

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482  
Telephone: (707) 463-4470 | E-mail: [eo@mendolaferco.org](mailto:eo@mendolaferco.org) | Web: [www.mendolaferco.org](http://www.mendolaferco.org)

### COMMISSIONERS

**Tony Orth, Chair**  
Brooktrails Township CSD

**Scott Ignacio, Vice-Chair**  
Point Arena City Council

**Gerald Ward, Treasurer**  
Public Member

**Matthew Froneberger**  
Special District Member

**Gerardo Gonzalez**  
Willits City Council

**Glenn McGourty**  
County Board of Supervisors

**Maureen "Mo" Mulheren**  
County Board of Supervisors

**Jenifer Bazzani, Alternate**  
Ukiah Valley Fire District

**John Haschak, Alternate**  
County Board of Supervisors

**Mari Rodin, Alternate**  
City Member

**Richard Weinkle, Alternate**  
Public Member

### STAFF

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Kristen Meadows

**Counsel**  
Scott Browne

### REGULAR MEETINGS

First Monday of each month  
at 9:00 AM in the  
Mendocino County  
Board of Supervisors  
Chambers  
501 Low Gap Road, Ukiah

## A G E N D A

Regular Meeting of **Monday, April 5, 2021** at 9:00 AM  
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

*Live web streaming and recordings of Regular Commission meetings are available via the [Mendocino County YouTube Channel](#).  
Links to recordings, approved minutes, and meeting documents are available on the LAFCo website: <https://www.mendolaferco.org/commission-meetings>*

### Important Notice

Pursuant to State Executive Order N-29-20 pertaining to the convening of public meetings in response to the COVID-19 pandemic, effective April 5, 2020, the Mendocino Local Agency Formation Commission (LAFCo) meetings will be conducted remotely and will not be available for in person public participation until further notice.

Submit **written comments** electronically to [eo@mendolaferco.org](mailto:eo@mendolaferco.org) by 8:00 a.m. on April 5. In the subject line, specify the agenda item number for your comments, "To be read aloud" if desired, and in the body of the email include your name. If to be read aloud, please keep your comments to 500 words or less. All written comments will be provided as soon as feasible to the Commission and posted on the [meeting documents](#) page of the website.

Provide **verbal comments** via teleconference with the information provided on the [website](#). Please pre-register by email to [eo@mendolaferco.org](mailto:eo@mendolaferco.org) by 8:00 a.m. on April 5. In the subject line, specify the agenda item number for your comments, "...Live", and your name (Example: Item 4a Public Comment Live, John Doe). Participants will also receive instructions for participation in the meeting. Each participant will have three minutes to provide comments related to the agenda item.

We thank you for your understanding and appreciate your continued interest.

### **1. CALL TO ORDER and ROLL CALL**

### **2. PUBLIC EXPRESSION**

The Commission welcomes participation in the LAFCo meeting. Any person may address the Commission on any subject within the jurisdiction of LAFCo which is not on the agenda. There is a three-minute limit and no action will be taken at this meeting. See public participation information above.

### **3. OTHER BUSINESS**

#### **3a) Announcement of Alternate City Member and Oath of Office**

Announcement of Alternate City Member appointed by the City Selection Committee. An Oath of Office will be conducted for Alternate Commissioner Mari Rodin.

#### 4. CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial, and will be acted on by the Commission in a single action without discussion, unless a request is made by a Commissioner or a member of the public for discussion or separate action.

**4a) Approval of the February 1, 2021 Regular Meeting Summary**

**4b) Ratification of the February 2021 Claims & Financial Report**

**4c) Approval of the March 2021 Claims & Financial Report**

**4d) Acceptance of the Fiscal Year 2019-20 Audit**

**4e) Legislative Support Letter for AB 1581 (Local Government Committee Omnibus Bill)**

#### 5. PUBLIC HEARING ITEMS

None

#### 6. WORKSHOP ITEMS

**6a) Preliminary Fiscal Year 2021-22 Budget and Work Program**

Commission workshop to consider the Preliminary Fiscal Year 2021-22 Budget and Work Program, directing staff to revise as necessary and notice a Proposed FY 2021-22 Budget and Work Program for a public hearing on May 3, 2021.

#### 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

**7a) Direction to Policies & Procedures Committee**

Commission will provide direction to the Policies & Procedures Committee regarding development of a policy addressing fees incurred in legal challenges to LAFCo actions related to the recent *San Luis Obispo LAFCo v. City of Pismo Beach* case. RECOMMENDATION: Direct the Policies & Procedures Committee to review Mendocino LAFCo's indemnification policy (Policy 11.4.8) and recommend revisions to the Commission at its next regular meeting.

**7b) Ad Hoc Committee(s)**

Receive updates on the RFP Ad Hoc Committee purpose and Commissioner appointments and consider modifications. RECOMMENDATION: The Commission will consider modifications to the RFP Ad Hoc Committee.

**7c) San Diego LAFCo's Initiative to Sponsor Legislation on Government Code 56133(e)**

Commission will consider supporting San Diego LAFCo's initiative to sponsor Legislation on Government Code 56133(e). RECOMMENDATION: Direct staff to relay preliminary support to San Diego LAFCo on its initiative to sponsor legislation on Government Code §56133(e), retaining full support pending review of final bill language.

#### 8. INFORMATION AND REPORT ITEMS

The following informational items are reports on current LAFCo activities, communications, studies, legislation, and special projects. General direction to staff for future action may be provided by the Commission.

**8a) Work Plan, Current and Future Proposals** (Written)

**8b) Countywide Planning Activities Report** (Written)

**8c) Correspondence** (Copies provided upon request)

**8d) Executive Officer's Report** (Verbal)

**8e) Committee Reports (Executive Committee/Policies & Procedures)** (Verbal)

**8f) Commissioner Reports, Comments or Questions** (Verbal)

**8g) CALAFCO Business and Legislative Report**

#### 9. CLOSED SESSION

**9a) Conference with Legal Counsel – Anticipated Litigation**

Pursuant to Government Code Section 54956.9(d)(2) – Anticipated Litigation: significant exposure to litigation – one case.

## 10. LAFCO 101 TRAINING

The Commission will participate in a LAFCo 101 training presented by Executive Officer staff and Legal Counsel.

## ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, **May 3, 2021** at 9:00 AM  
*Location to be determined based on current State and local mandates related to the COVID-19 pandemic.*

Notice: This agenda has been posted at least five (5) calendar days prior to the meeting and in accordance with the temporary Brown Act Guidelines instated by State Executive Order N-29-20.

Participation on LAFCo Matters: All persons are invited to testify and submit written comments to the Commission on public hearing items. Any challenge to a LAFCo action in Court may be limited to issues raised at a public hearing or submitted as written comments prior to the close of the public hearing.

Americans with Disabilities Act (ADA) Compliance: Because the meeting is being held by teleconference, if you are hearing impaired or otherwise would have difficulty participating, please contact the LAFCo office as soon as possible so that special arrangements can be made for participation, if reasonably feasible.

Fair Political Practice Commission (FPPC) Notice: State Law requires that a participant in LAFCo proceedings who has a financial interest in a Commission decision and who has made a campaign contribution to any Commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission before the hearing.

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: April 5, 2021  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Announcement of Alternate City Representative and Oath of Office**

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**RECOMMENDATION**

Staff will conduct the Oath of Office for new Alternate City Commissioner Rodin.

**BACKGROUND**

In March, the City Selection Committee appointed Mari Rodin to serve as Alternate Member of the Commission. Ms. Rodin is a Ukiah City Council member and previously served as a LAFCo Commissioner from 2009 to 2013.

# MENDOCINO

## Local Agency Formation Commission

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### COMMISSIONERS

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**Maureen Mulheren**  
County Board of Supervisors

**Jenifer Bazzani, Alternate**  
Ukiah Valley Fire District

**Richard Weinkle, Alternate**  
Public Member

**John Haschak, Alternate**  
County Board of Supervisors

**Vacant, Alternate**  
City Member

### STAFF

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Kristen Meadows

**Counsel**  
Scott Browne

### Regular Meetings

First Monday  
of each month  
at 9:00 AM  
in the Mendocino  
County Board  
of Supervisors Chambers  
501 Low Gap Road

## Agenda Item No. 4a

### DRAFT MINUTES

## Local Agency Formation Commission of Mendocino County

### Regular Meeting of Monday, February 1, 2021

Meeting held via Zoom due to COVID-19 Pandemic Emergency Conditions

#### 1. CALL TO ORDER and ROLL CALL (Video Time 5:03)

Executive Office Hinman called the meeting to order at 9:03 a.m.

**Regular Commissioners Present:** Tony Orth, Gerald Ward, Gerardo Gonzalez, and Scott Ignacio

**Regular Commissioners Absent:** none

**Alternate Commissioners Present:** Jenifer Bazzani and Richard Weinkle

**Alternate Commissioners Absent:** John Haschak

**Staff Present:** Uma Hinman, Executive Officer; Larkyn Feiler, Analyst; Kristen Meadows, Clerk; and Scott Browne, Legal Counsel

#### 2. PUBLIC EXPRESSION (Video Time 5:50) None

#### 3. OTHER BUSINESS (Video Time 6:10)

##### 3a) Announcement of County Appointments and Oaths of Office

Supervisors McGourty and Mulheren were appointed to the Commission by the Mendocino County Board of Supervisors. After reading their Oaths of Office they immediately assumed their seats on the Commission. Supervisor Haschak will continue as the Alternate County Board of Supervisors Member.

##### 3b) Announcement of Special District Representatives and Oaths of Office

(Video Time 8:31)

EO Hinman announced the elected Special District Representatives. Tony Orth, Brooktrails Township Community Services District, was re-elected to the Commission for another 4-year term. Matt Froneberger, Russian River Flood Control District, was elected to fill the remainder term ending December 2022 vacated by Commissioner Huff. Mr. Froneberger read his Oath of office and immediately assumed his seat on the Commission.

### ROLL CALL

**Regular Commissioners Present:** Tony Orth, Gerald Ward, Gerardo Gonzalez, Scott Ignacio, Matthew Froneberger, Maureen Mulheren, and Glenn McGourty

**Regular Commissioners Absent:** none

**Alternate Commissioners Present:** Jenifer Bazzani and Richard Weinkle

**Alternate Commissioners Absent:** John Haschak

**Staff Present:** Uma Hinman, Executive Officer; Larkyn Feiler, Analyst; Kristen Meadows, Clerk; and Scott Browne, Legal Counsel

**3c) Selection of Officers and Appointments to Committees (Video Time 11:14)**

**Nomination** by Commissioner Ignacio: Commissioner Orth for Chair

**Seconded** by Commissioner Gonzalez

**Approved** by roll call vote:

Ayes: (7) Ignacio, Gonzalez, Ward, Orth, Froneberger, Mulheren, McGourty

**Nomination** by Chair Orth: Commissioner Ignacio for Vice Chair

**Seconded** by Commissioner Gonzalez

**Approved** by roll call vote:

Ayes: (7) Ignacio, Gonzalez, Ward, Orth, Froneberger, Mulheren, McGourty

**Nomination** by Commissioner Gonzalez: Commissioner Ward for Treasurer

**Seconded** by Commissioner Ignacio

**Approved** by roll call vote:

Ayes: (7) Ignacio, Gonzalez, Ward, Orth, Froneberger, Mulheren, McGourty

Following the selection of Officers, EO Hinman turned the meeting over to Chair Orth. (Video Time 16:38)

Chair Orth continued with the appointments to committees, confirming the continuation of the RFP Ad Hoc Committee consisting of Commissioners Orth and Ward. He appointed Chair Orth, Vice Chair Ignacio, and Treasurer Ward to the Executive Committee and Commissioners Mulheren, Froneberger, and Gonzalez to the Policies & Procedures Committee.

**3d) Bank Signatures (Video Time 19:26)**

Chair Orth appointed Treasurer Ward (to continue) and Commissioners McGourty and Mulheren as signatories on the LAFCo Bank Accounts.

**4. CONSENT CALENDAR (Video Time 20:22)**

**4a) Approval of the January 4, 2021 Regular Meeting Summary**

There were no corrections or comments from the Commission.

**Motion** by Commissioner Ignacio: Approve the January 4 Meeting Summary

**Seconded** by Commissioner Gonzalez.

**Approved** by roll call vote:

Ayes: (4) Ignacio, Gonzalez, Ward, Orth. Abstain: (3) Froneberger, Mulheren, McGourty

**4b) Approval of the January 2021 Claims & Financial Report**

January 2021 Claims totaling:	\$ 9,623.13
Hinman & Associates Consulting	\$ 7,878.87
Ukiah Valley Conference Center	\$ 471.30
P. Scott Browne	\$ 1,102.50
County of Mendocino	\$ 120.46
Streamline	\$ 50.00

There were no corrections or comments from the Commission.

**Motion** by Commissioner Ignacio: Approve the January Claims and Financial Report

**Seconded** by Commissioner Gonzalez.

**Approved** by roll call vote: unanimous.

Ayes: (7) Ignacio, Gonzalez, Ward, Orth, Froneberger, Mulheren, McGourty

**5. PUBLIC HEARING ITEM** None.

**6. WORKSHOP ITEMS** None.

**7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION** None.

## **8. INFORMATION/REPORT ITEMS (Video Time: 25:05)**

### **8a) Work Plan, Current, and Future Proposals**

EO Hinman presented the staff report, providing an overview of the purpose of the report for the new Commissioners information.

Commissioner Froneberger requested a summary of CSA 3's sphere of influence. Commissioner Orth answered that the CSA includes all unincorporated lands within Mendocino County and is governed by the County Board of Supervisors.

Commissioner Ward noted the decision to delay the Update for CSA 3 and asked if Staff has notified the CSA. EO Hinman responded that she will continue efforts to connect with the County, however the Covelo CSD Update has been placed on hold due to budget limitations and will work on re-scheduling it during the next budget cycle.

Chair Orth asked if a response had been received from the UVSD regarding its MSR/SOI Update timeline. EO Hinman responded that a conference call is scheduled within the next week to discuss the matter.

Chair Orth expressed preference to the completion of CSA 3's update because Brooktrails Township CSD is looking to create a distinct service area within CSA 3. He asked Counsel Browne if an MSR/SOI Update needs to be completed for a request to create a service area within CSA 3 to be considered. Counsel Browne clarified that although not necessary, completion of the update would be helpful in understanding the County's intentions and proposed services for the CSA 3.

Commissioner McGourty asked for a definition of the terms MSR/SOI. EO Hinman answered that LAFCo's are mandated to prepare Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for all agencies within its jurisdiction. An MSR provides a snapshot of an agency's governance and finances, and an overview of the services it provides. An MSR is a study to determine the ability of an agency to effectively provide municipal services to the people within its sphere of Influence. An SOI, typically completed concurrently with an MSR, identifies the existing and future service area of an agency, are established by LAFCo, and reviewed every 5 years. Staff intends to conduct a LAFCo 101 presentation during a future Commission meeting to provide education on the role of LAFCo and its purpose and roles.

### **8b) Countywide Planning Activities Report (Video Time: 35:08)**

Drought Update – Elizabeth Salomone, General Manager, Russian River Flood Control District

### **8c) Correspondence None.**

### **8d) Executive Officer's Report (Video Time: 1:19:22)**

Before presenting her report, EO Hinman noted that she welcomes feedback and/or requests from the Commissioners for informational reports/presentations on issues affecting Mendocino County they would like added to the agenda.

- The financial reports have been reviewed by Treasurer Ward and will be sent to the Auditor this week.
- Staff will coordinate with the signatories today to begin the process of updating the bank signature cards.
- The LAFCo Office remains closed to the public due to the pandemic and local health orders. Staff holds COVID safe meetings as necessary, maintains office functions and responds to information needs.
- Preparation of a LAFCo 101 educational presentation for the new Commissioners.

### **8e) Committee Reports (Executive Committee/Policies & Procedures) (Video Time 1:21:49)**

EO Hinman said that Staff will begin the budget development process with the Executive Committee within the next month.

### **8f) Commissioners Reports, Comments or Questions (Video Time: 1:22:20)**

Vice Chair Ignacio welcomed Commissioners Mulheren, McGourty, and Froneberger to LAFCo, thanked them for their service and said he looks forward to working with them.

Commissioner Gonzalez, echoed Commissioner Ignacio's sentiments and expressed appreciation for the Drought Update.

Chair Orth provided a summary of the "atmospheric river" that hit Brooktrails and the damages it caused. He expressed appreciation to the fire districts that came to help clean up and various utility crews who came to restore power, water, internet and other infrastructure.

**8g) CALAFCO Business and Legislation Report** (Video Time: 1:27:30)

An ongoing challenge and topic of many discussions has been explaining what LAFCo is and what it does. In response, CALAFCO has developed communication tools, which it has shared with its member LAFCos:

1. A flyer explaining how LAFCo can help guide the COVID-19 recovery process, including customized flyers for each of the member LAFCos
2. A tool for Legislative outreach

EO Hinman welcomed suggestions from the Commission on how to spread LAFCo's message.

**ADJOURNMENT** (Video Time: 1:30:05)

There being no further business, the meeting adjourned at 10:27 a.m. The next regular meeting is scheduled for Monday, March 1, 2021 at 9:00 a.m. The location is to be determined based on guidelines recommended by the Mendocino County Public Health Officer and Executive Orders regarding the COVID-19 pandemic.

*Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the [LAFCo website](#). [February 1, 2021 meeting recording on YouTube](#)*



# MENDOCINO Local Agency Formation Commission Staff Report

DATE: April 5, 2021  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Financial Report and Claims for February 2021**

**RECOMMENDED ACTION**

Approve the February 2021 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 7,345.00	\$ 10,762.00
	5601 Office Supplies (QB)	\$ 70.00	
	6200 Bookkeeping	\$ 440.00	
	7000 Work Plan (City of Ukiah, UVSD)	\$ 662.00	
	8010 City of Ukiah Detach	\$ 403.00	
	8024 MCWD Annex Pre-App	\$ 680.00	
	8022 City of Ukiah Annex City Properties	\$ 912.00	
	8601 SALC Project (grant reimbursed)	\$ 250.00	
Ukiah Valley Conf. Center	5502 Office Space	\$ 464.00	\$ 468.50
	5600 Office Expenses (Postage)	\$ 4.50	
P. Scott Browne	6300 Legal Counsel - General Services	\$ 1,890.00	\$ 5,152.50
	7000 Ukiah SOI	\$ 1,901.25	
	8023 City of Ukiah/UVFD Annex Pre-App	\$ 1,170.00	
	8024 Millview Pre-Application	\$ 191.25	
Streamline	5700 Website Hosting (Feb & March)	\$ 100.00	\$ 100.00
Commissioner Stipends	6740 Stipends - (Orth January)	\$ 50.00	\$ 50.00
	<b>Total:</b>		<b>\$ 16,533.00</b>

**Deposits:** County of Mendocino: \$50,000; City of Ukiah: \$1500, \$5000; SALC Grant \$250

**Attachments:**

- Budget Tracking Spreadsheet
- Work Plan Tracking
- Invoices: Hinman & Associates Consulting, Browne, Streamline

*Please note that copies of all invoices, bank statements, and petty cash register were forwarded to the Commission Treasurer.*

Mendocino Local Agency Formation Commission  
 FY 2020-21 Budget and Application Tracking

Acct #	Task	FY 20-21 Budget Amended	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	Year to Date	Remaining Budget	% of Budget Expended
<b>EXPENSES</b>											
5300	Basic Services - EO/Analyst/Clerk	\$92,060	\$28,703.00	\$21,841.00	\$5,246.00	\$7,345.00		\$12,591.00	\$63,135.00	\$28,925.00	69%
	Unfunded Mandates	\$0		\$0.00				\$0.00			
5500	Rent	\$5,568	\$898.00	\$1,856.00	\$464.00	\$464.00		\$928.00	\$3,682.00	\$1,886.00	66%
5600	Office Expenses	\$3,550	\$916.04	\$1,869.12	\$327.17	\$74.50		\$401.67	\$3,186.83	\$363.17	90%
5700	Internet & Website Costs	\$1,550	\$1,197.52	\$42.00	\$50.00	\$100.00		\$150.00	\$1,389.52	\$160.48	90%
5900	Publication & Legal Notices	\$2,000	\$274.64	\$0.00				\$0.00	\$274.64	\$1,725.36	14%
6000	Televising Meetings	\$2,000	\$166.40	\$466.78	\$120.46			\$120.46	\$753.64	\$1,246.36	38%
6100	Audit Services	\$3,380	\$1,690.00	\$0.00				\$0.00	\$1,690.00	\$1,690.00	50%
6200	Bookkeeping	\$4,500	\$1,000.00	\$830.00	\$1,385.00	\$440.00		\$1,825.00	\$3,655.00	\$845.00	81%
6300	Legal Counsel (S Browne)	\$14,700	\$2,400.00	\$2,727.00	\$900.00	\$1,890.00		\$2,790.00	\$7,917.00	\$6,783.00	54%
6400	A-87 Costs County Services	\$2,093	\$0.00	\$2,093.00				\$0.00	\$2,093.00	\$0.00	100%
6500	Insurance - General Liability	\$2,815	\$2,815.00	\$0.00				\$0.00	\$2,815.00	\$0.00	100%
6600	Memberships (CALAFCO/CSDA)	\$3,727	\$2,245.00	\$1,482.00				\$0.00	\$3,727.00	\$0.00	100%
6670	GIS Contract with County	\$2,500	\$0.00	\$0.00				\$0.00	\$0.00	\$2,500.00	0%
6740	In-County Travel & Stipends	\$1,000	\$0.00	\$50.00		\$50.00		\$50.00	\$100.00	\$900.00	10%
6750	Travel & Lodging Expenses	\$100	\$0.00	\$0.00				\$0.00	\$0.00	\$100.00	0%
6800	Conferences (Registrations)	\$150	\$0.00	\$0.00				\$0.00	\$0.00	\$150.00	0%
7000	Work Plan (MSRs and SOIs)	\$34,500	\$2,380.00	\$1,741.00	\$505.00	\$2,563.25		\$3,068.25	\$7,189.25	\$27,310.75	21%
<b>Monthly/ Year to Date Totals</b>		<b>\$176,193.00</b>	<b>\$44,685.60</b>	<b>\$34,997.90</b>	<b>\$8,997.63</b>	<b>\$12,926.75</b>	<b>\$0.00</b>	<b>\$21,924.38</b>	<b>\$101,607.88</b>	<b>\$74,585.12</b>	<b>58%</b>
<b>APPLICATIONS</b>											
		<b>DEPOSIT (total by application)</b>	<b>1st Qtr Subtotals</b>	<b>2nd Qtr Subtotal</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>3rd Qtr Subtotal</b>	<b>Project Total to Date</b>	<b>Remaining Budget</b>	<b>Notes</b>
D-2014-8010	City of Ukiah Detachment of UVSD lands	\$7,532.75	\$3,436.00	\$1,556.00	\$50.00	\$403.00		\$453.00	\$6,643.00	\$889.75	
P-2020-01 (8022)	City of Ukiah North Annexation Pre-Application	\$1,500.00	\$0.00	\$850.00	\$272.00			\$272.00	\$1,122.00	\$990.00	
P-2020-02 (8023)	City of Ukiah/UVFD Annexation Pre-Application	\$3,000.00	\$930.00	\$417.50		\$1,170.00		\$1,170.00	\$2,517.50	\$2,070.00	
P-2020-03 (8024)	Millview CWD Annexation Pre-Application	\$2,500.00	\$0.00	\$853.00	\$303.50	\$871.25		\$1,174.75	\$2,027.75	\$472.25	
A-2021-01 (8025)	City of Ukiah Annexation of City-Owned Properties	\$5,000.00	\$0.00	\$0.00		\$912.00		\$912.00	\$912.00	\$4,088.00	
8601	Sustainable Ag Lands Committee Grant Project	\$5,100.00	\$100.00	\$225.00		\$250.00		\$250.00	\$575.00	\$4,525.00	grant reimbursement
<b>Application Totals</b>		<b>\$19,532.75</b>	<b>\$4,466.00</b>	<b>\$3,901.50</b>	<b>\$625.50</b>	<b>\$3,606.25</b>	<b>\$0.00</b>	<b>\$4,231.75</b>	<b>\$7,765.00</b>		
<b>EXPENSES AND APPLICATION TOTALS</b>			<b>\$49,151.60</b>	<b>\$38,899.40</b>	<b>\$9,623.13</b>	<b>\$16,533.00</b>	<b>\$0.00</b>	<b>\$26,156.13</b>	<b>\$109,372.88</b>		

**DEPOSITS**

2/9/2021	County of Mendocino (Apportionments)	\$	50,000.00
2/22/2021	Mendocino County RCD (SALC Grant Reimburseme	\$	250.00
2/22/2021	City of Ukiah/UVFD (P-2020-03)	\$	1,500.00
2/23/2021	City of Ukiah (A-2021-01)	\$	5,000.00

**ACCOUNT BALANCES**

County of Mendocino Account Balance	\$	12,403	MUNIS report balance as of
Operations (Checking) Account Balance	\$	57,677	Quickbooks balance as of 3/2/2021
Legal Reserve Balance	\$	35,000	Bank statement as of 1/31/2021
Operations Reserve Balance	\$	55,474	Bank statement as of 1/31/2021
<b>Total</b>	\$	<b>160,554</b>	

**Mendocino LAFCo**  
**FY 2020-21 Estimated Work Plan Implementation Schedule and Cost Tracking**  
 February 2021

**Subject to Change:** The estimated schedule and costs for the Fiscal Year 2020-21 Work Plan are subject to change based on agency responsiveness, timely provision of requested information, complexity of issues, level of public and affected agency controversy, and changing needs and priorities.

**CEQA:** Based on LAFCo practice, the work plan assumes minimal costs for CEQA compliance related to preparing a Notice of Exemption, unless an agency proposes a non-coterminous SOI and pays for any necessary studies and preparation of a Negative Declaration or Environmental Impact Report.

**Rolling Work Plan:** It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of a study may roll over to the next fiscal year. This estimated work plan implementation schedule and cost tracking table is intended to enhance communication and transparency.

Agency	Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Cost Estimate *	FY 2020-21 Amended Budget	FY 2020-21 Expenses	Cost to Date **
Mendocino City CSD	Complete	Complete	6/1/20	8/3/20	Complete	\$10,000	\$0	\$1,224	\$13,573
Ukiah Valley Sanitation District	Complete	In progress	TBD	TBD	TBD	\$20,000	\$10,000	\$639	\$3,669
City of Ukiah	Pending	Pending	TBD	TBD	TBD	\$25,000	\$12,500	\$4,170	\$4,170
Ukiah Valley Fire District	Complete	Pending	TBD	TBD	TBD	\$7,000	\$6,000	\$0	\$0
County Service Area 3	In progress	In progress	TBD	TBD	TBD	\$10,000	\$6,000	\$0	\$3,876
Covelo CSD	Complete	Postponed	Postponed	Postponed	Postponed	\$8,000	\$0	\$1,156	\$1,802
<b>Estimated Total</b>						\$80,000	\$34,500	\$7,189	\$27,090

\* Column indicates the initial cost estimated for each study and accounts for in process studies rolled over from prior fiscal years.

\*\* Column indicates a running total for actual expenses incurred to date for each study in process and is not limited to a specific fiscal year.



## Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

**Date** March 1, 2021  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** January 25 - February 28, 2021

**Invoice No.** 551  
**Invoice Total** \$ 10,712.00

Account	Description	Staff/Hours			Other (At Cost)	Totals
		Executive Officer \$100	Analyst \$68	Clerk \$40		
5300	Basic Services Public Records Act Requests	43.50	13.75	51.50		\$ 7,345.00
5601	Office Supplies Quickbooks Online Fee Office Equipment				\$ 70.00	\$ 70.00
6200	Bookkeeping	2.50		4.75		\$ 440.00
7000	Work Plan (MSR/SOI/Special Studies) UVFD City of Ukiah UVSD CSA 3 Covelo CSD	3.00 1.75	0.75 2.00			\$ - \$ 351.00 \$ 311.00 \$ - \$ -
8010	City of Ukiah Detachment Application	2.50	2.25			\$ 403.00
8022	City of Ukiah North Annex Pre-App					\$ -
8024	Millview CWD Annex Pre-App		10.00			\$ 680.00
8025	City of Ukiah Annex City Properties	1.50	9.00	3.75		\$ 912.00
8601	SALC Project (grant reimbursed)	2.00				\$ 200.00
<b>Totals</b>		\$ 5,675.00	\$ 2,567.00	\$ 2,400.00	\$ 70.00	<b>\$ 10,712.00</b>

### 5300 Basic Services

Administrative tasks and Clerk duties. File research and maintenance. Establish and update banking signatories and signature cards. January and February claims. Schedule Executive Committee meeting. Communications with Commissioners, public inquiries, etc. Conference calls and coordination with cities, special districts, legal counsel and staff regarding proposed SOI policies. Finalized FY 2019-20 audit materials and coordinated with Treasurer Ward and Pehling, CPA. FY 2021-22 budget development.

### 6200 Bookkeeping

Prepared and coordinated with Treasurer regarding claims. Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks.

### 7000 Work Plan (Sphere of Influence Updates, Municipal Service Reviews, and Special Studies)

Preparation for the Work Plan consisted of coordination and review of MOU and Agreements for preparation of the City of Ukiah MSR/SOI Update. Conference calls with UVSD staff regarding UVSD MSR/SOI update.

### 8010 City of Ukiah Detachment of UVSD Area

Conference call with Legal Counsel, LAFCo staff, and City of Ukiah regarding status of Application.

### 8022 City of Ukiah North Annex Pre-App

### 8024 Millview CWD Annexation Pre-Application

Review Draft Addendum; prepare response to MCWD/SHN.

### 8025 City of Ukiah Annexation of City-owned Properties

Coordinate application pick up, scanning and distribution of agency referral for new application.

### 8601 Sustainable Agricultural Lands Committee Grant Project

Attend SALC team meeting and provide updates on LAFCo activities

**Uma Hinman**

---

**From:** Intuit QuickBooks Team <intuit@notifications.intuit.com>  
**Sent:** Friday, February 19, 2021 6:44 AM  
**To:** eo@mendolafco.org  
**Subject:** We received your QuickBooks subscription payment!



## Payment success

Executive Officer, thank you for your payment.

**Invoice number:**  
1000186480561  
**Invoice date:** 02/19/2021  
**Total:** \$70.00  
**Payment method:** VISA ending  
in

Sign in to QuickBooks where you can see your billing history and view, save, and print your invoice.

[View billing history](#)

## Account details

**Billed to:** Mendocino LAFCo  
**Company ID ending:**  
**Items on this invoice:** QuickBooks Online Plus

(1) For subscriptions, your payment method on file will be automatically charged monthly/annually at the then-current list price until you cancel. If you have a discount it will apply to the then-current list price until it expires. To cancel your subscription at any time, go to [Account & Settings](#) and cancel the subscription. (2) For one-time services, your payment method on file will reflect the charge in the amount referenced in this invoice. Terms, conditions, pricing, features, service, and support options are subject to change without notice.

**Law Office of P. Scott Browne**  
131 South Auburn Street  
Grass Valley, CA 95945  
5302724250  
**Tax ID: 68-0348904**

February 15, 2021

Mendocino LAFCo  
200 South School St. Ste F  
Ukiah, CA 95482

**Invoice Number: 804**  
Invoice Period: 01-16-2021 - 02-15-2021

Payment due by the 15th of next month.

**RE: Mendocino LAFCo**  
Mendocino LAFCo

**Mendocino LAFCo**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	
01-16-2021	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement		900.00
01-18-2021	PSB	Revise consulting contract;	1.00	
02-01-2021	PSB	Meeting of Commission via Zoom;	1.50	
02-09-2021	PSB	Review email from Uma; conference call with UVSD	1.40	
02-15-2021	PSB	Overage hours for last 3 billing cycles, per agreement	4.40	990.00
			<b>Total</b>	1,890.00

**Total for this Invoice** 1,890.00  
**Total Amount to Pay** 2,790.00

We appreciate your business.

Page 1 of 2

# Project Statement of Account

As of 02-15-2021

<b>Project</b>		<b>Balance Due</b>
Mendocino LAFCo		2,790.00
	<b>Total Amount to Pay</b>	<b>2,790.00</b>

## Mendocino LAFCo

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
01-15-2021	Previous Balance			900.00
02-15-2021	Invoice 804			1,890.00
			<b>Balance</b>	<b>2,790.00</b>

We appreciate your business.

Page 2 of 2

**Law Office of P. Scott Browne**  
 131 South Auburn Street  
 Grass Valley, CA 95945  
 5302724250  
**Tax ID: 68-0348904**

February 15, 2021

Mendo-04  
 Mendo Millview  
 200 South School St. Ste F  
 Ukiah, CA 95482

**Invoice Number: 806**  
 Invoice Period: 01-16-2021 - 02-15-2021

**RE: Millview**

**Time Details**

Date	Staff Member	Description	Hours	Rate	Amount
02-03-2021	PSB	Review email from Uma re: Addendum and respond; Begin researching environmental documents relied upon in Addendum	0.85	225.00	191.25
<b>Total</b>					191.25

**Time Summary**

Staff Member	Hours	Rate	Amount
PSB	0.85	225.00	191.25
<b>Total</b>			191.25

<b>Total for this Invoice</b>	<b>191.25</b>
<b>Previous Invoice Balance</b>	202.50
<b>Total Amount to Pay</b>	<b>393.75</b>



# Project Statement of Account

As of 02-15-2021

<b>Project</b>	<b>Balance Due</b>
Millview	393.75
<b>Total Amount to Pay</b>	<b>393.75</b>

## Millview

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
01-15-2021	Previous Balance			202.50
02-15-2021	Invoice 806			191.25
			<b>Balance</b>	<b>393.75</b>

### Open Invoices and Credits

<b>Date</b>	<b>Transaction</b>	<b>Amount</b>	<b>Applied</b>	<b>Balance</b>
01-15-2021	Invoice 782	202.50		202.50
02-15-2021	Invoice 806	191.25		191.25
			<b>Balance</b>	<b>393.75</b>

We appreciate your business.

Page 2 of 2

**Law Office of P. Scott Browne**  
 131 South Auburn Street  
 Grass Valley, CA 95945  
 5302724250  
**Tax ID: 68-0348904**

February 15, 2021

Mendo-02  
 200 South School St. Ste F  
 Ukiah, CA 95482

**Invoice Number: 805**  
 Invoice Period: 01-16-2021 - 02-15-2021

**RE: Ukiah SOI**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
01-18-2021	PSB	Review Uma's changes to MOU and finalize; Email to Williams;	0.75	225.00	168.75
02-05-2021	PSB	Email from Uma re: MOU; Email to Williams	0.40	225.00	90.00
02-10-2021	PSB	Review email from Williams;	0.25	225.00	56.25
02-12-2021	PSB	Review email from Williams and email from Uma review city comments;	0.50	225.00	112.50
<b>Total</b>					427.50

**Time Summary**

<b>Staff Member</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
PSB	1.90	225.00	427.50
<b>Total</b>			427.50

**Total for this Invoice** 427.50  
**Previous Invoice Balance** 1,473.75  
**Total Amount to Pay** **1,901.25**

# Project Statement of Account

As of 02-15-2021

<b>Project</b>		<b>Balance Due</b>
Ukiah SOI		1,901.25
	<b>Total Amount to Pay</b>	<b>1,901.25</b>

## Ukiah SOI

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
01-15-2021	Previous Balance			1,473.75
02-15-2021	Invoice 805			427.50
			<b>Balance</b>	<b>1,901.25</b>

### Open Invoices and Credits

<b>Date</b>	<b>Transaction</b>	<b>Amount</b>	<b>Applied</b>	<b>Balance</b>
12-15-2020	Invoice 780	742.50		742.50
01-15-2021	Invoice 781	731.25		731.25
02-15-2021	Invoice 805	427.50		427.50
			<b>Balance</b>	<b>1,901.25</b>

We appreciate your business.

Page 2 of 2

**Law Office of P. Scott Browne**  
 131 South Auburn Street  
 Grass Valley, CA 95945  
 5302724250  
**Tax ID: 68-0348904**

October 15, 2020

Mendo-03  
 200 South School St. Ste F  
 Ukiah, CA 95482

**Invoice Number: 670**  
 Invoice Period: 09-16-2020 - 10-15-2020

**RE: Fire District Annexation**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
09-17-2020	PSB	Review emails in preparation for conference call with City re: fire annexation application needs	2.20	225.00	495.00
10-01-2020	PSB	Review emails; Work on revisions to application process outline; Email to Larkyn	2.50	225.00	562.50
10-02-2020	PSB	Review and respond to multiple emails from Larkyn	0.50	225.00	112.50
<b>Total</b>					1,170.00

**Time Summary**

<b>Staff Member</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
PSB	5.20	225.00	1,170.00
<b>Total</b>			1,170.00

**Total for this Invoice**      **1,170.00**  
**Previous Invoice Balance**      292.50  
**Total Amount to Pay**      **1,462.50**

# Project Statement of Account

As of 10-15-2020

<b>Project</b>		<b>Balance Due</b>
Fire District Annexation		1,462.50
	<b>Total Amount to Pay</b>	<b>1,462.50</b>

## Fire District Annexation

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
09-15-2020	Previous Balance			292.50
10-15-2020	Invoice 670			1,170.00
			<b>Balance</b>	<b>1,462.50</b>

### Open Invoices and Credits

<b>Date</b>	<b>Transaction</b>	<b>Amount</b>	<b>Applied</b>	<b>Balance</b>
09-15-2020	Invoice 632	292.50		292.50
10-15-2020	Invoice 670	1,170.00		1,170.00
			<b>Balance</b>	<b>1,462.50</b>

We appreciate your business.

Page 2 of 2

# Streamline

# Invoice

CA  
United States  
+1 916-900-6619  
billing@getstreamline.com

Invoice number 4688CCCA-0007  
Date of issue Feb 1, 2021  
Date due Mar 3, 2021

## Bill to

Uma Hinman - Mendocino LAFCo  
200 South School Street  
Ukiah, California 95482  
United States  
7074634470  
eo@mendolafco.org

## \$50.00 due March 3, 2021

Description	Qty	Unit price	Amount
FEB 1 - MAR 1, 2021			
Streamline Web Member 50k-250k	1	\$50.00	\$50.00
Subtotal			\$50.00
Amount due			\$50.00

Need our W-9 for tax purposes? You can download it at [www.getstreamline.com/w9](http://www.getstreamline.com/w9)

### Pay \$50.00 with ACH or wire transfer

### Pay \$50.00 with mailed check

Payable to Streamline  
Memo 4688CCCA-0007  
Mail to PO Box 207561  
Dallas, TX 75320-7561

Please include a copy of this PDF. Payment should be sent via USPS.

