

LASSEN LOCAL AGENCY FORMATION COMMISSION

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Memorandum

Date: December 2, 2025

To: County of Lassen

From: Lassen Local Agency Formation Commission

Re: Seating of Special Districts on LAFCO and Proposed Alternate Funding Allocation

At Lassen LAFCO's meeting on June 10, 2024, the Commission considered whether to invite special districts to have representation on LAFCO. The Commission decided that an alternative funding structure for LAFCO's budget was necessary in order to minimize the burden on the special districts should they join. Any alternative funding structure must be approved by the current member agencies, which includes the County of Lassen and the City of Susanville. **It is requested that the respective governing bodies of these agencies approve the attached resolution, thereby formally approving the allocation of 16% of LAFCO's budget to special districts upon joining LAFCO, as opposed to a third as codified in Government Code.** To date, the City of Susanville has approved the alternate funding structure. LAFCO staff presented to the County Board of Supervisors at the October 21, 2025 meeting regarding the request. Included in this memo is related background on special district representation on LAFCO and the financial impacts to the member agencies as a result of the proposed alternative funding structure.

Approximately half of all LAFCOs in the State have special district representation. Special districts in Lassen do not have a voice equal to the County and the City in LAFCO affairs, including the formation of new districts, the consolidation, merger or dissolution of existing districts, annexations and changes of organization and the establishment, amendment and updates to spheres of influence boundaries. The ability to have a direct voice in all LAFCO affairs is now more compelling given LAFCO's expanded mandates and independence. Special districts have a vested interest in LAFCO actions as it has oversight over their existence and growth. LAFCO has the potential to make a decision that would affect a particular district without the perspective and concern that only special districts seated on the Commission could provide.

In order to join LAFCO, special districts would be responsible for funding one third of LAFCO's operating costs. The law has a formula requiring special districts to pay a third of LAFCO's operating costs based on its ratio of revenues to cumulative independent special district revenues in the County, unless another formula is otherwise agreed to by the City and the County. Lassen LAFCO recommends that the County and City approve an alternative funding structure allocating a 16% of LAFCO's operating costs to the special districts. Below indicates the financial impact to the agencies under each funding scenario. In both funding scenarios, the County and City will benefit from savings with special districts on LAFCO.

Lassen LAFCO Member Agency Budget Allocation Options for Special District Membership			
	FY 24-25 Allocation Actual	FY 24-25 Allocation 1/3 to Special Districts	FY 24-25 Allocation 16% to Special Districts
County of Lassen	\$ 34,797.05	\$ 23,198.03	\$ 29,229.52
City of Susanville	\$ 34,797.05	\$ 23,198.03	\$ 29,229.52
Special Districts	\$ -	\$ 23,198.03	\$ 11,135.06
Total	\$ 69,594.10	\$ 69,594.10	\$ 69,594.10

LAFCO plans to consider inviting special districts to vote on whether they desire representation on LAFCO at its February 9, 2026 meeting. Therefore, it is requested that the agencies consider the resolution prior to that date to enable the Commission to have an informed discussion on the matter.

*A RESOLUTION OF THE LASSEN COUNTY BOARD OF SUPERVISORS APPROVING AN
ALTERNATIVE FUNDING STRUCTURE FOR THE LOCAL AGENCY FORMATION
COMMISSION*

WHEREAS, the County believes it is important that independent special districts have a voice in Local Agency Formation Commission (LAFCO) affairs; and

WHEREAS, the County believes that it is important for LAFCO to have the perspective from the independent special districts that in its deliberations; and

WHEREAS, for these reasons, the County supports the representation of independent special districts on the Local Agency Formation Commission of Lassen County as provided for in the Cortese-Knox-Hertzberg Act of 2000; and

WHEREAS, the County understands that one third of the LAFCO operating costs borne by the independent special districts may be financially burdensome, particularly for those paying a larger portion of the allocation; and

WHEREAS, the County, in the interest of ensuring independent special districts have representation on LAFCO for the reasons mentioned, agree to an alternative funding allocation for LAFCO as allowed by Government Code Section 56381; and

Now, therefore, it is resolved as follows:

1. The independent special districts will be responsible for 16% of the LAFCO operating budget apportioned as described in Government Code Section 56381(b)(4), should they elect to join.
2. The remaining 84% of the operating budget will be allocated one-half to the County and one-half to the City as currently apportioned, upon seating of the independent special district representation. Future operating budgets will be apportioned in the same manner unless an alternative is approved as set forth in Government Code Section 56381(b)(4).

The foregoing Resolution was adopted at a regular meeting of the Board of Supervisors of the County of Lassen, State of California, held on the 27th day of January, 2026 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

CHAIRMAN OF THE BOARD OF SUPERVISORS
COUNTY OF LASSEN, STATE OF CALIFORNIA

ATTEST:
JULIE BUSTAMANTE
Clerk of the Board

BY: _____
MICHELE YDERRAGA, Deputy Clerk of the Board

I, MICHELE YDERRAGA, Deputy Clerk of the Board of the Board of Supervisors,
County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board
of Supervisors at a regular meeting thereof held on the ____ day of _____ 20 ____.

Deputy Clerk of the County of Lassen
Board of Supervisors