

# MENDOCINO

## Local Agency Formation Commission

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

### COMMISSIONERS

**Maureen Mulheren, Chair**  
County Member

**Gerald Ward, Vice-Chair/Treasurer**  
Public Member

**Gerardo Gonzalez**  
City Member

**Candace Horsley** Elected  
Special District Member

**Glenn McGourty**  
County Member

**Mari Rodin**  
City Member

**Vacant**  
Special District 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, March 6, 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 its March 6, 2023 meeting in a **hybrid** format to accommodate both in-person and remote (video or telephone) participation by the public and its staff members 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/83492390471>
2. Telephone option (audio only):  
Dial: **(669) 900-9128** (Please note that this is not a toll-free number)  
Meeting ID: **834 9239 0471**

### Public Participation is encouraged and public comments are accepted:

1. Live: via the Zoom meeting link or telephone option above
2. Via Email: [eo@mendolaafco.org](mailto:eo@mendolaafco.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 Appointments and Oath of Office

Announcement of the County Board of Supervisors' and the City Selection Committee appointments to the Commission, and Special District Election results. The Oath of Office will be administered to Special District representative Candace Horsley and City Alternate Douglas Crane.

### 3b) Selection of Officers and Committee Appointments

The Commission will vote on officers for 2023 and the elected Chair will make appointments to the Executive Committee and Policies & Procedures Committee.

## 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) January 9, 2023 Regular Meeting Summary

### 4b) Ratify the January 2023 Claims & Financial Report

### 4c) February 2023 Claims & Financial Report

### 4d) Fiscal Year 2021-22 Audit

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

## 5. PUBLIC HEARING ITEMS

### 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

The Commission will hold a Public Hearing to consider adoption of the Ford Road, Kunzler Ranch Road, and Carter Lane Out-of-Agency Services Agreement Area application (File No. O-2022-03) from the City of Ukiah and Ukiah Valley Sanitation District 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). RECOMMENDED ACTIONS: (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).

## 6. WORKSHOP ITEMS

None

## 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

### 7a) Draft Policy for Commissioner Teleconferencing

The Commission will consider recommendations of the Policies & Procedures Committee for a draft policy implementing AB 2449 rules regarding commissioner teleconferencing.

### 7b) Mid-Year Budget and Work Plan Report

The Commission will receive the Executive Officer's report on the mid-year budget and work plan status for fiscal year 2022-2023.

## 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)

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

**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, **April 3, 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@mendolafco.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: March 6, 2023  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Announcement of Commission Appointments and Oath of Office**

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**RECOMMENDATION**

Announcement of Special District Election results and Commission appointments made by the County Board of Supervisors and City Selection Committee; administer the oath of office to new Commissioners Candace Horsley and Douglas Crane.

**BACKGROUND**

Per GOV 56334, all LAFCo commissioners serve four-year terms. The County Board of Supervisors and City Selection Committee meet and make annual appointments. The Mendocino County Board of Supervisors met in January and affirmed the appointment of current County members for 2023.

The Mendocino County City Selection Committee met on February 1. Appointments included Mari Rodin (City of Ukiah) and Gerardo Gonzalez (City of Willits) to serve as Regular City Members, and Douglas Crane (City of Ukiah) was appointed as the Alternate City Member.

The Special District Election ended on January 16, 2023 and a quorum of special district ballots was received. Candace Horsley was elected as the Regular Special District Member for the term 2023-2026.

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

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: March 6, 2023  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Selection of Officers and Appointments to Committees**

**RECOMMENDATION**

- a) The Commission will select a Chair, Vice-Chair and Treasurer for the 2023 calendar year.
- b) The Chair will make appointments to the Executive and Policies and Procedures Committees with ratification by the full Commission.

**BACKGROUND**

**Officers**

Per LAFCo [Policy 3.5](#), the members of the Commission will elect a Chair, Vice-Chair and Treasurer at the first meeting of the Commission of each year or as soon thereafter as possible.

<b>2022 Officers of the Commission</b>		
Office	Commissioner	Representation
Chair	Maureen Mulheren	County
Vice-Chair	Gerald Ward	Public
Treasurer	Gerald Ward	Public

Standing Committees

Per LAFCo [Policy 3.9](#), the Commission has two standing committees: the Executive Committee and the Policies and Procedures Committee. The committees meet on an as-needed basis and are subject to the requirements of the Brown Act.

The Executive Committee consists of the Chair, Vice Chair, and Treasurer or a third Commissioner appointed by the Chair. The Executive Committee is responsible for administrative oversight, personnel matters, and budget preparation and review.

The Policies and Procedures Committee is made up of three members appointed at the first Commission meeting of each calendar year, as recommended by the Chair and ratified by the Commission. The Policies and Procedures Committee is responsible for developing local policies and maintaining the Policies and Procedures Manual. Revisions are proposed to the full Commission for consideration and adoption.

<b>2022 Executive Committee</b>		<b>2022 Policies &amp; Procedures Committee</b>	
Commissioner	Representation	Commissioner	Representation
Maureen Mulheren	County	Mari Rodin	City (Ukiah)
Gerald Ward	Public	Gerardo Gonzalez	City (Willits)
Vacant		Maureen Mulheren	County

# MENDOCINO

## Local Agency Formation Commission

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### COMMISSIONERS

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County Member

**Gerald Ward, Vice  
Chair/Treasurer**  
Public Member

**Glenn McGourty**  
County Member

**Mari Rodin**  
City Member

**Vacant**  
City Member

**Vacant**  
Special District Member

**Vacant**  
Special District Member

**Gerardo Gonzales,  
Alternate**  
City Alternate Member

**John Haschak, Alternate**  
County Alternate Member

**Richard Weinkle, Alternate**  
Public Alternate Member

**Francois Christen, Alternate**  
Special District 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

### Agenda Item No. 4a

### DRAFT MINUTES

### Mendocino Local Agency Formation Commission

### Regular Meeting (Hybrid) of Monday, January 9, 2023

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

#### 1. CALL TO ORDER and ROLL CALL (Video Time 9:22)

Chair Mulheren called the meeting to order at 9:03 a.m.

**Regular Commissioners Present:** Maureen Mulheren, Gerald Ward, Glenn McGourty, Mari Rodin, Francois Christen (seated at 9:08 a.m. after Oath of Office), and Gerardo Gonzalez (immediately seated as a Regular member)

**Regular Commissioners Absent:** None

**Alternate Commissioners Present:** Richard Weinkle

**Alternate Commissioners Absent:** John Haschak

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

#### 2. AB 361 REMOTE TELECONFERENCING ACTION (Video Time 10:31)

The Commission adopted Resolution No. 2022-23-08 making further findings related to holding Commission meetings via a hybrid model per Government Code Section 54953(e).

<b>Motion:</b> Adopt Resolution No. 2022-23-08.	
<b>Motion Maker:</b> Commissioner Ward	<b>Motion Second:</b> Commissioner Gonzalez
<b>Roll Call Vote:</b> Ayes: (5) Ward, McGourty, Rodin, Gonzalez, Mulheren	

#### 3. PUBLIC EXPRESSION (Video Time 12:03)

None

#### 4. OTHER BUSINESS (Video Time 12:13)

Note: Item 4b was taken up by the Commission before item 4a.

##### 4b) Oath for Incoming Alternate Special District Member

Francois Christen was sworn in as the Alternate Special District Member for 2023-2026.

##### 4a) Public Member Representative Appointment

Gerald Ward was appointed as the Regular Public Member for the term 2023-2026.

<b>Motion:</b> Appoint Gerald Ward as the Regular Public Member.	
<b>Motion Maker:</b> Commissioner Rodin	<b>Motion Second:</b> Commissioner McGourty
<b>Roll Call Vote:</b> Ayes: (6) McGourty, Rodin, Christen, Gonzalez, Ward, Mulheren	

##### 4c) Interim Policies and Procedures Committee Appointment

The Commission made an interim appointment to the Policies and Procedures Committee to fill a vacancy on the Committee.

<b>Motion:</b> Appoint Mari Rodin to the Policies and Procedures Committee.	
<b>Motion Maker:</b> Commissioner Gonzalez	<b>Motion Second:</b> Commissioner McGourty
<b>Roll Call Vote:</b> Ayes: (6) Ward, McGourty, Rodin, Christen, Gonzalez, Mulheren	

**5. CONSENT CALENDAR** (Video Time 18:38)

**5a) December 19, 2022 Regular Meeting Summary**

**5b) December 2022 Claims & Financial Report**

<b>December 2022 Claims totaling:</b>	<b>\$11,731.68</b>
Hinman & Associates Consulting	8,308.75
P. Scott Browne	900.00
Comcast	93.67
Streamline	50.00
Ukiah Daily Journal	107.53
Mendocino County	1,741.73
Ukiah Valley Conference Center	530.00

Commissioner Ward asked about the delay in receiving invoices from Mendocino County and EO Hinman responded that the reason or the delay was unclear and confirmed that multiple invoices were received for time through July.

