

MENDOCINO

Local Agency Formation Commission

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

COMMISSIONERS

Maureen Mulheren, Chair
County Member

Gerald Ward, Vice-Chair/Treasurer
Public Member

Gerardo Gonzalez
City Member

Katharine Cole
Special District Member

Candace Horsley
Special District Member

Glenn McGourty
County Member

Mari Rodin
City Member

Francois Christen, Alternate
Special District Member

Douglas Crane, Alternate
City Member

John Haschak, Alternate
County Member

Richard Weinkle, Alternate
Public Member

STAFF

Executive Officer
Uma Hinman

Clerk/Analyst
Larkyn Feiler

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 3, 2023 at 9:00 AM**
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Special Notice – Hybrid Meeting

As of March 1, 2023, the new teleconferencing rules under AB 2449 take effect, which allow for teleconferencing participation at local legislative body public meetings under specific circumstances. The Commission will conduct this meeting in a **hybrid** format to accommodate both in-person and remote (video or telephone) participation by the public and staff pursuant to GOV 54953. Unless approved under the provisions of AB 2449, Commissioners will attend in-person. The Commission's **hybrid** meeting can be accessed by the public in person, or remotely as described in the Instructions for Remote Participation Option, below.

The meeting will be held in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah. Social distancing practices are recommended whenever possible and seating is arranged to accommodate the six feet recommended by the Health Officer.

Instructions for Remote Participation Option

Join Meeting Live: Please click the following Zoom link below to join the meeting or utilize the telephone option for audio only.

1. Zoom meeting link: <https://mendocinocounty.zoom.us/j/81484597316>
2. Telephone option (audio only):
Dial: **(669) 900-9128** (*Please note that this is not a toll-free number*)
Meeting ID: **814 8459 7316**

Public Participation is encouraged and public comments are accepted:

1. Live: via the Zoom meeting link or telephone option above
2. Via Email: eo@mendolafo.org by 8:30 a.m. the day of the meeting
3. Via Mail: Mendocino LAFCo, 200 S School Street, Ukiah, CA 95482

Meeting Participation

To provide comments, please use the raise hand function in Zoom.

- a) For those accessing from a computer, tablet, or smartphone, the raise hand function may be selected by clicking or tapping it from the reactions options. When joining the Zoom meeting, please enter your name so that you can be identified to speak.
- b) For those utilizing the telephone option (audio only), please use the raise hand feature by pressing ***9** on your keypad to raise your hand, and ***6** to unmute yourself. When it is your turn to speak, you will be called on by the last four digits of your phone number, if available, and asked to identify yourself for the record.

All comments received will be conveyed to the Commission for consideration during the meeting. All meetings are live-streamed, recorded and available through the link below.

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](#).

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 Commission Appointment and Oath of Office

Announcement of the Special District Selection process results for the regular special district term ending December 31, 2024. The Oath of Office will be administered to Katharine Cole.

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) March 6, 2023 Regular Meeting Summary

4b) March 2023 Claims & Financial Report

4c) Legislative Support Letter for AB 1753 CALAFCO Omnibus Bill

5. PUBLIC HEARING ITEMS

None

6. WORKSHOP ITEMS

6a) WORKSHOP Preliminary Fiscal Year 2023-24 Budget and Work Program

The Commission will conduct a workshop on the Preliminary Fiscal Year 2023-24 Budget and Work Program, directing staff to revise as necessary and notice a public hearing for a Proposed FY 2023-24 Budget and Work Program.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

7a) Ukiah Valley Basin Groundwater Sustainability Agency

The Commission will receive an informational presentation from Elizabeth Salomone, General Manager of the Mendocino County Russian River Flood Control & Water Conservation Improvement District and Chair of the Technical Advisory Committee to the Groundwater Sustainability Agency, on activities of the Ukiah Valley Groundwater Basin Groundwater Sustainability Agency.

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. No immediate action will be taken on any of the following items.

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

8b) Correspondence (Copies provided upon request)

- Letter to County Counsel Curtis regarding CSA 3

8c) CALAFCO Business and Legislative Report

- Special Vacancy Nomination Packet for Northern Region City Member

8d) Executive Officer's Report (Verbal)

8e) Committee Reports (Executive Committee, Policies & Procedures, Work Plan Ad Hoc) (Verbal)

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

ADJOURNMENT

The next Regular Commission Meeting is tentatively scheduled for Monday, **May 1, 2023** at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah.

Notice: This agenda has been posted at least 72 hours prior to the meeting and in accordance with the Brown Act Guidelines and teleconferencing rules under AB 2449.

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: Commission meetings are held via a hybrid model – the in-person option held in a wheelchair accessible facility and also by teleconference. Individuals requiring special accommodations to participate in this meeting are requested to contact the LAFCo office at (707) 463-4470 or by e-mail to eo@mendolafo.org. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting. If attending 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 3, 2023
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: **Announcement of Commission Appointment and Oath of Office**

RECOMMENDATION

Announcement of the results of the Special District Selection process for the remainder of the regular special district term 2021-2024 and conduct the oath of office for Katharine Cole.

BACKGROUND

Per GOV 56334, all LAFCo commissioners serve four-year terms. On January 23, 2023 the Executive Officer issued the notice of vacancy and call for nominations to fill the remainder of the regular special district member term 2021-2024.

The Special District nomination period ended on March 14, 2023 and one nomination was received. Pursuant to GOV 56332(f)(2), when a single nomination is received by the deadline, the candidate is automatically appointed.

Katharine Cole is a Board Trustee for the Hopland Cemetery District. She will fill the final remaining vacancy on the Commission for the term ending December 31, 2024.

2023 Mendocino Local Agency Formation Commission				
Representative	Seat	Year Sworn In	Current Term Beginning	Term Ending (December)
County				
Glenn McGourty	Regular	2021	2021	2024
Maureen Mulheren	Regular	2021	2021	2026
John Haschak	Alternate	2020	2020	2023
City				
Gerardo Gonzalez	Regular	2019	2023	2026
Mari Rodin	Regular	2021	2022	2025
Douglas Crane	Alternate	2023	2022	2025
Special District				
Candace Horsley	Regular	2023	2023	2026
Katharine Cole	Regular	2023	2021	2024
Francois Christen	Alternate	2023	2023	2026
Public				
Gerald Ward	Regular	2015	2023	2026
Richard Weinkle	Alternate	2020	2020	2023

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STAFF

Executive Officer
Uma Hinman

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Larkyn Feiler

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

Agenda Item No. 4a

DRAFT MINUTES

Mendocino Local Agency Formation Commission

Regular Meeting (Hybrid) of Monday, March 6, 2023

County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

1. CALL TO ORDER and ROLL CALL (Video Time 9:50)

Chair Mulheren called the meeting to order at 9:06 a.m.

Regular Commissioners Present: Maureen Mulheren, Gerald Ward, Gerardo Gonzalez, Mari Rodin, Francois Christen (immediately seated as a regular member), and Candace Horsley (seated at 9:09 a.m. after the Oath of Office)

Regular Commissioners Absent: Glenn McGourty

Alternate Commissioners Present: Richard Weinkle and Douglas Crane

Alternate Commissioners Absent: John Haschak

Staff Present: Uma Hinman, Executive Officer; Larkyn Feiler, Clerk /Analyst; Marsha Burch, Legal Counsel

2. PUBLIC EXPRESSION (Video Time 11:15)

None

3. OTHER BUSINESS

Note: Item 3b was taken up again by the Commission after item 8c.

3a) Announcement of Commission Appointments and Oath of Office (Video Time 11:49)

Appointments to the Commission were announced, including Maureen Mulheren and Glenn McGourty as regular members and John Haschak as an alternate from the County Board of Supervisors, and Gerardo Gonzalez and Mari Rodin as regular members and Douglas Crane as an alternate from the City Selection Committee. The Oath of Office was administered to Special District elected representative Candace Horsley and City Alternate Douglas Crane.

3b) Selection of Officers and Committee Appointments (Video Time 14:02)

The Commission voted on officers for 2023.

Motion: Nominate Maureen Mulheren to serve as Chair for 2023.	
Motion Maker: Commissioner Gonzalez	Motion Second: Commissioner Rodin
Roll Call Vote: Ayes: (6) Ward, Gonzalez, Rodin, Horsley, Christen, Mulheren	

Motion: Nominate Gerald Ward to serve as Vice-Chair and Treasurer for 2023.	
Motion Maker: Commissioner Mulheren	Motion Second: Commissioner Christen
Roll Call Vote: Ayes: (6) Christen, Horsley, Rodin, Gonzalez, Ward, Mulheren	

4. CONSENT CALENDAR (Video Time 19:05)

4a) January 9, 2023 Regular Meeting Summary

4b) Ratify the January 2023 Claims & Financial Report

January 2023 Claims totaling:	\$ 23,487.19
Hinman & Associates Consulting	18,480.97
P. Scott Browne	2,205.00
Commissioner Stipends	199.13
Pehling (PNP CPA)	1,875.00
Streamline	50.00
Ukiah Daily Journal	99.59
Ukiah Valley Conference Center	577.50

4c) February 2023 Claims & Financial Report

February 2023 Claims totaling:	\$ 15,038.52
Hinman & Associates Consulting	12,183.62
P. Scott Browne	1,325.00
Comcast	99.66
Streamline	50.00
Mendocino County	825.24
Ukiah Valley Conference Center	555.00

4d) Fiscal Year 2021-22 Audit

4e) Renewal of Office Space Lease in the Ukiah Valley Conference Center

Motion: Approve the consent calendar.	
Motion Maker: Commissioner Rodin	Motion Second: Commissioner Gonzalez
Roll Call Vote: Ayes: (6) Ward, Gonzalez, Rodin, Horsley, Christen, Mulheren	

5. PUBLIC HEARING ITEMS (Video Time 20:50)

5a) PUBLIC HEARING Ford Road, Kunzler Ranch Road, and Carter Lane Out-of-Agency Services Agreement Area for Wastewater Services from the City of Ukiah and Ukiah Valley Sanitation District (File No. O-2022-03) and Finding of Exemption Pursuant to the California Environmental Quality Act

Chair Mulheren opened the Public Hearing at 9:17 a.m. to consider adoption of the Ford Road, Kunzler Ranch Road, and Carter Lane Out-of-Agency Services Agreement (OASA) Area application from the City of Ukiah (City) and Ukiah Valley Sanitation District (UVSD) to provide wastewater services to 12-parcels (170-200-03, 170-200-04, 170-200-05, 170-200-06, 170-200-07, 170-200-08, 170-200-09, 170-200-18, 170-180-08, 170-180-13, 170-180-14, 169-130-76).

EO Hinman noted that the following agency representatives were present to answers questions: Craig Schlatter, City of Ukiah Community Development Director; Wing-See Fox, UVSD Interim General Manager; and Ernie Wipf, UVSD Board Chair.

Analyst Feiler provided a [staff presentation](#) on the item. (Video Time 22:00 - 28:37)

Commissioner Ward asked how septic systems are built in a floodplain, why the extension of services cannot wait until annexation, and what happens if the sewer line is constructed but the project does not proceed. Analyst Feiler responded that the septic systems are installed based on County permits and codes, an agricultural supply business in the Masonite Area has already developed with septic, and it is expected that development supported by septic systems would continue to occur. Staff also explained that the OASA is an interim step to prevent further development on septic systems and ensure future annexation through conditions of approval. Staff noted that the applicant might better address the infrastructure question and understood that projects would come forward one at a time; further, that since there is significant expense involved, property owners would likely have a high level of commitment.

Chair Mulheren noted, in response to Commissioner Ward's comment about doing this right, that the tax share process has been a hurdle to annexation for decades and has led to the need for an interim step so that development can move forward with sewer service. She further explained that the County Tax Share Ad Hoc Committee meets regularly and even multiple times a month to move that part of the process forward as soon as possible.

Commissioner Ward asked about the County's position on the sales tax revenue generated in this specific area and Chair Mulheren responded that it is the purpose of the Committee to address these questions. She explained that the Master Tax Share Agreement is being negotiated between all four cities and the two Supervisors with the goal to bring the draft agreement before the full Board of Supervisors as soon as possible.

In response to Commissioner Ward's question about the likelihood for success since development of a master tax share agreement has a long history of delays, Commissioner Horsley noted that she has been involved for a long time also and this is further along than ever before, the cooperation among the agencies is very high, and it appears that this will be the time that it actually happens.

Commissioner Ward noted that part of the difficulty has been the turn-over of elected officials involved and if the cooperation is there now then it is important to complete the process. Chair Mulheren added that it is a matter of timing and this is the right time with the level of cooperation to move this forward for the benefit of the community.

Commissioner Christen commented that especially if the agreement is not forthcoming, the extension of services is a good interim solution. He explained that it has been a seven-year process so far to create a wastewater system in the Boonville community and, in the meantime, wells are contaminated so this seems like a responsible plan for progress.

Commissioner Crane emphasized the importance of separating groundwater from septic to prevent water contamination and therefore a public sewer system is the safer approach.

EO Hinman noted that this area is within the annexation plan of the recently adopted City General Plan and a pre-application for annexation of this area is already on file.

Chair Mulheren opened the Public Comment Period at 9:35 am.

Ernie Wipf, UVSD Board Chair, explained in response to Commissioner Ward's question regarding extension of the sewer line, that the collector main already exists for most of the areas, with the exception of a minor extension that might be needed for two properties on Kunzler Ranch Road. He further stated that the District feels confident that the property owners will be committed to follow through.

Commissioner Ward asked how long the infrastructure has been in place and why septic tanks were needed. Mr. Wipf responded that the collector mains were built with the El Dorado development and septic systems have been needed because this area is not within the City or District service area.

Craig Schlatter, City of Ukiah Community Development Director, gave thanks for the Commission leadership and to LAFCo staff, District staff, and the City-District Ad Hoc Committee for the continued collaboration over the last year and successfully addressing long-standing issues. Mr. Schlatter explained that timing is the key issue with this OASA application and provides an alternative to septic systems in a floodplain due to the development pressures in this area; providing sewer service in the interim before annexation mitigates that undesired outcome; and the City intends to annex this area as soon as possible (one to two years), but these processes take time.

Wing-See Fox, UVSD General Manager, echoed Mr. Schlatter's comments and gave appreciation to everyone involved; noted that the success of these efforts is based on the common interest to do what is best for the community; assured that the interagency interim services plan is documented and clear to prevent future decisionmakers from unraveling the progress made; and everyone is motivated to continue working together for the greater good.

Chair Mulheren closed the Public Comment Period at 9:40 am.

Commissioner Gonzalez thanked the agencies for coming together and noted that ultimately this is a safety issue and the OASA will help put the focus on the County to assist in accomplishing an annexation plan.

Commissioner Ward asked if there were other parcels that needed sewer services and Analyst Feiler confirmed that there may be additional applications later, but the scope of this first application is focused on this area.

Commissioner Ward asked about the significance of the parcel on Carter Lane which is separate from the other group of parcels and Analyst Feiler responded that the property is adjacent to existing sewer infrastructure and the property owner is interested in development. Mr. Wipf explained that the property is zoned for a subdivision but the proposed project is for a cannabis processing facility.

Commissioner Ward asked whether property owners are required to agree to annexation and EO Hinman confirmed that as a condition of approval each property owner will be required to sign the annexation consent document before receiving sewer service.

Commissioner Ward requested that the Commission review this item annually and Chair Mulheren confirmed that there is a condition of approval included addressing this.

Commissioner Horsley explained that the primary reason that she and Mr. Wipf ran for another four-year term with the UVSD Board of Directors was to see this process through. She further noted that the City is working very hard to complete the annexation process and the District is dedicated to supporting the City's efforts.

Chair Mulheren closed the Public Hearing at 9:46 am.

