans for service that make the current sphere plan impractical.
4. Updates Required. Plumas LAFCo will review the adopted sphere of each agency not less than once every five years, and will update it, as the Commission deems necessary. Prior to completion of a sphere of influence update, LAFCo will request the agency provide updated information for the applicable Municipal Service Review(s) and the Sphere of Influence Plan. In the absence of adequate information from the agency, the Commission will complete the sphere update by identifying the territories that currently receive the agency's services and excluding unserved territories from the sphere.
5. General Requirements. Plumas LAFCo will generally treat an update or a proposed amendment to an agency's Sphere of Influence similarly to an application for approval of a Sphere of Influence. Each of the following sets of policies apply to amendments to and updates of Spheres of Influence:
 - a) General policies.
 - b) Specific policies and standards for Spheres of Influence and for Updates and Amendments thereto.

LAFCo will not approve a sphere plan that would result in a sphere that is inconsistent with other LAFCo policies or standards unless a specific finding is made.
6. Precedence of Amendments over Annexations. Sphere of Influence amendments shall precede the Commission's consideration of proposals for change of organization or reorganization.
7. Treatment of Amendment under Sphere Horizons. Plumas LAFCo will not place territory in an agency's near term sphere horizon unless the agency can show an immediate need for service by clear and convincing evidence.
8. Demonstrated Need Required. An applicant for amendment to a Sphere of Influence must demonstrate a projected need or (in the case of reduction of the sphere) lack of need for or inability to provide service.

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9. Prime Agricultural and Open Space Land. Amendment proposals involving Sphere expansion which contain prime agricultural or open space land will not be approved by Plumas LAFCo if there is sufficient alternative land available for annexation within the existing Sphere of Influence.

E. DISTRICTS AND SERVICES WHICH ARE NOT GROWTH-INDUCING

The Commission may prepare abbreviated Municipal Service Reviews and Sphere of Influence Updates for agencies not providing growth-inducing services and districts providing non-growth inducing services, and where appropriate determine Sphere of Influence actions to be exempt from the provisions of the California Environmental Quality Act.

Non-growth-inducing services are defined as all public services except water conveyance, treatment, extraction and use of ground and (or) surface water for domestic services or to facilitate urban development; and domestic wastewater collection, treatment and disposal to facilitate urban development; and fire protection and road construction and maintenance services. Districts providing non-growth inducing services normally would serve finite geographical areas, surrounded by public lands, provide limited specified services to residents or landowners, have coterminous district/sphere of influence boundaries and are not generally or routinely considered for expansion through annexations or sphere amendments for the purpose of providing services for existing or future urban development.

Sphere of Influence Plan reviews and affirmations for districts providing non-growth inducing services would normally not generate environmental impacts that would make them subject to heightened level of review California Environmental Quality Act (CEQA), namely a Negative Declaration or Environmental Impact Report. Pursuant to CEQA Guideline Section 15320 the following may be applied, as appropriate. This section provides for an exemption (class 20) where changes in organization or reorganization of local governmental agencies (i.e. in the case of a Sphere of Influence for districts providing non-growth inducing services) where the changes do not change the geographical area in which previously existing powers are exercised. This exemption may also be applicable where the changes will not result in any substantive changes to the functions, operations or purposes of the districts; are not predicated on, or will result in, any land use changes that may be subject to CEQA review; and will not cause any reasonable foreseeable environmental consequences in that the Sphere of Influence affirmation will not directly create or cause any significant land use changes or other actions that could be detrimental to the environment.

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IV. ANNEXATIONS AND DETACHMENTS

A. GENERAL STANDARDS FOR ANNEXATION AND DETACHMENT

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

1. Consistency With Plumas LAFCo Policies. The annexation or detachment must be consistent with the General Policies set forth in Section II of this Chapter above.
2. Consistency with Spheres and Municipal Service Reviews-
 - a) The annexation or detachment must be consistent with the internal Spheres of Influence boundaries. The land subject to annexation shall normally lie within the near-term sphere horizon, which is land expected to be annexed before the next sphere update.
 - b) The annexation must also be consistent with the applicable Municipal Service Review. An annexation or detachment shall be approved only if the Municipal Service Review and any update done as part of the annexation process demonstrate that adequate services will be provided within the time-frame needed by the inhabitants of the annexed or detached area.
 - c) Proposed annexations of lands that lie outside of the near-term sphere horizon are presumed to be inconsistent with the Sphere Plan. In such case the agency or proponent must first request LAFCo consider a sphere amendment to bring the territory within the near-term sphere horizon. Only if the amendment is approved can LAFCo proceed with the annexation proposal.
3. Plan for Services Required. Every proposal must include a Plan for Services that addresses the items identified in Government Code Section 56653. This Plan for Service must be consistent with the Municipal Service Review of the agency.
4. Contiguity. If required by statute, or if necessary to ensure efficient service provision, territory proposed to be annexed must generally be contiguous to the annexing city or district. Territory is not contiguous if its only connection is a strip of land more than 300 feet long and less than 200 feet wide. (Government Code §56031 & § 56119)
5. Piecemeal Annexation Are Discouraged. Plumas LAFCo will favorably consider proposals that are a part of an orderly, phased annexation program by an agency for territory within its Sphere of Influence. Plumas LAFCo may modify small, piece-meal annexations within the sphere, to include additional territory in order to promote orderly annexation and logical boundaries.
6. Annexations To Eliminate Islands. Proposals to annex islands and that otherwise correct illogical distortion of boundaries will be approved unless they would violate another provision of these standards.