### Pay \$50.00 with card

Visit [https://invoice.stripe.com/i/acct\\_1H09sJF9K2W1OTWS/invst\\_IrYyE2uekZkxrah0yjKSJrzXLmGnm3P](https://invoice.stripe.com/i/acct_1H09sJF9K2W1OTWS/invst_IrYyE2uekZkxrah0yjKSJrzXLmGnm3P)

Questions? Contact Streamline at [billing@getstreamline.com](mailto:billing@getstreamline.com) or call at +1 916-900-6619.

4688CCCA-0007 - Page 1 of 2

# Streamline

# Invoice

+1 916-900-6619  
billing@getstreamline.com

Invoice number 4688CCCA-0008  
Date of issue Mar 1, 2021  
Date due Mar 31, 2021

## Bill to

Uma Hinman - Mendocino LAFCo  
200 South School Street  
Ukiah, California 95482  
United States  
7074634470  
eo@mendolafco.org

## \$50.00 due March 31, 2021

Description	Qty	Unit price	Amount
MAR 1 – APR 1, 2021			
Streamline Web Member 50k-250k	1	\$50.00	\$50.00
Subtotal			\$50.00
Amount due			\$50.00

Need our W-9 for tax purposes? You can download it at [www.getstreamline.com/w9](http://www.getstreamline.com/w9)

### Pay \$50.00 with ACH or wire transfer

### Pay \$50.00 with mailed check

Payable to Streamline  
Memo 4688CCCA-0008  
Mail to PO Box 207561  
Dallas, TX 75320-7561

Please include a copy of this PDF. Payment should be sent via USPS.

### Pay \$50.00 with card

Visit [https://invoice.stripe.com/i/acct\\_1H09sjF9K2W1OTWS/invst\\_J23L8ig4mJWdB1ZwEaluUtk1Xn1Lm4H](https://invoice.stripe.com/i/acct_1H09sjF9K2W1OTWS/invst_J23L8ig4mJWdB1ZwEaluUtk1Xn1Lm4H)

Questions? Contact Streamline at [billing@getstreamline.com](mailto:billing@getstreamline.com) or call at +1 916-900-6619.

4688CCCA-0008 – Page 1 of 1

# MENDOCINO Local Agency Formation Commission Staff Report

DATE: April 5, 2021  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Financial Report and Claims for March 2021**

**RECOMMENDED ACTION**

Approve the March 2021 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 10,033.00	\$ 13,159.00
	5601 Office Supplies (QB)	\$ 70.00	
	6200 Bookkeeping	\$ 455.00	
	7000 Work Plan (UVFD)	\$ 1,666.00	
	8010 City of Ukiah Detach	\$ 100.00	
	8024 MCWD Annex Pre-App		
	8022 City of Ukiah Annex City Properties	\$ 835.00	
Ukiah Valley Conf. Center	5502 Office Space	\$ 464.00	\$ 464.00
	5600 Office Expenses (Postage)		
Streamline	5700 Internet & Website Costs	\$ 50.00	\$ 50.00
P. Scott Browne	6300 Legal Counsel - General Services	\$ 910.40	\$ 2,102.90
	8010 Ukiah Detachment of UVSD Areas	\$ 675.00	
	8024 Millview Pre-Application	\$ 517.50	
County of Mendocino	6000 Televising Meetings (Jan. & Feb.)	\$ 240.92	\$ 240.92
Pheling CPA	6100 Audit Services	\$ 1,690.00	\$ 1,690.00
Commissioner Stipends	6740 Stipends - (Weinkle Feb.)	\$ 50.00	\$ 50.00
<b>Total:</b>			<b>\$ 17,756.82</b>

**Deposits:** City of Ukiah, \$4,000

**Attachments:**

- Budget Tracking Spreadsheet
- Work Plan Tracking
- Invoices: Hinman & Associates Consulting, Browne, Streamline, Pheling

*Please note that copies of all invoices, bank statements, and petty cash register were forwarded to the Commission Treasurer.*



**Mendocino Local Agency Formation Commission  
FY 2020-21 Budget and Application Tracking**

Acct #	Task	FY 20-21 Budget Amended	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	Year to Date	Remaining Budget	% of Budget Expended
<b>EXPENSES</b>											
5300	Basic Services - EO/Analyst/Clerk	\$92,060	\$28,703.00	\$21,841.00	\$5,246.00	\$7,345.00	\$10,033.00	\$22,624.00	\$73,168.00	\$18,892.00	79%
	Unfunded Mandates	\$0		\$0.00				\$0.00			
5500	Rent	\$5,568	\$898.00	\$1,856.00	\$464.00	\$464.00	\$464.00	\$1,392.00	\$4,146.00	\$1,422.00	74%
5600	Office Expenses	\$3,550	\$916.04	\$1,869.12	\$327.17	\$74.50	\$70.00	\$471.67	\$3,256.83	\$293.17	92%
5700	Internet & Website Costs	\$1,550	\$1,197.52	\$42.00	\$50.00	\$100.00	\$50.00	\$200.00	\$1,439.52	\$110.48	93%
5900	Publication & Legal Notices	\$2,000	\$274.64	\$0.00				\$0.00	\$274.64	\$1,725.36	14%
6000	Televising Meetings	\$2,000	\$166.40	\$466.78	\$120.46		\$240.92	\$361.38	\$994.56	\$1,005.44	50%
6100	Audit Services	\$3,380	\$1,690.00	\$0.00			\$1,690.00	\$1,690.00	\$3,380.00	\$0.00	100%
6200	Bookkeeping	\$4,500	\$1,000.00	\$830.00	\$1,385.00	\$440.00	\$455.00	\$2,280.00	\$4,110.00	\$390.00	91%
6300	Legal Counsel (S Browne)	\$14,700	\$2,400.00	\$2,727.00	\$900.00	\$1,890.00	\$910.40	\$3,700.40	\$8,827.40	\$5,872.60	60%
6400	A-87 Costs County Services	\$2,093	\$0.00	\$2,093.00				\$0.00	\$2,093.00	\$0.00	100%
6500	Insurance - General Liability	\$2,815	\$2,815.00	\$0.00				\$0.00	\$2,815.00	\$0.00	100%
6600	Memberships (CALAFCO/CSDA)	\$3,727	\$2,245.00	\$1,482.00				\$0.00	\$3,727.00	\$0.00	100%
6670	GIS Contract with County	\$2,500	\$0.00	\$0.00				\$0.00	\$0.00	\$2,500.00	0%
6740	In-County Travel & Stipends	\$1,000	\$0.00	\$50.00		\$50.00	\$50.00	\$100.00	\$150.00	\$850.00	15%
6750	Travel & Lodging Expenses	\$100	\$0.00	\$0.00				\$0.00	\$0.00	\$100.00	0%
6800	Conferences (Registrations)	\$150	\$0.00	\$0.00				\$0.00	\$0.00	\$150.00	0%
7000	Work Plan (MSRs and SOIs)	\$34,500	\$2,380.00	\$1,741.00	\$505.00	\$2,563.25	\$1,666.00	\$4,734.25	\$8,855.25	\$25,644.75	26%
<b>Monthly/ Year to Date Totals</b>		<b>\$176,193.00</b>	<b>\$44,685.60</b>	<b>\$34,997.90</b>	<b>\$8,997.63</b>	<b>\$12,926.75</b>	<b>\$15,629.32</b>	<b>\$37,553.70</b>	<b>\$117,237.20</b>	<b>\$58,955.80</b>	<b>67%</b>
<b>APPLICATIONS</b>											
		<b>DEPOSIT (total by application)</b>	<b>1st Qtr Subtotals</b>	<b>2nd Qtr Subtotal</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>3rd Qtr Subtotal</b>	<b>Project Total to Date</b>	<b>Remaining Budget</b>	<b>Notes</b>
D-2014-8010	City of Ukiah Detachment of UVSD lands	\$11,532.75	\$3,436.00	\$1,556.00	\$50.00	\$403.00	\$775.00	\$1,228.00	\$7,418.00	\$4,114.75	
P-2020-01 (8022)	City of Ukiah North Annexation Pre-Application	\$1,500.00	\$0.00	\$850.00	\$272.00			\$272.00	\$1,122.00	\$990.00	
P-2020-02 (8023)	City of Ukiah/UVFD Annexation Pre-Application	\$3,000.00	\$930.00	\$417.50		\$1,170.00		\$1,170.00	\$2,517.50	\$2,070.00	
P-2020-03 (8024)	Millview CWD Annexation Pre-Application	\$2,500.00	\$0.00	\$853.00	\$303.50	\$871.25	\$517.50	\$1,692.25	\$2,545.25	\$-45.25	
A-2021-01 (8025)	City of Ukiah Annexation of City-Owned Properties	\$5,000.00	\$0.00	\$0.00		\$912.00	\$835.00	\$1,747.00	\$1,747.00	\$3,253.00	
8601	Sustainable Ag Lands Committee Grant Project	\$5,100.00	\$100.00	\$225.00		\$250.00		\$250.00	\$575.00	\$4,525.00	grant reimbursement
<b>Application Totals</b>		<b>\$28,632.75</b>	<b>\$4,466.00</b>	<b>\$3,901.50</b>	<b>\$625.50</b>	<b>\$3,606.25</b>	<b>\$2,127.50</b>	<b>\$6,359.25</b>		<b>\$10,382.50</b>	
<b>EXPENSES AND APPLICATION TOTALS</b>		<b>\$204,825.75</b>	<b>\$49,151.60</b>	<b>\$38,899.40</b>	<b>\$9,623.13</b>	<b>\$16,533.00</b>	<b>\$17,756.82</b>	<b>\$43,912.95</b>			

**DEPOSITS**

3/19/2021	City of Ukiah (D-2020-01)	\$	4,000.00
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**ACCOUNT BALANCES**

County of Mendocino Account Balance	\$	12,403	MUNIS report balance as of	3/22/2021
Operations (Checking) Account Balance	\$	50,191	Quickbooks balance as of	3/31/2021
Legal Reserve Balance	\$	35,000	Bank statement as of	2/28/2021
Operations Reserve Balance	\$	55,484	Bank statement as of	2/28/2021
<b>Total</b>	\$	<b>153,078</b>		

**Mendocino LAFCo**  
**FY 2020-21 Estimated Work Plan Implementation Schedule and Cost Tracking**  
 March 2021

**Subject to Change:** The estimated schedule and costs for the Fiscal Year 2020-21 Work Plan are subject to change based on agency responsiveness, timely provision of requested information, complexity of issues, level of public and affected agency controversy, and changing needs and priorities.

**CEQA:** Based on LAFCo practice, the work plan assumes minimal costs for CEQA compliance related to preparing a Notice of Exemption, unless an agency proposes a non-coterminous SOI and pays for any necessary studies and preparation of a Negative Declaration or Environmental Impact Report.

**Rolling Work Plan:** It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of a study may roll over to the next fiscal year. This estimated work plan implementation schedule and cost tracking table is intended to enhance communication and transparency.

Agency	Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Cost Estimate *	FY 2020-21 Amended Budget	FY 2020-21 Expenses	Cost to Date **
Mendocino City CSD	Complete	Complete	6/1/20	8/3/20	Complete	\$10,000	\$0	\$1,224	\$13,573
Ukiah Valley Sanitation District	Complete	In progress	TBD	TBD	TBD	\$20,000	\$10,000	\$639	\$3,669
City of Ukiah	Pending	Pending	TBD	TBD	TBD	\$25,000	\$12,500	\$4,170	\$4,170
Ukiah Valley Fire District	Complete	Pending	TBD	TBD	TBD	\$7,000	\$6,000	\$1,666	\$1,666
County Service Area 3	In progress	In progress	TBD	TBD	TBD	\$10,000	\$6,000	\$0	\$3,876
Covelo CSD	Complete	Postponed	Postponed	Postponed	Postponed	\$8,000	\$0	\$1,156	\$1,802
<b>Estimated Total</b>						\$80,000	\$34,500	\$8,855	\$28,756

\* Column indicates the initial cost estimated for each study and accounts for in process studies rolled over from prior fiscal years.

\*\* Column indicates a running total for actual expenses incurred to date for each study in process and is not limited to a specific fiscal year.



## Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

**Date** March 31, 2021  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** March 1 - 31, 2021

**Invoice No.** 564  
**Invoice Total** \$ 13,159.00

Account Description	Staff/Hours			Other (At Cost)	Totals
	Executive Officer \$100	Analyst \$68	Clerk \$40		
5300 Basic Services Public Records Act Requests	67.50	29.75	31.50		\$ 10,033.00
5601 Office Supplies Quickbooks Online Fee Office Equipment				\$ 70.00	\$ 70.00
6200 Bookkeeping	3.75		2.00		\$ 455.00
7000 Work Plan (MSR/SOI/Special Studies) UVFD City of Ukiah UVSD CSA 3 Covelo CSD		24.50			\$ 1,666.00 \$ - \$ - \$ - \$ -
8010 City of Ukiah Detachment Application	1.00				\$ 100.00
8022 City of Ukiah North Annex Pre-App					\$ -
8024 Millview CWD Annex Pre-App					\$ -
8025 City of Ukiah Annex City Properties	2.00	8.75	1.00		\$ 835.00
8601 SALC Project (grant reimbursed)					\$ -
<b>Totals</b>	<b>\$ 7,425.00</b>	<b>\$ 4,284.00</b>	<b>\$ 1,380.00</b>	<b>\$ 70.00</b>	<b>\$ 13,159.00</b>

### 5300 Basic Services

Administrative tasks and Clerk duties. File research and maintenance. Establish and update banking signatories and signature cards. February and March claims. Schedule March 10 and 30 Executive Committee meetings. Communications with Commissioners, public inquiries, etc. Finalize FY 2019-20 audit materials and coordinated with Treasurer Ward and Pehling, CPA. FY 2021-22 budget development. Agenda packet development for April 5 Commission meeting. Policy research and coordination with Legal Counsel and other LAFCo EOs regarding indemnification case and options available to LAFCo.

### 6200 Bookkeeping

Prepared and coordinated with Treasurer regarding claims. Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks. Researched audit questions from Zach Pehling.

### 7000 Work Plan (Sphere of Influence Updates, Municipal Service Reviews, and Special Studies)

Coordinated with City, Planwest Partners and Legal Counsel regarding status of MOU and Agreements for preparation of the City of Ukiah MSR/SOI Update. Analysis and drafting of Administration Draft MSR/SOI for the UVFD.

### 8010 City of Ukiah Detachment of UVSD Area

Coordinated with Legal Counsel regarding application status and next steps.

### 8022 City of Ukiah North Annex Pre-App

### 8024 Millview CWD Annexation Pre-Application

### 8025 City of Ukiah Annexation of City-owned Properties

Review of application materials, coordinate with agencies for comments on application referral, Clerk distribution of referral, preparation of incomplete letter.

### 8601 Sustainable Agricultural Lands Committee Grant Project

**Uma Hinman**

---

**From:** Intuit QuickBooks Team <intuit@notifications.intuit.com>  
**Sent:** Friday, March 19, 2021 6:46 AM  
**To:** eo@mendolafco.org  
**Subject:** We received your QuickBooks subscription payment!



## Payment success

Executive Officer, thank you for your payment.

**Invoice number:**  
1000190790482  
**Invoice date:** 03/19/2021  
**Total:** \$70.00  
**Payment method:** VISA ending in

Sign in to QuickBooks where you can see your billing history and view, save, and print your invoice.

[View billing history](#)

## Account details

**Billed to:** Mendocino LAFCo  
**Company ID ending:**  
**Items on this invoice:** QuickBooks Online Plus

(1) For subscriptions, your payment method on file will be automatically charged monthly/annually at the then-current list price until you cancel. If you have a discount it will apply to the then-current list price until it expires. To cancel your subscription at any time, go to [Account & Settings](#) and cancel the subscription. (2) For one-time services, your payment method on file will reflect the charge in the amount referenced in this invoice. Terms, conditions, pricing, features, service, and support options are subject to change without notice.

**Law Office of P. Scott Browne**  
131 South Auburn Street  
Grass Valley, CA 95945  
5302724250  
**Tax ID: 68-0348904**

March 31, 2021

Mendocino LAFCo  
200 South School St. Ste F  
Ukiah, CA 95482

**Invoice Number: 842**  
Invoice Period: 02-16-2021 - 03-15-2021

Payment due by the 15th of next month.

**RE: Mendocino LAFCo**  
Mendocino LAFCo

**Mendocino LAFCo**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
02-16-2021	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement	
02-17-2021	PSB	Review and respond to email from Uma re: conference call with Williams; Telephone call to Uma;	0.75
02-23-2021	PSB	Review William's revisions; Make further revisions to the draft MOU; Email to Uma with memo; Review email from Uma; Email revised MOU to Williams;	2.70
03-05-2021	PSB	Review new case on indemnification and issue memo to Client	0.50
03-08-2021	WJC	Prepare and file Form 700;	0.50
03-09-2021	PSB	Review emails from Uma and respond	0.50
03-09-2021	PSB	Telephone call from John Sharp for UVSD	0.70
03-10-2021	PSB	Zoom meeting with Budget Committee to discuss SLO LAFCo indemnification case.	0.70
03-12-2021	PSB	Review Planwest changes to contract and respond to Uma;	0.65
03-15-2021	PSB	Memo re: San Luis Obispo LAFCo case	0.50

We appreciate your business.

Page 1 of 3

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
03-15-2021	PSB	Review email from Williams re: MOU & Planwest	0.20
			<b>Total</b> 900.00

**Expenses**

<b>Date</b>	<b>Staff Member</b>	<b>Expense</b>	<b>Amount</b>
03-15-2021	WJC	Legal Research	10.40
		Legal Research	
			<b>Total Expenses</b> 10.40
			<b>Total for this Invoice</b> 910.40
			<b>Total Amount to Pay</b> 910.40

# Project Statement of Account

As of 03-31-2021

<b>Project</b>		<b>Balance Due</b>
Mendocino LAFCo		910.40
	<b>Total Amount to Pay</b>	<b>910.40</b>

## Mendocino LAFCo

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
02-15-2021	Previous Balance			2,790.00
02-25-2021	Payment Received - Reference ck# 1633			(900.00)
02-25-2021	Payment Applied	900.00	778	
03-15-2021	Payment Received - Reference Check #1640			(1,890.00)
03-15-2021	Payment Applied	1,890.00	804	
03-31-2021	Invoice 842			910.40
			<b>Balance</b>	<b>910.40</b>

We appreciate your business.