Motion: (1) Find the Ford Road, Kunzler Ranch Road, and Carter Lane Out-of-Agency Services Agreement Area for Wastewater Services from the City of Ukiah and Ukiah Valley Sanitation District is exempt from the California Environmental Quality Act (CEQA) under the General Rule Exemption pursuant to Title 14 of the California Code of Regulations (14 CCR) §15061(b)(3), and approve the Notice of Exemption for filing; and (2) Adopt LAFCo Resolution 2022-23-09, conditionally approving the Ford Road, Kunzler Ranch Road, and Carter Lane Out-of-Agency Services Agreement Area for Wastewater Services from the City of Ukiah and Ukiah Valley Sanitation District (File No. O-2022-03).	
Motion Maker: Commissioner Gonzalez	Motion Second: Commissioner Rodin
Roll Call Vote: Ayes: (6) Gonzalez, Rodin, Horsley, Ward, Christen, Mulheren	

6. WORKSHOP ITEMS None

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

7a) Draft Policy for Commissioner Teleconferencing (Video Time 49:53)

EO Hinman presented the item related to a draft policy implementing AB 2449 rules (GOV 54953) regarding limited remote meeting capabilities for elected officials based on a recommendation of the Policies & Procedures Committee.

Commissioner Horsley asked if the policy is applicable to Alternate Commissioners and EO Hinman responded that she believed so.

Commissioner Ward asked if there are any deviations from State law in the policy and EO Hinman confirmed there are no deviations from State law and there is a provision in the policy for adherence to any future changes in State law that are currently being contemplated by the Legislature.

Commissioner Ward noted policy provisions related to posting the meeting agenda at the remote location and stating whether anyone present is a minor. Chair Mulheren noted that decision-making bodies are effectively returning to in-person meetings.

Alternate Commissioner Crane asked for clarification on whether the in-person requirement applies to Alternates. Chair Mulheren responded that non-voting alternate members and the public can participate remotely. Commissioner Gonzalez noted the practice of voting members contacting the EO regarding an absence prior to the meeting and the Alternate Commissioner being seated as a regular voting member during the absence.

Commissioner Horsley asked about the source of the AB 2449 Summary in the packet and EO Hinman responded that it was prepared by a legal firm and distributed through the CSDA listserv.

There were no public comments were made.

LAFCo Counsel Marsha Burch confirmed there was nothing further to add and the item was ready for consideration.

Motion: Adopt Resolution No. 2022-23-10 approving the policy for Commission Teleconferencing consistent with the provisions of Assembly Bill 2449.	
Motion Maker: Commissioner Ward	Motion Second: Commissioner Gonzalez
Roll Call Vote: Ayes: (6) Ward, Gonzalez, Rodin, Horsley, Christen, Mulheren	

Chair Mulheren called for a 10-minute recess (9:53 am - 10:02 am)

7b) Mid-Year Budget and Work Plan Report (Video Time 1:06:11)

EO Hinman presented the informational report on the mid-year budget and work plan status for Fiscal Year (FY) 2022-2023.

Commissioner Rodin gave appreciation for the high level of organization and transparency of LAFCo staff and the really good work to keep the Commission apprised of staff activities and project status updates.

Commissioner Ward noted that the timeframe in Table 1 is seven months, so the mid-year estimates would be less. Commissioner Ward also noted that the Work Plan is 33% complete and asked whether staff anticipated completion by FY end and EO Hinman responded that each the coastal and inland studies involve multiple agencies and staff will commence the coastal agencies in April; the inland agencies will occur after the coastal study. Commissioner Ward asked if there will be excess Work Plan funds again this FY and whether staff positions will be filled. EO Hinman confirmed that a budget roll-over is likely to occur and is due to the heavy workload on applications and staffing limitations and staff is working to develop the job duties and solicitation materials for recruitment. Commissioner Ward emphasized the need to stay on task and complete the work plan, especially for water agency consolidations. EO Hinman agreed there is a large workload and noted that extra help consultants are booked out 10-months.

Commissioner Rodin asked for an elaboration on the Mutual Water Companies (MWC) and what is entailed in adding these providers to the MSR/SOI study workload. EO Hinman responded that MWC are private water providers that do not fall under the purview of LAFCo, although they are required to respond to LAFCo requests for information. In 2018 LAFCo prepared a brief [study](#) of MWC, focused primarily on developing profiles and service area maps based on information from the State Water Board. The goal with the regional water MSR/SOI studies is to consider MWCs in the overall picture of water demand and capacity for the coastal and inland regions.

Commissioner Horsley asked if there will be a significant demand on LAFCo staff time once the delays in application processing related to the tax share agreement are remedied and EO Hinman confirmed that is anticipated to occur and noted that applications take precedence over the work plan based on prior Commission direction.

8. INFORMATION AND REPORT ITEMS

8a) Work Plan, Current and Future Proposals (Video Time 1:17:14)

EO Hinman presented the staff report, noting that a written summary of the Work Plan and current proposals is located on pages 127 – 130 of the Agenda Packet. All applications are incomplete at this time, pending, among other things, tax share agreements, which is a process involving the County Assessor, Auditor, CEO, and Board of Supervisors.

A new application was received from the Anderson Valley Community Services District for annexation of the District’s Sphere of Influence area for fire and ambulance services.

Commissioner Ward asked about the Elk CSD application status and EO Hinman confirmed that the activation of latent powers is subject to the tax share process per Revenue and Taxation Code Section 99, which has not yet been completed.

8b) Correspondence None

8c) CALAFCO Business and Legislation Report (Video Time 1:18:48)

EO Hinman noted that the CALAFCO Board adopted new annual fees consistent with the Consumer Price Index (CPI) of 8.27%.

8d) Executive Officer’s Report (Video Time 1:22:02)

EO Hinman provided the following updates: the deadline to submit nominations to fill the remainder of the Regular Special District Seat term 2021-2024 is March 14th at 5 p.m.; the Legal Counsel Services RFP period closed on February 8th and eight proposals were received, which will be reviewed by the Executive Committee for recommendation to the Commission; 700 Forms are due in the LAFCo office on April 1st and all Commissioners need to submit a form specifically naming LAFCo; 700 Forms are also required for all new Commissioners upon being sworn in.

3b) Selection of Officers and Committee Appointments (Video Time 1:24:18)

The Commission voted on members for the Executive Committee and Policies & Procedures Committee.

Motion: Nomination of Mari Rodin to serve on the Executive Committee in addition to the Chair and Vice-Chair/Treasurer, and to approve maintaining the existing Policies and Procedures Committee members of Commissioners Mulheren, Gonzalez, and Rodin.	
Motion Maker: Commissioner Gonzalez	Motion Second: Commissioner Horsley
Roll Call Vote: Ayes: (6) Gonzalez, Rodin, Horsley, Christen, Ward, Mulheren	

8e) Committee Reports (Executive Committee, Policies & Procedures, Work Plan Ad Hoc) None

8f) Commissioners Reports, Comments or Questions (Video Time 1:25:52)

Commissioner Ward noted the limited seating capacity in the Chambers for all the Commissioners and EO Hinman confirmed that there is space for the voting members of the Commission on the dais and there is room for alternate members to sit with staff, in the audience, or to attend remotely.

Commissioner Horsley noted, in relation to the public hearing item, that this is a perfect example of LAFCo’s purpose to ensure orderly development and the health and safety of our citizens and to promote cooperation between agencies to meet those goals. Commissioner Horsley gave appreciation to LAFCo staff and emphasized the importance for continuation of the interagency collaborative efforts.

ADJOURNMENT (Video Time 1:27:27)

There being no further business, the meeting adjourned at 10:23 a.m.

The next regular meeting of the Commission is scheduled on Monday, April 3, 2023 at 9:00 a.m. The meeting will be conducted in a hybrid format to accommodate both in-person and remote participation. The in-person meeting will be held in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah.

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MENDOCINO Local Agency Formation Commission Staff Report

DATE: April 3, 2023
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: **Claims and Financial Report for March 2023**

RECOMMENDED ACTION

Approve the March 2023 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 15,342.50	\$ 17,067.50
	5601 Office Supplies (QB)	\$ 85.00	
	6200 Bookkeeping	\$ 440.00	
	8025 Ukiah Annex City-Owned Props	\$ 131.25	
	8031 AVCSD Annexation of SOI	\$ 1,068.75	
P. Scott Browne	6300 Legal Counsel (Monthly flat fee)	\$ 900.00	\$ 1,012.50
	8030 Ukiah/UVSD OASA	\$ 112.50	
Commissioner Stipends	6740 In-County Travel & Stipends		\$ 179.25
	Weinkle (March)	\$ 80.13	
	Christen (March)	\$ 99.12	
Comcast	5700 Internet		\$ -
Streamline	5700 Website Hosting	\$ 50.00	\$ 50.00
Ukiah Daily Journal	8030 Publications and Legal Notices (OASA)	\$ 99.59	\$ 99.59
Mendocino County	6000 Televising Meetings (Jan, March)	\$ 325.91	\$ 625.91
	6670 GIS (Jan-Feb)		
	5600 Office Expenses (BOS Chambers)	\$ 300.00	
Mendocino County Clerk	8031 County Clerk (voter inform. request)	\$ 93.00	\$ 93.00
Ukiah Valley Conf. Center	5500 Office Space	\$ 555.00	\$ 657.12
	5600 Postage and copies	\$ 102.12	
Total:			\$ 19,784.87

Deposits: \$6,000 (AVCSD Application A-2023-01)

Attachments:

- Budget Tracking Spreadsheet
- Work Plan Tracking
- Invoices: Hinman & Associates Consulting, P. Scott Browne

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

FY 2022-23 YEAR TO DATE FINANCIAL SUMMARY			
	BUDGET	ACTUAL TO DATE	BALANCE
REVENUE TOTALS	\$ 265,100.00	\$ 133,096.41	\$ 132,046.41
Operating Income (Apportions)	\$ 265,000.00	\$ 120,000.00	\$ 145,000.00
Interest	\$ 100.00	\$ 71.41	\$ 71.41
Miscellaneous	\$ -		
Applications & SALC	\$ -	\$ 13,025.00	\$ (13,025.00)
EXPENSES TOTALS	\$ 263,800.00	\$ (159,896.31)	\$ 103,903.69
Basic Services (Staffing)	\$ 125,100.00	\$ (84,316.25)	\$ 40,783.75
Services and Supplies	\$ 68,700.00	\$ (36,480.38)	\$ 32,219.62
Work Plan (MSRs and SOIs)	\$ 70,000.00	\$ (23,143.75)	\$ 46,856.25
Applications & SALC		\$ (15,955.93)	\$ 9,407.07
ACCOUNT BALANCES			
CASH AVAILABLE			\$ 169,875
County of Mendocino (Projected; statement unavailable)			\$ 145,000
Operations (per Quickbooks balance)			\$ 24,875
RESERVES			\$ 116,005
Legal Reserve			\$ 50,000
Operations Reserve			\$ 66,005
CONTINGENCIES			\$ 30,815
Work Plan			\$ 30,815
		Accounts Total	\$ 316,695