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7. Annexations That Create Islands. An annexation will not be approved if it will result in the creation of islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries. The Commission may nevertheless approve the annexation where it finds that annexation as proposed is necessary for orderly growth and that reasonable effort has been made to include the island in the annexation but that inclusion is not feasible at this time.
8. Service Requirements. An annexation or attachment shall not be approved merely to facilitate the delivery of one or a few services to the detriment of either existing or future delivery of a larger number of services or services more basic to public health and welfare.
9. Adverse Impact of Annexation On Other Agencies or Service Recipients. Plumas LAFCo will deny annexation proposals that would result in significant adverse effects upon other service recipients or other agencies serving the affected area unless the approval is conditioned to avoid such impacts.
10. Need for Services. An annexation will normally not be approved unless an agency can demonstrate there is a demand and need for services in the short-term and that the annexation will not be premature meeting the criteria in Section II N.
11. Action Options. Plumas LAFCo shall take one of the following three actions on an application for annexation or detachment:
 - a) Approve the proposal 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) Modify or conditionally approve the proposal to ensure efficient service delivery and meet other policy objectives. 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.
 - (3) Requiring the inclusion of additional territory or exclusion of territory in order to achieve boundaries that are more logical.
 - (4) Such other conditions as authorized by Government Code § 56886.
 - c) Deny the annexation. In the event of such a denial, Plumas LAFCo, where appropriate, may provide direction as to changes in the proposal that could cause the commission to consider approving a revised application.
12. Service Extensions. Plumas LAFCo disfavors extension of services by an agency without annexation, unless such extension is by contract with another government entity or a private utility and the agency has sought

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Plumas LAFCo approval through the filing of an application to Approve Out-Of-Agency Service Agreement.

B. DETERMINATION OF THE MOST EFFICIENT SERVICE PROVIDER

Plumas LAFCo will approve an annexation and (or) detachment only if the Commission determines that the annexing agency possesses the capability to provide better services for the affected population.

1. **Best Combination of Service and Cost.** For purposes of this standard, the best provider is the agency that provides the best combination of service cost and service level. In the case of providers with similar service costs, the provider with higher service levels shall normally be preferred. In the case of providers of similar service levels, the provider at the lowest cost shall normally be preferred. In comparing the providers of adequate but low-cost services, with high-quality, high-cost services, the Commission shall make the decision based on the facts of the specific situation, compliance with other LAFCO policies and the preferences of the affected population.
2. In the case of a city annexation and detachment from a special district, LAFCO may consider the broader service issues in making the determination whether to approve the detachment and shift of services from the special district to the city. Even though looked at in isolation, the service provided by the special district may be the superior if evaluated under subsection a) above, LAFCO may consider the overall efficiency advantages of a single multi-purpose agency and determine that these advantages justify the detachment from the special district and shift of service to the city.
3. “Affected Population” Defined. For purposes of this standard, “affected population,” means any of the following:
 - a) The population, which inhabits or will inhabit the area to be annexed.
 - b) The population already being served by the annexing agency.
 - c) The population of existing or potential alternative service providers.
4. Factors to be Considered. In evaluating the capability of an annexing agency or of alternative agencies, to provide the required service, Plumas LAFCo shall utilize the information from the Municipal Service Reviews applicable to the proposed annexing entity, current service providers, and potential alternative service providers. In addition, LAFCo shall take into account all of the following factors:
 - a) Physical accessibility of the territory to the agency’s service provision resources -- for example, is the agency the provider of sewer service whose plant can most easily gravity-feed from the subject territory.

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- b) The agency's possession of or 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.
 - c) 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 interruptions, accidents, safety hazards, excessive complaints, non-compliance with CEQA, illegal activities or excess costs/charges.
 - d) The appropriateness of the agency's organizational structure to meet service needs. For example, Plumas LAFCo may question whether a dependent district of a city is an appropriate provider of services outside the city boundaries, where the population will have no ability to vote for the board of directors of that district.
 - e) The legislative policy established in the Cortese-Knox-Hertzberg Act to favor consolidation of services in a single multi-service provider over allowing the proliferation of single-purpose service agencies.
 - f) The possibility of a negative effect on alternative service providers and those who use their services.
 - g) Other information supplied by the agencies and (or) developed by LAFCo.
 - h) The factors listed in Government Code Section 56668.
5. LAFCo Makes Determination. Plumas LAFCo shall determine the most efficient overall service provider or combination of providers, not the affected agencies.