Commissioner Ward asked about the status for recruiting a new Clerk, which is a cost savings for tasks such as bookkeeping and noted that bookkeeping activities were not reflected in the claims. EO Hinman updated that the recruitment for an assistant has not begun and noted that bookkeeping would be accounted for separately next time.

Commissioner Ward noted that 0.6-hours of Legal Counsel time on application processing should be invoiced to the applicant.

<b>Motion:</b> Approve the consent calendar as amended by Commissioner Ward.	
<b>Motion Maker:</b> Commissioner McGourty	<b>Motion Second:</b> Commissioner Gonzalez
<b>Roll Call Vote:</b> Ayes: (6) Gonzalez, Christen, Rodin, McGourty, Ward, Mulheren	

**6. PUBLIC HEARING ITEMS** Item 6a was pulled based on joint agreement from LAFCo staff and the applicants.

**7. WORKSHOP ITEMS** None

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

**9. INFORMATION AND REPORT ITEMS**

**9a) Work Plan, Current and Future Proposals** (Video Time: 22:33)

EO Hinman presented the staff report, noting that a written summary of the Work Plan and current proposals is located on pages 64 – 66 of the Agenda Packet. In summary, all applications are incomplete at this time, pending, among other things, tax share agreements.

The City of Ukiah and Ukiah Valley Sanitation District joint application for an Out-of-Agency Service Agreement (OASA) will tentatively be scheduled for a Public Hearing at the February 6 meeting.

The City of Ukiah Annexation of Western Hills, Elk Community Services District Activation of Latent Powers for Wastewater Services, and City of Ukiah Annexation of City-Owned Properties are incomplete pending tax share agreements.

An application is anticipated to be received from the Anderson Valley Community Services District for annexation of the District’s Sphere of Influence area for fire services.

The City of Ukiah and Ukiah Valley Sanitation District final MSR/SOI Updates are posted on the website.

Commissioner Ward requested an update on the Master Tax Share Agreement process and Chair Mulheren responded that all four cities have submitted an agreement proposal, which is being reviewed by County Counsel and will tentatively be considered by the Board of Supervisors in the first quarter of 2023.

**9b) Correspondence** None

**9c) CALAFCO Business and Legislation Report** (Video Time: 26:37)

EO Hinman noted that the current 2022 CALAFCO Cortese Knox Hertzberg (CKH) Guide is now available.

**9d) Executive Officer's Report** (Video Time: 27:05)

EO Hinman provided the following updates: the deadline to submit ballots for the Special District Election Regular Seat term 2023 - 2026 is January 16 at 5 p.m.; the nomination process to fill the remainder of the Regular Special District Seat term 2021-2024 will begin soon; Mendocino County is hosting a free Brown Act training on January 25, 2023; and the Executive Committee will be meeting after the Commission meeting at 10:30 a.m. in Conference Room B.

**9e) Committee Reports (Executive Committee, Policies & Procedures, Work Plan Ad Hoc)** None

**9f) Commissioners Reports, Comments or Questions** (Video Time: 28:55)

Commissioner Ward requested an update on the delay in receiving MUNIS reports regarding account receivables since June 2022 from the County Auditor-Controller and Chair Mulheren noted that they have been working on end-of-year reporting and suggested that EO Hinman contact the County Executive Office fiscal team for assistance.

Commissioner Rodin requested a summary of the Special District Commission Seat Nomination/Election process. EO Hinman explained that LAFCo staff administers the process on behalf of the Special District Selection Committee, which begins with a notice to all districts via certified mail requesting Board of Directors' nominations. If a single nomination is received then that individual is automatically appointed and no election is required. If multiple nominations are received, the EO administers the election and a ballot is mailed to each district for Board of Directors' voting and submittal. A quorum of ballots (25 of the 49 independent special districts) is required for a valid election. If a quorum is not received, the voting period is automatically extended by 60 days. LAFCo staff sends out reminders every two weeks to districts throughout the process, and Commissioners and agency staff are encouraged to assist in outreach to districts.

**ADJOURNMENT** (Video Time: 34:59)

There being no further business, the meeting adjourned at 9:29 a.m. The next regular meeting of the Commission is scheduled on Monday, February 6, 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.

*Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. [January 9, 2023, YouTube meeting recording](#). Links to recordings and approved minutes are also available on the [LAFCo website](#).*



# MENDOCINO Local Agency Formation Commission Staff Report

DATE: March 6, 2023  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Claims and Financial Report for January 2023**

**RECOMMENDED ACTION**

Approve the January 2023 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 14,085.00	\$ 18,480.97
	5601 Office Supplies (QB, Adobe Acrobat)	\$ 324.88	
	5700 Internet (Comcast)	\$ 197.34	
	6200 Bookkeeping	\$ 385.00	
	8030 Ukiah/UVSD OASA	\$ 3,488.75	
P. Scott Browne	6300 Legal Counsel (Monthly flat fee)	\$ 900.00	\$ 2,205.00
	8030 Ukiah/UVSD OASA	\$ 1,305.00	
Commissioner Stipends	6740 In-County Travel & Stipends		\$ 199.13
	Weinkle (December, January)	\$ 100.00	
	Christen (January)	\$ 99.13	
Pehling (PNP CPA)	6100 Audit Services	\$ 1,875.00	\$ 1,875.00
Streamline	5700 Website Hosting	\$ 50.00	\$ 50.00
Ukiah Daily Journal	8030 Publications and Legal Notices (OASA)	\$ 99.59	\$ 99.59
Ukiah Valley Conf. Center	5500 Office Space	\$ 555.00	\$ 577.50
	5600 Postage and copies	\$ 22.50	
<b>Total:</b>			<b>\$ 23,487.19</b>

**Deposits:** None

**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.*

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	\$ 577.34	\$ 2,075.00	\$ -	\$ -	\$ 2,075.00	\$ -	\$ 3,502.34	\$ (3,502.34)
4910	INTEREST	\$ 100.00	\$ 26.65	\$ 26.38	\$ 2.95			\$ 2.95	\$ -	\$ 55.98	\$ 44.02
Income/Fees Subtotals		\$ 265,100.00	\$ 60,876.65	\$ 60,603.72	\$ 2,077.95	\$ -	\$ -				
8000	APPLICATIONS	PRIOR FY DEPOSITS								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
8601	Sustainable Ag Lands Committee Grant	\$ 3,225.00	\$ 2,525.00	\$ -				\$ -	\$ -	\$ 2,525.00	\$ 5,750.00
Application Subtotals			\$ 4,525.00	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,025.00	\$ 47,282.75
REVENUE TOTAL			\$ 65,401.65	\$ 63,103.72	\$ 2,077.95	\$ -	\$ -	\$ -	\$ -	\$ 7,025.00	\$ 7,025.00
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			\$ 14,085.00	\$ -	\$ 57,450.00	\$ 67,650.00
	Unfunded Mandates (Public Records Requests)		\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
5500	Rent	\$ 6,500.00	\$ 1,590.00	\$ 1,590.00	\$ 555.00			\$ 555.00	\$ -	\$ 3,735.00	\$ 2,765.00
5600	Office Expenses	\$ 3,300.00	\$ 1,046.85	\$ 542.18	\$ 347.38			\$ 347.38	\$ -	\$ 1,936.41	\$ 1,363.59
5700	Internet & Website Costs	\$ 2,500.00	\$ 431.01	\$ 431.01	\$ 247.34			\$ 247.34	\$ -	\$ 1,109.36	\$ 1,390.64
5900	Publication & Legal Notices	\$ 2,000.00	\$ -	\$ 400.01				\$ -	\$ -	\$ 400.01	\$ 1,599.99
6000	Televising Meetings	\$ 2,000.00	\$ 230.10	\$ 501.05				\$ -	\$ -	\$ 731.15	\$ 1,268.85
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	\$ -	\$ 2,310.00	\$ 2,190.00
6300	Legal Counsel (\$ Browne)	\$ 19,000.00	\$ 2,700.00	\$ 2,700.00	\$ 900.00			\$ 900.00	\$ -	\$ 6,300.00	\$ 12,700.00
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				\$ -	\$ -	\$ 1,789.64	\$ 210.36
6740	In-County Travel & Stipends	\$ 4,000.00	\$ -	\$ -	\$ 199.13			\$ 199.13	\$ -	\$ 199.13	\$ 3,800.87
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	\$ 40,444.70	\$ 18,593.85	\$ -	\$ -	\$ 18,593.85	\$ -	\$ 111,126.89	
8000	APPLICATIONS	TOTAL DEPOSITS TD								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				\$ -	\$ -	\$ 3,753.75	\$ 1,246.25
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			\$ 6,968.34	\$ -	\$ 7,905.84	\$ (5,405.84)
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			\$ 4,793.75	\$ -	\$ 9,638.75	
Service Fees Overhead (OH) Subtotal			\$ 850.00	\$ 454.97	\$ 2,075.00	\$ -	\$ -	\$ 2,075.00	\$ -	\$ 3,379.97	
Application Expenses Total			\$ 6,257.50	\$ 1,485.00	\$ 6,968.34	\$ -	\$ -	\$ 6,968.34	\$ -	\$ 14,710.84	
EXPENSES TOTAL			\$ 58,345.84	\$ 41,929.70	\$ 25,562.19	\$ -	\$ -	\$ 25,562.19	\$ -	\$ 125,837.73	
MONTHLY CLAIMS TOTAL (not including OH fees)			\$ 57,495.84		\$ 23,487.19	\$ -	\$ -				