Mendocino LAFCo Budget Tracking

REVENUE		BUDGET	1st Qtr Subtotal	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	4th Qtr Subtotal	YTD Subtotal	Balance
4020	OPERATING INCOME (APPORTIONMENTS)	\$ 265,000.00	\$ 60,000.00	\$ 60,000.00				\$ -	\$ -	\$ 120,000.00	\$ 145,000.00
4800	MISCELLANEOUS (SERVICE FEES OH, COPIES)		\$ 850.00	\$ 591.20	\$ 2,075.00	\$ -	\$ 800.00	\$ 2,875.00	\$ -	\$ 4,316.20	\$ (4,316.20)
4910	INTEREST	\$ 100.00	\$ 26.65	\$ 26.38	\$ 9.94	\$ 8.44		\$ 18.38	\$ -	\$ 71.41	\$ 28.59
Income/Fees Subtotals		\$ 265,100.00	\$ 60,876.65	\$ 60,617.58	\$ 2,084.94	\$ 8.44	\$ 800.00			\$ 124,387.61	
8000	APPLICATIONS									YTD Subtotal	Total Deposit TD
8010	City of Ukiah Detachment of UVSD lands (D-2014-8010)	\$ 19,032.75	\$ -	\$ -				\$ -	\$ -	\$ -	\$ 19,032.75
8022	City of Ukiah North Annexation Pre-Application (P-2020-01)	\$ 1,500.00	\$ -	\$ -				\$ -	\$ -	\$ -	\$ 1,500.00
8024	Millview CWD Annexation Pre-Application (P-2020-04)	\$ 3,500.00	\$ -	\$ -				\$ -	\$ -	\$ -	\$ 3,500.00
8025	City of Ukiah Annexation of City-Owned Properties (A-2021-01)	\$ 5,000.00	\$ -	\$ -				\$ -	\$ -	\$ -	\$ 5,000.00
8028	Elk CSD Activation of Latent Powers (L-2022-01)	\$ 3,000.00	\$ 2,000.00	\$ -				\$ -	\$ -	\$ 2,000.00	\$ 5,000.00
8029	City of Ukiah Annexation of Western Hills Properties (A-2022-02)	\$ 5,000.00	\$ -	\$ -				\$ -	\$ -	\$ -	\$ 5,000.00
8030	City of Ukiah/UVSD Application for Out Of Agency Services (O-2022-03)	\$ -	\$ -	\$ 2,500.00				\$ -	\$ -	\$ 2,500.00	\$ 2,500.00
8031	AVCSD Annexation of SOI (A-2023-01)	\$ -	\$ -	\$ -			\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00	\$ 6,000.00
8601	Sustainable Ag Lands Committee Grant	\$ 3,225.00	\$ 2,525.00	\$ -				\$ -	\$ -	\$ 2,525.00	\$ 5,750.00
Application Subtotals			\$ 4,525.00	\$ 8,500.00	\$ -	\$ -	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 13,025.00	\$ 53,282.75
REVENUE TOTAL			\$ 65,401.65	\$ 69,117.58	\$ 2,084.94	\$ 8.44	\$ 6,800.00	\$ 6,000.00	\$ -	\$ 137,412.61	
EXPENSES		BUDGET	1st Qtr Subtotal	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	4th Qtr Subtotal	Total Expenses YTD	Budget Balance
5300	Basic Services - EO/Analyst/Clerk	\$ 125,100.00	\$ 21,800.00	\$ 21,565.00	\$ 14,085.00	\$ 11,523.75	\$ 15,342.50	\$ 40,951.25	\$ -	\$ 84,316.25	\$ 40,783.75
	Unfunded Mandates (Public Records Requests)		\$ -	\$ -				\$ -	\$ -	\$ -	
5500	Rent	\$ 6,500.00	\$ 1,590.00	\$ 1,590.00	\$ 555.00	\$ 555.00	\$ 555.00	\$ 1,665.00	\$ -	\$ 4,845.00	\$ 1,655.00
5600	Office Expenses	\$ 3,300.00	\$ 1,046.85	\$ 542.18	\$ 347.38	\$ 274.87	\$ 487.12	\$ 1,109.37	\$ -	\$ 2,698.40	\$ 601.60
5700	Internet & Website Costs	\$ 2,500.00	\$ 431.01	\$ 337.34	\$ 153.67	\$ 149.66	\$ 50.00	\$ 353.33	\$ -	\$ 1,121.68	\$ 1,378.32
5900	Publication & Legal Notices	\$ 2,000.00	\$ -	\$ 507.54				\$ -	\$ -	\$ 507.54	\$ 1,492.46
6000	Televising Meetings	\$ 2,000.00	\$ 230.10	\$ 501.05		\$ 191.70	\$ 325.91	\$ 517.61	\$ -	\$ 1,248.76	\$ 751.24
6100	Audit Services	\$ 3,800.00	\$ 1,875.00	\$ -	\$ 1,875.00			\$ 1,875.00	\$ -	\$ 3,750.00	\$ 50.00
6200	Bookkeeping	\$ 4,500.00	\$ 1,485.00	\$ 440.00	\$ 385.00	\$ 385.00	\$ 440.00	\$ 1,210.00	\$ -	\$ 3,135.00	\$ 1,365.00
6300	Legal Counsel (\$ Browne)	\$ 19,000.00	\$ 2,700.00	\$ 2,700.00	\$ 900.00	\$ 900.00	\$ 900.00	\$ 2,700.00	\$ -	\$ 8,100.00	\$ 10,900.00
6400	A-87 Costs County Services	\$ 2,100.00	\$ -	\$ -				\$ -	\$ -	\$ -	\$ 2,100.00
6500	Insurance - General Liability	\$ 3,200.00	\$ 2,799.92	\$ -				\$ -	\$ -	\$ 2,799.92	\$ 400.08
6600	Memberships (CALAFCO/CSDA)	\$ 3,700.00	\$ 2,329.00	\$ 1,250.00				\$ -	\$ -	\$ 3,579.00	\$ 121.00
6670	GIS Contract with County	\$ 2,000.00	\$ 548.96	\$ 1,240.68		\$ 633.54		\$ 633.54	\$ -	\$ 2,423.18	\$ (423.18)
6740	In-County Travel & Stipends	\$ 4,000.00	\$ -	\$ -	\$ 199.13		\$ 179.25	\$ 378.38	\$ -	\$ 378.38	\$ 3,621.62
6750	Travel & Lodging Expenses	\$ 6,000.00	\$ -	\$ 1,268.52				\$ -	\$ -	\$ 1,268.52	\$ 4,731.48
6800	Conferences (Registrations)	\$ 4,100.00	\$ 625.00	\$ -				\$ -	\$ -	\$ 625.00	\$ 3,475.00
7000	Work Plan (MSRs and SOIs)	\$ 70,000.00	\$ 14,627.50	\$ 8,516.25				\$ -	\$ -	\$ 23,143.75	\$ 46,856.25
Subtotals		\$ 263,800.00	\$ 52,088.34	\$ 40,458.56	\$ 18,500.18	\$ 14,613.52	\$ 18,279.78	\$ 51,393.48	\$ -	\$ 143,940.38	
8000	APPLICATIONS									Total Expenses TD	Deposit Balance
8010	City of Ukiah Detachment of UVSD lands (D-2014-8010)	\$ 19,032.75	\$ -	\$ -				\$ -	\$ -	\$ 14,518.25	\$ 4,514.50
8022	City of Ukiah North Annexation Pre-Application (P-2020-01)	\$ 1,500.00	\$ -	\$ -				\$ -	\$ -	\$ 1,122.00	\$ 378.00
8024	Millview CWD Annexation Pre-Application (P-2020-04)	\$ 3,500.00	\$ -	\$ -				\$ -	\$ -	\$ 3,609.50	\$ (109.50)
8025	City of Ukiah Annexation of City-Owned Properties (A-2021-01)	\$ 5,000.00	\$ 120.00	\$ 31.25			\$ 218.75	\$ 218.75	\$ -	\$ 3,972.50	\$ 1,027.50
8028	Elk CSD Activation of Latent Powers (L-2022-01)	\$ 5,000.00	\$ 2,047.50	\$ 516.25				\$ -	\$ -	\$ 4,236.25	\$ 763.75
8029	City of Ukiah Annexation of Western Hills Properties (A-2022-02)	\$ 5,000.00	\$ 80.00	\$ -				\$ -	\$ -	\$ 250.00	\$ 4,750.00
8030	City of Ukiah/UVSD Out of Agency Service Agreement (O-2022-03)	\$ 2,500.00	\$ -	\$ 937.50	\$ 6,968.34	\$ 425.00	\$ 212.09	\$ 7,605.43	\$ -	\$ 8,542.93	\$ (6,042.93)
8031	AVCSD Annexation of SOI (A-2023-01)	\$ 6,000.00	\$ -	\$ -			\$ 1,874.25	\$ 1,874.25	\$ -	\$ 1,874.25	\$ 4,125.75
8601	Sustainable Ag Lands Committee Grant	\$ 5,750.00	\$ 2,525.00	\$ -				\$ -	\$ -	\$ 5,750.00	\$ -
Contract Staff Billing Subtotal			\$ 3,922.50	\$ 922.50	\$ 4,793.75	\$ 425.00	\$ 1,200.00	\$ 6,418.75	\$ -	\$ 11,263.75	
Service Fees Overhead (OH) Subtotal			\$ 850.00	\$ 562.50	\$ 2,075.00	\$ -	\$ 800.00	\$ 2,875.00	\$ -	\$ 4,287.50	
Application Expenses Total			\$ 4,772.50	\$ 1,485.00	\$ 6,968.34	\$ 425.00	\$ 2,305.09	\$ 9,698.43	\$ -	\$ 15,955.93	
EXPENSES TOTAL			\$ 56,860.84	\$ 41,943.56	\$ 25,468.52	\$ 15,038.52	\$ 20,584.87	\$ 61,091.91	\$ -	\$ 159,896.31	
MONTHLY CLAIMS TOTAL (not including OH fees)			\$ 56,010.84		\$ 23,393.52	\$ 15,038.52	\$ 19,784.87				

Mendocino LAFCo
FY 2022-23 Estimated Work Plan Implementation Schedule and Cost Tracking
 April 3, 2023

Subject to Change: The estimated schedule and costs for the Fiscal Year 2022-23 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	Coordination/ Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Total Cost Estimate ¹	Previous FY Expenses	FY 2022-23 Budget	FY 2022-23 Expenses	Total Cost to Date ²
County Service Area 3	Complete	Complete	4/4/2022	6/6/2022 7/11/2022	7/15/2022	\$10,000	\$16,199	\$0	\$1,031	\$17,230
Ukiah Valley Sanitation District	Ongoing	Complete	9/12/2022 11/7/2022	12/19/2022	12/22/2022	\$40,000	\$22,703	\$10,000	\$6,848	\$29,551
City of Ukiah	Ongoing	Complete	9/12/2022 11/7/2022	12/19/2022	12/22/2022	\$25,000	\$8,380	\$15,000	\$15,265	\$23,645
Inland Water Districts (8)	Pending					\$25,000	\$0	\$25,000		\$0
Coastal Water Districts (6)	Pending					\$20,000	\$0	\$20,000		\$0
					Estimated Total			\$70,000	\$23,144	

¹ Column indicates the initial cost estimated for each study and accounts for in process studies rolled over from prior fiscal years.

² 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 28, 2023
To Mendocino LAFCo
Project Executive Officer Services
Work Period March 1 - March 26, 2023

Invoice No. 734
Invoice Total **\$ 17,067.50**

Account Description	Staff/Hours		Other (At Cost)	Totals
	Executive Officer \$110	Analyst \$75		
5300 Basic Services Public Records Act Requests	106.75	48.00		\$ 15,342.50
5601 Office Supplies Quickbooks Online Fee			\$ 85.00	\$ 85.00
6200 Bookkeeping	4.00			\$ 440.00
8025 City of Ukiah Annex City Properties		1.75		\$ 131.25
8031 AVCSD Annex SOI A-2023-01		14.25		\$ 1,068.75
Totals	\$ 12,182.50	\$ 4,800.00	\$ 85.00	\$ 17,067.50

5300 Basic Services

Administrative tasks, file research and maintenance of official records and files. March claims. Agenda packet development for March 22 Executive Committee meeting. Agenda packet development for April 3, 2023 regular Commission meeting. Completed special district election process for the remainder of the 2021-2024 regular seat term, distribution of announcement of results. Welcome and introductory emails and materials to new Commissioner Cole. Manage the RFP and review process for Legal Services. Development of the preliminary budget and work program for FY 2023-24. Coordinated with staff and legal counsel regarding response to County requests for clarification on LAFCo processes for activating latent powers for CSA 3. Coordination meetings with County GIS and Assessor staff regarding mapping requirements, application processing procedures and the R&TC 99 processes.

6200 Bookkeeping

Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks.

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

8025 City of Ukiah Annexation of City-Owned Properties

Coordination with City staff, County GIS, and the Assessor's office regarding mapping requirements and the R&TC tax share process.

8031 AVCSD Annexation of SOI

Initial review of application submittal; preparation and distribution of agency referral packet and Notice of Filing packet to initiate the R&TC 99 tax share process.

From: Intuit QuickBooks Team <No_Reply@notifications.intuit.com>
Sent: Sunday, March 19, 2023 4:02 AM
To: eo@mendolafco.org
Subject: We received your QuickBooks subscription payment!



Payment success

Executive Officer, thank you for your payment.

Invoice number:
10001216340887
Invoice date: 03/19/2023
Total: \$85.00
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. Additional service fees may apply based on whether you add or remove services and your usage. See your [Billing & Subscription](#) page for additional pricing details. 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
P.O. Box 764
Rough and Ready, CA 95975
5302724250
Tax ID: 68-0348904

March 15, 2023

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

Invoice Number: 1239
Invoice Period: 02-16-2023 - 03-15-2023

Payment due by the 15th of next month.

RE: Mendocino LAFCo - General
Mendocino LAFCo - General

Mendocino LAFCo - General

Time Details

Date	Staff Member	Description	Hours
02-16-2023	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement	
02-28-2023	MB	Review draft resolution re: teleconferencing policy	0.20
03-06-2023	MB	Attend LAFCo meeting	0.50
03-08-2023	MB	Meeting with EO and Analyst re: CSA 3	0.60
			Total 900.00
			Total for this Invoice 900.00
			Total Amount to Pay 900.00

Project Statement of Account

As of 03-15-2023

Project	Balance Due
Mendocino LAFCo - General	900.00
Total Amount to Pay	900.00

Mendocino LAFCo - General

Transactions

Date	Transaction	Applied	Invoice	Amount
02-15-2023	Previous Balance			900.00
03-11-2023	Payment Received - Reference ck# 1846			(900.00)
03-15-2023	Payment Applied	900.00	1228	
03-15-2023	Invoice 1239			900.00
			Balance	900.00

Law Office of P. Scott Browne
P.O. Box 764
Rough and Ready, CA 95975
5302724250
Tax ID: 68-0348904

March 15, 2023

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

Invoice Number: 1240
Invoice Period: 02-16-2023 - 03-15-2023

Payment due by the 15th of next month.

RE: OASA Landowner Project
LAFCo File No O-2022-03

Time Details

Date	Staff Member	Description	Hours	
02-21-2023	MB	Review and revise staff report re: OASA	0.50	
			Total	112.50
			Total for this Invoice	112.50
			Total Amount to Pay	112.50

Project Statement of Account

As of 03-15-2023

Project	Balance Due
OASA Landowner Project	112.50
Total Amount to Pay	112.50

OASA Landowner Project

Transactions

Date	Transaction	Applied	Invoice	Amount
03-15-2023	Invoice 1240			112.50
			Balance	112.50

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482
Telephone: (707) 463-4470 | E-mail: eo@mendola Alco.org | Web: www.mendola Alco.org

COMMISSIONERS

Maureen Mulheren, Chair
County Member

Gerald Ward,
Vice Chair/Treasurer
Public Member

Katharine Cole
Special District Member

Gerardo Gonzalez
City Member

Candace Horsley
Special District Member

Glenn McGourty
County Member

Mari Rodin
City Member

Francois Christen, Alternate
Special District Member

Douglas Crane, Alternate
City Member

John Haschak, Alternate
County Member

Richard Weinkle, Alternate
Public Member

STAFF

Executive Officer
Uma Hinman

Clerk/Analyst
Larkyn Feiler

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

April 3, 2023

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
1021 O St.
Ste. 6350
Sacramento, CA 95814

RE: SUPPORT of AB 1753, Local Government: Reorganization Omnibus Bill

Dear Chair Aguiar-Curry:

The Mendocino Local Agency Formation Commission (LAFCo) is pleased to support the Assembly Local Government Committee Bill [AB 1753](#), 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 1753 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,

Maureen Mulheren
Commission Chair

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

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: April 3, 2023
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **WORKSHOP Preliminary Budget and Work Program for FY 2023-24**

RECOMMENDATION

The Commission hold a Workshop on the Preliminary FY 2023-24 Budget and Work Program to provide direction to staff, take public comment, and direct staff to prepare and distribute the Proposed Budget and Work Program and schedule a public hearing.

INTRODUCTION

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 describes anticipated revenues and expected expenditures by line item in sufficient detail to allow for Commission, member agency, and public review. The Work Program 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.

DISCUSSION

The following outline highlights key budget concerns to serve as a road map for Commission discussion.

Work Plan
<p>There has been on-going Work Plan (MSR/SOI studies) concern regarding the following:</p> <ol style="list-style-type: none">1. Not keeping up with a 5-year review schedule and not completing work plan items on initial schedule.
<p>The following background is important to understand the work plan approach:</p> <ul style="list-style-type: none">o A 5-year review schedule is not set in stone (there is LAFCo law flexibility for “as needed” updates).o Local policy prioritizes regular studies for municipal service providers (water, sewer, fire, police).o Most LAFCos across the State target an 8 to 10-year timeframe for MSR/SOI updates.o Comprehensive studies are relevant longer and more useful than abbreviated compliance studies.
<p>In response, staff recommends the following for Commission discussion:</p> <ol style="list-style-type: none">a) Shift to a 10-year MSR/SOI comprehensive review schedule with a midpoint streamlined checklist.b) Shift to outsource the work plan for timely implementation.c) Increase the Work Plan budget to reflect higher consultant rates and staff time to manage.d) Narrow the scope of the annual work plan to a realistic level for completion on schedule.

Organizational Development

There has been on-going annual budget development concern regarding the following:

2. Work products are not completed in one year and can spread over multiple fiscal years.

The following background is important to understand the staff workload approach:

- Staff priorities are core operations and application processing over work plan implementation.
- There has been a significant increase in applications since 2019 that has limited staff capacity for work plan tasks.
- The proposed outsourcing solution is in recognition of in-house staff workload capacity limitations.
- Work Plan outsourcing is feasible since there are multiple contractors that prepare MSR/SOI studies.
- Staff application processing is best due to local knowledge and familiarity with policies and practices.

In response, staff recommends the following for Commission discussion:

- a) Outsource the work plan to free up staff time for core operations and application processing.
- b) Staff continue recruitment for an Office Administrative Assistant and extra help consultant/employee.
- c) Increase utilization of Legal Counsel expertise (research, legal opinions, CEQA review, etc.).

Emerging Trends/Needs

There has been on-going annual budget development concern regarding the following:

3. There are proposed increases in budget categories that are currently underutilized.

The following information is important to understand emerging trends and organizational needs:

- Application processing demand will increase upon completion of tax share agreements.
- The high demand for application processing is anticipated to continue for the foreseeable future.
- The 2016 local Policies & Procedures are outdated and need to be updated.
- A comprehensive update of application forms and procedures is needed.
- Development of a streamlined MSR/SOI review checklist template and procedure is needed.

In response, staff recommends the following for Commission discussion:

- a) Increase the Basic Services budget for in-house policy development and MSR/SOI streamlining (forms and procedures).
- b) Increase the Work Plan budget to support outsourcing MSR/SOI studies and CEQA review.
- c) Increase the Legal Services budget to rely more heavily on Legal Counsel expertise for policy development and CEQA review.

Background

Since Hinman & Associates Consulting, Inc. started as contract staff to Mendocino LAFCo in 2016, the scope of work has shifted from one focused primarily on completing first and second round MSR/SOI updates with little application processing, to a more organizational focus with a greater number inquiries and applications, coordination and relationship building with agencies, and fewer, more comprehensive MSR/SOI updates.