C. CITY ANNEXATIONS

1. Annexation of Streets. Annexations shall reflect logical allocation of streets and rights of way. Specifically:
- a) Plumas LAFCo may require inclusion of additional territory within an annexation in order to assure that the city reasonably assumes the burden of providing adequate roads to the property to be annexed. Where adjacent lands that are in the City will generate additional traffic, LAFCo will require the city to annex the streets that serve these lands.
 - b) Plumas LAFCo will favorably consider annexations with boundary lines located so that all streets and right-of-ways will be placed within the same jurisdiction as the properties, which either abut thereon or use the streets and right-of-way for access. Except in extraordinary circumstances, cities shall annex an entire roadway portion when 50% or more of the frontage on both sides of the street will be within the city after completion of the annexation.

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2. Urban Boundaries. Annexation boundaries shall normally be adjusted to include adjacent urbanized areas to maximize the amount of developed urban land inside the city, to minimize piece-meal annexation and to ensure the provision of urban services to the urbanized area. As used herein, “urbanized areas,” means an area developed with relatively intensive residential, commercial, or industrial development of a type, which normally requires municipal type services such as public water and/or sewer.
3. Pre-zoning Required. The Cortese-Knox-Hertzberg Act requires the city to rezone territory to be annexed, and prohibits subsequent changes to the general plan and or pre-zoning designations for a period of two years after completion of the annexation, unless the city council makes a finding at a public hearing consistent with the provisions of GC 56375 (e). The city’s prezoning must take into account the likely intended development of the specific property.

In instances where LAFCo amends a proposal to include additional territory, the Commission’s approval of the annexation will be conditional upon completion of pre-zoning of the new territory.

D. DETACHMENTS FROM CITIES AND DISTRICTS

1. General Requirements. Plumas LAFCo will generally disfavor 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; or
 - b) The successor provider will be the most efficient services provider to the area as determined pursuant to Section IV.B above and the detachment will not significantly reduce the efficiency of service delivery to the remaining inhabitants of the current service provider’s territory.
 - c) The agency is not providing service to the territory and is not likely to provide service in the foreseeable future.
2. Service Plan Considerations. 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. However, Plumas LAFCo may determine during the updating of the spheres of the two agencies, that the district should continue to provide service within certain areas even after annexation to the city.
3. Bonded Indebtedness. 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 incurred

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previously by the city or district to provide service to the detaching property unless the following apply:

- a) The relief from indebtedness is part of a revenue exchange agreement applying to the detachment.
- b) The agency is legally authorized to and agrees to assume the cost and spread it over the remaining property within the agency.

E. EXTENSION OF SERVICES BY CONTRACT (GOVERNMENT CODE § 56133)

This section applies only to contracts to extend services beyond a local agency's jurisdictional boundaries (Out-Of-Agency Service Agreements), which are subject to the provisions established by Section 56133 of the Government Code.

1. General Standards.

a) Applicable Policies:

When considering requests to extend services by contract beyond an agency's jurisdiction boundaries, Plumas LAFCo will apply the same general substantive policies as for annexation requests. In addition, the application must be made in anticipation of annexation. As used in this section, the term "in anticipation of annexation" means that the agency has established to the satisfaction of Plumas LAFCo that there is a reasonable probability that the property will be annexed within a reasonable period.

b) Subsequent Annexation Application Required

For all contract service extensions, the requesting agency must either:

- (1) File a concurrent application with Plumas LAFCo for annexation of the property, or
- (2) Carry out both of the following:
 - (a) Place a condition in its contract with the property owner requiring submittal of an annexation application within a period not to exceed two years; and
 - (b) Record a notice against title to the property specifying that in the event that the agency does not proceed with annexation, the property owner must make application to Plumas LAFCo for annexation of the territory within two years of Plumas LAFCo approval of the request.
 - (c) LAFCO may waive the General Standards included in Section E (1) a and b above for Out of Area Service Agreements if it can be clearly demonstrated that near-term annexation is not feasible and the servicing district makes all reasonable efforts for annexation to move forward

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at the earliest time possible and landowners consent to annexation to the district providing the services.

(3) Contract Request Approval does not Guarantee Annexation Approval

The requesting agency shall advise the property owner in writing that approval of a contract request does not guarantee that an application to annex the property will be approved by the Commission.

(4) Unapproved Contracts Null & Void. If an agency enters into a contract without LAFCO approval, the contract shall be null and void. If the Executive Officer receives notice of a violation of these provisions, he or she shall place the item on the Commission's agenda for consideration of appropriate action.

(5) Urgency Approvals. In a case which conforms to the standards set forth in this section (4.5), and which also involves an imminent peril to public health and safety, applicants may submit an abbreviated application, along with the applicable deposit as specified in the LAFCO fee schedule, to be considered for temporary urgency approval by the Executive Officer. The Executive Officer shall present the matter to the Commission at the next available meeting for final consideration.