FY 2022-23 YEAR TO DATE FINANCIAL SUMMARY		
	BUDGET	ACTUAL TO DATE
<b>REVENUE TOTALS</b>	<b>\$ 265,100.00</b>	<b>\$ 127,080.98</b>
Operating Income (Apportions)	\$ 265,000.00	\$ 120,000.00
Interest	\$ 100.00	\$ 55.98
Miscellaneous	\$ -	
Applications & SALC	\$ -	\$ 7,025.00
<b>EXPENSES TOTALS</b>	<b>\$ 263,800.00</b>	<b>\$ (125,837.73)</b>
Basic Services (Staffing)	\$ 125,100.00	\$ (57,450.00)
Services and Supplies	\$ 68,700.00	\$ (30,533.14)
Work Plan (MSRs and SOIs)	\$ 70,000.00	\$ (23,143.75)
Applications & SALC		\$ (14,710.84)
<b>ACCOUNT BALANCES</b>		
<b>CASH AVAILABLE</b>		<b>\$ 209,396</b>
County of Mendocino (Projected; statement unavailable)		\$ 145,000
Operations (Checking)		\$ 64,396
<b>RESERVES</b>		<b>\$ 115,995</b>
Legal Reserve		\$ 50,000
Operations Reserve		\$ 65,995
<b>CONTINGENCIES</b>		<b>\$ 30,815</b>
Work Plan		\$ 30,815
<b>Accounts Total</b>		<b>\$ 356,206</b>

**Mendocino LAFCo**  
**FY 2022-23 Estimated Work Plan Implementation Schedule and Cost Tracking**  
 February 6, 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 <sup>1</sup>	Previous FY Expenses	FY 2022-23 Budget	FY 2022-23 Expenses	Total Cost to Date <sup>2</sup>
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
					<b>Estimated Total</b>			<b>\$70,000</b>	<b>\$23,144</b>	

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

<sup>2</sup> 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** February 1, 2023 **Invoice No.** 729  
**To** Mendocino LAFCo **Invoice Total** \$ 18,480.97  
**Project** Executive Officer Services  
**Work Period** January 1 - January 31, 2023

Account Description	Staff/Hours			Other (At Cost)	Totals
	Executive Officer \$110	Analyst \$75	Clerk \$40		
5300 Basic Services Public Records Act Requests	114.75	19.50			\$ 14,085.00
5601 Office Supplies Quickbooks Online Fee				\$ 85.00	\$ 324.88
Adobe Acrobat Pro				\$ 239.88	
5700 Internet & Website Costs (Comcast)				\$ 197.34	\$ 197.34
6200 Bookkeeping	3.50				\$ 385.00
7000 Work Plan (MSR/SOI/Special Studies)					
8030 City of Ukiah/UVSD OASA	10.75	30.75			\$ 3,488.75
<b>Totals</b>	<b>\$ 14,190.00</b>	<b>\$ 3,768.75</b>	<b>\$ -</b>	<b>\$ 522.22</b>	<b>\$ 18,480.97</b>

**5300 Basic Services**

Administrative tasks, file research and maintenance of official records and files. January claims. Agenda packet development for January 9 Commission and Executive Committee meetings. Communications with Commissioners. Respond to numerous public inquiries, etc. Finalized the 2022 special district election and initiated a special district election process for the remainder of the 2021-2024 regular seat term. Welcome and introductory emails and materials to new Commissioners Christen and elected Commissioner Horsley. Drafted and distributed an RFP and review process for Legal Services. Policy development addressing AB 2449. Distributed notice of February 6 meeting cancelation. Coordinated with UVCC regarding the annual contract for the office lease. Worked with Pehling to finalize the FY 2021-22 audit; coordinated with Treasurer. Submitted BOS Chambers reservation request to County for 2023 Commission meeting dates.

**6200 Bookkeeping**

Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks.

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

**8030 City of Ukiah/ UVSD Out of Agency Extension of Wastewater Services**

Prepared staff report and presentation materials for the January 9th public hearing; coordinated with applicants and LAFCo legal counsel. Drafted revised staff report and recommendations and coordinated with applicants and Legal Counsel.

**From:** Intuit QuickBooks Team <No\_Reply@notifications.intuit.com>  
**Sent:** Thursday, January 19, 2023 3:57 AM  
**To:** eo@mendolafco.org  
**Subject:** We received your QuickBooks subscription payment!

**Flag Status:** Flagged



## Payment success

Executive Officer, thank you for your payment.

**Invoice number:**  
10001204104187  
**Invoice date:** 01/19/2023  
**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.

# COMCAST BUSINESS

## Mendocino Lafco

Account number  
**8155 30 052 0354952**

For service at:  
200 S SCHOOL ST STE K  
UKIAH CA 95482-4828

Bill date Jan 09, 2023  
Services from Jan 14, 2023 to Feb 13, 2023

Page 1 of 5

### Your monthly account summary

Previous balance	93.67
No payment received	0.00
Balance forward	93.67
<b>New charges</b>	
Comcast Business services	91.90
Other charges and credits	10.00
Taxes and fees	1.77

Thanks for choosing Comcast Business

Balance forward	\$93.67
New charges due Jan 31, 2023	\$103.67
<b>Total amount due</b>	<b>\$197.34</b>



### ! Your account is past due

You have an unpaid balance on your account that is now due. To maintain your services and avoid an additional \$10.00 late fee, please pay the unpaid balance immediately.

### ➔ Manage your services online

Your Comcast Business account online is the one-stop destination to pay your bill and manage your services. Visit [business.comcast.com/myaccount](https://business.comcast.com/myaccount).

### Service updates

See the "additional information" section for upcoming service updates.

Detach the bottom portion of this bill and enclose with your payment

Please write your account number on your check or money order

# COMCAST BUSINESS

9602 S 300 W. STE B SANDY UT 84070-3302  
8633 0500 NO RP 09 01102023 NNNNNYNN 01 000521 0003

MENDOCINO LAFCO  
ATTN UMA HINMAN  
200 S SCHOOL ST STE K  
UKIAH, CA 95482-4828

Account number **8155 30 052 0354952**  
Balance forward **\$93.67**  
New charges due Jan 31, 2023 **\$103.67**

**Please pay**

**\$197.34**

Amount enclosed

\$

Make checks payable to Comcast Do not send cash



COMCAST  
PO BOX 60533  
CITY OF INDUSTRY CA 91716-0533



815530052035495200197343

Pg 15 of 130

**From:** Comcast Business <online.communications@alerts.comcast.net>  
**Sent:** Monday, January 30, 2023 2:08 PM  
**To:** eo@mendolafco.org  
**Subject:** Thank you for your recent payment

Important Information About Your Comcast Business Account

## COMCAST BUSINESS

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### Thank you for your recent payment.

---

This email confirms that you have authorized Comcast Business to charge \$197.34 to the Visa specified below. It may take up to three days to process your payment.

We recommend saving this email for your records. You can also sign in to [My Account](#) to view your invoices, review your payment history, and manage services.

**Account Number Ending in:** \*\*\*\*\*  
**Payment Date:** 1/30/2023  
**Payment Amount:** \$197.34  
**Name:** Uma Hinman  
**Payment Method:** Visa  
**Payment Method Account Ending in:** \*\*\*\*\*  
**Confirmation Number:** 6779838954

Need help? Visit [business.comcast.com/help](https://business.comcast.com/help) or call 1-800-391-3000. Customer support is available 24/7.

Thank you for being a valued Comcast Business customer.

Sincerely,

Comcast Business





Adobe Inc.  
 345 Park Avenue  
 San Jose CA 95110-2704  
 United States  
 Federal Tax ID: 77-0019522

ORIGINAL

**Invoice Information**

Invoice Number 2354875325  
 Invoice Date 12-JAN-2023  
 Payment Terms Credit Card  
 Purchase Order ADD059607682  
 Order Number 7032500207  
 Customer Number 1219979539  
 Currency USD

**Bill To**

**Uma Hinman**  
 Mendocino LAFCo  
 PO Box 1251  
 CA 95924

# INVOICE

## Item Details

**Service Term: 12-JAN-2023 to 11-JAN-2024**

PRODUCT NUMBER	PRODUCT DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	NET AMOUNT	TAX RATE	TAXES	TOTAL
30000065	Acrobat Pro	1	EA	239.88	239.88	0.00%	0.00	239.88

## Invoice Total

NET AMOUNT (USD)	239.88
TAXES (SEE DETAILS FOR RATES)	0.00
<b>GRAND TOTAL (USD)</b>	<b>239.88</b>

Comments:

**Billing Contact**

<https://helpx.adobe.com/contact.html>

Thank you for your business!