During the years 2012 through 2018, the Commission's direction was to aggressively implement the work plan to bring current MSR/SOI studies that were years behind schedule. Because the work plan budget limitations, the studies were necessarily abbreviated in nature and initially served to address the minimum requirements of the CKH statutes.

However, in order to address the increasingly high expectations and demands on the special districts and cities in the County, it became quite evident that comprehensive reviews were both appropriate and necessary to adequately prepare the Commission for decision-making affected by the substantial pressures of development and service needs. The preferred approach, of both staff and the Commission,

has been to prepare quality work plan studies in-house, which provided a cost savings and a vehicle for relationship-building.

As relationships with agencies developed through the MSR/SOI studies and staff began to more proactively be involved in land use development processes through comment letters and early consultations, LAFCo became more visible and recognized as a resource. Additionally, in response to development pressures and financial hardships, agencies have been considering reorganizations to better respond to the service needs of their customers.

The resulting number of inquiries and applications has increased significantly in the last few years, which has greatly affected our capacity to progress the work plan at a pace to meet the guidelines of the CKH. With completion of a master tax share agreement between the County and cities that is currently in progress, it is anticipated that application submittals will increase dramatically.

The Commission prioritizes customer service and application processing ahead of the Work Plan. However, in the past 10 years or more, completion of the work plan has been prioritized above the core services of the organization. With the increase in inquiries and applications, we must revisit our approach to the work plan.

Budget Development and Trends

As staff it is our responsibility to understand LAFCo's historical role in the County and also to look at current and emerging trends in development pressures, legislative changes, and local conditions to support the Commission in its obligations and responsibilities. In developing the FY 2023-24 budget and work program, and in response to evolving trends for LAFCo, staff proposes new strategies for a successful, proactive, and responsive organization and work plan implementation.

The Executive Committee met on March 22, 2023 and reviewed the preliminary budget and work program.

Work Plan

Developing in-house MSR/SOI studies for the 50 special districts and 4 cities on a 5-year schedule is an unrealistic goal for staff with priorities focused on applications and organizational tasks. Thirty-one (57%) of the 50 agencies' studies are five years old or more; of those, 19 (39%) are municipal service providers and should be reviewed every 5 years, as necessary, per local policy.

Recognizing (1) the statutory responsibilities of LAFCo to review the agencies on a five-year schedule, as needed; (2) the Commission's desire for increased progress on the work plan tasks; and (3) staff capacity limitations due to organizational priorities; a shift in approach is necessary. Staff recommends a multi-pronged course of action to effectively and efficiently implement the work plan:

Organizational Development

Staffing parameters have changed significantly since 2016 and continue to trend towards an increasing number of applications and a need for proactive involvement in regional planning and relationship building to ensure that LAFCo's guiding principles, statutes, and local policies are considered in response to increasing development pressures.

Consistent with Commission direction, staff has prioritized applications and responsiveness to inquiries and organizational duties. However, a recent loss of the Clerk has further hampered our efforts to stay on top of the workload and it has been difficult to find qualified applications to fill the position. Staff is looking at alternative solutions and continues to cover the Clerk duties between the Analyst and Executive Officer. In order to supplement staff capacity, we are actively seeking subcontracts for extra-help to assist with application processing when multiple applications in queue.

Staff is also anticipating the need to rely more on legal counsel for legal opinions and advice on policy development and research, which will save staff time and be more efficient in the long run.

Additionally, the development of a robust time tracking system will support budget development, staffing needs, and reporting of year-end accomplishments and needs.

Particularly with remote working environments, and also to more readily respond to requests for information and records, it is becoming increasingly important tackle a number of long-standing, non-essential office needs such as scanning files (resolutions, applications, budgets, etc.). Doing so will promote a more efficient work environment and records archive, ultimately saving significant amounts of staff time in searching for files.

Emerging Trends and Needs

Local policies and procedures should be developed and updated to address legislative changes and local conditions. The last comprehensive update of the Policies and Procedures Manual was in early 2016, with a subsequent formatting update in 2018. Much has changed in the ensuing years and a new look at our local policies and procedures is due.

Additionally, a comprehensive update of application forms and guides to help streamline processes is long overdue. For example, a recent issue that has surfaced relates to inconsistent mapping requirements among LAFCo, the Board of Equalization, the County Surveyor, and various County departments that has resulted in recurring delays and miscommunications regarding applications. A common understanding of mapping requirements must be developed in order to streamline the agency referral and tax share negotiation process for applications, which will take a substantial amount of staff time and research.

Progress is being made between the cities and County on development of master tax share agreements, which will pave the way for long-delayed boundary changes. Applications and inquiries from Ukiah, Willits and Fort Bragg have already been made to LAFCo in anticipation of these new agreements.

Proposed Operating Expenses

The proposed operating expenses for Fiscal Year (FY) 2023-24 are \$320,500 and reflect inflationary increases less than or consistent with the Consumer Price Index (CPI) of 8.27%, the anticipated staffing for day-to-day operations, and to support outsourcing the Work Plan scheduled for FY 2023-24 (Attachments 1 and 2). The following table provides a summary of the adopted FY 2023-24 budget and the proposed Preliminary Budget for FY 2023-24.

Table 1. Summary of FY 2022-23 and Proposed Preliminary FY 2023-24 Operating Expenditures			
Estimated Budget Summary	FY 2022-23		FY 2023-24 Proposed Preliminary Budget (\$)
	Adopted (\$)	Projected (\$)	
Basic Services (Staffing)	125,100	125,100	133,000
Services and Supplies	68,700	55,400	87,500
Work Plan	70,000	35,000	100,000
Estimated Operations Total	263,800	215,500	320,500

As of March 1, 2023, approximately 52% of the budget remains. The budget expenses through the remainder of FY 2022-23 are estimated at \$90,000 for a projected year-end total of \$215,500.

Underutilized budget is primarily in the conference registration and expenses, Commissioner stipend and mileage, and work plan categories. Commissioner attendance to the 2022 annual CALAFCO Conference was very low due to the distance (Newport Beach) and the continuing pandemic concerns. Additionally, Commission meetings continued to be held remotely nearly all of 2022, which resulted in few Commissioner stipend and in-county travel claims.

Basic Services

The current Basic Services budget supports approximately a 0.74 full time equivalent employee (FTE) shared between the Executive Officer, Analyst and Clerk/Administrative Assistant. The proposed FY 2023-24 Basic Services budget supports a 0.76 FTE for the office.

Additionally, applications are processed at cost and there is a separate budget line for the Work Plan tasks, which may either be prepared in-house or by an outside consultant (outsourced).

Since the Clerk resigned in late 2022, Clerk duties have been covered by the EO and Analyst. Staffing options are being considered to support staff and the Commission; however, suitable staffing has not yet been secured. The Analyst will continue to cover the Clerk duties, with the EO providing office hours until appropriate staff may be added to the team.

The 6% increase in the Basic Services budget is to provide staff time for organizational improvements and policy and procedure development. See Attachment 2 for a summary of Basic Services tasks.

Services and Supplies

Services and supplies include office operating expenses, membership fees, insurance, contracted Legal Counsel, Commissioner and staff trainings and conferences, and Commissioner stipends and travel expenses.

The 8% increase is primarily to address the inflationary costs of vendor services and in anticipation of a new Legal Counsel contract. See Attachment 3 for an explanation of budget changes by account.

Work Plan

Staff recommends the following MSR/SOI Updates for FY 2023-24 (Table 2; Attachment 2). It is anticipated that development of studies for the coast region water and wastewater districts and mutual water companies will be initiated in the final quarter of FY 2022-23 and will continue through FY 2023-24. The coast region studies will include 7 water and wastewater districts, one of which will be a first MSR/SOI study, and 10 mutual water companies.

Table 2. Coast Region Water & Wastewater Districts and Mutual Water Companies				
#	<u>Water Districts</u>	W ¹	WW ¹	<u>Mutual Water Companies³</u>
1	Gualala Community Services District		X	Albion Mutual Water Company
2	Caspar South Water District		X	Anchor Bay Water Works
3	Elk County Water District	X		Big River Vista Mutual Water Company
4	Irish Beach Water District	X		Caspar South Service Company
5	Mendocino County Water Works District No. 2 ²		X	Hills Ranch Mutual Water Company
6	Pacific Reefs California Water District	X		North Gualala Water Company
7	Westport County Water District	X	X	Point Arena Water Works
8				Point of View Mutual Water Company
9				Seafair Road and Water Company
10				Surfwood Mutual Water Corporation

¹ W = Water district; WW = Wastewater district.
² This will be the first MSR/SOI study on the district.
³ A brief report on mutual water companies was prepared by LAFCo and accepted by the Commission in 2018.

Note that while mutual water companies are not under the jurisdiction of LAFCo, they are required to respond to LAFCo requests for information. Because they play a significant role in the overall provision of water services in the region, it is important to include their service information in the studies. Further, the State Water Board has the authority to mandate consolidation of mutual water companies with other agencies, including special districts, and so warrants consideration in the region's MSRs.

The 42% increase is to provide sufficient funds for outsourcing the scheduled work plan tasks.

Revenue and Reserves

Apportionment Fees

The CKH mandates operating costs for LAFCos shall be annually funded by the affected counties, cities, and independent special districts on a one-third apportionment calculation (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.

The year end projections estimate approximately \$56,000 in underutilized budget that may be applied to the next fiscal year as "Cash Available." Doing so minimizes the increase in apportionments that would be required to support the proposed expenditures outlined above.

The preliminary budget recommends the apportionments increase slightly (3.6%) to \$275,000 for FY 2023-24. In order to estimate the impact to funding agencies, Attachment 4 includes a summary of apportionment fees paid by agencies for FY 2022-23.

Service Rate Overhead

The adopted service rates billed to applicants for proposal and application processing include a portion of administrative overhead and long-term planning (Work Plan) costs. It is projected that approximately \$9,000 in overhead fees will be collected in the current FY.

Reserves

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. The reserves consist of an operating reserve of 25% of the annual operating budget and a legal reserve of \$50,000 as directed by the Commission.

The current reserves meet the target operating and legal reserves per policy and Commission direction. The proposed FY 2023-24 operation expenditures will necessitate an 11% increase in reserves to \$130,125.

Work Plan Contingency

With adoption of the FY 2022-23 budget, the Commission included a work plan contingency funded by cash balance from the previous FY (approximately \$30,800). The Work Plan contingency is available for unanticipated or higher than estimated expenses associated with issues arising during the preparation of municipal service reviews (MSR), spheres of influence (SOI) updates and for associated environmental reviews required for SOI updates under the California Environmental Quality Act (CEQA). Unanticipated costs may include the need for consultant-prepared MSR/SOI studies that generally incur much higher costs than in-house staff prepared studies due primarily to higher consultant billing and production rates.

Sphere of Influence updates are subject to CEQA and can run from a Notice of Exemption (approximately \$500) to an Environmental Impact Report (EIR) that can be upwards of \$100,000 or more depending on the complexity of the agency and sphere. To date, Mendocino LAFCo has had insufficient funds to prepare CEQA documents above Exemptions for LAFCo-initiated SOI updates. By budgeting for CEQA-related costs

associated with SOI updates, the Commission will be better prepared to focus the Work Plan efforts on good planning principles rather than establishing SOIs based on the costs of CEQA analysis.

The contingency is intended to function like a reserve in that cash not used in a fiscal year will accumulate for subsequent years. This approach also allows for a buffer to support Work Plan efforts that are by nature not limited to a single fiscal year.

End of FY projections indicate an anticipated cash balance of \$56,000 towards next year’s budget. The following table summarizes options for apportionment fees to ensure proposed expenditures are met, reserves are maintained per policy and Commission direction, and to maintain the work plan contingency amount.

Table 3. Summary of FY 2023-24 apportionment options and impacts to reserves				
	Projected FY 2022-23 (\$)	Preliminary FY 2023-24 (\$)		
Expenditures	215,500	320,500		
Revenue/Funds				
<i>Anticipated Cash Balance</i>	0	56,000	56,000	56,000
Apportionment fees	265,000	265,000	275,000	285,000
Service Fees and Interest ¹	9,000	10,500	10,500	10,500
Total Revenue/Funds	274,000	331,500	341,500	351,500
<i>Difference</i>	58,500	11,000	21,000	31,000
Reserves				
Funds balance at beginning of FY	144,260	146,760	146,760	146,760
Target Reserves balance per policy	115,950	130,125	130,125	130,125
Work Plan contingency ³	30,810	27,635	37,635	47,635
Estimated cash balance at FY end	56,000	0	0	0
¹ Overhead portion of service fees; bank interest.				
² Balance from FY 2021-22 (yearend) audited Financial Statements.				

Next Steps

The CKH requires a minimum of two public hearings on the budget: adoption of a proposed budget and work program and adoption of a final budget and work program.

This Workshop is an option step that is an opportunity for the Commission to hear from staff the key concerns and recommended solutions that shaped the preliminary budget and work program for next fiscal year. It is also an opportunity to ask questions of staff, receive initial public input, and provide direction to staff for modifications to the proposed expenditures, work plan tasks and approach, and apportionment fees.

The next step in the budget process is for staff to make any modifications as directed, schedule a public hearing for the Proposed Budget and Work Program, and distribute the Proposed Budget and Work Program to the contributing agencies for review prior to the hearing.

The following table is a summary of the budget development steps and schedule as set forth in the Mendocino LAFCo Policies and Procedures (Chapter 5) and Government Code Section 56381(a). The budget is based on a July 1 to June 30 fiscal year.