2. Delegation of Executive Officer to Review and Approve Out of Area Agreements

- a) The Commission hereby affirms, that the Executive Officer is empowered and authorized by these Policies as well as Resolution 2001-005 to perform the administrative task of reviewing and approving Out-Of-Agency Service Agreements submitted by Plumas LAFCO applicants consistent with these policies and Government Code §56133, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, and the Commission documents the delegation of said authority to the Executive Officer by and through this resolution.
- b) The Executive Officer may on a case by case basis defer the authority to consider of an Out of Agency Service Agreement back to the Commission.

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V. INCORPORATIONS, FORMATIONS, CONSOLIDATIONS, DISSOLUTIONS AND DISINCORPORATIONS

A. INCORPORATION OF CITIES

1. Compliance with LAFCO Policies Required. Plumas LAFCo will approve incorporation only if it finds that the proposal complies with the general policies and standards applicable to all changes of organization or reorganization, as well as with the following specific policies for incorporation.
2. Determination of the Need for Incorporation. Plumas LAFCo will only favor a proposal for incorporation if the Commission finds that there is a significant unmet need for urban services or need for improved urban services within the territory for which incorporation is proposed. In determining whether such a need for urban services exists, the Commission will base its determination on:
 - a) Current levels of service in the area to be incorporated.
 - b) Whether the area proposed for incorporation is already substantially urbanized or applicable general plans, specific plans, or area plans and/or realistic population and growth projections demonstrate the need for urbanization of the affected area within the next five years.
 - c) The Sphere of Influence Plans for the jurisdictions currently providing services to the area.
 - d) The preferences of the community proposing to incorporate.
 - e) Whether the incorporation proposal can be structured to ensure the long-term preservation of open space or agricultural lands.
3. Better Combination of Services. LAFCO will approve a proposal for incorporation only if it finds that a new city on the whole will provide the best combination of urban services to the affected population.
4. Public Benefit Considered. LAFCO will consider whether the proposed incorporation will benefit the affected population as a whole, or only a select group. Absent other considerations, LAFCO will not approve an incorporation proposal that amounts to a grant of governmental powers to a special interest group.
5. Balancing Adverse Impacts. In making its decision on the incorporation, LAFCo shall weigh the benefits of the incorporation against adverse impacts of the incorporation on:
 - a) Particular communities or groups in the incorporating area or affected unincorporated area.
 - b) Other service providers within the area of the proposed incorporation, including the County.
 - c) Prime agricultural and open space lands and the prevention of urban sprawl.

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6. Plan for Services Required. A proposal for incorporation must include a plan for services that addresses the items identified in Government Code Section 56653.
7. Prime Agricultural and Open Space Land that is not designated for urbanization within the next five years of the date of the receipt of the application shall not be included within the boundaries of a proposed city unless the Commission determines that inclusion is necessary for logical boundaries and orderly growth and the proposal is structured to ensure the long-term preservation of the open space or agricultural lands
8. Comprehensive Fiscal Analysis Required. A comprehensive fiscal analysis (CFA) of the projected fiscal condition of the new city shall be prepared as required by Government Code § 56833.1. Either the applicant shall provide a draft CFA for review by Plumas LAFCo staff for accuracy and content, or the applicant may contract with LAFCo to have Plumas LAFCo prepare the CFA directly at the applicant's expense. Any such CFA shall project income and expense for a period of seven years after incorporation.
9. Substantial Revenue Neutrality and Fiscal Solvency Required. Plumas LAFCo will only approve a proposal for incorporation if the Comprehensive Fiscal Analysis required by Section 56833.1 of the Government Code demonstrates that the proposed city will be able to fund municipal services and remain financially solvent, after making adjustments to attain revenue neutrality. As used herein, the term "revenue neutrality" shall mean an exchange of revenue and service delivery costs between the new city and the various affected agencies, as more specifically established by Government Code Section 56815. In determining revenue neutrality, LAFCo will consider the overall impact of all agency funds and will not necessarily require revenue neutrality in each separate fund.
10. Financial Review Request.
Any interested person or agency may request a review of the CFA by the Office of the State Controller within 30 days of the Commission's acceptance of the CFA as complete. The requesting party will be responsible for the State Controller's charges to conduct the review, and is required to deposit the estimated cost before the review will be initiated. If the requesting party fails to deposit the estimated cost and execute a payment agreement for the balance within 7 days of being notified of the amount, the request will be deemed withdrawn.
11. Competing Applications Relative to the Proposed Incorporation. If Plumas LAFCo receives more than one application affecting an area proposed for incorporation, and such competing application(s) is received within thirty-days of the initial application for incorporation, the Commission shall consider such competing application(s) before approval of the incorporation proposal pursuant to Government Code § 56657.