**From:** clerk@mendolafco.org  
**Sent:** Monday, December 12, 2022 9:33 AM  
**To:** eo@mendolafco.org  
**Subject:** FW: Your subscription is about to renew

**Flag Status:** Flagged

---

**From:** Adobe <message@adobe.com>  
**Sent:** Monday, December 12, 2022 2:23 AM  
**To:** clerk@mendolafco.org  
**Subject:** Your subscription is about to renew



## Your Acrobat Pro subscription price is changing.

Dear Kristen Meadows,

Thank you for being a valued Acrobat Pro subscriber. We want to share an important update about your Adobe Acrobat Pro subscription price.

We are updating our price of Acrobat Pro from USD179.88 annually to USD239.88 (plus tax, as applicable\*) annually which will be reflected at your next renewal date.

Your subscription will renew automatically on **12-January-2023 (PT)** and you will be charged the new subscription price annually. Your subscription will automatically renew annually until you cancel (price subject to change). You may cancel at any time via your [Adobe Account](#) or [Customer Support](#).

Your Adobe Team



[Sign in](#)

[Learn](#)

[Support](#)

\*Please note that the Tax/VAT stated is an estimate. Your renewal invoice will reflect the final amount billed based on the subtotal of products and services, applicable taxes in your state, country, jurisdiction or territory, as well as your tax exempt status, if applicable.

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Adobe, 345 Park Avenue, San Jose, CA 95110 USA.

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

January 15, 2023

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

**Invoice Number: 1216**  
Invoice Period: 12-16-2022 - 01-15-2023

Payment due by the 15th of next month.

**RE: Mendocino LAFCo - General**  
Mendocino LAFCo - General

**Mendocino LAFCo - General**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
12-16-2022	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement	
01-04-2023	MB	Meeting with executive officer and Analyst regarding agendas.	0.50
01-09-2023	MB	Prep for and attend LAFCo regular meeting; attend Ex Comm meeting.	1.40
01-11-2023	MB	Research regarding AB 2449; research regarding policy changes.	0.40
01-13-2023	PSB	Participate in Legislative Committee meeting, time split among all LAFCo clients.	0.50
			<b>Total</b> 900.00
			<b>Total for this Invoice</b> 900.00
			<b>Total Amount to Pay</b> 1,800.00

We appreciate your business.

Page 1 of 2

# Project Statement of Account

As of 01-15-2023

<b>Project</b>		<b>Balance Due</b>
Mendocino LAFCo - General		1,800.00
	<b>Total Amount to Pay</b>	<b>1,800.00</b>

## Mendocino LAFCo - General

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
12-15-2022	Previous Balance			1,800.00
01-15-2023	Payment Received - Reference Check # 1828			(900.00)
01-15-2023	Payment Applied	900.00	1205	
01-15-2023	Invoice 1216			900.00
			<b>Balance</b>	<b>1,800.00</b>

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

February 02, 2023

Mendocino LAFCo  
 0-2022-03 OSA Project  
 200 South School St., Suite F  
 Ukiah, CA 95482

Payment due by the 15th of the next month.

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
01-03-2023	MB	Telephone conference with Analyst regarding out of boundary service extension application.	0.40	225.00	90.00
01-05-2023	MB	Meetings and analysis on LAFCo file no. O-2022-03.	3.60	225.00	810.00
01-06-2023	MB	Review messages from City and UVSD; call with executive officer and Analyst (x2); research LAFCo file no. O-2022-03.	1.80	225.00	405.00
<b>Total</b>					1,305.00

**Time Summary**

<b>Staff Member</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Marsha Burch	5.80	225.00	1,305.00
<b>Total</b>			1,305.00

<b>Total for this Invoice</b>	1,305.00
<b>Current Account Balance</b>	1,305.00
Trust Balance	0.00
<b>Total Amount to Pay</b>	<b>1,305.00</b>

# Project Statement of Account

As of 02-02-2023

<b>Project</b>	<b>Invoices / Credits</b>	<b>Trust</b>	<b>Balance Due</b>
OASA	1,305.00		1,305.00
	<b>Total Amount to Pay</b>		<b>1,305.00</b>

## OASA

### Open Invoices and Credits

<b>Date</b>	<b>Transaction</b>	<b>Amount</b>	<b>Applied</b>	<b>Balance</b>
02-02-2023	Invoice 1217	1,305.00		1,305.00
			<b>Balance</b>	<b>1,305.00</b>

# MENDOCINO Local Agency Formation Commission Staff Report

DATE: March 6, 2023  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Claims and Financial Report for February 2023**

**RECOMMENDED ACTION**

Approve the February 2023 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 11,523.75	\$ 12,183.62
	5601 Office Supplies (QB, Dropbox, MS365)	\$ 274.87	
	6200 Bookkeeping	\$ 385.00	
P. Scott Browne	6300 Legal Counsel (Monthly flat fee)	\$ 900.00	\$ 1,325.00
	8030 Ukiah/UVSD OASA	\$ 425.00	
Comcast	5700 Internet	\$ 99.66	\$ 99.66
Streamline	5700 Website Hosting	\$ 50.00	\$ 50.00
Mendocino County	6000 Televising Meetings (December)	\$ 191.70	\$ 825.24
	6670 GIS (December)	\$ 633.54	
Ukiah Valley Conf. Center	5500 Office Space	\$ 555.00	\$ 555.00
	5600 Postage and copies		
<b>Total:</b>			<b>\$ 15,038.52</b>

**Deposits:** Comcast refund \$93.67

**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.*



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	\$ 684.87	\$ 2,075.00	\$ -	\$ -	\$ 2,075.00	\$ -	\$ 3,609.87	\$ (3,609.87)
4910	INTEREST	\$ 100.00	\$ 26.65	\$ 26.38	\$ 2.95			\$ 2.95	\$ -	\$ 55.98	\$ 44.02
Income/Fees Subtotals		\$ 265,100.00	\$ 60,876.65	\$ 60,711.25	\$ 2,077.95	\$ -	\$ -				
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
8601	Sustainable Ag Lands Committee Grant	\$ 3,225.00	\$ 2,525.00	\$ -				\$ -	\$ -	\$ 2,525.00	\$ 5,750.00
Application Subtotals			\$ 4,525.00	\$ 2,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,025.00	\$ 47,282.75
REVENUE TOTAL			\$ 65,401.65	\$ 63,211.25	\$ 2,077.95	\$ -	\$ -	\$ -	\$ -	\$ 7,025.00	\$ 7,025.00
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		\$ 25,608.75	\$ -	\$ 68,973.75	\$ 56,126.25
	Unfunded Mandates (Public Records Requests)		\$ -	\$ -				\$ -	\$ -	\$ -	\$ -
5500	Rent	\$ 6,500.00	\$ 1,590.00	\$ 1,590.00	\$ 555.00	\$ 555.00		\$ 1,110.00	\$ -	\$ 4,290.00	\$ 2,210.00
5600	Office Expenses	\$ 3,300.00	\$ 1,046.85	\$ 542.18	\$ 347.38	\$ 274.87		\$ 622.25	\$ -	\$ 2,211.28	\$ 1,088.72
5700	Internet & Website Costs	\$ 2,500.00	\$ 431.01	\$ 431.01	\$ 153.67	\$ 149.66		\$ 303.33	\$ -	\$ 1,165.35	\$ 1,334.65
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		\$ 191.70	\$ -	\$ 922.85	\$ 1,077.15
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		\$ 770.00	\$ -	\$ 2,695.00	\$ 1,805.00
6300	Legal Counsel (S Browne)	\$ 19,000.00	\$ 2,700.00	\$ 2,700.00	\$ 900.00	\$ 900.00		\$ 1,800.00	\$ -	\$ 7,200.00	\$ 11,800.00
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			\$ 199.13	\$ -	\$ 199.13	\$ 3,800.87
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	\$ 40,552.23	\$ 18,500.18	\$ 14,613.52	\$ -	\$ 33,113.70	\$ -	\$ 125,754.27	
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				\$ -	\$ -	\$ 3,753.75	\$ 1,246.25
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		\$ 7,393.34	\$ -	\$ 8,330.84	\$ (5,830.84)
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		\$ 5,218.75	\$ -	\$ 10,063.75	
Service Fees Overhead (OH) Subtotal			\$ 850.00	\$ 562.50	\$ 2,075.00	\$ -	\$ -	\$ 2,075.00	\$ -	\$ 3,487.50	
Application Expenses Total			\$ 4,772.50	\$ 1,485.00	\$ 6,968.34	\$ 425.00	\$ -	\$ 7,393.34	\$ -	\$ 13,650.84	
EXPENSES TOTAL			\$ 56,860.84	\$ 42,037.23	\$ 25,468.52	\$ 15,038.52	\$ -	\$ 40,507.04	\$ -	\$ 139,405.11	
MONTHLY CLAIMS TOTAL (not including OH fees)			\$ 56,010.84		\$ 23,393.52	\$ 15,038.52	\$ -				