Table 4. Budget development schedule	
Budget Phase	Schedule
Preliminary Budget and Proposed Work Plan – Workshop	April 3
Proposed Budget and Work Plan – Public Hearing	May 1
Final Budget and Work Plan – Public Hearing	June 5

- Attachments:
- (1) Proposed Preliminary FY 2023-24 Budget
 - (2) Proposed Preliminary Work Program
 - (3) Summary of Expenditures by Account
 - (4) Fiscal Year 2022-23 Apportionment Fees by Agency

Attachment 1

Mendocino Local Agency Formation Commission Preliminary Budget for FY 2023-2024

March 22, 2023

ACCOUNT #	DESCRIPTION	FY 2022-23			Difference (over)/under	FY 2023-24 Preliminary
		Adopted	February	Projected		
REVENUE						
	<i>Anticipated Cash Balance</i>					\$ 56,000
4000	LAFCo Apportionment Fees	\$ 265,000	\$ 265,000	\$ 265,000	\$ -	\$ 275,000
4100	Fees and Reimbursements (Includes Service Fee OH)	\$ -	\$ 3,488	\$ 8,850	\$ (8,850)	\$ 10,000
4800	Miscellaneous				\$ -	
4910	Interest Income	\$ 100	\$ 63	\$ 150	\$ (50)	\$ 500
	REVENUE TOTAL	\$ 265,100	\$ 268,551	\$ 274,000	\$ (8,900)	\$ 341,500
EXPENSES						
5300	Basic Services (EO, Analyst, Clerk)	\$ 125,100	\$ 68,975	\$ 125,100	\$ -	\$ 133,000
5500	Rent	\$ 6,500	\$ 4,290	\$ 6,510	\$ (10)	\$ 7,500
5600	Office Expenses	\$ 3,300	\$ 2,210	\$ 3,000	\$ 300	\$ 4,500
5700	Internet & Website Costs	\$ 2,500	\$ 1,165	\$ 2,000	\$ 500	\$ 3,000
5900	Publication and Legal Notices	\$ 2,000	\$ 508	\$ 1,500	\$ 500	\$ 3,000
6000	Televising Meetings	\$ 2,000	\$ 923	\$ 2,000	\$ -	\$ 2,400
6100	Audit Services	\$ 3,800	\$ 3,750	\$ 3,750	\$ 50	\$ 4,000
6200	Bookkeeping	\$ 4,500	\$ 2,695	\$ 4,500	\$ -	\$ 5,500
6300	Legal Counsel	\$ 19,000	\$ 7,200	\$ 15,000	\$ 4,000	\$ 30,000
6400	A-87 Costs County Services	\$ 2,100		\$ 2,100	\$ -	\$ 2,500
6500	Insurance-General Liability	\$ 3,200	\$ 2,800	\$ 2,800	\$ 400	\$ 3,000
6600	Memberships (CALAFCO/CSDA)	\$ 3,700	\$ 3,579	\$ 3,580	\$ 120	\$ 4,000
6670	GIS Contract with County	\$ 2,000	\$ 2,423	\$ 3,000	\$ (1,000)	\$ 3,000
6740	In-County Travel & Stipends	\$ 4,000	\$ 200	\$ 1,200	\$ 2,800	\$ 4,000
6750	Travel & Lodging Expense	\$ 6,000	\$ 1,270	\$ 2,500	\$ 3,500	\$ 6,500
6800	Conferences (Registrations)	\$ 4,100	\$ 625	\$ 1,800	\$ 2,300	\$ 4,500
7000	Work Plan (MSRs and SOIs)	\$ 70,000	\$ 23,145	\$ 35,000	\$ 35,000	\$ 100,000
9000	Misc Exp (Special District Training Support, bank charges)	\$ 60	\$ 44	\$ 80	\$ (20)	\$ 100
	OPERATING EXPENSE TOTAL	\$ 263,800	\$ 125,758	\$ 215,340	\$ 48,460	\$ 320,500
8000	Application Fees (Revenue)		\$ 7,025	\$ 19,000		\$ 37,500
8000	Applications (Expenses)		\$ 13,750	\$ 23,000		\$ 30,000
8600	Special Projects	\$ 9,200	\$ 2,525	\$ 2,525		\$ -
	REVENUE/EXPENSE DIFFERENCE <i>(Negative balance indicates use of fund balance and/or reserves)</i>	\$ 1,300		\$ 58,660		\$ 21,000
RESERVES / CONTINGENCIES						
	Legal Reserves	\$ 50,000				\$ 50,000
	Operations Reserves @ 25% Annual Operating Budget	\$ 65,950				\$ 80,125
	Total Reserves	\$ 115,950				\$ 130,125
	Work Plan Contingency	\$ 30,815				\$ 37,635

Attachment 2

Preliminary Work Program (Basic Services and Work Plan)

FY 2023-24

March 22, 2023

Tasks	Description & Assumptions	Estimated Budget
Basic Services		
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.	\$ 70,000
Commission & Committee Meetings	Commission & Committee meeting attendance (12 Regular and 8 Committee); agenda packet development, staff reports, presentations, minutes.	\$ 34,000
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.	\$ 5,000
Consult Legal Counsel	Contract allows for a minimum of 4 hours per month.	Per Contract
Application Forms	Update application forms; map research and process clarification	\$ 8,000
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 policy amendment and development as needed (overhaul)	\$ 15,000
Transparency Improvements to Website	Assess/implement website improvements (JPAs, maps, etc.)	\$ 1,000
Total		\$ 133,000
Work Plan		
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.	\$ 100,000
<p>The agencies listed below have priority for preparation of a LAFCo-initiated MSR/SOI Update in Fiscal Year 2023-24.</p> <p>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.</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>		
<p>The total Work Plan Budget is not limited to the following designations. These budget allocations may shift to other agencies as needed during the year.</p>	<p>Coastal Water/Wastewater Districts (7 special districts, 10 mutual water companies) (initiated in FY 2022-23) Outsourced/Consultant Contract</p>	<p>\$ 100,000</p>
Total		\$ 100,000

Attachment 3

Explanation of preliminary budget changes from FY 2022-23 to FY 2023-24					
Account No.	Account Description	FY 2022-23 (\$)	FY 2023-24 (\$)	Difference (\$)	Notes
5300	Basic Services	125,100	133,000	7,900	Anticipated increases in staffing needs for enhanced regional coordination, policy development, organization improvements, etc.
5500	Rent	6,500	7,500	1,000	Annual lease increase per contract (up to 5% per year)
5600	Office Expenses	3,300	4,500	1,200	Starting in March 2023, use of the BOS Chambers incurs a \$75/meeting usage fee
5700	Internet/Website	2,500	3,000	500	Anticipated inflationary increases
5900	Publication & Legal Notices	2,000	3,000	1,000	Work plan studies, budget notices, alternate public member announcement
6000	Televising Meetings	2,000	2,400	400	Anticipated County staff rate increases
6100	Audit Services	3,800	4,000	200	Increase per contract
6200	Bookkeeping	4,500	5,500	1,000	Task reassigned to EO
6300	Legal Counsel	19,000	30,000	11,000	New contract for services with higher rates
6400	A-87 Costs County Services	2,100	2,500	400	Anticipated County staff rate increases
6500	Insurance-General Liability	3,200	3,000	(200)	Insurance rate advisory letter from SDRMA
6600	Memberships (CALAFCO/CSDA)	3,700	4,000	300	Increase in CALAFCO and CSDA dues consistent with CPI
6670	GIS Contract County	2,000	3,000	1,000	Anticipated County staff rate increases; additional mapping coordination for MSR/SOI studies
6740	In-County Travel & Stipends	4,000	4,000	0	No change
6750	Travel & Lodging Expenses	6,000	6,500	500	The 2023 CALAFCO Conference will be in Monterey; assumes expenses for four Commissioners
6800	Conferences	4,100	4,500	400	Increase consistent with CPI; registration for four Commissioners and the EO to the annual conference; registration for EO and Analyst to Staff Workshop
7000	Work Plan (MSR/SOI)	70,000	100,000	30,000	Outsource coast region water and wastewater districts (7) and MWCs (10)
Difference				56,700	

Subject Districts - (As per LAFCO)	Category	Revenue Amount	Allocation Basis:		FY 2022-23
			FY 2019-20 Total Revenues Per GC56381 (b)(1)(C)	Factor	Allocation Amount
Albion/Little River Fire Protection District	Fire		373,194	0.011108	981.21
Anderson Valley Cemetery District	Cemetery		67,848	0.002020	178.43
Anderson Valley Community Services District					
Ambulance		205,532			
Fire		542,381			
Lighting and Lighting Maintenance/Airport		82,959			
Recreation & Park		367	831,239	0.024742	2,185.54
Brooktrails Township Community Services District					
Fire		875,645			
Recreation & Park		0			
Governmental Services		0			
Waste		1,609,607			
Water		1,556,118	4,041,370	0.120294	10,625.97
Calpella County Water District					
Waste		153,779			
Water		182,901	336,680	0.010021	885.19
Caspar South Water District	Waste		69,311	0.002063	182.23
Cemetery District of the Redwoods	Cemetery		113,039	0.003365	297.24
Coast Life Support District	Ambulance		(a)	0.000000	0.00
Comptche Community Services District	Fire		42,620	0.001269	112.09
Covelo Community Services District	Waste		359,502	0.010701	945.25
Covelo Fire Protection District					
Fire		272,696			
Ambulance		0	272,696	0.008117	717.00
Covelo Public Cemetery District	Cemetery		10,297	0.000306	27.03
Elk County Water District	Water		156,457	0.004657	411.37
Elk Community Services District					
Fire		93,035			
Water		0			
Ambulance		0	93,035	0.002769	244.59
Fort Bragg Rural Fire Protection District	Fire		523,139	0.015572	1,375.53
Gualala Community Services District	Waste		765,547	0.022787	2,012.85
Hopland Cemetery District	Cemetery		8,619	0.000257	22.70
Hopland Public Utility District					
Water		288,035			
Waste		297,306	585,341	0.017423	1,539.03
Irish Beach Water District					
Fire		0			
Water		214,250	214,250	0.006377	563.30
Laytonville County Water District	Water		464,715	0.013832	1,221.83
Leggett Valley Fire Protection District	Fire		64,939	0.001933	170.75
Little Lake Fire Protection District	Fire		1,493,325	0.044450	3,926.42
Long Valley Fire Protection District					
Fire		461,057			
Ambulance		0	461,057	0.013724	1,212.29
Mendocino City Community Services District	Resource Cons				
Waste		101,336			
Water		146,082			
Sewer		690,944	938,362	0.027931	2,467.24
Mendocino Coast Hospital District	Hospital		0	0.000000	0.00
Mendocino Coast Recreation & Park District	Recreation/Park		549,836	0.016366	1,445.66
Mendocino County Resource Conservation District	Soil Conservation		214,942	0.006398	565.16
Mendocino County Waterworks District #2	Waste		158,129	0.004707	415.78
Mendocino Fire Protection District	Fire		468,474	0.013944	1,231.72
Mendocino-Little River Cemetery District	Cemetery		61,281	0.001824	161.12
Millview County Water District	Water		2,064,808	0.061460	5,428.97
Noyo Harbor District	Harbor		821,077	0.024440	2,158.87
Pacific Reefs Water District	Water		29,576	0.000880	77.73
Piercy Fire Protection District	Fire		31,215	0.000929	82.06
Potter Valley Cemetery District	Cemetery		22,537	0.000671	59.27
Potter Valley Community Services District	Fire		110,910	0.003301	291.59
Potter Valley Irrigation District	Water		655,091	0.019499	1,722.41
Redwood Coast Fire Protection District	Fire		385,293	0.011468	1,013.01
Redwood Valley-Calpella Fire Protection District	Fire		814,452	0.024243	2,141.46
Redwood Valley County Water District	Water		1,232,903	0.036698	3,241.66
Round Valley County Water District	Flood Control		29,047	0.000865	76.41
Russian River Cemetery District	Cemetery		714,355	0.021263	1,878.23
Russian River Flood Control & Water Conservation District	Flood Control		482,535	0.014363	1,268.73
Sanel Valley (Hopland) Fire Protection District	Fire		677,855	0.020177	1,782.30
South Coast Fire Protection District	Fire		447,572	0.013322	1,176.78
Ukiah Valley Fire Protection District	Fire		1,712,067	0.050961	4,501.55
Ukiah Valley Sanitation District	Sanitation		7,387,046	0.219879	19,422.68
Westport County Water District					
Fire		0			
Water		140,527			
Waste		92,644	233,171	0.006940	613.03
Westport-Ten Mile Cemetery District	Cemetery		14,108	0.000420	37.10
Willow County Water District	Water		1,991,030	0.059264	5,234.99
Grand Total - Special Districts			33,595,892	1.000000	88,333.35
Cities (Assuming Use of General Revenues)	(Not Used-Memo Only)		General Purpose Revenues	Factor	Allocation Amount
City of Fort Bragg			26,511,223	0.233906	20,661.73
City of Ukiah			71,442,196	0.630329	55,679.02
City of Willits			13,736,090	0.121192	10,705.33
City of Point Arena			1,651,686	0.014573	1,287.25
Grand Total - Cities			113,341,195	1.000000	3.00

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: April 3, 2023
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **Ukiah Valley Basin Groundwater Sustainability Agency**

RECOMMENDATION

The Commission will receive an informational report on the activities of the Ukiah Valley Basin Groundwater Sustainability Agency from presenter Elizabeth Salomone, General Manager of the Mendocino County Russian River Flood Control & Water Conservation Improvement District and Chair of the Technical Advisory Committee to the Groundwater Sustainability Agency.

BACKGROUND

The [Ukiah Valley Basin Groundwater Sustainability Agency](#) (GSA) was created by a Joint Powers Agreement to serve as the official Groundwater Sustainability Agency for the Ukiah Valley Basin required by the Sustainable Groundwater Management (SGMA) Act of 2014.

SGMA seeks to provide sustainable management of groundwater basins, enhance local management of groundwater, establish minimum standards for sustainable groundwater management, and provide local groundwater agencies with the authority and the technical and financial assistance necessary to sustainably manage groundwater.

The purpose of this Agency is to take actions deemed necessary to ensure sustainable management of the Basin, as required by SGMA. The Agency is charged with developing a Groundwater Sustainability Plan (GSP) for the Ukiah Basin.

Under SGMA, Groundwater Sustainability Agencies (GSAs) are entities formed by local government agencies with land use authority or water supply or water management responsibilities. The Ukiah Valley Basin Sustainability Agency GSA was created in 2017 when the participating agencies, entered into a Joint Exercise of Powers Agreement (JPA). The JPA spells out GSA Board membership, initial funding, voting and other governance issues. The GSA Board of Directors includes one representative from each member agency, plus one seat designated for a representative from the tribal and agricultural community. Each member agency also has a representative on the TAC.

Member agencies include the County of Mendocino, City of Ukiah, Mendocino County Russian River Flood Control & Water Conservation Improvement District, Upper Russian River Water Agency, Tribal representative, and the Mendocino County Farm Bureau.

The Technical Advisory Committee includes the member agencies as well as representatives from the Sonoma County Water Agency, Mendocino County Resource Conservation District, and the California Land Stewardship Committee.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

MEETING April 3, 2023
TO Mendocino Local Agency Formation Commission
FROM Uma Hinman, Executive Officer
SUBJECT **Applications and Work Load**

RECOMMENDATION

Staff recommends the Commission receive and file this report.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCo) 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.

LAFCo proceedings for jurisdictional changes are generally initiated by outside applicants through petitions (landowners or voters) and resolutions (local agencies). LAFCos may also initiate jurisdictional changes to form, consolidate, or dissolve special districts if consistent with the recommendations of approved municipal service reviews.

The following is a status report on the active proposals currently on file with the Commission as well as anticipated filings based on ongoing discussions with proponents. Also included is a summary of progress on the Work Plan scheduled for the current fiscal year. The item is for information and satisfies LAFCo's reporting requirement for current and future applications.

ACTIVE PROPOSALS

This item provides the Commission its regular update on active proposals on file as well as identifies future proposals staff anticipates being filed with LAFCo in the near term based on discussions with local agencies and proponents. All active and future proposals are also summarized in Attachment 1.

City of Ukiah Annexation of City-Owned Properties (File No. A-2021-01)

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. A revised application was submitted to LAFCo on February 25, 2022 and was referred to affected agencies and County Auditor and Assessor. The application is incomplete pending a tax share agreement.

City of Ukiah Annexation of Western Hills (Hull Properties) (File No. A-2022-02)

On June 8, 2022, the City of Ukiah submitted an application to annex approximately 707 acres in the Western Hills for open space preservation, while allowing the potential for future low density residential up to 14 dwelling units on the 55 easternmost acres. The application is incomplete pending a tax share agreement and submittal of additional materials.

Elk Community Services District Activation of Latent Powers for Wastewater Services (File No. L-2022-01)

On April 8, 2022, the ECSD submitted an application proposing to activate latent powers for the provision of wastewater services. The District will be assuming ownership and operation of a community leach field within the community of Elk. The application has been referred to affected agencies and a Notice of Filing sent to the County Assessor and Auditor-Controller to initiate the tax share negotiation process in accordance with Revenue & Tax Code Section 99. The application is incomplete.

Anderson Valley Community Services District Annexation of Sphere of Influence (File No. A-2023-01)

On March 6, 2023, the Anderson Valley Community Services District (AVCSD) submitted a proposal to annex the District's Sphere of Influence (SOI) for fire and ambulance services. The Agency Referral and Notice of Filing have been distributed to initiate the tax share negotiation process.

See Attachment 1 Summary Table – Application Activity and Potential Future Proposals.

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.

See Attachment 2 Summary Table – Work Plan Tracking and Status.