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B. DISTRICT FORMATION

1. Consistency with LAFCO Policies. The formation of a special district must be consistent with the general policies set forth in these Policies and Procedures, as well as specific policies for formations
2. Unmet Needs. Plumas LAFCo will encourage special district formations in areas that demonstrate a need for such services and areas where no existing agency can adequately or efficiently provide such services.
3. Plan for Services Required. Every proposal for formation of a new special district must include a plan for services that addresses the items identified in Government Code Section 56653.
4. LAFCO Will Establish Service Pattern. LAFCo's approval of a district formation will designate the nature, location, and extent of any functions or classes of services for the new district. This designation will be based upon the plan for services.
5. Consistency Required. Plumas LAFCo will only approve district formation applications that foster development that is consistent with the General and Specific Plans of all affected land use authorities.
6. Conflicts Not Allowed. Plumas LAFCo will not approve district formations when the Municipal Service Reviews developed by applicants for district formations conflict with the Municipal Service Reviews of other agencies unless higher quality, more efficient service provision will occur as determined under Section IV.B above.
7. Public Benefit Considered When considering applications for district formation, Plumas LAFCo may consider whether the formation of the agency amounts to a grant of governmental powers to a special interest group. LAFCo will also consider the impacts on other service providers, including the County.
8. Fiscal Solvency. The applicant for any district formation shall be required to prepare, or contract to have Plumas LAFCo prepare, a fiscal analysis for the proposed district which projects services to be provided, costs to service recipients, and revenue and expenses for a period of at least 5 years. Plumas LAFCo will not approve an application for district formation unless the fiscal analysis demonstrates the district can provide the needed services and remain fiscally solvent. If the financing element of the plan for services requires voter or landowner approval (for instance, a special tax or benefit assessment), LAFCo's approval of the proposal will require voter approval of the funding mechanism as a condition for completion of the formation.
9. County Service Areas. Plumas LAFCo may reduce or waive these district formation requirements in connection with the formation of routine county service areas.

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C. *PROVISION OF NEW SERVICES BY DISTRICTS*

1. Policies Applicable to New Service Proposals. LAFCO will evaluate a proposal for a district to provide new services using the policies and standards applicable to the formation of a new district.
2. Plan for Services Required. A proposal must include a plan for services that addresses the items identified in Government Code Section 56653.
3. New Services not Subsidized. LAFCO will not approve a proposal for the provision of a new service where it is reasonably likely that existing ratepayers and/or taxpayers will have to subsidize the new service. The Plan for service must include a fiscal feasibility analysis for the new service containing the elements set forth in 5.2 (h).

D. *CONSOLIDATIONS AND MERGERS OF DISTRICTS INTO CITIES*

1. Policies Applicable to Consolidations and Mergers. Plumas LAFCo will approach the issues of consolidation of cities or districts in the same way as incorporation or a district formation. The merger of a district into a city will be treated as if it were an annexation of the district's territory combined with a detachment or dissolution.
2. General Requirements. Based upon a submitted Plan for Service and any other data provided, Plumas LAFCo will determine whether the cities' or districts' organizations and operations can feasibly be combined. Plumas LAFCo will give particular attention to the following:
 - a) Service plans and safeguards to ensure uniform and consistent service quality throughout the newly consolidated or merged jurisdiction.
 - b) Staffing levels, personnel costs, and employment contracts.
 - c) Potential for cost efficiencies and economies of scale.
 - d) Potential for improved governance and accountability.
 - e) Plans for restructuring agency debt.
 - f) Provisions for combining capital reserves and improvement plans.
 - g) Provisions for establishing zones of benefit, if necessary.
3. Special Consolidation Procedures. Government Code Section 56853). If two or more local agencies file an application to consolidate that meets the standards established in Government Code Section 56853, the Commission will either approve the proposal or require conditions that will ensure the proposal is consistent with LAFCO policy. The Commission will notify the agencies of change in the material proposed conditions in the application, in accordance with the provisions established in Government Code Section 56853.
4. Procedure for Formation of Subsidiary Districts. Proposals for the merger of a district into a city or establishment of the district as a subsidiary district of the city shall follow the special procedure set forth in Government Code Sections 56861-56863