**FY 2022-23 YEAR TO DATE FINANCIAL SUMMARY**

	<b>BUDGET</b>	<b>ACTUAL TO DATE</b>	<b>BALANCE</b>
<b>REVENUE TOTALS</b>	\$ 265,100.00	\$ 127,080.98	\$ 138,030.98
Operating Income (Apportions)	\$ 265,000.00	\$ 120,000.00	\$ 145,000.00
Interest	\$ 100.00	\$ 55.98	\$ 55.98
Miscellaneous	\$ -		
Applications & SALC	\$ -	\$ 7,025.00	\$ (7,025.00)
<b>EXPENSES TOTALS</b>	\$ 263,800.00	\$ (139,405.11)	\$ 124,394.89
Basic Services (Staffing)	\$ 125,100.00	\$ (68,973.75)	\$ 56,126.25
Services and Supplies	\$ 68,700.00	\$ (33,636.77)	\$ 35,063.23
Work Plan (MSRs and SOIs)	\$ 70,000.00	\$ (23,143.75)	\$ 46,856.25
Applications & SALC		\$ (13,650.84)	\$ 5,712.16
<b>ACCOUNT BALANCES</b>			
<b>CASH AVAILABLE</b>			\$ 185,009
County of Mendocino (Projected; statement unavailable)			\$ 145,000
Operations (Checking per Quickbooks)			\$ 40,009
<b>RESERVES</b>			\$ 116,002
Legal Reserve			\$ 50,000
Operations Reserve			\$ 66,002
<b>CONTINGENCIES</b>			\$ 30,815
Work Plan			\$ 30,815
		<b>Accounts Total</b>	\$ 331,826

**Mendocino LAFCo**  
**FY 2022-23 Estimated Work Plan Implementation Schedule and Cost Tracking**  
 March 6, 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 <sup>1</sup>	Previous FY Expenses	FY 2022-23 Budget	FY 2022-23 Expenses	Total Cost to Date <sup>2</sup>
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
					<b>Estimated Total</b>			<b>\$70,000</b>	<b>\$23,144</b>	

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

<sup>2</sup> 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

<b>Date</b>	March 1, 2023	<b>Invoice No.</b>	<b>731</b>
<b>To</b>	Mendocino LAFCo	<b>Invoice Total</b>	<b>\$ 12,183.62</b>
<b>Project</b>	Executive Officer Services		
<b>Work Period</b>	February 1 - February 28, 2023		

Account Description	Staff/Hours			Other (At Cost)	Totals
	Executive Officer \$110	Analyst \$75	Clerk \$40		
5300 Basic Services Public Records Act Requests	81.75	33.75			<b>\$ 11,523.75</b>
5601 Office Supplies					
Quickbooks Online Fee				\$ 85.00	\$ 274.87
Dropbox Annual Fee				\$ 119.88	
Microsoft 365 Annual Fee				\$ 69.99	
6200 Bookkeeping	3.50				<b>\$ 385.00</b>
<b>Totals</b>	<b>\$ 9,377.50</b>	<b>\$ 2,531.25</b>	<b>\$ -</b>	<b>\$ 274.87</b>	<b>\$ 12,183.62</b>

### 5300 Basic Services

Administrative tasks, file research and maintenance of official records and files. February claims. Agenda packet development for February 16 Policies & Procedures Committee meetings. Agenda packet development for March 6, 2023 regular Commission meeting. Inquiries regarding the new special district election process for the remainder of the 2021-2024 regular seat term. Welcome and introductory emails and materials to new Commissioner Crane. Manage the RFP and review process for Legal Services. Policy development addressing AB 2449. Responded to inquiries on special district formation and annexation/detachments. Met with Hopland Cemetery District board member to hear progress made by district and discuss ways to gain efficiencies of management and operations.

### 6200 Bookkeeping

Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks.

**From:** Intuit QuickBooks Team <No\_Reply@notifications.intuit.com>  
**Sent:** Sunday, February 19, 2023 7:31 AM  
**To:** eo@mendolafco.org  
**Subject:** We received your QuickBooks subscription payment!



## Payment success

Executive Officer, thank you for your payment.

**Invoice number:**  
10001210234349  
**Invoice date:** 02/19/2023  
**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.

**Dropbox Inc.**  
1800 Owens St  
San Francisco, CA 94158  
United States  
billing-support@dropbox.com

## Receipt for clerk@mendolafco.org

Payment	Date	Amount	Receipt ID
Visa ending in approved	2/7/2023	\$119.88	D5BQP8N3QP52

Description	Amount
Dropbox Plus - 2TB (2/7/2023 to 2/7/2024)	\$119.88
<b>Total</b>	<b>\$119.88</b>

All amounts shown are in USD. This is not an invoice. No additional payment is required.



### Microsoft 365 Personal

\$69.99 | Subscription

Completed

[Manage subscription](#)

**Total \$69.99**

Paid with Visa \*\*

[Hide details](#) ^

#### Shipping details

Uma Hinman  
200 S. School St.  
Ukiah, CA, 95482-4828  
US

#### Billing details

Subtotal	\$69.99
Tax	\$0.00
<b>Total</b>	<b>\$69.99</b>
<b>Paid with</b>	<b>Visa **</b>

Related links: [Print order](#) [Order help](#)

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

February 15, 2023

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

**Invoice Number: 1228**  
Invoice Period: 01-16-2023 - 02-15-2023

Payment due by the 15th of next month.

**RE: Mendocino LAFCo - General**  
Mendocino LAFCo - General

**Mendocino LAFCo - General**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	
01-16-2023	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement		
01-17-2023	PSB	Participate in CALAFCO staff workshop planning session (Time split between all LAFCo clients).	0.30	
01-18-2023	PSB	CALAFCo Review and revise indemnification legislation language (Time split between all LAFCo clients).	0.20	
01-19-2023	PSB	CALAFCo Board meeting; Review and respond to emails ( Time split between all LAFCo clients).	0.25	
01-24-2023	PSB	CALAFCo Workshop planning meeting (Time split between all LAFCo clients)	0.25	
01-25-2023	MB	Meeting with EO and Analyst	1.20	
01-30-2023	MB	Review message re: CSA 3 - Sherwood Road; Message to EO and Analyst	0.20	
02-01-2023	WJC	Complete and Submit Form 700 for filing	0.50	
02-13-2023	MB	Review draft policy re: AB 2449; Review agenda for policy committee; Respond to question re: possible agreement between LAFCo and City	0.50	
			<b>Total</b>	900.00

**Total for this Invoice** 900.00

We appreciate your business.

Page 1 of 3





# Project Statement of Account

As of 02-15-2023

<b>Project</b>		<b>Balance Due</b>
Mendocino LAFCo - General		900.00
	<b>Total Amount to Pay</b>	<b>900.00</b>

## Mendocino LAFCo - General

### Transactions

<b>Date</b>	<b>Transaction</b>	<b>Applied</b>	<b>Invoice</b>	<b>Amount</b>
01-15-2023	Previous Balance			1,800.00
02-15-2023	Payment Received - Reference Check # 1816			(900.00)
02-15-2023	Payment Applied	900.00	1187	
02-15-2023	Payment Received - Reference Check # 1834			(900.00)
02-15-2023	Payment Applied	900.00	1218	
02-15-2023	Invoice 1228			900.00
			<b>Balance</b>	<b>900.00</b>

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

February 15, 2023

Mendocino LAFCo  
 0-2022-03 OSA Project  
 200 South School St., Suite F  
 Ukiah, CA 95482

Payment due by the 15th of the next month.