Attachments

1. Summary Table – Application Activity and Potential Future Proposals
2. Summary Table – Work Plan Tracking and Status

Attachment 1. Summary Table – Application Activity and Potential Future Proposals

APPLICATION ACTIVITY								
<i>Project status as of April 1, 2023</i>								
LAFCo File No.¹	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCo Hearing Date	Certificate of Completion	BOE Submittal Date	Additional Comments
A-2023-01	AVCSD	Annexation of Sphere	3/6/2023					Application referred for agency comments and the Notice of Filing distributed 3/2023
O-2022-03	Ukiah/ UVSD	Out of Agency Service Agreement for Wastewater Services	11/18/2022	N/A	3/6/2023	N/A	N/A	Completed
A-2022-02	Ukiah	City of Ukiah Annexation of Western Hills (Hull Properties)	6/8/2022					Application incomplete (tax share agreement, information)
L-2022-01	ECSD	Elk Community Services District Activation of Latent Powers for Wastewater Services	4/8/2022					Application under review; revised Notice of Filing distributed 10/2022
A-2021-01	Ukiah	City of Ukiah Annexation of City-Owned Properties	3/1/2021 2/25/2022					Application incomplete (tax share agreement)
Potential Future Proposals								

¹Key: A – Annexation
 C – Consolidation
 D – Detachment
 F – Formation

L – Activation of Latent Powers
 O – Out of Agency Service Agreement
 P – Pre-application Review Request
 R – Reorganization

Attachment 2. Summary Table – Work Plan Tracking and Status

FY 2021-22 ESTIMATED WORK PLAN IMPLEMENTATION SCHEDULE AND STATUS						
<i>Work Plan status as of April 1, 2023</i>						
Subject to Change: The estimated schedule and costs for the Fiscal Year 2022-23 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 is intended to enhance communication and transparency.						
Agency	Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Status/Notes
County Service Area 3	Complete	Complete	4/4/22	6/7/22 7/11/22	7/31/22	Study Complete
Ukiah Valley Sanitation District	Complete	Complete	9/12/22 11/7/22	12/19/22	12/23/22	Study Complete
City of Ukiah	Complete	Complete	9/12/22 11/7/22	12/19/22	12/23/22	Study Complete
Coastal Water Districts	Pending	Pending				Staff developing study plan
Inland Water Districts	Pending	Pending				

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March 23, 2023

Christian Curtis, County Counsel
Mendocino County
501 Low Gap Road, Room 1030
Ukiah, CA 95482

RE: CSA 3 Sherwood FWC ZOB Pilot Program – LAFCo Authority and Interagency Coordination

Dear County Counsel Curtis,

This letter is in response to the conversation you had with our LAFCo Legal Counsel Marsha Burch on March 3, 2023 regarding the County Service Area (CSA) 3 Zone of Benefit (ZOB) Pilot Program for the Sherwood Firewise Community (FWC) and your request of legal citations for LAFCo authority over CSAs and the distinction between County government and CSA County-dependent Districts. Also attached is a summary of interagency coordination/communications since 2021 and key milestones on this matter.

Please also refer to the [CSA 3 MSR/SOI Study](#) adopted on July 11, 2022 for more information.

County Government and County-dependent Districts are Different

The Board of Supervisors (BOS) is the ex officio or acting CSA 3 Board of Directors pursuant to GOV §25210.2.(a). County government and CSA 3 are separate local agencies and subject to different laws.

County government is authorized under GOV §23000-33205.

County Service Areas are authorized under GOV §25210-25217.4.

LAFCo Legal Authority over CSAs

LAFCo has authority over CSAs, which are dependent special districts, pursuant to GOV §56036(b).

LAFCo has authority over changes of organizations pursuant to GOV §56375(a)(1).

LAFCo has authority over special district activation of latent powers pursuant to GOV §56021(m).

LAFCo law is the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts pursuant to GOV §56100(a).

LAFCo does not have authority over the creation of CSA zones of benefit (ZOB) pursuant to GOV §25217.3.

LAFCo does have authority over the powers, or services, of a CSA pursuant to GOV §25213.5(a).

CSA 3 has been inactive for decades and does not provide any municipal services or have any facilities.

An activation of latent powers is required for CSA 3 to provide services pursuant to GOV §56824.10 - 56824.14.

Countywide CSA Activation of Powers

CSA Law discourages the organizational formation of a countywide CSA and CSA service provision on a countywide basis pursuant to GOV §25210.7(b) and §25213.

Further, LAFCo shall not approve a CSA proposal to exercise a latent power if LAFCo determines that another local agency already provides substantially similar services or facilities to the territory where the CSA proposes to exercise that latent power pursuant to GOV §25213.5(b).

The Commission can only approve activation of latent powers proposals with sufficient revenues to carry out the new service pursuant to GOV §56824.14(a).

A Plan for Services is required for the LAFCo application process to demonstrate how the new service will be financed pursuant to GOV §56653(b) and §56824.12(a).

The Plan for Services, and other application submittal information, helps form the determinations in the Commission's resolution of action for a proposal.

Gaining sufficient voter support to establish taxation for a community-specific need is challenging, and expanding the scale of such an effort to all unincorporated areas would be substantially more challenging.

Other Service Delivery Options Available

CSA 3 may not be an efficient and effective government structure option for addressing community needs.

Community services may be most expeditiously and feasibly provided by the County directly instead of by a County-dependent district since County services are not regulated by LAFCo.

LAFCo applications involve a lengthy and costly process and there is no guarantee of the outcome through the Commission or Protest Proceedings.

Some other structures of government or funding mechanisms that are not subject to LAFCo purview include the following pursuant to GOV §56036:

- An assessment district or special assessment district.
- An improvement district.
- A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).
- A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.

Please let me know if you have any questions on the above or if additional information would be helpful.

We were in regular communication with former Deputy County Counsel Nate Raff on this matter and it appears that the information discussed was not conveyed upon his departure.

Please let me know the best way to proceed in addressing this matter with your involvement from here forward.

Sincerely,



Uma Hinman
Executive Officer

Cc: John Haschak, District 3 Supervisor, Mendocino County
Steve Dunncliff, Deputy CEO, Mendocino County
Howard Dashiell, Department of Transportation Director, Mendocino County
Marsha Burch, LAFCo Legal Counsel

Enclosed: Summary of Interagency Coordination and Communications
Summary of Key Milestones
Prior Correspondences (August 2, 2021, August 26, 2021, March 1, 2022)

Mendocino LAFCo
County Service Area (CSA) 3

Summary of Interagency Coordination and Communications

March 3, 2023

Conversation: LAFCo Legal Counsel Marsha Burch and County Counsel Christian Curtis regarding conversations between LAFCo and County Counsel in 2021 and LAFCo’s legal authority over CSA 3.

January 30, 2023

Email: EO Uma Hinman emailed a response to Supervisor John Haschak’s January 27, 2023 email regarding a Commission meeting date to clarify whether a revocable license would meet LAFCo Policy 9.8. EO Hinman noted misunderstandings about the LAFCo process, outlined the LAFCo application requirements, responded that an irrevocable or long-term legal form of public access is needed to address Policy 9.8, and requested that County Counsel provide a written determination addressing how the use of Prop 218 funds on a private property without dedicated public access is not a gift of public funds.

January 24, 2023

Email: Howard Dashiell emailed Analyst Larkyn Feiler to update that the Board of Supervisors provided County staff direction to proceed with the CSA 3 Sherwood FWC ZOB Pilot Program based on a revocable license and requested confirmation of whether a revocable license would meet LAFCo Policy 9.8 before preparation of maps and descriptions needed for any BOE filing process.

August 23, 2022

March 17, 2022

February 10, 2022

May 12, 2022

February 24, 2022

January 19, 2022

March 28, 2022

February 17, 2022

November 16, 2021

Staff Coordination Meetings:

LAFCo and the County held many coordination meetings from November 2021 to August of 2022 related to the CSA 3 Municipal Service Review (MSR) and Sphere of Influence (SOI) establishment study, the LAFCo activation of latent powers application process, and the CSA 3 Sherwood FWC ZOB Pilot Program.

LAFCo staff - Uma Hinman, Marsha Burch, Larkyn Feiler

County Officials/staff - John Haschak, Steve Dunicliff, Howard Dashiell, Nate Raff, Judy Morris

March 1, 2022

Letter: LAFCo letter to Board of Supervisors to request that Agenda Item 4e be postponed and direction to County Staff to commence the LAFCo application process to activate latent powers for the CSA 3 Sherwood FWC ZOB Pilot Program.

August 26, 2021

Letter: LAFCo letter to Steve Dunicliff confirming the outcome of the conversation between LAFCo Legal Counsel Browne and County Counsel Curtis.

August 2021

Conversation: LAFCo Legal Counsel Scott Browne and County Counsel Christian Curtis regarding the CSA 3 Sherwood FWC ZOB Pilot Program requires LAFCo activation of latent powers.

August 2, 2021

Letter: LAFCo letter to Board of Supervisors to request that Agenda Item 6b be postponed and direction to County Staff to coordinate with LAFCo regarding CSA 3 powers or services.

Summary of Key Milestones

January 24, 2023

Agenda Item 4i: BOS directed County staff to proceed with the CSA 3 Sherwood Firewise Community Zone of Benefit Pilot Program based on a revocable license.

July 11, 2022

Continued Public Hearing for the CSA 3 MSR/SOI and study adopted by the Commission.

June 6, 2022

CSA 3 MSR/SOI study Public Hearing continued by the Commission.

April 4, 2022

CSA 3 MSR/SOI study Public Workshop held by the Commission.

March 1, 2022

Agenda Item 4e: BOS directed County staff to continue working on the CSA 3 Sherwood Firewise Community Zone of Benefit Pilot Program.

February 8, 2022

LAFCo notified SCO that CSA 3 did not meet the definition of an inactive district due to recent financial transactions and current assets.

November 4, 2021

LAFCo received a notice from SCO that CSA 3 was identified as an inactive special district.

August 17, 2021

Agenda Item 6b: BOS directed County staff to continue working on the CSA 3 Sherwood Firewise Community Zone of Benefit Pilot Program.

August 3, 2021

Agenda Item 6b: BOS continued item per LAFCo request regarding CSA 3 Sherwood Firewise Community Zone of Benefit Pilot Program.

January 25, 2021

Agenda Item 3a: BOS directed County staff to continue working on the CSA 3 Sherwood Firewise Community Zone of Benefit Pilot Program.

April 4, 2019

LAFCo notified SCO that CSA 3 did not meet the definition of an inactive district due to the recent funding activity.

March 12, 2019

BOS approved the transfer of \$15,000 to reactivate CSA 3.

February 26, 2019

BOS voted unanimously to reactivate CSA 3.

February 4, 2019

The Commission directed LAFCo staff to delay acting on SCO's letter until the Board of Supervisors (BOS) could convene and consider the matter.

November 6, 2018

LAFCo received a notice from the State Controller's Office (SCO) that CSA 3 was identified as an inactive special district and had been identified as a "Non-Revenue District" by the County Auditor-Controller's Office. According to SB 448, which was chaptered in 2017, this letter triggered a 90-day timeframe for LAFCo to confirm whether the district meets the inactive criteria, and if so, to adopt a resolution initiating dissolution of the district.

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August 2, 2021

Honorable Mendocino County Board of Supervisors
501 Low Gap Road, Room 1010
Ukiah, CA 95482

RE: Request to Postpone Agenda Item 6b and Direct Staff to Coordinate with LAFCo

Dear Board of Supervisors,

I am writing to request that you postpone Agenda Item 6b today related to next steps for implementing the County Service Area 3 Benefit Zone Pilot Program for the Sherwood Road Area and direct County staff to allow time to coordinate with LAFCo regarding the current authorized services for County Service Area (CSA) 3.

As background, LAFCo and County staff worked together in 2019 to maintain CSA 3 as an active district after many years of inactivity and LAFCo budgeted funds to prepare a Municipal Service Review (MSR) and Sphere of Influence (SOI) Plan to confirm the powers, or services, and boundary of this dependent district. The MSR/SOI process was waylaid by COVID-19 as County staff were necessarily focused on the critical service of responding to public health needs from the pandemic. LAFCo has again budgeted for the CSA 3 MSR/SOI process this fiscal year and LAFCo staff efforts are currently underway.

While LAFCo does not have authority over the creation of benefit zones within a CSA pursuant to GOV §25217.3, LAFCo does have authority over the powers, or services, of a CSA pursuant to GOV 25213.5(a). Services must be active in order for zones of benefit to be established for those services. Therefore, we respectfully request time to work with your staff to determine whether the services needed to effectuate the purposes of the CSA 3 Benefit Zone Pilot Program for the Sherwood Road Area first require an application to LAFCo for activation of latent powers.

As an observational note, it appears that this item has been agendized under the business of the Board of Supervisors instead of the CSA 3 Board of Directors. The proposed action we believe must be made by the Board, sitting as the Board of CSA 3.

We look forward to working with your staff to address the current authorized services for CSA 3 and finishing the MSR/SOI for this dependent district this fiscal year. Please feel free to contact me for additional information or with any questions.

Sincerely,



Uma Hinman
Executive Officer

Cc: Carmel J. Angelo, Mendocino County CEO
Howard Dashiell, Mendocino County Department of Transportation

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August 26, 2021

Mr. Steve Dunicliff, Mendocino County Deputy CEO
501 Low Gap Road, Room 1010
Ukiah, CA 95482

RE: County Service Area (CSA) No. 3 – Activation of Powers

Dear Steve,

On August 3, 2021, the Mendocino County Board of Supervisor's agenda included consideration of utilizing County Service Area (CSA) 3 for the Benefit Zone Pilot Program for the Sherwood Road Area. We appreciate the Board continuing the matter to allow time for coordination with LAFCo to determine whether the services needed to effectuate the purposes of the CSA 3 Benefit Zone Pilot Program first require an application to LAFCo for activation of latent powers.

LAFCo Legal Counsel Browne and County Counsel Curtis have discussed CSA 3 with the concurrence that while the County may proceed with planning and design efforts, no construction or assessments may commence until LAFCo has approved an activation of latent powers and established a service area.

LAFCo's authority to establish powers, or services, of a CSA are pursuant to GOV 25213.5(a). Services must be activated in order for the CSA Board to establish zones of benefit for those services. LAFCo staff will work as quickly as possible towards an expeditious processing of an [application](#) to activate the necessary latent powers for CSA 3.

Additionally, LAFCo has budgeted funds to prepare a Municipal Service Review (MSR) and Sphere of Influence (SOI) Plan to confirm the powers, or services, and boundary of this dependent district. The MSR/SOI process was waylaid by COVID-19 as County staff were necessarily focused on the critical service of responding to public health needs from the pandemic. LAFCo has again budgeted for the CSA 3 MSR/SOI process this fiscal year and LAFCo staff efforts are currently underway.

We look forward to working with the County to process an application to activate latent authorized services for CSA 3 and finishing the MSR/SOI for this dependent district this fiscal year. Please feel free to contact me for additional information or with any questions.

Sincerely,



Uma Hinman
Executive Officer

Enc: Application Form
Cc: Carmel Angelo, CEO, Mendocino County
Christian Curtis, County Counsel, Mendocino County
Howard Dashiell, Director, Mendocino County Department of Transportation

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March 1, 2022

Honorable Mendocino County Board of Supervisors
501 Low Gap Road, Room 1010
Ukiah, CA 95482

RE: Request to Postpone Agenda Item 4e and Commence LAFCo Application Process

Dear Board of Supervisors,

I am writing to request that you postpone Agenda Item 4e related to next steps for implementing the County Service Area (CSA) 3 Zone of Benefit (ZOB) Pilot Project for the Sherwood Firewise Community and direct County staff to proceed with filing a LAFCo application to activate latent emergency access powers for the CSA 3 Sherwood Firewise Community service area.