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- E. **PLUMAS LAFCO-INITIATED CHANGES OF ORGANIZATION AND REORGANIZATION**
1. General. Plumas LAFCo may initiate its own proceedings for consolidation of districts; and the dissolution, merger, or establishment of subsidiary districts; or reorganizations that include any of these changes of organization in accordance with all relevant provisions of the Cortese-Knox-Hertzberg Act. Such changes of organization shall hereinafter be referred to as LAFCo-initiated proposals for the purposes of this section.
 2. Initiation of a consolidation or reorganization must be consistent with the recommendation of a consolidation study prepared pursuant to Government Code § 56378 and/or § 56425 or 56430 (Municipal Service Reviews), which evaluates the factors listed in Section 5.4 above, and 5.4(d) below. The Commission will publicly consider a request from any interested person or agency to conduct such a study, or may initiate such as study on its own.
 3. Procedure for Initiation of Proposals by the Commission.
 - a) The Commission may initiate a proposal for any combination of change of organization or reorganization consistent with the recommendation of a study conducted pursuant to this section.
 - b) The Commission shall adopt a resolution of initiating the proposal at a public meeting. The resolution shall contain all the information normally included in a Resolution of Application. The Executive Officer shall provide each affected agency with notice of the meeting at least 21 days in advance.
 - c) The Commission may decide to refer the matter to a reorganization committee constituted pursuant to Section Government Code Section 56826.
 - d) A proposal initiated by the Commission will be processed in accordance with all normal and specific procedural requirements of Cortese-Knox-Hertzberg and these Policies.
 4. Policy Considerations. The Commission's general and applicable specific policies and standards will be used to evaluate LAFCO-initiated proposals. Additionally, the Commission must make specific determinations pursuant to Government Code Section 56881 if it approves a LAFCO-initiated proposal:
 - a) Public service costs of the proposal are likely to be less than or substantially similar to the costs of alternative means of providing the service.
 - b) The change of organization or reorganization promotes public access and accountability for community service needs and financial resources.
- F. **DISINCORPORATION AND DISTRICT DISSOLUTIONS**
1. Grounds for Disincorporation and District Dissolutions. Plumas LAFCo will approve a proposal for Disincorporation/dissolution only if it determines that:
 - a) The services offered or authorized are no longer necessary; or

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- b) The services can be provided more efficiently by another agency or provider and that agency agrees to provide the services; or
 - c) The agency is insolvent and unable to provide the services.
 - d) The agency meets the conditions for non-use of corporate powers set forth in Government Code Section 56871.
2. Bonded Indebtedness. Where possible, Plumas LAFCo shall condition any dissolution to provide for the repayment of any bonded indebtedness or other obligations of the dissolved agency.
3. Disposition of Remaining Funds. A disincorporated city must turn its treasury over to the County Treasurer within thirty-days of Disincorporation. A dissolved district shall turn over its funds to its successor as determined under Government Code §57451.

G. REORGANIZATIONS

1. Evaluation Process. Plumas LAFCo will independently evaluate each component organizational change that makes up a reorganization proposal following the standards of this chapter applicable to that component of the reorganization. Plumas LAFCo will then balance the overall benefits against the costs and adverse impacts, in deciding on the reorganization as a whole.
2. Mitigation Requirements. The service quality, efficiency, and effectiveness available before reorganization shall constitute a benchmark for determining significant adverse effects upon an interested party. Plumas LAFCo will approve a proposal for reorganization that results in significant adverse effects only if effective mitigating measures are included in the proposal.

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VI. GENERAL PROCEDURES

A. APPLICANT RESPONSIBLE FOR COST OF SERVICE

Applicants are expected to pay all costs associated with processing a proposal through LAFCO, including, without limitation, staff time at approved charge-out rates, consultant charges, county and state charges, and other expenses. LAFCO has adopted a deposit schedule depending on the nature of the proposal, requiring the payment of an initial deposit and subsequent deposits as necessary (see Appendix A – LAFCO’s Fee Deposit Schedule). LAFCO will periodically apply monies from the deposit to reimburse for costs incurred. The Executive Officer may require an additional deposit when the initial deposit runs low or where necessary to cover an anticipated additional expense. If the deposit is not timely made, processing of the proposal will be suspended until it is submitted. LAFCO will periodically provide the applicant with an expenditure report detailing the application of the deposit monies.

B. NOTICE AND PUBLIC PARTICIPATION

1. Public Participation Encouraged. Plumas LAFCo encourages participation in its decision-making process. Plumas LAFCo shall endeavor to provide the widest possible dissemination of notice and shall not necessarily be limited to the minimums required by law and this operations manual. Opportunity to be heard shall be provided at Plumas LAFCo meetings in accordance with the procedures set forth in the Bylaws.
2. Unnecessary Public Hearings Eliminated. Where Plumas LAFCo is authorized by the Cortese-Knox-Hertzberg Act to consider a proposal without public hearing, the proposal will be considered without a public hearing, unless the Executive Officer or the Commission determines that the matter is of sufficient public interest or controversy to warrant a public hearing.

C. APPLICATION BY RESOLUTION OF APPLICATION PREFERRED

1. While the Cortese-Knox-Hertzberg Act permits initiation of applications to Plumas LAFCo either by resolution of an affected agency or by direct landowner/voter petition, Plumas LAFCo prefers that the resolution procedure be utilized wherever feasible. Use of the resolution of application procedure is preferable because: 1) it involves the affected public agency early in the process to assure that the agency’s needs are considered, and 2) it better integrates CEQA processing by the affected public agency as lead agency.
2. Prior to accepting a petition initiated application, LAFCo will require the proponents to demonstrate that they have attempted to initiate proceedings by a resolution of application but that the agency has refused to adopt such a resolution.

D. APPLICATION REQUIREMENTS

1. LAFCO encourages a pre-application discussion between the proponent and LAFCO staff, which can save the prospective applicant substantial

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time once the process has begun. LAFCO staff will review procedures, information requirements, and processing fees with the applicant and provide application forms.