Page 3 of 3

**Law Office of P. Scott Browne**  
 131 South Auburn Street  
 Grass Valley, CA 95945  
 5302724250  
**Tax ID: 68-0348904**

March 15, 2021

Mendo-04  
 Mendo Millview  
 200 South School St. Ste F  
 Ukiah, CA 95482

**Invoice Number: 834**  
 Invoice Period: 02-16-2021 - 03-15-2021

**RE: Millview**

**Time Details**

Date	Staff Member	Description	Hours	Rate	Amount
02-24-2021	PSB	Review draft response to Millview re: addendum; Work on revisions; Email to Uma;	2.30	225.00	517.50
			<b>Total</b>		517.50

**Time Summary**

Staff Member	Hours	Rate	Amount
PSB	2.30	225.00	517.50
<b>Total</b>			517.50

<b>Total for this Invoice</b>	517.50
<b>Previous Invoice Balance</b>	393.75
Payment - ck# 1633 on 02-25-2021	(202.50)
Payment - Check # 1640 on 03-15-2021	(191.25)
<b>Total Amount to Pay</b>	<b>517.50</b>

We appreciate your business.

Page 1 of 2



# Project Statement of Account

As of 03-15-2021

Project	Balance Due
Millview	517.50
<b>Total Amount to Pay</b>	<b>517.50</b>

## Millview

### Transactions

Date	Transaction	Applied	Invoice	Amount
02-15-2021	Previous Balance			393.75
02-25-2021	Payment Received - Reference ck# 1633			(202.50)
02-25-2021	Payment Applied	202.50	782	
03-15-2021	Payment Received - Reference Check # 1640			(191.25)
03-15-2021	Payment Applied	191.25	806	
03-15-2021	Invoice 834			517.50
			<b>Balance</b>	<b>517.50</b>

### Open Invoices and Credits

Date	Transaction	Amount	Applied	Balance
03-15-2021	Invoice 834	517.50		517.50
			<b>Balance</b>	<b>517.50</b>

We appreciate your business.

Page 2 of 2

**Law Office of P. Scott Browne**  
 131 South Auburn Street  
 Grass Valley, CA 95945  
 5302724250  
**Tax ID: 68-0348904**

March 31, 2021

Mendo-02  
 200 South School St. Ste F  
 Ukiah, CA 95482

**Invoice Number: 843**  
 Invoice Period: 02-16-2021 - 03-15-2021

**RE: Ukiah Detachment of UVSD Areas (#D-2020-01)**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
02-25-2021	PSB	Pre call with Uma and Larkyn; Call with Ukiah representatives: Research; Email to Phil;	3.00	225.00	675.00
				<b>Total</b>	675.00

**Time Summary**

<b>Staff Member</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
PSB	3.00	225.00	675.00
		<b>Total</b>	675.00

<b>Total for this Invoice</b>	675.00
<b>Previous Invoice Balance</b>	1,901.25
Payment - Check #1640 on 03-15-2021	(1,901.25)
<b>Total Amount to Pay</b>	<b>675.00</b>

# Project Statement of Account

As of 03-31-2021

<b>Project</b>		<b>Balance Due</b>
Ukiah SOI		675.00
	<b>Total Amount to Pay</b>	<b>675.00</b>

## Ukiah SOI

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
02-15-2021	Previous Balance			1,901.25
03-15-2021	Payment Received - Reference Check #1640			(1,901.25)
03-15-2021	Payment Applied	742.50	780	
03-15-2021	Payment Applied	731.25	781	
03-15-2021	Payment Applied	427.50	805	
03-31-2021	Invoice 843			675.00
			<b>Balance</b>	<b>675.00</b>

### Open Invoices and Credits

<b>Date</b>	<b>Transaction</b>	<b>Amount</b>	<b>Applied</b>	<b>Balance</b>
03-31-2021	Invoice 843	675.00		675.00
			<b>Balance</b>	<b>675.00</b>

We appreciate your business.

Page 2 of 2

**Uma Hinman**

---


**From:** Streamline <invoice+statements+acct\_1H09sJF9K2W1OTWS@stripe.com>  
**Sent:** Wednesday, March 31, 2021 6:02 PM  
**To:** eo@mendolafco.org  
**Subject:** New invoice from Streamline #4688CCCA-0009


Streamline

Invoice from Streamline

**\$50.00**

Due May 1, 2021



 Download invoice

To Uma Hinman - Mendocino LAFCo  
From Streamline

[Pay this invoice](#)

Invoice #4688CCCA-0009

APR 1 – MAY 1, 2021

Streamline Web Member 50k-250k	\$50.00
Qty 1	

---

Amount due	\$50.00
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Questions? Contact us at [billing@getstreamline.com](mailto:billing@getstreamline.com)

PAY \$50.00 WITH ACH OR WIRE TRANSFER

**PNP CPA**  
1 E LIBERTY ST, 600  
RENO, NV 89501 US  
zach@pehlingcpa.com

# INVOICE

**BILL TO**  
Mendocino LAFCo

**INVOICE #** 1126  
**DATE** 03/18/2021  
**DUE DATE** 03/18/2021  
**TERMS** Due on receipt

---

DESCRIPTION	AMOUNT
Audit	1,690.00
<hr style="border-top: 1px dashed #000;"/> <b>BALANCE DUE</b>	
	<b>\$1,690.00</b>

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2020 and 2019**

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY  
FINANCIAL STATEMENTS  
JUNE 30, 2020 & 2019**

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Statement of Net Position and Governmental Funds Balance Sheet	7
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# **Mendocino Local Agency Formation Commission Management Discussion & Analysis of Fiscal Years Ending June 30, 2020 & 2019**

## **1. Discussion of Basic Financial Statements**

Mendocino Local Agency Formation Commission's (LAFCo) primary funding source for its annual budget is mandated by Government Code Section 56381. Section 56381 requires that the costs of LAFCo are to be paid in equal one-third shares by the agencies represented on the Commission; that is, the County pays one-third of the adopted budget, the four Cities pay one-third and the fifty Special Districts pay one-third. LAFCo does not receive its annual income directly; instead, an independent third party, the County Auditor, receives and holds the funds for LAFCo.

LAFCo's General Fund is its primary operating fund; it is used to account for most all transactions of the Commission. When application fees are received, a Project Fund will be developed for the income and expenditures associated with that particular Project.

The Commission also maintains a reserves account for holding funds for legal and operational contingencies. Commission policies specify a minimum legal reserve of \$35,000 and an operational reserve of 25% of the operational budget (Mendocino LAFCo Policy 5.1.5).

LAFCo has no other specialized funds such as enterprise funds, capital asset funds, debt payment funds, or other similar funds. Because of the size of its budget, the type of income, and the nature of the funding process mandated by Government Code Section 56381 and the keeping of the funds by the County Auditor, LAFCo has historically utilized a modified cash basis of accounting.

## **2. Comparative Financial Information**

All services needed by LAFCo, including County services received by LAFCo, must be paid for from LAFCo's budget. This includes such services as staff, legal counsel, GIS, County surveyor, Auditor, (A-87 costs), Assessor and Recorder, engineering services, publications of legal notices, communications, website, insurance, the cost of annual audits, etc. These costs have been reflected in LAFCo's budget since Fiscal Year 2001-2002. Additionally, the costs of the Sphere of Influence/Municipal Service Review process as mandated by G.C. 56425 and 56430 have been reflected in LAFCo's budget.

For Fiscal Years 2011/2012, 2012/2013, 2013/2014 and 2014/2015 apportionment costs to the County, Cities, and Special Districts remained at \$135,000. For Fiscal Year 2015/2016 apportionment costs were lowered to \$125,000. In Fiscal Year 2016/2017, apportionment costs were again lowered to \$120,000 where they remained consistent for Fiscal Year 2017/2018. With excess reserves expended, apportionment costs were raised again to \$135,000 for Fiscal Years 2018/2019 and 2019/2020 so as to work back toward annual balancing of revenues and expenditures.



### 3. Condensed Financial Information

A summation of LAFCo’s financial circumstances is provided in the below tables:

<b>Statement of Net Position</b>		
<b>June 30, 2020 &amp; 2019</b>		
<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash	107,070	106,855
Accounts Receivable	-	611
<b>Total Assets</b>	<b>107,070</b>	<b>107,466</b>
<b>Liabilities</b>	<b>12,633</b>	<b>11,860</b>
<b>Total Net Position</b>	<b>94,437</b>	<b>95,606</b>
<b>Statement of Activities</b>		
<b>June 30, 2020 &amp; 2019</b>		
	<b>2020</b>	<b>2019</b>
Program Expenses	150,748	144,131
Program Revenues	149,494	142,250
Net Program Income	(1,254)	(1,881)
General Revenue	86	502
Increase in Net Position	(1,167)	(1,379)
Net Position-July 1	95,606	96,984
Net Position-June 30	94,437	95,605

### 4. LAFCo’s Overall Financial Position

The particular financial circumstances of LAFCo are different from most public agencies. LAFCo has no authority to tax, borrow or enter into capital projects. It does have the power to assess fees for applications and services provided. By law, fees can only be the actual, direct costs of providing the service, and cannot be used to fund the operating costs of LAFCo. The primary expenditures for the budget are paid by the participating agencies rather than from fees, taxes or assessments on property. LAFCo has no debt. Its primary monetary assets are its reserve funds. At end of Fiscal Year 2019/2020, general reserve funds were at \$90,436.

## 5. Analysis and Transactions of General Fund-LAFCo's Budget

Following is the adopted budget for Fiscal Year 2019/2020, which was adopted by the Commission in May 2019 (LAFCo Resolution No. 18-19-09).

<b>Commission's Final Budget Fiscal Year 2019/2020</b>			
	Quick Books		Fiscal Year
Line #	Account #	Description	2019/2020
<b>Revenue</b>			
1	4000	LAFCo Apportionment Fees	\$ 135,000
2	4030	Application Filing Fees	-
3	4800	Miscellaneous	-
4	4910	Interest Income	350
5		<b>Total</b>	\$ 135,350
6		<b>Use of Residual Cash</b>	-
7		<b>Total Income</b>	\$ 135,350
<b>Expenses</b>			
8	5300	Contract Services - Office & Staff	72,060
9	5500	Office Rent	5,460
10	5600	Office Expense	2,700
11	5700	Internet & Website Costs	1,300
12	5900	Publication & Legal Notices	2,000
13	6000	Televising Commission Meetings	3,000
14	6100	Audit Services	3,500
15	6200	Bookkeeping	4,500
16	6300	Legal Counsel	7,200
17	6400	A-87 Costs - County Services	428
18	6500	Insurance - General Liability	1,100
19	6600	Memberships (CALAFCO/CSDA)	2,750
20	6670	GIS Contract with County (Counsel training/IS Support)	2,500
20	6740	In-County Travel & Stipends	4,000
21	6750	Travel & Lodging	3,500
22	6800	Conferences (Registrations)	3,000
23	7000	Work Plan (MSRs and SOIs)	41,250
24	9000	Special District Training Support	
25		<b>Total Expenses before Application Fees</b>	\$ 160,248
26	8000	Application Filing Fees	-
27		<b>Total Expense</b>	\$ 160,248
28		Fund Balance	\$ (24,898)
29		General Reserves (Legal & Operational)	\$ 90,361

## **6. Analysis of Significant Budgetary Variations-Unspent Funds**

Each year, since the beginning of the budget process under Cortese-Knox-Hertzberg (CKH), there have been unspent funds from the various line items. The Commission through its budget deliberations process has determined that money not spent in one budget year from various line items, is to be used in the next year's budget to increase reserves and as a Fund Balance Carryover to offset the forthcoming year's budget for G.C. 56425 & 56430 mandates.

Additionally, LAFCo Policies dictate maintenance of a reserve account. LAFCo Policy 5.1.5 *Reserves for Fiscal Stability, Cash Flow, and Contingencies* (Resolution No. 2018-19-06) states: *"Mendocino LAFCo will strive to maintain reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of an Operating Reserve of 25 percent of the annual operating budget and a Legal Reserve of \$35,000 and are to be maintained in separate accounts."*

## **7. Description of Significant Capital Assets and Long-term Debt Activity**

Except for a provision in CKH that allows the Board of Supervisors to lend temporary operational funds to the Commission, LAFCo has no authority to borrow or to develop capital projects. The Commission has no mortgages, leases, liens, short-term loans, long-term debt, or any other encumbrances. It owns no stocks, bonds, securities or other investments. It has no capital assets or capitalization programs. The Commission does have the authority to pursue grants to assist in its decision making, but has no grants at this time.

## **8. Discussion of Significant Changes in Conditions and Estimated Maintenance Expenses for Infrastructure Assets**

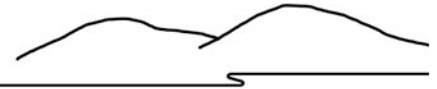
The Commission owns no land, buildings or infrastructure. Other than normal office furniture, filing cabinets, telephone, computer, and printer, the Commission has no physical assets. Paper and electronic records or past actions and activities are maintained in the LAFCo office, and from the date of inception of LAFCo in 1963.

## **9. Currently Known Facts, Decisions or Conditions**

There are no facts, decisions or conditions that are currently known that are expected to significantly alter LAFCo's future financial picture.

## **10. Additional Financial Information**

This financial report is designed to provide LAFCo's participating agencies, members of the public, customers, and other interested parties with an overview of LAFCo's financial results and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact Mendocino LAFCo at 200 South School Street, Ukiah, CA 95482; 707-463-4470.



**March 18, 2021**

Mendocino LAFCO

Ukiah, CA

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Mendocino LAFCO as of and for the year-ended June 30, 2020, as listed in the Table of Contents.

**Management's Responsibility for the Financial Statements**

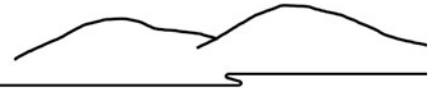
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

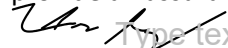


**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mendocino LAFCO as of June 30, 2020, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis information and Budget VS. Actual comparison be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with managements responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurances on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide an assurance.

 Type text here  
Zach Pehling, CPA’s

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF NET POSITION**  
**& GOVERNMENTAL FUNDS BALANCE SHEET**  
**AS OF JUNE 30, 2020 & 2019**

	Statement of Net Position			Statement of Net Position		
	General Fund	Adjustments Note 3	2020	General Fund	Adjustments Note 3	2019
<u>Assets</u>						
Cash - Note 2	\$ 107,070	\$ -	\$ 107,070	\$ 106,855	\$ -	\$ 106,855
Accounts Receivable	-	-	-	611	-	611
<b>Total Assets</b>	<b>\$ 107,070</b>	<b>\$ -</b>	<b>\$ 107,070</b>	<b>\$ 107,466</b>	<b>\$ -</b>	<b>\$ 107,466</b>
<u>Liabilities</u>						
Accounts Payable	10,792	-	10,792	10,328	-	10,328
Fees Received in Advance	1,841	-	1,841	1,533	-	1,533
<b>Total Liabilities</b>	<b>\$ 12,633</b>	<b>\$ -</b>	<b>\$ 12,633</b>	<b>\$ 11,861</b>	<b>\$ -</b>	<b>\$ 11,861</b>
<u>Fund Balance/Net Position</u>						
Fund Balances						
Reserved for Legal	35,000	(35,000)	-	35,000	(35,000)	-
Reserved for Operating Reserve	55,436	(55,436)	-	55,377	(55,377)	-
Unassigned	4,001	(4,001)	-	5,228	(5,228)	-
<b>Total Fund Balance</b>	<b>\$ 94,437</b>	<b>\$ (93,034)</b>		<b>\$ 95,605</b>	<b>\$ (95,605)</b>	<b>\$ -</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 107,070</b>	<b>\$ (93,034)</b>		<b>\$ 107,466</b>	<b>\$ (95,605)</b>	<b>\$ -</b>
<u>Net Position</u>						
Unrestricted		<u>\$ 94,437</u>	<u>\$ 94,437</u>		<u>\$ 95,605</u>	<u>\$ 95,605</u>
<b>Total Net Position</b>		<b><u>\$ 94,437</u></b>	<b><u>\$ 94,437</u></b>		<b><u>\$ 95,605</u></b>	<b><u>\$ 95,605</u></b>

The accompanying notes are an integral part of these financial statements.

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2020 & 2019**

	2020	2019
<u>General Government - Planning</u>		
Insurance-General	-	\$ 1,076
Memberships	2,521	2,302
Audit Fees	3,250	3,100
Internet and Website Costs	1,153	1,153
Legal Counsel	7,200	7,218
Architect, Engineering and Planning Services	-	-
Professional Services	95,366	101,530
Rent	5,433	5,410
Office Expenses	1,567	1,603
Publication and Legal Notices	1,610	1,181
County Support Services (GIS)	1,717	2,767
Televising Commissioner Meetings	1,618	1,817
Bookkeeping-Financial	4,500	3,522
Professional Fees-Applications	17,381	2,017
Transportation and Travel Out of County	1,052	4,218
In-County Travel & Stipends	2,535	2,477
Miscellaneous Expense	3,846	2,740
Special District Training Support	-	-
	<b>150,748</b>	<b>\$ 144,131</b>
 <u>Program Revenues</u>		
Assessments	135,000	135,000
Application Fees & Reimbursements	14,494	7,250
	<b>\$ 149,494</b>	<b>\$ 142,250</b>
 Net Program Income	 \$ (1,254)	 \$ (1,881)
 <u>General Revenues</u>		
Interest Earnings	86	502
	86	\$ 502
 Total General Revenues	 86	 \$ 502
 Increase in Net Position	 \$ (1,167)	 \$ (1,380)
 Net Position - July 1,	 \$ 95,604	 96,984
 Net Position - June 30,	 \$ 94,437	 \$ 95,604

The accompanying notes are an integral part of these financial statements.

**Mendocino Local Agency Formation Commission**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2020 & 2019**

**Note 1 – Summary of Significant Accounting Policies**

**Organization**

The Mendocino Local Agency Formation Commission's (LAFCo) primary operates under the rules and requirements of the Cortese-Knox-Hertzberg Local Government Act of 2000. This act is commonly referred to as C-K-H or AB 2838. This act is found in the Government Code beginning with Section 56000. However, this part of the Government Code does not comprise of all the requirements of laws that LAFCo must meet. Other elements of the law such as the Public Resources Code, Guidelines to California Environmental Quality Act (CEQA), Revenue and Taxation Code, Election Code, Brown Act, case decisions, state and local policies and the policies and procedures of LAFCo also affect the decision making responsibilities of LAFCo. However, the primary controlling authority of LAFCo is the Government Code beginning with Section 56000 and LAFCo's policies which implement the law.

**Accounting Policies**

The Commission's accounting and reporting policies conform to the generally accepted accounting principles as applicable to state and local governments. The following is a summary of the more significant policies.

**Basis of Presentation**

The Statement of Net Position and Statement of Activities display information about the reporting of the Commission as a whole.

The Commission is comprised of only one fund, the General Fund. The General Fund is the primary operating fund of the Commission and is always classified as a major fund. It is used to account for all activities. The Commission maintains two bank accounts to manage the Fund: a checking account with Savings Bank of Mendocino County and a reserves account with Westamerica Bank in Ukiah, CA. The reserves are set aside for legal and operational contingencies; policies are established for both.

**Basis of Accounting**

Statement of Net Position and Statement of Activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, asset and liabilities resulting from an exchange are recognized when the exchange takes place.



When an expense is incurred for the purpose for which both restricted and unrestricted net assets are available, the Commission's policy is to apply restricted net assets first.