While LAFCo does not have authority over ZOB creation, LAFCo does have authority over the powers, or services, of a CSA pursuant to GOV 25213.5(a). Services must be activated in order for the CSA Board of Directors to establish a valid zone of benefit and assessment for those services.

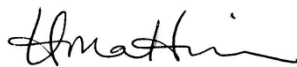
Providing emergency access is a critical fire safety need and I commend the efforts of the Sherwood Firewise Community and County staff to address this important issue. While I support addressing emergency access needs, I must express concern regarding the order of activities underway.

It is strongly recommended that the LAFCo application process occur before the public hearing to consider creation and assessment for the Sherwood Firewise Community ZOB, scheduled on March 17, 2022.

The LAFCo application process takes approximately 6-months to one-year and could result in changes to the proposed project scope or estimated service cost which could invalidate a ZOB creation and Prop 218 assessment process that occurs in advance. Further, there is no guarantee that the Commission will approve the proposal, and the LAFCo protest process may result in an election which could potentially be combined with the County Prop 218 process and enhance overall public transparency on the proposal.

Therefore, I respectfully request that you postpone the public hearing scheduled in the coming weeks and direct County staff to proceed with filing a LAFCo application to activate latent powers. Please feel free to contact me for additional information or with any questions.

Sincerely,



Uma Hinman
Executive Officer

Cc: Steve Dunncliff, Deputy CEO, Mendocino County
Nathaniel Raff, Deputy County Counsel, Mendocino County
Howard Dashiell, Department of Transportation Director, Mendocino County

**MENDOCINO
Local Agency Formation Commission**

Staff Report

MEETING April 3, 2023
TO Mendocino Local Agency Formation Commission
FROM Uma Hinman, Executive Officer
SUBJECT **CALAFCO Business**

RECOMMENDATION

Commission consider nomination for Northern Region City representative to the CALAFCO Board.

NOTICE OF BOARD VACANCY

The CALAFCO Board of Directors has issued a notice of vacancy and call for nominations to fill the remainder of the term that expires in December 2024. The vacancy is a result of the passing of Tom Cooley (Plumas County) who also served on the Elections Committee.

The current Northern Region representatives are:

- Bill Connelly (Butte County)
- Debra Lake (Humboldt County)
- Josh Susman (Nevada County)

The CALAFCO Board of Directors will consider a new Northern region City representative at its April 21, 2023 Board meeting.

The deadline for nominations is April 13, 2023 and nominees must be a city member.

LEGISLATIVE SUMMARY

For information, attached is a summary of the legislative items that are being monitored by CALAFCO.

Attachment Special Vacancy Nomination Packet
 CALAFCO Legislative Summary

Date Received

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS



Board of Directors

2023 Special Vacancy Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the Northern Region Nominates

_____ to fill the special vacancy for the Northern region City Position on the CALAFCO Board of Directors, to a term that expires in 2024. The position will be filled by appointment of the CALAFCO Board of Directors pursuant to CALAFCO Policy Section 5.5 8.

_____ LAFCo Chair

_____ Date

NOTICE OF DEADLINE

Nominations must be received by the Executive Director by **Thursday, April 13, 2023 at 5:00 p.m.** to be considered by CALAFCO Board of Directors.

Send completed nominations in digital format to:
info@calafco.org

Date Received

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION
COMMISSIONS



Board of Directors 2023 Special Vacancy Candidate Résumé Form (Complete both pages)

Nominated By: _____ LAFCo Date: _____

There currently exists one (1) special vacancy for the:

NORTHERN region, CITY position

This position will be filled by appointment of the CALAFCO Board of Directors pursuant to CALAFCO Policy 5.5 8. The appointee should be prepared to fill the unexpired term, which will run through 2024.

To better assist the CALAFCO Board in making its selection, please provide the following information:

Candidate Name _____
Address _____
Phone Office _____ Mobile _____
e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by the Executive Director by **Thursday, April 13, 2023 at 5:00 p.m.** to be considered by CALAFCO Board of Directors.

Send completed nominations in digital format to:

info@calafco.org

CALAFCO Bills By Priority

3/30/2023

[AB 828](#) **(Connolly D) Sustainable groundwater management: managed wetlands.**

Introduced: 2/13/2023

Last Amend: 3/2/2023

Status: 3/27/2023-In committee: Hearing postponed by committee.

Location: 3/2/2023-A. W.,P. & W.

Summary: The Sustainable Groundwater Management Act requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2020, and requires all other groundwater basins designated as high- or medium-priority basins to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans by January 31, 2022, except as specified. Current law defines various terms for purposes of the act. This bill would add various defined terms for purposes of the act, including the term "managed wetland."

Subject

Water

CALAFCO Comments: Adds definitions for Managed Wetlands, and Small community water system to Water Code Section 10721.

[AB 930](#) **(Friedman D) Local government: Reinvestment in Infrastructure for a Sustainable and Equitable California (RISE) districts.**

Introduced: 2/14/2023

Status: 3/2/2023-Referred to Coms. on L. GOV. and J., E.D., & E.

Location: 3/2/2023-A. L. GOV.

Summary: Would authorize the legislative bodies of 2 or more local governments, defined to include a city, county, special district, or transit agency, to jointly form a Reinvestment in Infrastructure for a Sustainable and Equitable California district (RISE district) in accordance with specified procedures. The bill would require the Office of Planning and Research (OPR) to develop standards for the formation of RISE districts no later than November 30, 2025. The bill would provide for the establishment of a governing board of a RISE district with representatives of each participating local government.

Subject

Special District

Principle Acts

CALAFCO Comments: This bill has a similar overtone to SB 852 Dodd in 2022 regarding the formation of climate resilience districts outside of the LAFCo process.

As introduced, this bill (AB 930) is focused on the generation of funding and the governance of the expenditure of those funds. However, it should be carefully tracked in case that mission is expanded.

[AB 1348](#) **(Grayson D) State government: Controller: claims audits.**

Introduced: 2/16/2023

Last Amend: 3/20/2023

Status: 3/21/2023-Re-referred to Com. on A. & A.R.

Location: 3/16/2023-A. A. & A.R.

Summary: The Government Claims Act generally requires the presentation of all claims for money or damages against local public entities and the state. Current law provides for the presentation of a claim for which appropriations have been made, or for which state funds are available, under that act to the Controller, in the form and manner prescribed by the general rules and regulations adopted by the Department of General Services. Current law, with specified exceptions, prohibits the Controller from drawing a warrant for any claim until it has been audited in conformity with law and the general rules and regulations adopted by the Department of General Services governing the presentation and audit of claims. This bill would require the Controller to conduct, unless prohibited by the provisions of a state ballot proposition passed by the electorate, financial and compliance audits as the Controller's office deems as necessary for purposes of ensuring that any expenditures, regardless of the source or fund from which the warrants for claims are drawn, are expended in a manner consistent with the law and the voters' intent. The bill would also require the Controller to conduct any audits necessary to carry out their constitutional and statutory duties and responsibilities under the law.

Subject

CALAFCO Comments: As introduced, the bill was marked as a watch because it was a spot holder regarding the Brown Act.

On March 20, 2023, it was gutted and amended and now speaks to claims against the state. Position and priority are changed to "None."

[AB 1439](#)

(Garcia D) Low-income housing tax credit: farmworker housing.

Introduced: 2/17/2023

Last Amend: 3/23/2023

Status: 3/27/2023-Re-referred to Com. on REV. & TAX.

Location: 3/23/2023-A. REV. & TAX

Calendar: 4/10/2023 2:30 p.m. - State Capitol, Room 126 ASSEMBLY REVENUE AND TAXATION, IRWIN, JACQUI, Chair

Summary: Current law limits the total annual amount of the state low-income housing credit for which a federal low-income housing credit is required to the sum of \$70,000,000, as increased by any percentage increase in the Consumer Price Index for the preceding calendar year, any unused credit for the preceding calendar years, and the amount of housing credit ceiling returned in the calendar year. Current law governing the taxation of insurers, the Personal Income Tax Law, and the Corporation Tax Law provided an allocation of \$500,000,000 for the 2020 calendar year and, for calendar years beginning in 2021, also provides for an additional amount that may be allocated, up to \$500,000,000, to specified low-income housing projects that are new buildings that are federally subsidized, as specified. Current law provides that this additional amount is only available for allocation pursuant to an authorization in the annual Budget Act. Current law requires specified regulatory action by the California Tax Credit Allocation Committee (CTCAC) aimed at increasing production and containing costs, including a scoring system that maximizes the efficient use of public subsidy and benefit created through the low-income housing tax credit program, as specified. This bill would, for the 2024 calendar year and thereafter, require CTCAC to amend the regulatory scoring system to also grant a score benefit for farmworker housing. The bill would require the regulations, as amended, to award 10 points to farmworker housing projects under the housing needs category, and an additional 5 points in the category for amenities beyond those required as additional thresholds.

Subject

Housing

CALAFCO Comments: This bill was introduced as a spotholder bill that only noted an intent to address housing.

On March 23, 2023, the bill was gutted and amended and now addresses a low-income housing credit. Position and priority are changed to "None."

[AB 1460](#)

(Bennett D) Local government.

Introduced: 2/17/2023

Status: 2/18/2023-From printer. May be heard in committee March 20.

Location: 2/17/2023-A. PRINT

Summary: Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. This bill would make a nonsubstantive change to the provision naming the act.

Subject

CKH General
Procedures,
Other

CALAFCO Comments: As introduced, this bill makes only a minor nonsubstantive change to CKH in that it would merely add commas to Section 56000 so that it would read: "This division shall be known, and may be cited, as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000."

3/24/2023: No change since introduction.

[SB 68](#)

(McGuire D) Vehicles: safety regulations.

Introduced: 1/5/2023

Last Amend: 3/20/2023

Status: 3/29/2023-Re-referred to Com. on TRANS.

Location: 3/29/2023-S. TRANS.

Calendar: 4/11/2023 1:30 p.m. - 1021 O Street, Room 1200 SENATE TRANSPORTATION, GONZALEZ, LENA, Chair

Summary: Current law requires the Department of the California Highway Patrol to regulate the safe operation of certain vehicles, including buses, truck tractors, and trailers, and to adopt certain rules and regulations pertaining to the operation of those vehicles. Current law requires these regulations to include certain maximum driving times within a work period, including a maximum driving time of 10 hours for a driver of a tank vehicle with a capacity of more than 500 gallons transporting flammable liquid. This bill would authorize the department to, by regulation, allow a driver to exceed this limit during a declared state of emergency if transporting aircraft fuel used for refueling aircraft used in fire suppression or other emergency-related activities, as specified.

Subject

CALAFCO Comments: 1-6-2023: As it currently stands, this bill appears to be a spot holder. In the w/53p of 60 it notes that the legislative intent will be to address local government and it specifically mentions CKH.

Consequently, the Executive Director reached out to the author's office requesting more particulars. On 1-9-2023, the author's office responded that they had no additional info to share but that, while the the leg counsel introduction mentioned CKH, their language had nothing to do with it.

3-20-2023: The bill was gutted and amended to address Section 34501.2 of the Vehicle Code, making it no longer a CALAFCO concern.

SB 440 **(Skinner D) Regional Housing Finance Authorities.**

Introduced: 2/13/2023

Last Amend: 3/20/2023

Status: 3/29/2023-Re-referred to Coms. on HOUSING and GOV. & F.

Location: 3/29/2023-S. HOUSING

Summary: Current law provides for the establishment of various special districts that may support and finance housing development, including affordable housing special beneficiary districts that are authorized to promote affordable housing development with certain property tax revenues that a city or county would otherwise be entitled to receive. Current law, the San Francisco Bay Area Regional Housing Finance Act, establishes the Bay Area Housing Finance Agency to raise, administer, and allocate funding for affordable housing in the San Francisco Bay area, as defined, and provide technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production. Current law, the Los Angeles County Regional Housing Finance Act, similarly establishes the Los Angeles County Affordable Housing Solutions Agency to increase the supply of affordable housing in Los Angeles County, as specified. This bill, the Regional Housing Finance Act, would authorize 2 or more local governments to establish a regional housing finance authority to raise, administer, and allocate funding for affordable housing in the jurisdiction of the authority, as defined, and provide technical assistance at a regional level for affordable housing development, including new construction and the preservation of existing housing to serve a range of incomes and housing types. The bill would require an authority to be governed by a board composed of at least 3 directors who are elected or appointed officials representing the local governments that are members of the authority.

Subject

CALAFCO Comments: As introduced, the bill sought to address the Williamson Act and would have changed only a deadline.

3/20/24: The bill was gutted and amended and would authorize 2 or more local governments to establish a regional housing finance authority to raise, administer, and allocate funding for affordable housing in the jurisdiction of the authority, and would establish the funding mechanisms and parameters.

SB 455 **(McGuire D) State of emergency: mortgage servicers: written disclosure.**

Introduced: 2/13/2023

Last Amend: 3/20/2023

Status: 3/29/2023-Re-referred to Coms. on B. & F.I. and JUD.

Location: 3/29/2023-S. B. & F. I.

Calendar: 4/19/2023 1:30 p.m. - 1021 O Street, Room 2100 SENATE BANKING AND FINANCIAL INSTITUTIONS, LIMÓN, MONIQUE, Chair

Summary: Would require a mortgage servicer servicing a mortgage with respect to a property located within the geographic limits of a proclaimed state of emergency or a local emergency that was the mortgage servicer at the time of the emergency proclamation to provide written disclosure to a transferee or purchaser mortgage servicer of certain information, including any contracts executed or agreements made to rebuild or repair a home damaged by the proclaimed emergency or to purchase a home to replace a home damaged by the proclaimed emergency, as specified. The bill would require a transferee or purchaser mortgage servicer to make a similar disclosure to a subsequent transferee or purchase mortgage servicer, as prescribed.

Subject

CALAFCO Comments: This is a spotholder bill that notes that its intent will be to enact legislation relating to governmental organization.

3/20/2023, the bill was gutted and amended and now deals with mortgage servicers and, consequently, is now out of CALAFCO's purview.

SB 768 **(Caballero D) California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.**

Introduced: 2/17/2023

Last Amend: 3/22/2023

Status: 3/29/2023-Re-referred to Coms. on E.Q. and HOUSING.

Location: 3/29/2023-S. E.Q.

Summary: The California Environmental Quality Act (CEQA) requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA prohibits a public agency from approving or carrying out a project that has a significant effect on the environment. Pg 54 of 60

out a project for which a certified EIR has identified one or more significant effects on the environment that would occur if the project is approved or carried out unless the public agency finds either (1) changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant effects on the environment, (2) those changes or alterations are within the jurisdiction of another public agency and have been, or can and should be, adopted by the other agency, or (3) specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or alternatives identified in the EIR and the public agency finds that those specific considerations outweigh the significant effects on the environment, commonly known as a statement of overriding consideration. This bill would provide that a public agency, in approving or carrying out a housing development project, as defined, a commercial project, or an industrial project, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled or similar metrics if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project..

Subject
CEQA

CALAFCO Comments: Introduced as a spotholder bill that noted an intent to enact subsequent legislation that would create a new transportation impact analysis for rural areas for purposes of the California Environmental Quality Act.

3/22/2023: The bill was amended and would add language into the Public Resource Code to provide that a public agency, in approving or carrying out certain types of projects, is not required to issue a statement of overriding consideration for significant effects on the environment identified by a project's vehicle miles traveled if the lead agency has imposed all feasible mitigation measures on the project and it finds no feasible alternatives to the project.

[**SB 833**](#)

(McGuire D) Cannabis licensing following program: cultivation licenses: reduced license fee.