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
01-31-2023	MB	Meeting with EO and Analyst re: OASA staff report and resolution; Research	0.80	250.00	200.00
02-02-2023	MB	Meeting with EP and Analyst re: OASA3	0.50	250.00	125.00
02-08-2023	MB	Telephone conerence with EO re: OASA issues with City	0.40	250.00	100.00
<b>Total</b>					425.00

**Time Summary**

<b>Staff Member</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Marsha Burch	1.70	250.00	425.00
<b>Total</b>			425.00

<b>Total for this Invoice</b>	425.00
<b>Previous Invoice Balance</b>	1,305.00
<b>Current Account Balance</b>	1,730.00
Trust Balance	0.00
<b>Total Amount to Pay</b>	<b>1,730.00</b>

# Project Statement of Account

As of 02-15-2023

Project	Invoices / Credits	Trust	Balance Due
OASA	1,730.00		1,730.00
	<b>Total Amount to Pay</b>		<b>1,730.00</b>

## OASA

### Open Invoices and Credits

Date	Transaction	Amount	Applied	Balance
02-02-2023	Invoice 1217	1,305.00		1,305.00
02-15-2023	Invoice 1229	425.00		425.00
			<b>Balance</b>	<b>1,730.00</b>

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2022 and 2021**

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY  
FINANCIAL STATEMENTS  
JUNE 30, 2021 & 2022**

**TABLE OF CONTENTS**

Management Discussion and Analysis	1
Independent Auditor's Report	5
Financial Statements	
Statement of Net Position and Governmental Funds Balance Sheet	7
Statement of Activities	8
Notes to the Financial Statements	9
Supplementary Information	
Budgetary Comparison Schedule-General Fund	15

# **Mendocino Local Agency Formation Commission Management Discussion & Analysis of Fiscal Years Ending June 30, 2022 & 2021**

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

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

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

The Commission also maintains a reserves account for holding funds for legal and operational contingencies. Commission policies specify a minimum legal reserve of \$35,000 and an operational reserve of 25% of the operational budget (Mendocino LAFCo Policy 5.1.5). Although the Commission did not revise the legal reserve policy, during Fiscal Year 2020/2021, the Commission directed staff to increase legal reserves to \$50,000. That direction remained unchanged in FY 2021/2022.

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

## **2. Comparative Financial Information**

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

For several years the Commission relied on excess reserves resulting from underutilized work plan budget to balance the budget, thereby adopting lower apportionment fees. The excess reserves were exhausted in Fiscal Year 2018/2019 and the Commission began to increase apportionment fees annually to work towards adoption of a balanced annual budget. Apportionment fees in Fiscal Years 2018/2019 and 2019/2020 were adopted at \$135,000 and increased to \$150,000 with the Fiscal Year 2020/2021 budget. In FY 2021/2022, apportionment fees were increased to \$265,000 for a balanced annual budget and to meet Commission direction to increase the legal reserves to \$50,000.

### 3. Condensed Financial Information

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

#### Statement of Net Position June 30, 2022 & 2021

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash	174,896	93,985
Accounts Receivable	110	2,986
Total Assets	175,005	96,971
Liabilities	30,749	20,990
Total Net Position	144,257	75,980

#### Statement of Activities June 30, 2022 & 2021

	<b>2022</b>	<b>2021</b>
Program Expenses	229,875	192,650
Program Revenues	297,626	173,718
Net Program Income	67,650	(18,794)
General Revenue	627	337
Increase in Net Position	68,277	(18,457)
Net Position-July 1	75,980	94,437
Net Position-June 30	144,257	75,980

### 4. LAFCo's Overall Financial Position

The particular financial circumstances of LAFCo are different from most public agencies. LAFCo has no authority to tax, borrow or enter into capital projects. It does have the power to assess fees for applications and services provided. By law, fees can only be the actual, direct costs of providing the service, and cannot be used to fund the operating costs of LAFCo. The primary expenditures for the budget are paid by the participating agencies rather than from fees, taxes or assessments on property. LAFCo has no debt. Its primary monetary assets are its reserve funds. At end of Fiscal Year 2021/2022, general reserve funds were at \$115,968.



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

Following is the adopted budget for Fiscal Year 2021/2022, which was adopted by the Commission in June 2021 (LAFCo Resolution No. 2020-21-08).

<b>Commission's Final Budget Fiscal Year 2021/2022</b>			
	Quick Books		Fiscal Year
Line #	Account #	Description	2021/2022
<b>Revenue</b>			
1	4000	LAFCo Apportionment Fees	\$ 265,000
2	4030	Application Filing Fees	-
3	4800	Miscellaneous	-
4	4910	Interest Income	100
5		<b>Total</b>	\$ 265,100
6		<b>Use of Residual Cash</b>	-
7		<b>Total Income</b>	\$ 265,100
<b>Expenses</b>			
8	5300	Contract Services - Office & Staff	108,000
9	5500	Office Rent	5,775
10	5600	Office Expense	3,300
11	5700	Internet & Website Costs	2,500
12	5900	Publication & Legal Notices	2,000
13	6000	Televising Commission Meetings	2,000
14	6100	Audit Services	3,500
15	6200	Bookkeeping	4,500
16	6300	Legal Counsel	19,000
17	6400	A-87 Costs - County Services	2,100
18	6500	Insurance - General Liability	2,450
19	6600	Memberships (CALAFCO/CSDA)	3,525
20	6670	GIS Contract with County (Counsel training/IS Support)	2,500
20	6740	In-County Travel & Stipends	4,000
21	6750	Travel & Lodging	6,250
22	6800	Conferences (Registrations)	4,100
23	7000	Work Plan (MSRs and SOIs)	51,500
24	9000	Special District Training Support	
25		<b>Total Expenses before Application Fees</b>	\$ 227,000
26	8000	Application Filing Fees	-
27	8601	Special Project (SALC Grant Project)	-
28		<b>Total Expense</b>	\$ 227,000
28		Fund Balance	\$ 38,100
29		General Reserves (Legal & Operational)	\$ 106,750

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

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

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

Although the Commission did not revise the legal reserve policy, during Fiscal Year 2020/2021, the Commission directed staff to increase legal reserves to \$50,000. Commission direction remained unchanged in FY 2021/2022.

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

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

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

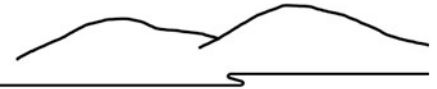
The Commission owns no land, buildings or infrastructure. Other than normal office furniture, filing cabinets, telephone, computer, and printer, the Commission has no physical assets. Paper and electronic records or past actions and activities are maintained in the LAFCo office, and from the date of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

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

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

## **10. Additional Financial Information**

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



**December 1, 2022**

Mendocino LAFCO

Ukiah, CA

**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of Mendocino LAFCO as of and for the year-ended June 30, 2022, as listed in the Table of Contents.

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

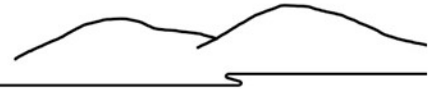
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and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

**Auditor's Responsibility**

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

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

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



**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mendocino LAFCO as of June 30, 2022, and the respective changes in financial position, and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

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

Zach Pehling, CPA’s

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF NET POSITION**  
**& GOVERNMENTAL FUNDS BALANCE SHEET**  
**AS OF JUNE 30, 2022 & 2021**

	Statement of Net			Statement of Net		
	General Fund	Adjustments Note 3	Position 2022	General Fund	Adjustments Note 3	Position 2021
<u>Assets</u>						
Cash - Note 2	\$ 174,896	\$ -	\$ 174,896	\$ 93,985	\$ -	\$ 93,985
Accounts Receivable	110	-	110	2,986	-	2,986
<b>Total Assets</b>	<b>\$ 175,006</b>	<b>\$ -</b>	<b>\$ 175,006</b>	<b>\$ 96,971</b>	<b>\$ -</b>	<b>\$ 96,971</b>
<u>Liabilities</u>						
Accounts Payable	18,302	-	18,302	16,615	-	16,615
Fees Received in Advance	12,448	-	12,448	4,376	-	4,376
<b>Total Liabilities</b>	<b>\$ 30,749</b>	<b>\$ -</b>	<b>\$ 30,749</b>	<b>\$ 20,991</b>	<b>\$ -</b>	<b>\$ 20,991</b>
<u>Fund Balance/Net Position</u>						
<u>Fund Balances</u>						
Reserved for Legal	50,000	(50,000)	-	50,000	(50,000)	-
Reserved for Operating Reserve	56,750	(56,750)	-	40,506	(40,506)	-
Unassigned	37,507	(37,507)	-	(14,526)	14,526	-
<b>Total Fund Balance</b>	<b>\$ 144,257</b>	<b>\$ (144,257)</b>	<b>\$ -</b>	<b>\$ 75,980</b>	<b>\$ (75,980)</b>	<b>\$ -</b>
<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ 175,006</b>	<b>\$ (175,006)</b>	<b>\$ -</b>	<b>\$ 96,971</b>	<b>\$ (96,971)</b>	<b>\$ -</b>
<u>Net Position</u>						
Unrestricted		\$ 144,257	\$ 144,257		\$ 75,980	\$ 75,980
<b>Total Net Position</b>		<b>\$ 144,257</b>	<b>\$ 144,257</b>		<b>\$ 75,980</b>	<b>\$ 75,980</b>