2. Applications to the Commission must contain all the information and materials required by the Government Code Sections 56652 and 56653 as well as the applicable fees or deposit toward fees as specified by the LAFCO Fee Schedule. Except when the Commission is the lead agency pursuant to the California Environmental Quality Act (as defined in Public Resources Code Section 21067 of the Public Resources Code), an application must also contain complete documentation of the lead agency's environmental determination. No application for a change of organization or reorganization will be deemed complete and scheduled for hearing unless the requirements of Revenue and Taxation Code Section 99 regarding tax apportionment agreements of the Revenue and Taxation Code have been satisfied.
3. The application shall also include an agreement to pay costs and indemnification. The agreement to pay costs for time and materials and indemnification must be signed by the applicant for the application to be deemed complete.

Where the application is by resolution of application from an agency, the application and related agreements must be signed by an authorized officer of the agency.

E. RECONSIDERATION OF PLUMAS LAFCO DECISIONS

1. Request and Fees. The request for reconsideration shall be made consistent with the provisions of Government Code Section 56895, and shall be accompanied by the appropriate reconsideration fee deposit as established in the LAFCO Deposit Schedule. The person or agency shall file the written request within 30 days of the adoption of the initial or superseding resolution by the Commission making determinations.
2. Grounds for Reconsideration. LAFCO will normally only change its previous determination where one or more of the following circumstances are shown to exist:
 - a) Compelling new evidence exists about the proposal, that was previously unavailable, that might alter the Commission decision.
 - b) Factors significant to the Commission decision were overlooked, or have changed, such as a change in an applicable federal, state, or local law that might alter the Commission's decision.
 - c) A significant, prejudicial error in procedure is found.
 - d) The Executive Officer shall review the reconsideration request to ensure compliance with i, ii, or iii above.

F. CONDUCTING AUTHORITY PROCEEDINGS (GOVERNMENT CODE § 57000)

1. Waiver of Conducting Authority Proceedings. The Commission may waive final Conducting Authority proceedings and authorize the Executive Officer to file a Certificate of Completion upon approval of a change of organization or reorganization and satisfaction of all terms and conditions

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pursuant to Government Code Sections 56663 and 57200 and after the reconsideration period is over.

2. Setting the Matter for Hearing. The Commission shall include in the terms and conditions of its approval for a proposal a stipulation of a period, not less than 21 nor more than 60 days, to be allowed for the collection and filing of written protests. Within 35 days of final LAFCO action, the Executive Officer shall set the matter for hearing according to the schedule stipulated by the Commission and cause a notice thereof to be published in compliance with Government Code Section 56150 et seq.
3. Delegation of Authority to Conduct Protest Hearing. The Commission shall delegate to the Executive Officer the authority to conduct a protest hearing unless it specifies otherwise. Such delegation may include making the finding regarding the value of written protests and appropriate order as authorized by Government Code Section 57075 et. seq. Such delegation shall be stated in the terms and conditions for approval of the subject proposal.

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VII. ADOPTION AND AMENDMENT

A. REGULAR AMENDMENTS

Regular Amendments to these Policies shall be made as follows:

1. The full text of any proposed amendment shall be sent to all members in the same manner as agenda packets, as specified in the LAFCo Bylaws.
2. At the meeting, the proposed amendment shall be read aloud in its entirety by the Chair, unless such reading is waived by the Commission. Discussion may occur and modifications be made to the proposed amendment, but it may not be approved at that first reading.
3. The proposed amendment to the Policies, with any Commission modifications, shall then be circulated to the following entities for their review and comment prior to adoption:

City of Portola
County of Plumas
Special Districts

4. The proposed amendment, with any modifications, shall be agendized and read a second time at the next regular meeting of the Commission, unless such reading is waived by the Commission. Any comments received from local agencies shall be presented. Further discussion and modifications may be made to the proposed amendment and it may be adopted at this second reading.

B. FILING OF POLICIES

Upon approval of these Policies, and any amendments thereto, a copy shall be posted on the LAFCo website.

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Appendix A

Plumas Local Agency Formation Commission
Schedule of Filing and Processing Fees/Deposits for LAFCO Services

Annexation of single-family residence for reasons of public health or safety	\$1,925 Initial Deposit toward total Project Cost
Annexation/Detachment	\$5,775 Initial Deposit toward total Project Cost
District Consolidation/Merger	\$5,000 Initial Deposit toward total Project Cost
District Dissolution	\$4,000 Initial Deposit toward total Project Cost
District Formation	\$10,450 Initial Deposit toward total Project Cost
Incorporation or Disincorporation	\$13,200 Initial Deposit toward total Project Cost
Staff Analysis of Environmental Reviews	\$2,750 Initial Deposit toward total Project Cost
Municipal Service Reviews (MSR)*	\$7,500 Initial Deposit toward total Project Cost
Sphere of Influence Update (SOI)*	\$4,500 Initial Deposit toward total Project Cost
Sphere of Influence Amendment	\$4,000 Initial Deposit toward total Project Cost
Out of Agency Service Agreements	\$1,000 Initial Deposit toward total Project Cost
Request for Reconsideration of a LAFCo Determination	\$1,100 Initial Deposit toward total Project Cost
Activation of Latent Powers/Relinquishment of Powers	\$2,750 Initial Deposit toward total Project Cost
GIS Mapping fee deposit required for all Applications excepting Out of Agency Service Review Contracts	\$200.00 Initial Deposit toward Project Cost

*** MSR and SOI fees will be charged when there is a request to expedite the MSR and SOI process for a given service and (or) agency for MSR's and SOI's not included in the current annual work program.**

Note: Fees are subject to increase if the Executive Officer determines that the magnitude of the project justifies the increase.