In the General Fund Financial Statements, government funds are presented on the modified accrual basis of accounting. Under this method, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectable within the current period or within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recorded when due.

When an expense is incurred for the purpose for which either committed, assigned or unassigned net assets are available, the Commission's policy is to apply committed or assigned net asset first.

## **Budget**

The Commission is required to adopt an annual budget for the Commission's general operations each fiscal year. The annual budget for the general fund is prepared in accordance with the basis of accounting utilized by the Commission. The budget is amended from time-to-time as needed and is approved by the Commissioners with each amendment.

## **Deposits and Investments**

It is the Commission's policy for deposits and investments to either be insured by the FDIC or collateralized. The Commission's deposits and investments are categorized to give an indication of the level of risk assumed by the Commission as of June 30, 2020 and 2019. The categories are described as follows:

- Category 1      Insured, registered or collateralized, with securities held by the entity or its agent in the entity's name.
  
- Category 2      Uninsured and unregistered or collateralized, with securities held by the counter party's trust department or agent in the entity's name.
  
- Category 3      Uninsured and unregistered, or uncollateralized, with securities held by the counter party, or its trust department or agent but not held in the entity's name.

Deposits and Investments as of June 30, 2020 and 2019 consist of Category 1 type only.

State law requires uninsured deposits of public agencies to be secured by certain state approved investment securities. The Commission's deposits are secured as part of an undivided collateral pool covering all public deposits with the financial institution. The market value of the pool must be equal to at least 110% of the total public deposits held by the financial institutions.

## **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets

and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

## **Risk Management**

The Commission is exposed to various risks of loss related to torts, theft to, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Commission carries insurance for all risks. Settled claims resulting from these risks have not exceeded insurance coverages in the past three years.

## **Equity Classifications – Government-wide Statements**

Equity is classified as net position and displayed as follows:

- a. Invested in capital assets, net of related debt – consists of capital assets net of accumulated depreciation and reduced by outstanding liabilities used for acquisition, construction or improvement of these assets.
- b. Unrestricted net position – All other net assets that do not meet the definition of “Investment in capital assets, net of unrelated debt”.

## **Equity Classifications – Fund Statements**

Government fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned or unassigned.

## **Note 2 – Cash**

The Commission maintains an account with Savings Bank of Mendocino County used for issuing checks for the payment of general operating expenses. The County of Mendocino collects the Apportionment Fees from the County, Cities and Special Districts and holds those funds in an account with the County Auditor. When sufficient funds are collected (Apportionment Fees), LAFCo will then transfer funds into the checking account at Savings Bank of Mendocino County. Cash on deposit in the County of Mendocino’s treasury is a pooled money investment account similar to a money market account. The funds deposited with the County, until transferred, are invested in accordance with Sections 53601 and 53635 of the California Government Code that specify the authorized investments that an investment pool can purchase.

The County’s investment policy as of July 7, 1997 prohibits the following: reverse repurchase agreements, collateralized mortgage securities, futures or options, lend securities or security with a stated or potential maturity longer than five years. Interest earnings recorded by the Commission for these funds for the fiscal year ended June 30, 2020 and 2019 were \$0 and \$502, respectively. The County of Mendocino issues a separate comprehensive annual financial report. Copies of the County of Mendocino’s annual financial report may be obtained from the County of Mendocino’s Auditor-Controller’s office, 501 Low Gap Road, Room 1080, Ukiah, CA 95482.

The Commission's deposits with County Treasury have a risk category of "uncategorized" which represents investments in pools where the Commission's investments are not evidenced by specific identifiable securities.

The Commission also maintains an account with Westamerica Bank used for holding reserve funds for legal and operational contingencies. Commission policies specify a minimum legal reserve of \$35,000 and an operational reserve of 25% of the operational budget.

### **Note 3 – Reconciliation to Statement of Net Position**

There are no differences in the amounts reported for government activities in the Statement of Net Position.

### **Note 4 – Accounts Receivable**

On an accrual basis, Revenues are recognized in the fiscal year in which the services are billed.

### **Note 5 – Accounts Payable**

On an accrual basis, expenses are recognized in the fiscal year in which the goods or services are received.

### **Note 6 – Fees Received in Advance**

On an accrual basis, Revenues are recognized in the fiscal year in which the services are provided. Some fees are received by the Commission in advance of performing the requested services and are therefore carried as a liability until the work has been completed and the revenues earned.

### **Note 7 – Joint Powers Agreement**

The Commission participates in a joint venture under a joint agreement (JPA) with the Special District Risk Management Authority (SDRMA). The relationship between the Commission and the JPA is such that is not a component unit of the Commission and the JPA is not a component unit of the Commission for financial reporting purposes.

The JPA's purpose is to jointly fund and develop programs to provide comprehensive and economical funding of property, workers compensation and employers liability coverage's for bodily injury by accident or by disease, including resulting from death, arising out of and in the course of an employee's employment with the Commission. This program is provided through collective self-insurance; the purchase of insurance coverage's; or a combination thereof. Copies of SDRMA annual financial reports may be obtained from their executive office at 1112 I Street #300, Sacramento, CA 95814.

### **Note 8 – Risk Management**

The Commission is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets, errors and omissions; injuries to employees; and natural disasters. During 2019/2020 the

Commission contracted insurance for liability, property, crime damage, and employee and director insurance.

### **Note 9 – Contingencies**

As of June 30, 2020, the Commission did not have any pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

### **Note 10 – Subsequent Events**

Subsequent events are those events or transactions that occur subsequent to the effective date of the financial statements, but prior to the issuance of the final reports, which may have a material effect on the financial statement or disclosures therein.

There are no subsequent events that have occurred that meet the above definition.

## **SUPPLEMENTAL INFORMATION**

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted	Amounts	Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Beginning Budgetary Fund Balance	\$ 95,606	\$ 95,606	\$ 95,606	\$ -
<b>Resources (Inflows)</b>				
Assessments	\$ 135,000	\$ 135,000	\$ 135,000	-
Fees & Reimbursements	-	-	14,494	14,494
Miscellaneous	-	-	-	-
Interest Earnings	350	350	86	(264)
<b>Total Resources</b>	<b>\$ 135,350</b>	<b>\$ 135,350</b>	<b>\$ 149,581</b>	<b>14,231</b>
<b>Charges (Outflows)</b>				
Insurance-General	1,100	1,100	-	1,100
Memberships	2,750	2,750	2,521	229
Audit Services	3,500	3,500	3,250	250
Bookkeeping	4,500	4,500	4,500	-
Internet and Website Costs	1,300	1,300	1,153	147
Legal Counsel	7,200	7,200	7,200	-
Basic Services (Contract)	72,060	72,060	75,045	(2,985)
Office Rent	5,460	5,460	5,433	27
Office Expenses	2,700	2,700	1,567	1,133
Publication & Legal Notices	2,000	2,000	1,610	390
Televising Commission Meetings	3,000	3,000	1,618	1,382
A-87 Costs-County Services	428	428	1,633	(1,205)
In-County Travel & Stipends	4,000	4,000	2,535	1,465
Travel & Lodging	3,500	3,500	1,052	2,448
Conferences (Registrations)	3,000	3,000	2,153	847
Work Plan (MSR and SOI)	41,250	41,250	20,321	20,929
Contract Services-GIS Services	2,500	2,500	1,717	783
Misc Expenses (Special District Training Support, bank Applications)	-	-	60	(60)
<b>Total Charges</b>	<b>\$ 160,248</b>	<b>\$ 160,248</b>	<b>\$ 150,748</b>	<b>\$ 9,500</b>
<b>Ending Budgetary Net Position</b>	<b>\$ 70,708</b>	<b>\$ 70,708</b>	<b>\$ 94,437</b>	

The accompanying notes are an integral part of these financial statements.

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482  
Telephone: (707) 463-4470 | E-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org) | Web: [www.mendolafco.org](http://www.mendolafco.org)

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April 5, 2021

Honorable Cecilia Aguiar-Curry, Chair  
Assembly Local Government Committee  
California State Assembly  
State Capitol, Room 5144  
Sacramento, CA 95814

RE: SUPPORT of AB 1581: Local Government Committee Omnibus Bill

Dear Chair Aguiar-Curry:

The Mendocino Local Agency Formation Commission (LAFCo) is pleased to support the Assembly Local Government Committee Bill AB 1581, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCos. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 1581 currently makes minor technical corrections to language used in the Act. The Mendocino LAFCo is grateful to your Committee, staff and CALAFCO, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCos.

Yours sincerely,

Tony Orth  
Chair, Mendocino LAFCo

cc: Members, Assembly Local Government Committee  
Jimmy MacDonald, Consultant, Assembly Local Government Committee  
William Weber, Consultant, Assembly Republican Caucus  
Pamela Miller, Executive Director, CALAFCO

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: April 5, 2021  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **WORKSHOP on the Preliminary Budget for FY 2021-22**

**RECOMMENDATION**

Commission will hold a Workshop on the Executive Committee’s recommended Preliminary FY 2021-22 Budget and Work Program and direct staff to schedule a Proposed Budget and Work Program for Public Hearing on May 3, 2021.

**BACKGROUND**

Per the [Cortese-Knox-Hertzberg Local Government Act of 2000 \(CKH\)](#) (Section 56381(a)), at a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of this chapter. The Executive Officer prepares a Preliminary Budget and Work Program for the ensuing fiscal year, which is submitted to the Executive Committee during March for review, input and comment. The Preliminary Budget (Attachment 1) shows anticipated revenues and expected expenditures by line item in sufficient detail to allow for Commission, member agency, and public review. The Work Program (Attachment 2) provides a narrative of the expected work products to be accomplished during the fiscal year, and likewise shall be in sufficient detail to allow for Commission, member agency, and public review.

**Proposed Operating Expenses**

The proposed operating expenses for Fiscal Year (FY) 2021-22 are \$205,150 and reflect the anticipated staffing services for day-to-day operations and for implementing the Work Plan tasks scheduled for FY 2021-22. The following table provides a summary of the FY 2020-21 budget, as amended and projected through year-end, and the Preliminary Budget for FY 2021-22 (Table 1).

Table 1. Summary of FY 2020-21 and Preliminary FY 2021-22 Budgets

Budget Summary	FY 2020-21		FY 2021-22
	Amended (\$)	Projected (\$)	Preliminary Budget (\$)
Apportionment	150,000	150,000	225,000
Interest	450	70	100
<b>Revenues Total</b>	<b>150,450</b>	<b>150,070</b>	<b>225,100</b>
Staffing Total	92,060	95,000	95,000
Services and Supplies Total	49,633	45,133	58,650
Work Plan Total	34,500	20,000	51,500
<b>Operations Total</b>	<b>176,193</b>	<b>160,133</b>	<b>205,150</b>
Change in Reserves	(25,743)	(10,063)	19,950



The proposed FY 2021-22 expenses are an increase of \$28,975 above the FY 2020-21 amended budget (Table 2 and Attachment 1). The most significant increase in budget is for the Preliminary Work Plan, which is discussed further below.

Additionally, the Sustainable Agricultural Lands Commission (SALC) grant-funded project is a two-year project that began in FY 2020-21 and will continue to incur staff time in the next FY. Staff time on the project is reimbursed through the grant. For budget development purposes, it is anticipated that approximately \$9,200 in grant reimbursement will be accounted for in the next fiscal year (Attachment 1). Changes from last year's budget are summarized in Table 2, and do not include anticipated applications and the SALC grant Special Project, which are zero sum items.

Table 2. Explanation of Preliminary Budget Changes from FY 2020-21 to 2021-22

<b>Account No.</b>	<b>Account Description</b>	<b>FY 2020-21 (\$)</b>	<b>FY 2021-22 (\$)</b>	<b>Difference (\$)</b>	<b>Notes</b>
5300	Basic Services	92,060	95,000	2,940	Anticipated increases in staffing needs
5500	Rent	5,568	5,775	207	Increase in rent per contract (up to 4%/yr)
5600	Office Expenses	3,550	3,000	(550)	
5700	Internet & Website	1,550	1,600	50	Anticipated increase in internet service fees
6100	Audit Services	3,380	3,500	120	Increase per contract
6400	A-87 Costs County Services	2,093	2,100	7	Estimate from County Auditor
6500	Insurance-General Liability	2,815	2,450	(365)	Estimate received from SDRMA
6600	Memberships (CALAFCO/CSDA)	3,727	3,525	(202)	Decrease in CALAFCO dues
6740	In-County Travel & Stipends	1,000	4,000	3,000	Anticipates return to in-person meeting by end of 2021
6750	Travel & Lodging Expenses	100	4,500	4,400	The 2021 CALAFCO Conference will be in Newport Beach; assumes expenses for three Commissioners
6800	Conferences	150	2,500	2,350	The 2021 CALAFCO Conference will be in Newport Beach; assumes expenses for three Commissioners + EO
7000	Work Plan (MSR/SOI)	34,500	51,500	17,000	City of Ukiah, UVSD, UVFD, CSA 3, Covelo CSD
<b>Difference</b>				<b>28,957</b>	

### **Proposed Apportionment Fees and Reserves**

The CKH mandates operating costs for LAFCos shall be annually funded by the affected county, cities, and independent special districts on a one-third apportionment process (Section 56381(b)). Apportionments for cities and independent special districts are further divided and proportional to each agency's total revenues as a percentage of the overall revenue amount collected in the county. LAFCos are also authorized to establish and collect fees to offset agency contributions.

Mendocino LAFCo Policy 5.1.5 directs maintenance of reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. Per policy, the reserves consist of an operating reserve of 25% of the annual operating budget and legal reserves of \$35,000.

Due to indemnification uncertainties surrounding the very recent *San Luis Obispo v. City of Pismo* case, the Executive Committee and Legal Counsel recommend increasing Legal Reserves to \$50,000 in FY 2021-22, with future incremental increases to reach a goal of \$100,000. The Preliminary Budget proposes apportionment fees that will allow for building both legal and operational reserves back to policy levels and in the case of legal reserves, to the recommended balance for the coming fiscal year.

The following table summarizes an analysis of impacts on reserves resulting from two apportionment fee options for the Preliminary FY 2021-22 budget, as recommended by the Executive Committee.

Table 3. Summary of FY 2021-22 Apportionment Options and Impacts to Reserves

	Projected FY 2020-21 (\$)	Preliminary FY 2021-22 (\$)	
<b>Budget</b>	<b>\$160,133</b>	<b>\$205,150</b>	
<b>Revenue/Funds</b>			
Apportionment fees	150,000	225,000	235,000
Interest	70		
Anticipated use of reserves	(10,063)	19,950	29,950
<b>Anticipated Reserve Balances</b>			
Balance at beginning of FY	90,484	80,421	80,421
Estimated balance at end of FY	80,421	100,371	110,371
<i>Target Reserves balance</i>	<i>75,033</i>	<i>101,288</i>	<i>101,288</i>
<i>Difference</i>	<i>7%</i>	<i>(1%)</i>	<i>9%</i>

Assuming approval of the March Claims, the total unrestricted funding available for operations is \$34,854. The projected budget expenses through the remainder of FY 2020-21 are approximately \$42,896. The difference in amended budget and projections through the end of the year are primarily due to a \$14,500 “savings” from the Work Plan (Account 7000). The “savings” are due to delays in establishing Agreements to move the City of Ukiah MSR/SOI Update forward and heavy application and policy work load. We practice zero-based budgeting whereby unused budget appropriations lapse at the end of the fiscal year and may be allocated in the subsequent budget cycle. Therefore, the “savings” realized from the uncompleted Work Plan tasks simply reduces the utilization of reserves to balance the budget.

As anticipated with the adoption of the FY 2020-21 budget, and with the projected expenses, operations through the end of the fiscal year will require utilizing approximately \$10,063 from reserves. With the Executive Committee’s recommendation to increase legal reserves to \$50,000 in FY 2021-22, the overall reserves target is \$101,288. Apportionment fees set at \$225,000 will allow us to achieve the reserves target.

A second option for apportionment fees established at \$235,000 is presented in Table 3 and would provide for a small cushion to accommodate minor modifications to the budget should the need for additional funds be required during the year (i.e., unanticipated operational costs, new unfunded mandates, increased need for legal services, Work Plan modifications, etc.). LAFCo’s ability to raise revenues occurs only once a year, during the annual budget cycle. Otherwise, reliance on reserves becomes necessary.

### **Preliminary FY 2021-22 Work Plan**

Staff has reviewed the on-going Work Plan needs and recommends five agencies be prioritized for completion of a LAFCo-initiated MSR/SOI Update for FY 2021-22 (Table 4). The overall Work Program is included as Attachment 2.

While it is the intent to implement the entire identified Work Plan in one fiscal year, actual completion of a specific study may span multiple fiscal years. Work Plan implementation can change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.

Table 4 also identifies an estimated cost for each agency; however, they are an estimate and are subject to change. Further, the Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).

Table 4. Preliminary FY 2021-22 Work Plan

<b>Agency</b>	<b>Last MSR and/or SOI Update</b>	<b>Estimated Cost<sup>1</sup></b>
City of Ukiah <sup>2</sup>	MSR 2012	\$12,500
Ukiah Valley Sanitation District	N/A	\$20,000
Ukiah Valley Fire District	MSR/SOI 2008	\$6,000
County Service Area No. 3	N/A	\$6,000
Covelo Community Services District	MSR/SOI 2010	\$7,000

Work Plan Notes:  
<sup>1</sup>Costs have been estimated for the identified Work Plan studies for this FY; however, actual costs may vary depending on timely receipt of requested information and issues that may arise during preparation of studies. Additionally, no CEQA costs have been included in the estimates beyond Exemptions.  
<sup>2</sup> Under an MOU between LAFCo and the City of Ukiah, the City is funding the preparation of its MSR/SOI Update and associated CEQA document.

### **NEXT STEPS**

Budget development steps and schedule are set forth in the [Mendocino LAFCo Policies and Procedures Manual](#) (Chapter 5) and Government Code Section 56381(a) and states that the Proposed Budget must be adopted the first regular meeting in May and the Final Budget by June 15th. The budget is based on a July 1 to June 30 fiscal year.