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

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30, 2022 & 2021**

	2022	2021
<u>General Government - Planning</u>		
Insurance-General	\$ 2,601	\$ 2,815
Memberships	3,470	3,727
Audit Fees	3,520	3,380
Internet and Website Costs	1,976	1,780
Legal Counsel	12,768	17,017
Architect, Engineering and Planning Services	-	-
Professional Services	152,407	120,255
Rent	5,959	5,538
Office Expenses	2,790	3,655
Publication and Legal Notices	1,296	833
County Support Services (GIS)	1,469	603
Televising Commissioner Meetings	2,014	1,537
Bookkeeping-Financial	4,500	4,500
Professional Fees-Applications	32,157	24,508
Transportation and Travel Out of County	-	-
In-County Travel & Stipends	426	350
Miscellaneous Expense	2,624	2,015
Special District Training Support	-	-
	<b>229,977</b>	<b>192,512</b>
 <u>Program Revenues</u>		
Assessments	265,000	150,000
Application Fees & Reimbursements	32,626	23,718
	<b>297,626</b>	<b>173,718</b>
 Net Program Income	 67,650	 (18,794)
 <u>General Revenues</u>		
Interest Earnings	627	337
	627	337
 Total General Revenues	 627	 337
 Increase in Net Position	 68,277	 (18,457)
 Net Position - July 1,	 75,980	 94,437
 Net Position - June 30,	 \$ 144,257	 \$ 75,980
	<b>\$ 144,257</b>	<b>\$ 75,980</b>

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

**Mendocino Local Agency Formation Commission**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2022 & 2021**

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

**Organization**

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

**Accounting Policies**

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

**Basis of Presentation**

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

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

**Basis of Accounting**

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

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

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

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

## **Budget**

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

## **Deposits and Investments**

It is the Commission's policy for deposits and investments to either be insured by the FDIC or collateralized. The Commission's deposits and investments are categorized to give an indication of the level of risk assumed by the Commission as of June 30, 2022 and 2021. The categories are described as follows:

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

Deposits and Investments as of June 30, 2022 and 2021 consist of Category 1 type only.

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

## **Estimates**

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



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

## **Risk Management**

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

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

Equity is classified as net position and displayed as follows:

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

## **Equity Classifications – Fund Statements**

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

## **Note 2 – Cash**

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

The County’s investment policy as of July 7, 1997 prohibits the following: reverse repurchase agreements, collateralized mortgage securities, futures or options, lend securities or security with a stated or potential maturity longer than five years. Interest earnings recorded by the Commission for these funds for the fiscal year ended June 30, 2022 and 2021 were \$537 and \$255, respectively. The County of Mendocino issues a separate comprehensive annual financial report. Copies of the County of Mendocino’s annual financial report may be obtained from the County of Mendocino’s Auditor-Controller’s office, 501 Low Gap Road, Room 1080, Ukiah, CA 95482.

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

The Commission also maintains an account with Westamerica Bank used for holding reserve funds for legal and operational contingencies. Commission policies specify a minimum legal reserve of \$35,000 and an operational reserve of 25% of the operational budget. However, beginning in FY 2020/2021, the Commission directed an increase in legal reserves to \$50,000 in response to increases in complicated applications and work plan tasks. Interest income from Westamerica and Savings Bank of Mendocino accounts totaled \$90 for the year-ended June 30, 2022

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

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

### **Note 4 – Accounts Receivable**

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

### **Note 5 – Accounts Payable**

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

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

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

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

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

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

## **Note 8 – Risk Management**

The Commission is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets, errors and omissions; injuries to employees; and natural disasters. During FY 2021/2022 the Commission contracted insurance for liability, property, crime damage, and director insurance.

## **Note 9 – Contingencies**

As of June 30, 2022, the Commission had no pending litigation or potential nondisclosed liabilities that management believes would have a material effect on the financial statements.

## **Note 10 – Subsequent Events**

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

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

## **SUPPLEMENTAL INFORMATION**

**LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY**  
**BUDGETARY COMPARISONS SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Budgeted	Amounts	Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Beginning Budgetary Fund Balance	\$ 75,980	\$ 75,980	\$ 75,980	\$ -
<b>Resources (Inflows)</b>				
Assessments	265,000	265,000	265,000	-
Fees & Reimbursements	-	-	32,626	32,626
Miscellaneous	-	-	-	-
Interest Earnings	100	100	627	527
<b>Total Resources</b>	<b>265,100</b>	<b>265,100</b>	<b>298,254</b>	<b>33,154</b>
<b>Charges (Outflows)</b>				
Insurance-General	2,450	2,450	2,601	(151)
Memberships	3,525	3,525	3,470	55
Audit Services	3,500	3,500	3,520	(20)
Bookkeeping	4,500	4,500	4,500	-
Internet and Website Costs	2,500	2,500	1,976	524
Legal Counsel	19,000	19,000	12,768	6,232
Basic Services (Contract)	108,000	108,000	108,012	(12)
Office Rent	5,775	5,775	5,959	(184)
Office Expenses	3,300	3,300	2,790	510
Publication & Legal Notices	2,000	2,000	1,296	704
Televising Commission Meetings	2,000	2,000	2,014	(14)
A-87 Costs-County Services	2,100	2,100	2,462	(362)
In-County Travel & Stipends	4,000	4,000	426	3,574
Travel & Lodging	6,250	6,250	-	6,250
Conferences (Registrations)	4,100	4,100	-	4,100
Work Plan (MSR and SOI)	51,500	51,500	44,395	7,105
Contract Services-GIS Services	2,500	2,500	1,469	1,031
Misc Expenses (Special District Training Support, bank service charges)	-	-	162	(162)
Applications	-	-	32,157	(32,157)
<b>Total Charges</b>	<b>227,000</b>	<b>227,000</b>	<b>229,977</b>	<b>(2,977)</b>
<b>Ending Budgetary Net Position</b>	<b>\$ 114,080</b>	<b>\$ 114,080</b>	<b>\$ 144,257</b>	

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

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: March 23, 2023  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Ukiah Valley Conference Center Office Space Annual Lease**

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**RECOMMENDATION**

The Commission approve and authorize the Chair to sign the 2023 annual lease between the City of Ukiah and Mendocino LAFCo for Suite K in the Ukiah Valley Conference Center.

**BACKGROUND**

The Commission has leased an office space in the Ukiah Valley Conference Center (UVCC) since at least 2013. Each year, the City of Ukiah presents a renewal contract including updates rent rates per the original contract.

The increase in office rent is consistent with the contract, which allows for an annual increase of 5 percent. The 2023 rates for the office space are \$525 and the work room fee remains the same at \$30/month.

Attachment 2023 UVCC Lease

LEASE AGREEMENT  
BETWEEN THE CITY OF UKIAH  
And  
MENDOCINO COUNTY LOCAL AGENCY FORMATION COMMISSION

The Lease, made this first day of February 2023, by and between the City of Ukiah, hereinafter referred to as “Lessor” and the Mendocino County Local Agency Formation Commission, hereinafter referred to as “Lessee.”

**WITNESSETH:**

WHEREAS, Lessor does determine that the use of certain property owned by the Lessor is not requires for its use at this time and is available for lease;

NOW, THEREFORE, the parties hereto agree that on the terms and conditions hereinafter expressed, Lessor does hereby let to Lessee and Lessee does hereby hire from Lessor, approximately 200 square feet of the property and building located at 200 South School Street, Suite K in the City of Ukiah, County of Mendocino.

**1. TERM**

The term of this Lease shall be a maximum of 1 year (12 months), commencing on the date set forth above, through December 31, 2023. Both parties understand that the subject property is part of the Ukiah Valley Conference Center.

**2. RENT**

- 2.1 Rent for the leased premises Suite K shall be \$525.00 per month, payable on or before the fifth day of each month. If rent due under this paragraph is not received by Lessor on or before the tenth day of the month, lessee shall pay Lessor a late fee of 10% of monthly rent. The imposition of this fee is in addition to any other remedies Lessor may have for Lessee’s failure to pay rent when due under the terms of this Lease.
- 2.2 If the Lease is extended for one or more additional one-year terms under Section 1, at the commencement of each subsequent year, the rent shall be increased by 5% of the rent charged in the previous year.
- 2.3 Lessee shall also pay any real property, possessory interest or personal property taxes, and assessments imposed on the leased premises, property located on or affixed to the lease premises or as a result of the lease, use or ownership of the leased premises.