Introduced: 2/17/2023

Last Amend: 3/22/2023

Status: 3/29/2023-Re-referred to Com. on B., P. & E. D.

Location: 3/29/2023-S. B., P. & E.D.

Summary: The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities. Under current law, the Department of Cannabis Control may issue cannabis cultivation licenses to commercial cannabis businesses that differ depending on the size of the cultivation site and whether the site is indoor, outdoor, or mixed-light. Existing law requires the department to charge each licensee a licensure and renewal fee, as applicable. This bill would require the department, no later than March 1, 2024, to establish a cannabis licensing following program for cannabis cultivators who choose to reduce or temporarily pause cultivating cannabis under their license. The bill would establish certain eligibility criteria to participate in the program, including specified limitations based on the size of the cultivation site and method of cultivation. The bill would require the program to authorize a licensee who participates in the program to, among other things, maintain their cultivation license and pay a reduced license fee in an amount determined by the department, as specified.

Subject

CALAFCO Comments: This is a spotholder bill that notes only an intent to enact subsequent legislation relating to natural resources.

3/22/2023: This bill was gutted and amended and is no longer a concern for CALAFCO as it now addresses Cannabis cultivation and licensing.

[**SB 865**](#)

(Laird D) Municipal water districts: automatic exclusion of cities.

Introduced: 2/17/2023

Status: 3/27/2023-April 12 hearing postponed by committee.

Location: 3/1/2023-S. GOV. & F.

Summary: Current law authorizes a governing body of a municipal water district to adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, if the territory is annexed prior to the effective date of the formation of the municipal water district. Current law requires the Secretary of State to issue a certificate reciting the passage of the ordinance and the exclusion of the area from the municipal water district within 10 days of receiving a certified copy of the ordinance. This bill would extend the number of days the Secretary of State has to issue a certificate to 14 days.

Subject
Annexation
Proceedings

CALAFCO Comments: Existing law authorizes a governing body of a municipal water district may adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, providing that the territory is annexed prior to the effective date of the formation of the municipal water district. If that happens, the Secretary of State must, within 10 days of receiving a certified copy, issue a certificate reciting the passage of the ordinance that excludes the area from the municipal water district. This bill would extend the Secretary of State's window to issue that certificate from 10 to 14 days.

AB 68 (Ward D) Land use: streamlined housing approvals: density, subdivision, and utility approvals.**Introduced:** 12/8/2022**Last Amend:** 3/16/2023**Status:** 3/20/2023-Re-referred to Com. on H. & C.D.**Location:** 3/16/2023-A. H. & C.D.

Summary: Would require a local government to approve a proposed housing development pursuant to a streamlined, ministerial approval process if the development meets certain objective planning standards, including, but not limited to, a requirement that the proposed parcel for the development be a climate-smart parcel, as described, or be included in the applicable region's sustainable communities strategy as a priority development area. The bill would set forth procedures for approving these developments and would set forth various limitations for these developments. The bill would authorize the Department of Housing and Community Development to review, adopt, amend, and repeal guidelines, rules, and regulations to implement uniform standards or criteria that supplement or clarify the terms, references, or standards set forth by this process.

Subject

Planning

CALAFCO Comments: This bill was introduced as a spot holder in December, 2022, then was gutted and amended on March 16, 2023.

It now seeks to set up ministerial approvals for developments and certain water and sewer service extensions for developments that meet certain parameters. Parameters include that the parcel must be in a high or moderate resource area as categorized by the opportunity maps maintained by the California Tax Credit Allocation Committee, be located within one-mile of transit but be in a very low vehicle travel area, and within one mile of assorted restaurants, bars, coffee shops, etc. Additionally, types of locations that do not qualify are also enumerated. Those include farmlands, wetlands, high fire hazard severity zones (as determined by Cal Fire), in proximity to a hazardous waste site, within a delineated earthquake fault zone, within a special flood hazard area or within a regulatory floodway, lands identified for conservation, protected habitat, and lands under a conservation easement.

Under the procedure that would be established by this bill, a minimum of 30 days notice to LAFCo would be required for the public hearing should a county seek to amend its general plan to increase the planned density on climate resilient lands.

AB 918 (Garcia D) Health care district: County of Imperial.**Introduced:** 2/14/2023**Last Amend:** 3/23/2023**Status:** 3/27/2023-Re-referred to Com. on L. GOV.**Location:** 3/23/2023-A. L. GOV.

Summary: Would rename the Pioneer Memorial Healthcare District to the Imperial County Healthcare District. The bill would authorize the expansion of the district to include all of Imperial County by requiring the district to submit a resolution of application to the Imperial County Local Agency Formation Commission to initiate proceedings to expand the district. The bill would require the commission to order the expansion of the district subject to a vote of the registered voters residing within the territory to be annexed at an election following the completion of those proceedings. The bill would require the Board of Supervisors of the County of Imperial, upon direction by the commission, to place approval of district expansion on the ballot at the next countywide election following the completion of commission proceedings, including a public hearing. The bill would provide for expansion of the district upon voter approval, if a funding source sufficient to support the operations of the expanded district is, if required, approved, as specified. The bill would require the district to pay for election costs, as specified. By imposing new duties on the County of Imperial, the bill would impose a state-mandated local program.

Subject

Other

CALAFCO Comments: As introduced, this bill was merely a spotholder that stated an intent to create a countywide healthcare district in Imperial County.

March 23, 2023, the bill was amended with specifics. It now seeks to rename the Pioneer Memorial Healthcare District to the Imperial County Healthcare District (ICHD) and then sets up what, in essence, is a ministerial process for the countywide expansion of the ICHD. The expansion process is first initiated by the ICHD Resolution of Application, which is required to be filed with LAFCo no later than January 5, 2024. The LAFCo then has 150 days to complete the entire process, including the vote. Protest proceedings for that expansion would be waived under this bill. The bill also does not allow the LAFCo to deny the application. The bill also notes that future changes of organization or reorganization of the resulting districts would need to follow the normal provisions of CKH.

SB 360 (Blakespear D) California Coastal Commission: member voting.**Introduced:** 2/8/2023**Status:** 3/29/2023-Set for hearing April 11.

Location: 2/15/2023-S. N.R. & W.

Calendar: 4/11/2023 9 a.m. - 1021 O Street, Room 2100 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: The California Coastal Act of 1976 establishes the California Coastal Commission and prescribes the membership and duties of the commission. The act provides that its provisions do not preclude or prevent any member or employee of the commission who is also an employee of another public agency, a county supervisor or city councilperson, or a member of specified associations or organizations, and who has in that designated capacity voted or acted upon a particular matter, from voting or otherwise acting upon that matter as a member or employee of the commission. This bill would apply the latter provision to members of a joint powers authority and members of the local agency formation commission.

Subject

Other

CALAFCO Comments: PRC 30318 currently holds a provision that allows members or employees of certain entities to sit on the California Coastal Commission. This bill would add members or employees of JPAs and LAFCOs into that list.

3/24/2023: No change since introduction.

3

[AB 557](#)

(Hart D) Open meetings: local agencies: teleconferences.

Introduced: 2/8/2023

Status: 2/17/2023-Referred to Com. on L. GOV.

Location: 2/17/2023-A. L. GOV.

Summary: Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, existing law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Current law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Current law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely.

Subject

Brown Act

CALAFCO Comments: Similar in scope to SB 411, this bill is follow-on legislation to AB 361 (2022) and seeks to return some of the pandemic-era teleconferencing provisions to the Brown Act and would change the timeline for legislative bodies to reaffirm an emergency from the current 30 days to 45 days. This bill is sponsored by CSDA.

[AB 817](#)

(Pacheco D) Open meetings: teleconferencing: subsidiary body.

Introduced: 2/13/2023

Last Amend: 3/16/2023

Status: 3/20/2023-Re-referred to Com. on L. GOV.

Location: 3/16/2023-A. L. GOV.

Summary: Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to the Ralph M. Brown Act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

Subject

Brown Act

CALAFCO Comments: This bill appears to be a spot holder in that it currently only makes minor grammatical changes. The lack of substance raises concern regarding future changes to this bill.

3/16/2023: The bill was amended to speak specifically to teleconferenced meetings of subsidiary bodies,

defined as a body that serves exclusively in an advisory capacity, and is not authorized to take final action on legislation, regulations, contracts, licenses, permits, or any other entitlements. For qualifying bodies, this bill would remove the requirement to post an agenda at the location of the subsidiary body member who was participating from off site- providing that the legislative body that formed the subsidiary body has previously made findings noting that teleconferenced meetings of the subsidiary body would enhance public access, and would promote the attractions, retention and diversity of the subsidiary body. The superior legislative body would need to revisit the matter and repeat those finding every 12 months thereafter. This bill also reaffirms that other provisions of the Brown Act are applicable to subsidiary bodies.

AB 1379 (Papan D) Open meetings: local agencies: teleconferences.

Introduced: 2/17/2023

Last Amend: 3/23/2023

Status: 3/27/2023-Re-referred to Com. on L. GOV.

Location: 3/23/2023-A. L. GOV.

Summary: The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

Subject

Brown Act

CALAFCO Comments: Originally introduced as a spotholder to address "Local agencies: financial affairs", this bill was gutted and amended on March 23, 2023, and now seeks amendment of the Brown Act's teleconferencing provisions. If successful, GC Section 54953 (b)(3) would be amended to remove the requirement to post agendas for teleconferenced meetings at all locations, and would instead limit the posting to a newly defined "singular designated physical meeting location", which is required to have either two-way audiovisual capabilities, or two-way telephone service for the public to remotely hear and address the body. Additionally, the body would have to hold at least two meetings in person each year.

AB 1753 (Committee on Local Government) Local government: reorganization.

Introduced: 3/2/2023

Status: 3/16/2023-Referred to Com. on L. GOV.

Location: 3/16/2023-A. L. GOV.

Calendar: 4/19/2023 1:30 p.m. - State Capitol, Room 447 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, CECILIA, Chair

Summary: The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the sole and exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts. The act requires a petitioner or legislative body desiring to initiate proceedings for a change of organization or reorganization to submit an application to the executive officer of the principal county. The act specifies when an application is complete and acceptable for filing, and requires the executive officer to immediately issue a certificate of filing when an application is accepted for filing, as specified. Upon the filing of an application or a resolution pursuant to the act, but prior to the issuance of a certificate of filing, current law requires the executive officer to give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdiction change is located, as specified. Current law prohibits the executive officer from issuing a certificate pursuant to the provisions described above until resolutions are adopted by specified counties and cities in which they agree to accept the exchange of property tax revenues. Current law authorizes a county and any local agency within the county to develop and adopt a master property tax transfer agreement, as specified. This bill would, if applicable, prohibit the executive officer from accepting for filing an application for change or organization or reorganization and issuing a certificate of filing pursuant to the provisions described above, and would provide that an application is not deemed accepted for filing pursuant to the provisions described above, if an agreement for the exchange of property tax revenues has not been adopted pursuant to the provisions described above.

Attachments:

[AB 1753 CALAFCO Letter of Support, 03-28-23](#)

Subject

CKH General
Procedures

CALAFCO Comments: This is CALAFCO's Omnibus bill. It seeks to add two new provisions to CKH. The first would add section (d)(1) to Government Code Section 56658 and would note that R&T Section 99(d)(b)(6)

requires an property tax agreement for an application to be considered complete. The second adds language to GC Sec. 56882 allowing transmission of commission determination by email, providing that the executive officer confirms receipt through an electronic read receipt of other means.

CALAFCO's letter of support can be found in the attachments.

[SB 411](#) (Portantino D) Open meetings: teleconferences: bodies with appointed membership.

Introduced: 2/9/2023

Status: 2/22/2023-Referred to Coms. on GOV. & F. and JUD.

Location: 2/22/2023-S. GOV. & F.

Summary: Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a legislative body to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. The bill would alternatively define "legislative body" for this purpose to mean a board, commission, or advisory body of a local agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to the Ralph M. Brown Act.

Subject

Brown Act

CALAFCO Comments: This bill would permanently add back provisions to Section 54953.4 of the Brown Act that had been temporarily enacted during the COVID-19 pandemic. The amendment would allow a legislative body to use teleconferencing provisions, and would define the proper procedure for conducting such a meeting, would require the legislative body to take no further action in the event of a broadcasting disruption within the local agency's control until the broadcast can be resumed, would require time public comment periods to remain open until the public comment time has elapsed, and would not only prevent requiring comments in advance but would also require that the public be afforded the chance to comment in real time.

[SB 537](#) (Becker D) Open meetings: local agencies: teleconferences.

Introduced: 2/14/2023

Last Amend: 3/22/2023

Status: 3/29/2023-Re-referred to Coms. on GOV. & F. and JUD.

Location: 3/29/2023-S. GOV. & F.

Summary: Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency's jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows "just cause," including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would authorize certain legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. The bill would also require a legislative body to provide a record of attendance on its internet website within 7 days after a teleconference meeting, as specified. The bill would define "legislative body" for this purpose to mean a board, commission, or advisory body of a multijurisdictional cross county agency, the membership of which board, commission, or advisory body is appointed and which board, commission, or advisory body is otherwise subject to the act. The bill would also define "multijurisdictional" to mean a legislative body that includes representatives from more than one county, city, city and county, special district, or a joint powers entity.

Subject

Brown Act

CALAFCO Comments: This is a spotholder bill that states an intent to expand local government's access to hold public meetings through teleconferencing and remote access.

3/22/2023: was amended and fleshed out to add teleconferencing provisions to allow legislative bodies of multijurisdictional agencies to meet remotely. Multijurisdictional agencies are defined as boards, commissions, or advisory bodies of a multijurisdictional, cross county agency, which is composed of appointed representatives from more than one county, city, city and county, special district, or a joint powers entity.

The bill is sponsored by Peninsula Clean Energy, a community choice aggregator with a board comprised of local elected officials from the County of San Mateo and its 20 cities, as well as the City of Los Banos.

[SB 878](#) (Committee on Governance and Finance) Validations.

Introduced: 2/17/2023

Status: 3/29/2023-From committee: Do pass. Ordered to consent calendar. (Ayes 8. Noes 0.) (March 29).

Location: 3/29/2023-S. CONSENT CALENDAR

Calendar: 3/30/2023 #12 SENATE SENATE BILLS - SECOND READING FILE

Summary: Would enact the First Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

[-NO NAME GIVEN-](#)

Subject

LAFCo

Administration

CALAFCO Comments: This is the first of three annual validating acts. The joint letter of support is in the attachments section.

[SB 879](#) (Committee on Governance and Finance) Validations.

Introduced: 2/17/2023

Status: 3/29/2023-From committee: Do pass. Ordered to consent calendar. (Ayes 8. Noes 0.) (March 29).

Location: 3/29/2023-S. CONSENT CALENDAR

Calendar: 3/30/2023 #13 SENATE SENATE BILLS - SECOND READING FILE

Summary: Would enact the Second Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities. This bill contains other related provisions.

Attachments:

[-NO NAME GIVEN-](#)

Subject

LAFCo

Administration

CALAFCO Comments: This is one of three annual validating acts. The joint letter of support is in the attachments section.

[SB 880](#) (Committee on Governance and Finance) Validations.

Introduced: 2/17/2023

Status: 3/29/2023-From committee: Do pass. Ordered to consent calendar. (Ayes 8. Noes 0.) (March 29).

Location: 3/29/2023-S. CONSENT CALENDAR

Calendar: 3/30/2023 #14 SENATE SENATE BILLS - SECOND READING FILE

Summary: Would enact the Third Validating Act of 2023, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Attachments:

[-NO NAME GIVEN-](#)

Subject

LAFCo

Administration

CALAFCO Comments: This is one of three annual validating acts. The joint letter of support is in the attachments section.

Total Measures: 23

Total Tracking Forms: 23