Table 5. Budget development schedule

<b>Budget Phase</b>	<b>Schedule</b>
Preliminary Budget and Proposed Work Program – Workshop	April 5
Proposed Budget and Work Program – Public Hearing	May 3
Final Budget and Work Program – Public Hearing	June 7

Attachments: (1) FY 2021-22 Preliminary Budget  
(2) FY 2021-22 Preliminary Work Program

# Attachment 1

Mendocino Local Agency Formation Commission						
Preliminary Budget FY 2021-2022						
5-Apr-21						
ACCOUNT #	DESCRIPTION	FY 2020-21 Adopted	FY 2020-21 Amended	FY 2020-21 Projected	FY 2021-22 Preliminary	
<b>REVENUE</b>						
<i>Anticipated Cash Balance</i>						
4000	LAFCO Apportionment Fees	\$ 150,000	\$ 150,000	\$ 150,000	\$ 225,000	
4100	Service Charges					
4800	Miscellaneous					
4910	Interest Income	\$ 450	\$ 450	\$ 70	\$ 100	
<b>Revenue Subtotal</b>		<b>\$ 150,450</b>	<b>\$ 150,450</b>	<b>\$ 150,070</b>	<b>\$ 225,100</b>	
<b>EXPENSES</b>						
5300	Basic Services	\$ 72,060	\$ 92,060	\$ 95,000	\$ 95,000	
5500	Rent	\$ 5,568	\$ 5,568	\$ 5,568	\$ 5,775	
5600	Office Expenses	\$ 3,450	\$ 3,550	\$ 3,750	\$ 3,000	
5700	Internet & Website Costs	\$ 1,300	\$ 1,550	\$ 1,550	\$ 1,600	
5900	Publication and Legal Notices	\$ 2,000	\$ 2,000	\$ 1,000	\$ 2,000	
6000	Televising Meetings	\$ 2,000	\$ 2,000	\$ 1,500	\$ 2,000	
6100	Audit Services	\$ 3,500	\$ 3,380	\$ 3,380	\$ 3,500	
6200	Bookkeeping	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	
6300	Legal Counsel	\$ 10,200	\$ 14,700	\$ 14,700	\$ 14,700	
6400	A-87 Costs County Services	\$ 2,131	\$ 2,093	\$ 2,093	\$ 2,100	
6500	Insurance-General Liability	\$ 3,000	\$ 2,815	\$ 2,815	\$ 2,450	
6600	Memberships (CALAFCO/CSDA)	\$ 3,691	\$ 3,727	\$ 3,727	\$ 3,525	
6670	GIS Contract with County (Counsel training, IT support)	\$ 2,500	\$ 2,500	\$ 500	\$ 2,500	
6740	In-County Travel & Stipends	\$ 3,000	\$ 1,000	\$ 50	\$ 4,000	
6750	Travel & Lodging Expense	\$ 100	\$ 100	-	\$ 4,500	
6800	Conferences (Registrations)	\$ 150	\$ 150	-	\$ 2,500	
7000	Work Plan (MSRs and SOIs)	\$ 42,500	\$ 34,500	\$ 20,000	\$ 51,500	
<b>Operating Expense Total</b>		<b>\$ 161,650</b>	<b>\$ 176,193</b>	<b>\$ 160,133</b>	<b>\$ 205,150</b>	
<b>REVENUE/EXPENSE DIFFERENCE</b>		<b>\$ (11,200)</b>	<b>\$ (25,743)</b>	<b>\$ (10,063)</b>	<b>\$ 19,950</b>	
<i>(Negative balance indicates use of fund balance and/or reserves)</i>						
<b>FINANCIAL SUMMARY</b>						
<b>Unreserved/Unrestricted Operations Fund Balance</b> (estimated for end of FY 2020-21)						
Anticipated Cash Balance		\$ -				
Total Unreserved/Unrestricted Funds		\$ -				
<b>Operations Fund Balances (April 2021)</b>						
SBMC		\$ 32,834				
County Treasury		\$ 12,403				
Apportionment outstanding		\$ -				
Total Fund Balance		\$ 45,237				
Application Deposits held in SBMC		\$ 10,383				
Total Unrestricted Fund Balance		\$ 34,854				
Accounts Payable (by June 30, 2021)		\$ 42,896				
		<b>FY 2020-21</b>		<b>FY 2021-22</b>		
		<i>Target/Policy</i>	<i>Current Balance</i>	<i>Target/Policy</i>		
<b>Reserve Funds</b>						
Legal Reserves		\$ 35,000	\$ 35,000	\$ 50,000		
Operations Reserves (25% of Operations budget)		\$ 40,033	\$ 55,484	\$ 51,288		
Total Reserves Balance (Policy/Actual)		\$ 75,033	\$ 90,484	\$ 101,288		
<b>Impacts on Reserves</b>		<b>Change</b>	<b>Est Balance YE</b>	<b>Change</b>	<b>Est Balance YE</b>	
Legal Reserves		\$ -	\$ 35,000	\$ 15,000	\$ 50,000	
Operations Reserves		\$ (8,042)	\$ 47,442	\$ 3,846	\$ 52,392	
Totals (Need/Projected Remaining Balance)		\$ (8,042)	\$ 82,442	\$ 18,846	\$ 102,392	

**ATTACHMENT 2**  
**Mendocino Local Agency Formation Commission**  
**Work Program (Basic Services and Work Plan)**  
**FY 2021-22 Preliminary Budget**

Tasks	Description & Assumptions	Estimated Budget
<b>Basic Services</b>		
Office Hours & Administrative Duties	Clerk duties not related to projects; office hours; public assistance; PRA requests; budget development, tracking, amendments; accounts payable, QuickBooks; annual audit; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review, etc.; carrying out Commission direction.	\$ 54,000
Commission & Committee Meetings	Commission & Committee meeting attendance (12 Regular and 8 Committee); agenda packet development, staff reports, presentations, minutes.	\$ 30,000
Work Plan Support	Prepare and distribute Public Notices, development of staff reports specifically related to MSR/SOI studies, presentation at Commission meetings for Public Workshops and Public Hearings.	\$ 4,500
Consult Legal Counsel	Contract allows for a minimum of 5 hours per month.	Existing Contract
Application Processing	Process change of organization or reorganization applications initiated by landowner petition or resolution of application from Cities and Special Districts to modify existing powers, annex and/or detach territory from agency boundaries, and create, dissolve, or consolidate/merge local agencies.	Paid by applicant
Policy Development	Prepare expedited process for out-of-area fire services; outreach and update SOI policy; policy amendment and development as needed.	\$ 5,000
Grants	Participation in the Sustainable Agricultural Lands Commission (SALC) grant project.	Match accounted for in Basic Services (\$4,000)
Application Forms	Overhaul LAFCo application forms.	\$ 800
Transparency Improvements to Website	Assess/implement website improvements (JPAs, Special Districts, etc.); Post JPA Agreements on website (SB 1266).	\$ 700
<b>Total</b>		<b>\$ 95,000</b>
<b>Work Plan</b>		
MSR/SOI Update	Prepare and adopt combined Municipal Service Review and Sphere of Influence (MSR/SOI) Update studies pursuant to GOV \$56425 and \$56430, either in-house or by contract.	\$ 51,500
<p>The agencies listed below have priority for preparation of a LAFCo-initiated MSR/SOI Update in Fiscal Year 2021-22.</p> <p><b>The actual completion of a specific study may span multiple fiscal years. The budget allocation for each agency is based on estimated costs. Actual costs for study completion may be higher or lower than estimated below.</b></p>		
<p>Work Plan implementation is subject to change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.</p>		
<p>The Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).</p>		
<b>The total Work Plan Budget of \$51,500 is not limited to the following designations. These budget allocations may shift to other agencies as needed during the year.</b>	City of Ukiah	\$ 12,500
	Ukiah Valley Sanitation District	\$ 20,000
	Ukiah Valley Fire District	\$ 6,000
	County Service Area No. 3	\$ 6,000
	Covelo Community Services District	\$ 7,000
<b>Total</b>		<b>\$ 51,500</b>

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: April 5, 2021  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Direction to Policies & Procedures Committee**

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**RECOMMENDATION**

Direct the Policies & Procedures Committee to review Mendocino LAFCo's indemnification policy (Policy 11.4.8) and recommend revisions to the Commission at its next regular meeting.

**BACKGROUND**

The recent *San Luis Obispo LAFCo v. City of Pismo Beach* case is addressed in the attached memo from LAFCo Counsel Scott Browne.

Per direction from the Executive Committee, it is recommended that the Commission provide direction to the Policies & Procedures Committee regarding development of a policy addressing fees incurred in legal challenges to LAFCo actions related to this case.

Attachments: (1) Legal Memo

**LAW OFFICES OF P. SCOTT BROWNE**

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March 16, 2021

**Memorandum re Decision in *San Luis Obispo LAFCo v. City of Pismo Beach***

Dear LAFCo Staff and Commissioners:

This memorandum is to alert you to a very recent case (March 3, 2021) out of the Second District Court of Appeal which may have significant implications for how LAFCo's handle indemnification for fees incurred in legal challenges to LAFCo actions. The case is *San Luis Obispo LAFCo v. City of Pismo Beach, et.al.* 2021 WL 803740.

The decision in that case is not yet final. It could be appealed to the California Supreme Court or it could be determined to decertify it for publication. In the latter case, it would not become part of the reported caselaw. However, out of an abundance of caution, I think it is important you are aware of it as there is a significant possibility it will become law.

In that case, San Luis Obispo LAFCo (SLO LAFCo) sued the City of Pismo Beach and the developer for its \$400,000 in attorney's fees incurred in successfully fighting the Defendants challenge to its denial of an annexation to the City. The claim for fees was based on the indemnification agreement signed by the City and developer as applicants for the annexation.

Defendants challenged LAFCo's right to attorney's fees on a variety of grounds. Their primary focus was on the validity of the requirement they indemnify LAFCo for their own suit challenging LAFCo's action. They argued this was a basic violation of due process and their right to petition for redress.

The Court of Appeal did not, however, limit its decision to this one situation. Rather the Court held that an agreement to pay indemnification requires consideration. LAFCo has a statutory duty to process applications, so absent statutory authority, it cannot require indemnification as a condition for processing an application. The Court found that the existing statutory authority for LAFCos to charge fees, Gov't C § 56383 of the Cortese-Knoz-Hertzberg Local Government Reorganization Act of 2000 (CKH) only applied to costs associated with the administrative process and ended once a certificate of completion was filed. Costs incurred after the completion of the administrative process were not authorized by §56383. Hence there was no authority to require payment of the fees incurred after completion of the administrative process.

LAFCo argued that CKH Section 56107 requires liberal construction of the statutes. The Court rejected this argument as liberal construction cannot prevail against the express language of the 56383. It also rejected an argument that LAFCo had implied powers to impose an indemnification agreement. It rejected this argument because Code of Civil Procedure §1021 limits award of attorney's fees to those situations where they are specifically authorized by statute or by the agreement between the parties. Here there is no statutory authority and no valid agreement to pay the fees.

Memo re San Luis Obispo LAFCo v. City of Pismo Beach

March 16, 2021

Page 2

If this case becomes reported law, it is likely to upset the present practice of requiring indemnification agreements as part of the LAFCo application. Such agreements would be challenged based on this case, and the outcome highly uncertain.

Without enforceable indemnification agreements, LAFCo would have to plan on funding the defense of any litigation out of its own reserves. If it has inadequate reserves, then it must either borrow from the County if permitted by the Board of Supervisors or curtail its defense.

Other alternatives being explored are 1) to require the applicant to post a deposit for future attorney's fees at time of application, or 2) require the applicant to post a bond in lieu of a deposit. In either case, the burden on the applicant would be significantly increased.

I will keep you posted as this case progresses and we will look to modify LAFCo application procedures if necessary.

Please let me know if you have any questions.

Sincerely

P. Scott Browne  
LAFCo Counsel



**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: April 5, 2021  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Ad Hoc Committee(s)**

---

**RECOMMENDATION**

Ratify Chair Orth's recommendations and Commissioner assignments to Ad Hoc Committees:

1. Dissolve the RFP Ad Hoc Committee; and
2. Establish a Work Plan Ad Hoc Committee to support staff's implementation of the Work Plan; and
3. Assign Commissioners Froneberger and Mulheren to the Work Plan Ad Hoc Committee; the third member being the Executive Officer.

**BACKGROUND**

Ad Hoc Committees are formed as necessary to address specific topics, projects and issues such as Municipal Service Review (MSR) projects and Sphere of Influence (SOI) Update projects. Each Ad Hoc Committee is made up of three members as recommended by the Chair and ratified by the Commission (Mendocino LAFCo Policy 3.9.2).

At its September 14, 2020 regular meeting, the Commission established an Ad Hoc Committee made up of Commissioners Orth, Ward and the Executive Officer, to implement the Request for Proposals (RFP) process to select consultants to prepare MSR/SOI Updates for the City of Ukiah and Ukiah Valley Sanitation District (UVSD). Finally, the RFP Ad Hoc Committee was tasked with make recommendations to the Commission on consultant selection and contract.

The RFP Ad Hoc Committee has fulfilled its purposes in completing the RFP process and recommendations to the Commission were approved with the selection of Planwest Partners, Inc. to prepare the City of Ukiah MSR/SOI Update. The RFP Ad Hoc Committee simultaneously recommended delaying recommendation of a consultant for the UVSD MSR/SOI Update process upon the District's request for additional time to internally discuss potential funding of the MSR/SOI Update.

It is recommended that the RFP Ad Hoc Committee be dissolved.

In consultation between the Commission Chair and staff, a Work Plan Ad Hoc Committee is recommended be established to support staff's implementation of the Work Plan, in particular for the Ukiah Valley area MSR/SOI Updates. The Committee will serve in an advisory role to work with staff on issues that arise during the preparation of the studies.

Chair Orth has appointed two Commissioners to the Work Plan Ad Hoc Committee, for ratification by the full Commission: Commissioners Mulheren and Froneberger. The Executive Officer will serve as the third member of the Work Plan Ad Hoc Committee.

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: April 5, 2021  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **San Diego LAFCo's Initiative to Sponsor Legislation on Government Code 56133(e)**

---

**RECOMMENDATION**

Staff recommends that the Commission:

1. Direct the Executive Officer to relay preliminary support to San Diego LAFCO on its initiative to sponsor legislation on Government Code 56133(e) that gives LAFCOs authority to determine whether a service extension is exempt; and
2. Retain full support pending a review of the final bill language.

**BACKGROUND**

While out of agency service agreements are rare in this county, and determinations of exemption under 56133(e) are even rarer, there is increasing “chatter” within the LAFCo community that LAFCOs should exert the exclusive authority to “make the call” on whether a service extension is exempt. It is more logical to have one impartial entity making such a determination rather than 50+ agencies doing the same. San Diego LAFCo has decided to take the lead on proposed legislation and is asking for support from LAFCOs statewide.

Among other things, Government Code 56133 states that local agencies may extend services outside their boundaries only under a contract that has been approved by LAFCo. The Commission may approve these “out of agency service agreements” under the following two scenarios:

- To territories within the agency’s sphere of influence in anticipation of a later change of organization; or
- To territories outside of the agency’s sphere of influence in order to respond to an impending threat to health or public safety.

Subsection (e) identifies several types of contracts or services that are exempt from these provisions. This means that in certain circumstances agencies may provide services via contract outside of its service area without LAFCo approval. Examples include contracts between two or more agencies providing similar services (with the exception of fire service contracts, which are subject to Government Code 56134) or the transfer of non-potable or non-treated water.

Attachment 1 contains Government Code 56133 and it is included here for the Commission’s review. The question of who gets to decide whether a contract is truly exempt under subsection (e) – whether an agency or agencies can decide for themselves or whether there should be some determination from LAFCO or its staff – is left unresolved in the Government Code. Over the years there has been chatter in LAFCo circles that the law should be clearer: LAFCo should be the arbiter. From a public policy standpoint,

it would be better for each county to have a single, neutral body adjudicating the matter consistent with State Law and local policies rather than thousands of agencies making this decision on their own.

Mendocino LAFCo has a local policy in place regarding subsection (e):

12.2.5 EXEMPTIONS TO LAFCO APPROVAL REQUIREMENT Commission approval may not be required for cities or special districts to provide new or extended services outside their jurisdictional boundaries in accordance with the provisions of G.C. §56133(e). **The Executive Officer shall consult with cities and districts to determine whether extended services agreements are subject to Commission review.**

CALAFCO's Legislative Committee has debated whether the statewide organization should sponsor legislation to resolve this matter statewide, but has deferred because of other priorities and lack of resources. Proposals to modify 56133 are politically sensitive in the Legislature and many stakeholders would balk at amending 56133, including other LAFCos.

San Diego LAFCO has decided to take the lead and will sponsor such legislation. It is asking LAFCos to support them. The underlying policy goal has merit and staff recommends that the Commission give its preliminary support, pending a review of the final bill language. Preliminarily backing the effort has its advantages. It would ensure that it can move forward, as it would signal to potential authors that there will be widespread support later as the bill advances through the legislative process.

Several other LAFCos that have been following this effort closely from the start having already gone on record with their support (Orange, Los Angeles, Santa Clara, El Dorado, and Riverside) with others scheduled in the next few weeks (Alameda and Ventura). Broadening the support among as many LAFCos as possible will help in garnering greater attention of potential authors as well as stakeholders.

If the Commission supports this effort, staff would pass along the preliminary support to San Diego LAFCO staff. It is not anticipated that there would be a significant time commitment on this LAFCo's staff beyond writing the typical support letters and placing a few phone calls. San Diego LAFCo would spearhead the initiative.

Once the final bill language is received and analyzed by staff, it will return at a later date for this Commission to consider its potential support of the legislation. Should support letters be necessary, they can be written and dispatched quickly with your position known to staff.

Attachment 1 Proposed Changes to Government Code 56133

**Government Code Section 56133**  
**Proposed Amendment Regarding Exception Determination**

56133.

(a) A city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission.

(b) The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to extend services outside its jurisdictional boundary, shall determine whether the request is complete and acceptable for filing or whether the request is incomplete. If a request is determined not to be complete, the executive officer shall immediately transmit that determination to the requester, specifying those parts of the request that are incomplete and the manner in which they can be made complete. When the request is deemed complete, the executive officer shall place the request on the agenda of the next commission meeting for which adequate notice can be given but not more than 90 days from the date that the request is deemed complete, unless the commission has delegated approval of requests made pursuant to this section to the executive officer. The commission or executive officer shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration.

(e) This section does not apply to any of the following **as determined by the commission or the executive officer:**

(1) Two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public service provider and where the level of service to be provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus

water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

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

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(f) This section applies only to the commission of the county in which the extension of service is proposed.

# MENDOCINO Local Agency Formation Commission

## Staff Report

MEETING April 5, 2021  
TO Mendocino Local Agency Formation Commission  
FROM Uma Hinman, Executive Officer  
SUBJECT **Status of Applications, Proposals, and Work Plan**

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### RECOMMENDATION

Informational report.

### BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCos) with regulatory and planning duties to coordinate the logical formation and development of local government agencies. This includes approving or disapproving proposals for reorganizations (i.e., annexations, detachments, dissolutions, etc.), activation of latent powers, sphere of influence amendments, and outside service agreements.

### APPLICATIONS

Following is a summary of active and future proposals.

#### Active Proposals

There are currently five (5) active proposals.

#### City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas

In April 2020, the City of Ukiah submitted a request to restart a 2014 application for detachment of UVSD served areas from the City that had been deemed incomplete and placed on-hold by the City in 2015. LAFCo staff responded to the City in May, requiring a new application submittal due to the lapse of time and change in conditions, as well as noting the application as premature pending completion of the UVSD SOI Update. The application will be processed concurrently with the City of Ukiah Municipal Service Review and Sphere of Influence Update.

#### City of Ukiah Annexation of City-Owned Properties

On February 22, 2021, LAFCo received an application from the City of Ukiah proposing to annex City-owned parcels that are used for government purposes and consisting of approximately 446 acres in total. Parcels include the City's Wastewater Treatment Plant, solid waste transfer station, a portion of the municipal airport and open space. The application referral and notice to the County to initiate the tax share negotiation were routed and comments received. An incomplete letter was sent to the City of Ukiah on March 23, 2021.

#### City of Ukiah Pre-Application for Annexation of Areas North of the City

Pre-Application request for consultation on the process and potential issues regarding the City's proposal to annex the Brush Street Triangle and Masonite area properties. Staff is coordinating with City staff regarding appropriate process and timing of application processing.