All deposits are initial payments toward the total cost of processing ("project cost"). Project cost is defined as staff time plus materials. Staff charge-out rates are listed below, and include personnel costs plus a percentage of LAFCo administrative overhead. Materials include, but are not limited to, charges for advertisement of hearings, meeting costs and mapping, as well as fees charged for project reviews by affected agencies and consultant charges, as appropriate.

- A) Applicants are also responsible for payment of appropriate State Board of Equalization fees. A schedule of processing fees for the State Board of Equalization is included in the LAFCo application packet.

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- B) Applicants are also responsible for any other fees required by another agency or outside consulting firm.
- C) If *LAFCO is required to act as lead agency and* an Environmental Impact Report is required as part of an Environmental Review, the applicant is also responsible for an additional \$7,500 deposit toward the total Project Cost plus actual costs \$110% of the consultant fee. Likewise, for initial studies and negative Declarations, the LAFCO Staff rates shall apply along with a \$4,000.00 deposit or 110% of the consultant fee.
- D) Payment of Fees and Initial Deposits toward Total Project Cost are due when proposals and applications are initially submitted to LAFCo. A supplemental fee may be charged and collected prior to the LAFCo hearing if additional actions are required.
- E) Staff time will be monitored against the deposit on file with LAFCo; if the cost of processing reaches 90% of the deposited amount, additional deposits will be required. Any hearing or other action on the application may be suspended pending receipt of the additional deposit.
- F) If extensive staff assistance is required prior to receipt of an application, a deposit will be required at the time the work is requested.
- G) Absent compelling circumstances, the Commission will not normally adjust or waive deposits and/or fees. However if financial hardship is demonstrated or if application is in response to a LAFCo condition or recommendation, fees may be waived or reduced by LAFCo. In all cases, LAFCO staff will not waive fees.
- H) All final bills must be paid by the applicant prior to filing of the Certificate of Completion.
- I) Charges for Reconsideration of a LAFCo determination are the responsibility of the requesting party.
- J) Deposits on file with LAFCo which exceed the cost of processing the application by \$25 or more will be refunded after LAFCo completes its final filings.
- K) If a LAFCO application is withdrawn any time prior to the completion of proceedings, the unused portion of the initial fee deposit (s) received by LAFCO (deposit less any expended staff time and project expenses) will be returned to the persons paying the initial fee deposit upon receipt of a letter of withdrawal.

2. LAFCo Staff Charge-Out Rates (Including MSR/SOI maintenance fee*):

Executive Officer:	\$ 189.50/per hour
Clerk:	\$ 139.50/per hour
Attorney:	\$ 249.50 per hour**

***MSR and SOI maintenance and preparation fees of \$49.50 per staff hour are included in the above staff charge out rates.**

**** Counsel cost per hour for litigation is \$281.25**

3. Miscellaneous Costs

- A) Special Meetings \$1,400 Deposit toward Total Cost
The total cost includes Commissioner per diem, mileage, and staff administrative time.

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- B) Staff Research and Studies Project Cost
Charges for staff time begin after the first half-hour.
- C) Agenda Subscription \$15/year
(Faxed/emailed agendas provided free of charge upon request.)
- D) Copies of Staff Reports & other documents
 - .25 cents per page Black and White
 - .45 cents per page Color

- E) Mailing and Distribution Costs.....Actual Costs

4. Authority for Establishment of Fees/Deposits for Sphere of Influence Amendments and associated Municipal Service Reviews

The Plumas Local Agency Formation Commission is required by California Government Code §56425 to logically plan for the orderly development and coordination of local governmental agencies through the determination and development of spheres of influence for local agencies in Plumas County. The Code requires that Spheres of Influence be *as necessary*, reviewed and updated every five-years. Many agencies in Plumas County have not had their sphere of influence reviewed/amended since 1982/1983.

Government Code §56430 further requires that the Commission conduct a service review of the municipal services provided by the local agency before a sphere of influence can be amended. The reviews will result in a written public report by the Commission and LAFCo Staff making determinations in nine specific information areas designated by the Government Code.

Under Government Code §56383 Plumas LAFCo is provided with the authority to establish and set fees for the funding of sphere of influence and municipal service reviews, such fees are to be paid by the local agencies of Plumas County receiving the services. The Commission has established a schedule of fees and deposits for such services as set forth above.