#### Ukiah Valley Fire District Pre-Application for Annexation of the City of Ukiah

Joint Pre-Application request for initial consultation on the proposed annexation of the City of Ukiah into the Ukiah Valley Fire District. LAFCo staff attended a conference call with City and District staff on September 17, 2020 and provided a written response outlining the application process and submittal checklist items. Staff is coordinating with City staff regarding next steps for the application process.

#### Millview County Water District Pre-Application for Annexation of Masonite Properties

Pre-Application request for consultation on process and draft documents associated with the MCWD's proposal to annex the Masonite area properties. LAFCo staff have met with the District and its consultants regarding the proposal and is reviewing draft application materials.

### **Potential Future Proposals**

#### City of Ukiah Annexation of Western Hills (Hull Properties)

The City has routed a project referral package stating its intent to acquire and annex approximately 695 acres in the Western Hills for open space preservation, while allowing the potential for future low density residential development on the approximately 55 easternmost acres, consistent with existing development in the Western Hills within the City of Ukiah limits. LAFCo received the project referral requesting agency input on the proposal in February and a revised referral in March. Staff provided comments on the initial referral and is in the process of reviewing the revised referral package. The project referrals and staff comment letter are available upon request.

### **WORK PLAN**

Local policy directs the Commission to annually adopt a Work Plan for purposes of providing a comprehensive overview of municipal service reviews and sphere of influence updates over the course of the fiscal year. This report provides an update on progress made in terms of accomplishing the activities scheduled in the Work Plan. This report also serves to inform the Commission of any changes in circumstances or priorities.

#### Ukiah Valley Sanitation District (UVSD)

The UVSD has provided a response to the Request for Information (RFI) and staff has been collecting available documentation for the MSR/SOI report. The RFP Ad Hoc Committee has postponed selection of a consultant for this study pending additional feedback from the District on schedule for the Update. Staff are coordinating with UVSD staff on the project.

#### City of Ukiah

On December 7, 2020, the Commission approved a consultant selection for the City of Ukiah MSR/SOI Update and directed staff to negotiate and execute agreements with the City of Ukiah for funding and the Planwest Partners Team for preparing the City's MSR/SOI Update. The City has offered to fully fund the Update in order to expedite the process, which would otherwise have required two years for LAFCo to fund. A draft MOU agreement between the City and LAFCo is being reviewed by City staff and LAFCo Legal Counsel. A scope of work, budget and schedule has been developed with Planwest Partners and is also being reviewed by the City.

Ukiah Valley Fire District (UVFD)

The UVFD MSR/SOI Update was postponed in 2019 to track with the City of Ukiah MSR/SOI Update. UVFD previously provided a response to the Request for Information (RFI) and staff has been drafting the Administrative Draft MSR/SOI report.

County Service Area (CSA) No. 3

The Administrative Draft MSR/SOI has been initiated. This will be the first MSR/SOI report for the CSA. Due to the COVID-19 emergency, there have been delays in receiving a response to requests for information from the County.



*Mendocino County***Russian River Flood Control & Water Conservation Improvement District**151 Laws Avenue Suite D, Ukiah, CA 95482 707.462.5278 Website: [RRFC.net](http://RRFC.net) [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net)

March 30, 2021

To: Local Agency Formation Commission Board & Executive Director  
 From: Elizabeth Salomone, General Manager  
 Meeting: Monday, April 5, 2021  
 RE: Water Supply Conditions and Responses Update

The Russian River Flood Control & Water Conservation District (RRFC) has been taking proactive steps at the District level and in coordination with other Russian River water diverters to better manage the available resources in the current conditions. The current water supply conditions clearly indicate the insufficient water supply in 2021 to meet typical demands. In 2014, water rights junior to that of the Districts were curtailed through notices issued in the month of May. If the State Water Resources Control Board (SWRCB) takes similar action in 2021, it is predicted RRFC customers will rely more heavily on their contract quantities. However, it is difficult to calculate the amount of District's 7,940 acre foot right that will be physically available to divert from storage in 2021.

The District is now considering acknowledgement of the inability of the water supply to meet the demands of its customers and the impacts of a potential SWRCB issued curtailment to its water right. At their March 29, 2021 Special Meeting, the Board directed GM Salomone to notify the SWRCB of the District's intent to proactively manage the available water supply and mitigate drought condition impacts through the development of a voluntary agreement. This would likely improve the outcome for District customers and maximize beneficial use of the available volume of water in 2021.

**Declarations on Water Supply Availability**

On March 8, 2021, the Board of Trustees approved a Water Supply Alert Declaration #21-01 (attached) calling for voluntary water use reduction and water shortage contingency planning. At their March 29, 2021 Special Meeting, the Board further directed GM Salomone to prepare a Water Warning Declaration for Board consideration at the April 5, 2021 Board meeting. See [www.rrfc.net](http://www.rrfc.net) for further information.

**Water Supply Conditions**

As of March 25, 2021, Lake Mendocino storage level is 35,781 acre feet. In comparison, Lake Mendocino storage levels coming into the summer season of 2014 were approximately 51,000 acre feet, significantly higher than the current record lows. The rainy season is nearly over and spring has initiated an increase of water use by riparian vegetation. Typical draw down between March and November 1<sup>st</sup> is approximately 20 - 25,000 acre feet, which includes demands of water right diversions, meeting minimum instream flow requirements, as well as riparian vegetation and other natural losses. This demand is not sustainable. The demand for 2021 must be reduced by 10,000 acre feet at a minimum to maintain the

reservoir at sufficient storage levels. The Army Corp of Engineers is currently assessing how the lake and dam will operate under forecasted levels of 10,000 acre feet by October 2021, while Sonoma Water Agency models ways to maintain the minimum storage threshold of 20,000 acre feet. This is a very concerning water situation and 2021 is taking the watershed into uncharted territory.

### **State Water Resources Control Board Response**

At the Upper Russian River Water Manager’s Meeting on March 17, 2021, Dan Schultz from the SWRCB Department of Water Rights noted that in light of the current conditions, issuing Notices of Water Unavailability is more of “a when, rather than if.” He highlighted two ways to reduce demand: (1) formal actions of the Water Board; or (2) a local cooperative solution in the form of voluntary agreements, which is noted to have higher rates of success at local levels due to greater investment and participation from water users. Last week, the SWRCB issued notices to 40,000 water right holders, warning of potential water shortages.

### **Outreach**

RRFC contracted with Mendocino County Resource Conservation District to conduct public outreach and education, including identification of community partners, development and distribution of outreach materials, and further coordination of education and funding avenues. Weekly on Mondays, emails will be sent with content to share on social media, etc. to promote awareness and education on conservation practices. The Board of Supervisors plans to hold a water workshop on April 12<sup>th</sup>, 2021. Mainstream media has also picked up the urgent need to notify the general public of the drought conditions. If you are a RRFC customer, GM Salomone is hosting a weekly “30 Min Thursday” as a forum for up to date information and questions. Tune in this week to hear about the District’s intent to develop a voluntary conservation agreement with the SWRCB and their consideration to file a Temporary Urgency Change Petition to add additional points of diversion to the District license map.

### **What to do:**

Immediately implement maximum water conservation practices and begin water shortage contingency planning.

Share information with friends, neighbors, employees such as the media content provided by the District.

Pay particular attention to emails from the Russian River Flood Control District in the coming weeks and contact Elizabeth Salomone, District Manager, with questions or to join the mailing lists. [DistrictManager@rrfc.net](mailto:DistrictManager@rrfc.net)

***President***  
*Christopher Watt*

***Vice President***  
*Alfred White*

***Treasurer***  
*Matthew Froneberger*

***Trustee***  
*Tyler Rodrigue*

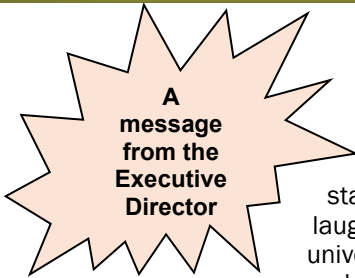
***Trustee***  
*John Reardan*



# News from the Board of Directors

## CALAFCO QUARTERLY

February 2021



A message from the Executive Director

Greetings from your CALAFCO Board of Directors and Executive Director. It seems that our collective hope for an uneventful start to 2021 was met with laughter and resistance from the universe. However, we remain undaunted and resolute to move forward in partnership with our members to make great things happen in 2021.

This Quarterly Report will begin by highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

### LAFCOs in the News

#### **Santa Clara LAFCo Receives State APA Award for Communication and Outreach Plan**

After receiving the American Planning Association - California Northern Chapter's "Award of Excellence - Communication Initiative", **Santa Clara LAFCo's** project then received the State Chapter's 2020 Award of Excellence.

#### **San Bernardino and San Diego LAFCos Awarded Sustainable Agricultural Lands Conservation (SALC) Grants**

**San Bernardino LAFCo**, in partnership with the Inland Empire Resource Conservation District (IERCD), were awarded a SALC planning grant for \$220,475. The planning grant project aims to create a local tool for the preservation of agriculture lands, which does not currently exist in San Bernardino County. The goals of this project would be to encourage the long-term preservation of agricultural lands within San Bernardino County and develop local mitigation tools to provide a way for municipalities to preserve agricultural lands while continuing to address housing and growth needs.

**San Diego LAFCo**, in partnership with the Resource Conservation District (RCD) of Greater San Diego, the San Diego County Farm Bureau, the County of San Diego, and San Diego Association of Governments (SANDAG) were also awarded a SALC planning grant for \$250,000. The purpose for the funding is to develop a community vision and strategic plan to increase and preserve San Diego region's agricultural lands and preserve its economic viability in semi-rural and rural communities. The plan of action is to identify and monitor agricultural lands and uses to inform future preservation and enhancement opportunities.

The Strategic Growth Council (SGC) added LAFCos to the list of eligible entities to apply for SALC grants in January 2019 after many years of CALAFCO trying to get LAFCos eligible for state-level grant funding. Since then, **San Bernardino** and

**San Diego LAFCos** are the first two LAFCos to initiate a grant application.

CALAFCO congratulates **Santa Clara, San Bernardino and San Diego LAFCos** on their achievements!



### Welcome to Our Newest Associate Member

CALAFCO welcomes our newest Silver Associate Member, **Holly Owen**, Certified Planner. Holly's services include Municipal Service Reviews and planning and feasibility studies. To contact Holly, you can email her at [holly.owen@gmail.com](mailto:holly.owen@gmail.com).

### CALAFCO BOARD OF DIRECTORS

#### **CALAFCO BOARD CHANGES**

The Board recently welcomed three new Board members. In late October, two new members were elected to the Board. Representing the Coastal region county seat is **Christopher Lopez**, **Monterey LAFCo** Commissioner and County Supervisor. The central region county seat also has a new representative, **Merced LAFCo** Commissioner and County Supervisor **Daron McDaniel**. In January, the Board appointed a new member to fill the unexpired term of recently re-elected Board member Cheryl Brothers (who unfortunately lost her home election). Filling that unexpired term for the southern region city seat is **San Bernardino LAFCo** Commissioner and City of Fontana Mayor **Acquanetta Warren**.



The Board also gratefully acknowledges the outgoing Board members whose dedicated service to CALAFCO had a great impact: former **Monterey LAFCo** Commissioner **Jane Parker** (coastal region county rep); former **El Dorado LAFCo** Commissioner **Shiva Frentzen** (central region county rep); and former **Orange LAFCo** Commissioner **Cheryl Brothers** (southern region city rep).

# News from the Board of Directors

## CALAFCO QUARTERLY

February 2021  
Page 2



In November, the officers of the Board for 2020-21 were seated as follows:

**Chair** – *Michael Kelley*, Imperial LAFCo (southern)  
**Vice Chair** – *Anita Paque*, Calaveras LAFCo (central)  
**Secretary** – *Bill Connelly*, Butte LAFCo (northern)  
**Treasurer** – *Margie Mohler*, Napa LAFCo (coastal)  
**Immediate Past Chair** – *Michael McGill*, Contra Costa LAFCo (coastal)

During their November meeting, the Board made the following Committee appointments:

### Legislative Committee

Bill Connelly (North)  
Gay Jones (At-Large)  
Jo MacKenzie (South)  
Mike McGill (Coastal)  
Anita Paque (Central)  
Michael Kelley (a) (South)  
Chris Lopez (a) (Coastal)  
Daron McDaniel (a) (Central)  
Tom Murray (a) (At-Large)  
Josh Susman (a) (North)

### Elections Committee

Blake Inscore  
Gay Jones (Chair)  
Chris Lopez  
David West

### Awards Committee

Daron McDaniel  
Jo MacKenzie  
Margie Mohler  
Anita Paque (Chair)  
Josh Susman

### 2021 Annual Conference

David Couch  
Tom Murray  
Daniel Parra  
David West (Chair)

The CALAFCO Board met virtually for their biennial strategic planning session on January 21, followed by a regular Board meeting the next day on January 22 (also virtual). The full meeting packet for both sessions is located on the CALAFCO website (and accessible to all CALAFCO members). During the strategic planning session the Board discussed several topics of critical importance to the Association, including the current dues structure and population cap used, the ongoing practice of using 15% net profit from the Annual Conference to balance the budget, and the issue of extension of services as it relates to local agencies not always seeking LAFCo authorization of exemption or approval to extend services.

After spending time connecting as a group, the strategic planning session began with a dashboard review of the Association's work in 2020. Highlights included the cancellation of both the Staff Workshop and Conference (and the fiscal impact to the Association as a result of the Conference cancellation due to the reliance of the 15% net profit to balance the budget); the creation and delivery of a series of webinars offered at no cost to CALAFCO members; a new section on the CALAFCO website that houses these

webinars for on-demand viewing; updates to the CALAFCO website; and the legislative year that wasn't. Additional work accomplished that was not part of the strategic plan for 2020 included a successful transition of the two primary contractors to employees and the retention of the Executive Director (originally set to retire in the fall of 2020). The full 2020 dashboard review can be found on the CALAFCO website.

The Board spent a great deal of time discussing the member LAFCo dues issue after receiving a full report from the dues ad hoc committee. After reviewing the various models considered by the ad hoc committee (16 in total), the Board received one additional model that had updated population figures from the Department of Finance (using the existing FY 2020-21 model as the base). Again, after much discussion, the Board gave unanimous consent to maintaining all of the existing variables in the FY 2020-21 dues model, using the required updated population estimates and not adding the CPI increase (estimated at 3%) for the FY 2021-22 dues. This decision was formally ratified with unanimous approval during the Board meeting on January 22. An announcement regarding the FY 2021-22 dues was distributed February 9, and you can find the dues on the CALAFCO website.

The Board then discussed the ongoing structural deficit and dangerous fiscal practice of using an unreliable educational event net profit to balance the budget. They gave unanimous consensus to no longer using any net profit from any education event to balance the budget. Underscored this year without a Conference, the loss of that budgeted net profit created a structural deficit. That decision was also formally ratified with unanimous approval during their Board meeting on January 22.

Later that afternoon there was a discussion about the problem of local agencies not seeking LAFCo authorization to extend services. The Board brainstormed non-legislative ideas for consideration this year as an interim solution to a legislative fix in 2022. The day ended with a brief conversation about SMGA and the relationship between LAFCo and investor-owned utilities.

The Board will consider adopting the next two-year strategic plan (for 2021-22) at their April 30 meeting.

During their January 22 meeting, in addition to ratifying the decisions noted above, the Board received the second quarter financial reports and directed the Executive Director to create a rolling two-year budget going forward (beginning with the draft FY 2021-22 budget) and adopted the 2021 legislative policies with the recommended amendment of the Legislative Committee.



# News from the Board of Directors

## CALAFCO QUARTERLY

February 2021  
Page 3



### CALAFCO EDUCATIONAL EVENTS

#### 2021 STAFF WORKSHOP AND ANNUAL CONFERENCE

##### Staff Workshop

Due to the COVID-19 pandemic, CALAFCO's Staff Workshop was once again cancelled. The workshop was scheduled for March 17-19 in Newport Beach.

CALAFCO staff successfully negotiated a revision in the facility contract for 2022 at the same rates as 2021. We are still working with the mobile workshop vendors to try and roll over the deposits for that event and will keep you posted.

We wish to thank our Workshop hosts, *Imperial* and *Orange LAFCos* who have graciously agreed to host in 2022 - third time is a charm they say!

CALAFCO is currently polling LAFCo staff on their desire to have something offered for staff only in a virtual format. Watch for updates soon. *If your LAFCo staff have not provided us that feedback, please do so by the deadline of February 12.*

*Mark your calendars for the Staff Workshop on March 23 - 25, 2022.*

##### Annual Conference

The Annual Conference, hosted by CALAFCO, is currently scheduled for **October 6 - 8** at the *Hyatt Regency Newport Beach John Wayne Airport*. We are hopeful by that time we will be able to safely meet in person, and the Conference planning committee will begin their work very soon. Watch for a call for program planning volunteers.

#### CALAFCO UNIVERSITY

We were pleased to offer six virtual sessions in 2020 between August and December. This year, CALAFCO is planning several virtual CALAFCO U sessions for the first half of the year. Once again, these sessions will be offered to our members at no cost to you. *Watch for save-the-date announcements coming very soon.* As a teaser, we are planning for a three-part session on Fire and EMS Agency reorganizations in March and another session on Hiring Best Practices in May.



#### CALAFCO ADMINISTRATIVE UPDATE

CALAFCO staff are working on the annual updates of the Membership Directory. It's requested you respond to the request for updates when you receive them from us.



### CALAFCO LEGISLATIVE UPDATE



The new two-year legislative session is in full swing and it is anticipated to be another interesting year. As the deadline to introduce legislation nears (Feb. 19), we are seeing a large number of bills relating to COVID-19 response, wildfire prevention, education, healthcare and bridging the equity divide.

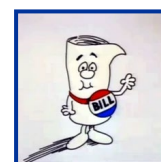
CALAFCO is sponsoring the 2021 Assembly Local Government Committee (ALGC) Omnibus bill and continues the work of the Protest Provision Rewrite Working Group as legislative priorities for 2021. The Working Group, consisting of 18 members (CALAFCO, CSDA, League, CSAC and reps from both local government committees) reconvened and has approved the submission of several obsolete special provisions relating to protests into the Omnibus bill. The group is also working on drafting language to consolidate all existing protest language into one section within CKH, and the subcommittee that is looking at the protest percentage threshold variances is reconvening.

CALAFCO has also been working closely since last fall with Senator Caballero's staff and the sponsors of SB 414 (2019-20) on a redo of that bill. Our conversations have included offering amendments to write LAFCos back into the formation process of the new water authorities. Although the new bill has not yet been introduced (as of the writing of this Report), it is expected before the 2/19 deadline.

The 2020 CKH Guide is now available to download from the CALAFCO website. We are also accepting orders for the hard copy version. Visit the CALAFCO website for details.

Full 2020 legislative reports from the ALGC and Senate Governance & Finance Committees are also available on the CALAFCO website.

All bills being tracked by CALAFCO can be found on the CALAFCO website inside the Legislation section of the site (log in with your member id first to access this section). The CALAFCO Legislative Committee meets regularly and all meeting materials are located in the Legislation section of the CALAFCO website.





### CALAFCO ASSOCIATE MEMBERS' CORNER



This section is dedicated to highlighting our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

#### City of Rancho Mirage

The **City of Rancho Mirage** has been a Silver Associate Member since July 2010. With a population of just over 18,000, the **City of Rancho Mirage** is located in the County of Riverside. The City offers an abundant amount of sunshine, great climate, and related resort-style living. For more information about the City, contact the Director of Development Services, **Jeremy Gleim**, at [jeremyg@ranchomirageca.gov](mailto:jeremyg@ranchomirageca.gov), or at 760-328-2266. Learn more about the City on their website at [www.ranchomirageca.gov](http://www.ranchomirageca.gov).



#### County Sanitation Districts of Los Angeles County

**The County Sanitation Districts of Los Angeles County** has been a Silver Associate Member since July 2005. They are a public agency focused on converting waste into resources like recycled water, energy and recycled materials. The agency consists of 24 independent special districts serving about 5.6 million people in Los Angeles County. The service areas cover approximately 850 square miles and encompass 78 cities and unincorporated areas in the county. For more information on the Districts, contact **Donna Curry** at [dcurry@lacsdc.org](mailto:dcurry@lacsdc.org), or visit their website at [www.lacsdc.org](http://www.lacsdc.org).



#### Rancho Mission Viejo

**Rancho Mission Viejo** has been a Silver Associate Member since June 2005. They are responsible for the development and management of a governance structure for a 23,000-acre, 14,000 home planned community. For more information, visit them at [www.ranchomissionviejo.com](http://www.ranchomissionviejo.com) or contact Michael Balsamo at [mbalsamo@ranchomv.com](mailto:mbalsamo@ranchomv.com).



#### QK

A Silver Associate Member since September 2010, **QK** (formerly Quad Knopf) provides planning, engineering, biology, environmental and survey services to public and private clients. Their planners have previous experience working for public agencies, including serving as LAFCo Analysts and Executive Officers. They specialize in the San Joaquin and Sacramento Valley regions. For more information on **QK**, visit their website at [www.qkinc.com](http://www.qkinc.com), or contact **Jerome Keene** at [jerome.keene@qkinc.com](mailto:jerome.keene@qkinc.com).



*CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continuing to highlighting you in future Quarterly Reports.*

#### Did You Know??

##### CALAFCO 2020 Survey

**Did you know** we recently published the **2020 survey of member LAFCos relating to COVID?** The survey included questions about current and future operations, staffing models, commission meeting methods, and budget impacts.



##### Meeting Documents Online

**Did you know** that all **CALAFCO Board of Directors and Legislative Committee meeting documents are online?** Visit the Boards & Committees pages in the Members Section of the site. Board documents date back to 2008 and Legislative Committee documents back to 2007.

##### CALAFCO Courses Archived

**Did you know** that all **CALAFCO University course materials are now archived on the CALAFCO website?** Visit the CALAFCO website in the CALAFCO U Course Material Archive section.

#### Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO Legislative Committee virtual meeting - 2/19
- ❖ CALAFCO Legislative Committee virtual meeting - 3/26
- ❖ CALAFCO Board of Directors virtual meeting - 4/30



The **CALAFCO 2021 Calendar of Events** can be found on the CALAFCO website.

*As we continue to face both known and unknown challenges, your CALAFCO Board and Staff wish all of you to stay safe and be healthy. We thank you for your continued dedicated service to the communities you serve. Be well.*

# CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS



## **CALAFCO MISSION**

*Provide educational, information sharing and technical support for our members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.*

# 2020 ANNUAL REPORT

## California Association of Local Agency Formation Commissions

Email: [info@calafco.org](mailto:info@calafco.org)

Website: [www.calafco.org](http://www.calafco.org)

1020 12<sup>th</sup> Street, Ste. 222

Sacramento, CA 95814

Tel: 916-442-6536





## FROM THE CALAFCO EXECUTIVE DIRECTOR

For just about all of us, 2020 was quite a challenge. During the year, the California Association of Local Agency Formation Commissions (CALAFCO) dedicated itself to meet the new and evolving needs of our members. As they reinvented the way they work and deliver services, so did we.

Although we were unable to gather in person in March for our annual Staff Workshop or in October for our Annual Conference, we stayed connected with virtual meetings and virtual educational events. We learned from each other as we supported one another through a historic time. CALAFCO stood in support of our member LAFCOs by shifting the way we provide supportive services and adjusted priorities to meet their changing needs.

2020 will be remembered as the year we would all like to forget. But doing so means we also forget the many things we learned - about ourselves as strong, capable, and resilient beings, and about the power of collective support, collaborative and innovative problem solving, and about our ability to generate hope for systemic and sustainable change.

Without missing a beat, LAFCOs throughout the state continued to provide the necessary leadership in fulfilling their missions, and in supporting their respective local agencies and the communities they serve. I would like to take this opportunity to thank all of our member LAFCOs for their dedicated, focused and steadfast commitment to the work they do and the people they serve.

I also want to thank the CALAFCO regional staff for their support and contributions to the Association. A special thank you to our Associate member partners for their generous support of CALAFCO. Last but certainly not least, I want to express my gratitude to the CALAFCO Board of Directors, all of whom worked tirelessly throughout the year in support of the ideals and mission of CALAFCO and all LAFCOs. Through their leadership, vision and tenacity, the Association met the challenges of the year.

I'm proud to represent the Association and all 58 LAFCOs as well as our Associate Members, and present the 2020 Annual Report, which highlights the collective work of the past year and many of the achievements we realized. We hope you enjoy this new format of the Annual Report. I look forward to what we can accomplish together in 2021.

A handwritten signature in blue ink, which appears to read "Pamela Miller". The signature is fluid and cursive, written over a light blue horizontal line.

**Pamela Miller**  
**Executive Director**  
**CA Association of Local Agency Formation Commissions**



## FROM THE 2019-2020 CALAFCO CHAIR OF THE BOARD



We are living in interesting times!

Every time I think it can't get worse; it does. At the time I wrote this article, we were plagued by record heat and fires. Often past chairs have written something like, "...it was a challenging but rewarding year". I will say it was a challenging year; I don't think I can call it rewarding, but I have been proud to see how CALAFCO rose to the challenge and pivoted to address the impacts thrown on us by this pandemic. We moved to virtual meetings, made Zoom available to our member LAFCoS, held regular meetings with our member LAFCo Executive Officers/Clerks and made a series of virtual CALAFCO U classes and on demand webinars available free to our members; we continue to focus on "value added" to our members. Much of the credit for this, and its success, is due to efforts by our Executive Director, Pamela Miller, who we were fortunate to retain, as an employee, after she announced her retirement; we are indebted to her. Of course many others pitched in to make this possible and the CALAFCO Board provided needed support.

We were forced to cancel our Annual Conference. Many LAFCoS were directly impacted as were many government agencies. Many have died, the economy was rocked and many individuals struggle to meet basic needs; essential workers continue to provide service and others are forced to work out of economic necessity-risking their, and their family, health and lives.

My father, the youngest of four, was born in 1927. As I grew up, his parents from time to time, talked about the influenza pandemic of 1918. I used to find those stories surreal; people confined to their homes, a red notice nailed to the door and many deaths. My grandparents not only endured this pandemic but, in their lifetime, faced WWI, the Great Depression and WWII. Much of this is now delegated to "just history". My grandparents came thru it and someday 2020 will also be delegated to history.

I'm proud that CALAFCO more than survived this challenge. Our dues change let us avoid a structural deficit and a loss for the year even with the cancellation of the Annual Conference. Our prudent reserves may allow us to cover unexpected costs, especially legal costs as we navigated AB 5, converting Pamela and Jeni to employees.

We continue to proudly serve our member LAFCoS and remain a viable and respected voice in Sacramento.  
Thanks to all of you.

A handwritten signature in blue ink, which appears to read "Michael R. McGill".

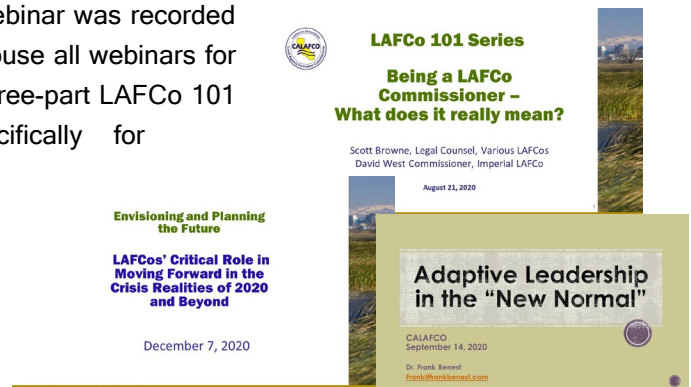
**Michael R. McGill, P.E.**  
**Chair of the Board, 2019-2020**  
**CA Association of Local Agency Formation Commissions**

In 2019, CALAFCO began a two-year strategic plan to define the Association’s priorities and guide the work. There were three main strategic areas each with actionable goals for each of the two years. This report highlights the achievements of the work in 2020 towards those goals.

1. Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders.
2. Focus efforts on Association member development and communication.
3. Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders.

## 1. Serve as an educational resource

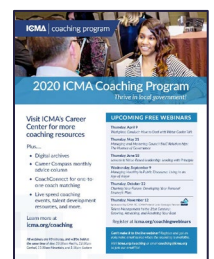
Given the COVID-19 pandemic, in-person training and educational opportunities were impossible from mid-March through the end of 2020. This meant the cancellation of our annual Staff Workshop and Annual Conference. However, in early summer, CALAFCO staff began looking at how to deliver short educational sessions virtually – something CALAFCO had never done before. From August through December, six webinars were successfully delivered at no cost to our members. Additionally, each webinar was recorded and a new section created on the CALAFCO website to house all webinars for member on-demand viewing. Webinar topics included a three-part LAFCo 101 series (including a newly designed session specifically for Clerks/Analysts and another for LAFCo Commissioners), adaptive leadership, and two sessions on LAFCos role in this “new/now normal” world of ours. In total, 274 LAFCo staff, commissioners and Associate Members attended these free educational offerings.



Early in January CALAFCO hosted a CALAFCO University session in Orange County focusing on legacy costs associated with reorganizations.

We are proud to continue to offer our members AICP credits when applicable for any educational session we host.

CALAFCO remains a coaching partner with Cal-ICMA and through this partnership all of our members receive free access to professional development webinars, one-to-one coaching and other professional development resources.



## 2. Focus efforts on Association member development and communication

In response to our members, CALAFCO developed a short series of News Bulletins and distributed them to the membership during the first three months of the State's shutdown. The Bulletins advised members of the latest Executive Orders and other noteworthy news items that impacted LAFcos and other local agencies.

Beginning mid-March, we hosted weekly meetings for LAFco Executive Officers and another for LAFco Clerks to allow for collaboration and information sharing. These meetings transitioned to virtual meetings and continue as monthly meetings into 2021, with as many as 32 Executive Officers attending the monthly meeting.

Knowing many of our members struggled to find effective ways for their Commissions to meet while maintaining transparency and public participation, CALAFCO purchased two Zoom licenses and provided the use of one of those licenses to our member LAFcos, along with our toll-free conference calling system, at no cost, as a way for our members to continue conducting business transparently.



The events of 2020 were uncharted territory for many, and the fiscal aftermath will long be felt by all local agencies across the state. CALAFCO recognized this as a unique time for LAFcos to champion the support of local agencies and help rebuild communities. In partnership with several Executive officers and one of our Associate Member partners, CALAFCO created a series of messaging materials to assist our member LAFcos in their facilitation of local discussions on the

revitalization of their respective communities. These resources were introduced and distributed in December.

In addition to our normal communication tools of Quarterly Reports and list serves, we also hosted virtual regional roundtables in December for our member LAFcos (as a replacement for our in-person roundtables at the Annual Conference) as well as a LAFco Legal Counsel roundtable in October. With so many of our members meeting virtually, our Executive Director was able to attend sixteen (16) different LAFco meetings the second half of the year.

In response to the membership survey in 2019, CALAFCO staff spent time this year updating several of the most frequently used sections of the CALAFCO website. In addition to the creation of the new webinar archive, the CALAFCO University archives was updated, along with several sections within the LAFco Law section. Other sections were completely reorganized and updated for easier member access to resource information and materials. CALAFCO is proud to continue earning the GuideStar Platinum Seal of Transparency for high level of nonprofit transparency.



### 3. Serve as an information resource and legislative and policy advocate

In addition to the work of enhancing the CALAFCO website as an informational resource, CALAFCO continued to participate in the Department of Water Resources' County Drought Advisory Group and lead the efforts of the 18-member Protest Provisions Stakeholder Working Group (Working Group).

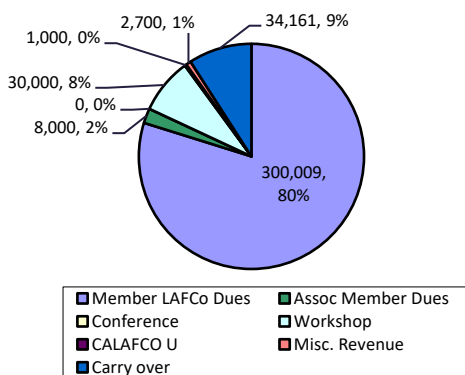
The 2020 legislative year turned out to be unlike any other and the pandemic turned legislation inside-out. The focus of the Legislature quickly turned to COVID response as well as responding to a historic year of wildfires and calls for social and racial justice and equity. At the direction of the CALAFCO Board, we ended our efforts to obtain state-level grant funding for LAFCoS through sponsored legislation and did not sponsor an Omnibus bill in 2020. Instead, the Board made the proposal to make changes to statute pertaining to extension of services the legislative priority, along with the ongoing efforts of the Working Group. After seeking feedback and consensus from Executive Officers as directed by the Board, in late January the Executive Committee approved moving forward with seeking legislation. Given the late timing, the Association was unsuccessful in securing an author. As a result, CALAFCO did not sponsor any bills in 2020. It is uncertain if any bills (other than Omnibus) would have successfully passed through the Legislature given the shift in their focus mid-year. CALAFCO continued to support our membership through legislative action where appropriate and fiercely guarded LAFCo authority when necessary, tracking 32 bills and taking positions on 7 bills.

### Other 2020 highlights

There were several other highlights in 2020 that were not part of the two-year strategic plan. First, we successfully transitioned our two primary part-time contractors (Executive Director and Administrator) to part-time employees effective September 1 in compliance with AB 5. Additionally, for the first time, CALAFCO conducted a virtual election for the Board of Directors.

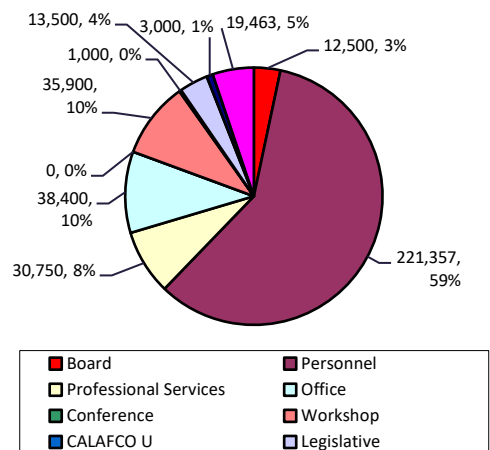
### CALAFCO Financials 2020

FY 2020-21 REVENUE BY CATEGORY AND % OF TOTAL BUDGET



In July, the Board of Directors adopted a revised budget without any Conference revenue/expenses, with new estimated employer costs and the retention of the Executive Director. The lack of the planned 15% Conference net profit created a structural deficit that can be covered by the net balance carryover into FY 2020-21, which ended up

FY 2020-21 EXPENSES BY CATEGORY AND % OF TOTAL BUDGET



larger than expected at the end of FY 2019-20 due to cost savings in other budget areas. By the end of 2020 it appeared savings into FY 2020-21 was continuing in many areas that will help the Association's financial outlook going into another uncertain fiscal year.

## Looking ahead to 2021

Our LAFcos are strong and resilient and led with remarkable courage during 2020. CALAFCO remains committed to continue building a resilient and sustainable Association that supports our members in their work. To focus resources on our members' highest priorities in 2021, the CALAFCO Board of Directors' biennial strategic planning workshop in January will create the foundation for the Association's next two-year strategic plan. As we move into our 50<sup>th</sup> year, CALAFCO remains committed to:

- **Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders.**
- **Focus efforts on Association member relations, development, recognition and communication.**
- **Continue development of a strong and sustainable Association.**
- **Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders.**

## CALAFCO 2019-2020 BOARD OF DIRECTORS AND STAFF

### OFFICERS (Oct 2019 – Oct 2020)

**CHAIR** - *Michael McGill*, Contra Costa LAFCo, District Member (Coastal)

**VICE CHAIR** - *Michael Kelley*, Imperial LAFCo, County Member (Southern)

**SECRETARY** - *Anita Paque*, Calaveras LAFCo, Public Member (Central)

**TREASURER** - *Bill Connelly*, Butte LAFCo, County Member (Northern)

**IMMEDIATE PAST CHAIR** - *Josh Susman*, Nevada LAFCo, Public Member (Northern)

### MEMBERS (Oct 2019 – Oct 2020)

*Cheryl Brothers*, Orange LAFCo, City Member (Southern)

*David Couch*, Humboldt LAFCo, City Member (Northern)

*Shiva Frentzen*, El Dorado LAFCo, County Member (Central)

*Blake Inscore*, Del Norte LAFCo, City Member (Northern)

*Gay Jones*, Sacramento LAFCo, District Member (Central)

*Jo MacKenzie*, San Diego LAFCo, District Member (Southern)

*Margie Mohler*, Napa LAFCo, City Member (Coastal)

*Tom Murray*, San Luis Obispo LAFCo, Public Member (Coastal)

*Jane Parker*, Monterey LAFCo, County Member (Coastal)

*Daniel Parra*, Fresno LAFCo, City Member (Central)

*David West*, Imperial LAFCo, Public Member (Southern)

### STAFF

**EXECUTIVE DIRECTOR** - *Pamela Miller*

**ADMINISTRATOR** - *Jeni Tickler*

**LEGAL COUNSEL** - *Clark Alsop*, Best Best & Krieger

**CPA** - *James Gladfelter*, Alta Mesa Group

**EXECUTIVE OFFICER** - *Stephen Lucas*, Butte LAFCo (Northern)

**DEPUTY EXECUTIVE OFFICERS** - *Christine Crawford*, Yolo LAFCo (Central); *Martha Poyatos*, San Mateo LAFCo (Coastal); and *Gary Thompson*, Riverside LAFCo (Southern)

# A SNAPSHOT LOOK AT 2020 by the numbers

## MEMBERSHIP

**58** Member LAFCoS

**26** Associate Members

**4** Regions

**16** Member Board of Directors

**Over 750** Commissioners & Staff supported



## EDUCATION

**300** Total attendees

**7** Events

**6** Webinars

**1** CALAFCO U

## LEGISLATION

**32** Bills monitored, tracked, engaged and positions taken



## ADMINISTRATION

**8** List serves with **286** subscribers

**58,843** Webpage views([www.calafco.org](http://www.calafco.org))

**Over 60** meetings hosted for Member LAFCoS

**2** P/T Staff + **2** P/T Consultants + **4** Regional Staff