**3. USE, UTILITIES, REPAIRS, MAINTENANCE AND SHARED WORKSPACE**

- 3.1 The Premises shall be used for general office business to be conducted by Lessee. Lessee shall not use or store in the Premises any hazardous or toxic substances, with the sole exception of reasonably necessary substances that are kept in reasonable necessary quantities for normal office operation, provided that their use and storage are in accordance with applicable laws. Lessee shall not do or permit anything to be done on the Premises that will obstruct or interfere with the rights of other tenants of the Building or injure or annoy them, or use or allow the Premises to be used for any unlawful purposes, nor shall Lessee cause, maintain, or permit any nuisance or waste on or about the Premises.
- 3.1(a) At Lessee's sole cost, Lessee shall promptly comply with all laws and governmental rules now or later in force; with the requirements of any board of fire underwriters or other similar body now or in the future constituted; with any direction or occupancy certificate issued by public officers ("Legal Requirements"), insofar as they relate to the condition, use, or occupancy of the Premises. Excluded are (a) structural changes or changes to the electrical, mechanical, or plumbing systems of the Building, all to the extent not necessitated by Lessee's acts or by improvements made for Lessee, other than the tenant improvements to be made pursuant to this Lease by Lessor, if any; (b) alterations or improvements to the Building as a whole or the Premises of tenants generally that are not by law the tenant's responsibility with which to comply; and (c) work necessitated by defects in the construction of the Building. Lessor shall comply in a timely manner with all Legal Requirements that are not Lessee's responsibility under this Section to the extent noncompliance would adversely affect Lessee's use or occupancy of the Premises
- 3.1(b) Lessee shall comply with all rules adopted by Lessor regarding the use of the Building or the Premises which are furnished to Lessee in writing (copy of the current rules are attached hereto as Exhibit "A"). Lessor shall not be responsible to Lessee for the nonperformance of any of these rules by any other tenant or occupant of the Building, but Lessor shall take reasonable steps to enforce any rules, the nonperformance of which by other tenants materially and adversely affects Lessee in the use of the Premises. However, if any rule conflicts with any term, covenant, or condition of this Lease, this Lease shall prevail. In addition, no rules, or any subsequent amendments adopted by Lessor shall alter, reduce, or adversely affect any of Lessee's rights or enlarge Lessee's obligations under this Lease.



- 3.1(c) Lessor may enter the Premises at reasonable hours and, except in the event of an emergency, on reasonable prior notice, to: (a) inspect the Premises; (b) exhibit the Premises to prospective purchasers, lenders, or tenants; (c) determine whether Lessee is complying with all obligations under this Lease; (d) supply janitorial service and any other services to be provided by Lessor under this Lease; (e) post notices of no responsibility; and (f) make repairs or perform maintenance required of Lessor by this Lease, make repairs to any space or utility services, or make repairs alterations, or improvements to any other portion of the Building. However, all this work shall be done as promptly as reasonably possible and cause as little interference to Lessee as reasonably possible. Subject to Lessor's undertakings in the previous sentence, Lessee waives any damage claims for inconvenience to or interference with Lessee's business or loss of occupancy or quiet enjoyment of the Premises caused by Lessor's entry. At all times Lessor shall have a key with which to unlock the doors on the Premises, excluding Lessee's vaults, safes, and similar areas designated as secure areas. In an emergency, Lessor shall have the right to use any means that Lessor deems proper to open Lessee's doors and enter the Premises. Entry to the Premises by Lessor in an emergency shall not be construed as a forcible or unlawful entry, or an actual or constructive eviction of Lessee.
- 3.2 Both parties agree that rent for the premises includes all costs for utilities and custodial maintenance.
- 3.3 Lessor shall maintain the public and Common Areas of the Building, including lobbies, stairs, corridors, restrooms, all exterior landscaping windows, the mechanical, plumbing, and electrical equipment serving the building, and the structure itself, in reasonably good order and condition so as to meet the reasonable needs of Lessee, except for damage, excluding normal wear and tear, caused by the Lessee. Damage by Lessee shall be repaired by Lessor at Lessee's expense. The standard of maintenance shall equal that of commercial office buildings of a similar class in the City of Ukiah.
- 3.3(a) Lessor shall furnish electricity for lighting and the operation of office, and heat and air conditioning to the extent reasonably required for comfortable occupancy by lessee.
- 3.3(b) Lessor shall not be in default under this lease, nor be liable for any damages resulting from, nor shall the required rental be abated because of: (I) the installation, use or interruption of use of any equipment in connection with furnishing the previously listed services, (II) failure to furnish or delay in furnishing these services, when failure or delay is caused by accident or conditions beyond the reasonable control of Lessor

or by necessary repairs or improvements to the Premises or to the building, or (III) the limitation, curtailment, rationing, or restrictions on use of water, electricity, gas or any other form of energy serving the Premises or the Building. Lessor shall use reasonable efforts to diligently remedy interruptions in the furnishing of these services.

- 3.3(c) Upon receipt of a bill, Lessee shall reimburse Lessor for the cost of: (I) all heat or air conditioning provided to the Premises during hours requested by Lessee when those services are not otherwise furnished by Lessor, and (II) all power and cooling energy provided for supplementary air conditioning facilities in the Premises. Lessee shall also pay the cost of any transformers, additional risers, panel boards, and other facilities, if reasonably required to furnish power for supplementary air conditioning facilities in the Premises. The cost of item (I) shall be a per hour charge reflecting the electrical energy, labor and fixed plant costs (excluding depreciation) of operating the heating and air conditioning system.
- 3.3(d) In the event that Lessor, at Lessee's request, provides services to Lessee that are not otherwise provided for in this Lease, Lessee shall pay Lessor's reasonable charges for these services on billing of Lessor.
- 3.4 In addition to the monthly rental and other charges to be paid by Lessee under this Lease, Lessee shall pay Lessor for all of the following items (collectively, "Impositions"): possessory interest or other taxes imposed on the leased premises, its contents or the activities conducted in them, to the extent not paid to the taxing entity by Lessee.
- 3.5 Lessee accepts the Premises as being in the condition in which Lessor is obligated to deliver the Premises, subject to the tenant improvements, if any, that Lessor has agreed to make. At all times during the term of this Lease and at Lessee's sole cost, Lessee shall keep the Premises in good condition and repair; exceptions are ordinary wear and tear and damage to the Premises by fire, earthquake, or act of God or the elements. Lessee waives all rights to make repairs at the expense of Lessor or instead to vacate the Premises, and Lessee further waives the provisions of Civil Code §§1941 and 1942 with respect to Lessor' obligations under this Lease. At the end of the term of this Lease, Lessee shall surrender to Lessor the Premises and all Alterations that are to remain in the Premises in the same condition as when received; exceptions are ordinary wear and tear and damage by fire, earthquake, or act of God or the elements. Lessor has no obligation and has made no promise to alter, remodel, improve, repair, decorate, or paint the Premises, except as specifically set forth in this Lease. Lessor has made no representations respecting the condition of the Premises or the Building, except as specifically set forth in this Lease.

**4. ALTERATIONS**

- 4.1 Lessee shall not make any alterations to the interior or exterior of the leased premises without the prior written consent of the Lessor. Lessor may, but need not, require the Lessee to furnish drawings, plans or specifications for any proposed alterations, which the Lessor may review prior to authorizing any such alterations.
- 4.2 Lessee shall keep the Premises and the Building free from any liens arising out of any work performed, materials furnished, or obligations incurred by Lessee. Lessor may have posted on the Premises any notices that may be provided by Law or that Lessor may deem proper for the protection of Lessor, the Premises, and the Building from those liens. Lessee may contest any lien for which Lessee is responsible under this Section, provided that Lessee shall have caused the lien to be bonded against.

**5. HOLD HARMLESS AND LIABILITY INSURANCE**

- 5.1 Indemnification. Lessor shall not be liable for and is free from the cost of any damages for personal injury or property damage resulting from the use made by Lessee of the leased premises, any defective condition or faulty construction of the leased premises existing at the time of letting or arising thereafter and Lessee covenants and agrees to indemnify and save harmless said Lessor and its officers, agents and employees from and against any and all claims, liability, loss, cost, or other obligation, including reasonable attorneys' fees, on account of or arising out of Lessee's use of the leased premises.
- 5.2 Liability insurance. Lessee covenants and agrees during the life of this Lease at Lessee's sole expense to comply with the requirements of Exhibit "B", Insurance Requirements for Lessees (No Auto Risks) attached hereto and incorporated herein by reference.

**6. ASSIGNMENT**

Lessee will not assign this Lease, or any interest therein, and will not let or underlet the said premises, or any part thereof, without the prior written consent of the Lessor.

## **7. OWNERSHIP OF IMPROVEMENTS**

If Lessee installs any permanent improvements, in accordance with paragraph four of this Lease or otherwise, such improvements shall become a part of the leased premises and title to said improvements shall be vested in the Lessor upon termination of this Lease. Lessor shall have the right to demand that Lessee restore the premises to the condition it was in prior to the date this Lease is made and if such demand is made, Lessee shall so restore the premises within ten (10) days of the date such notice is given.

## **8. TERMINATION**

Notwithstanding any other provision of this Lease to the contrary, the parties shall have the right to terminate this Lease under the following circumstances.

- 8.1 Upon ninety (90) days prior written notice to the other party Lessor and Lessee shall have the mutual right to terminate the Lease for any reason.
- 8.2 Either party shall have an immediate right to terminate this Lease without prior notice to the other party other than that required by law for any breach of a term of the Lease by the other party, including, but not limited to, the Lessee's obligation to provide liability insurance.
- 8.3 Even though Lessee has breached this Lease and abandoned the Premises, this Lease shall continue in effect for so long as Lessor does not terminate Lessee's right to possession, and Lessor may enforce all rights and remedies under this Lease, including the right to recover the rental as it becomes due under this Lease. Acts of maintenance or preservation, efforts to relet the Premises, or the appointment of a receiver upon initiative of Lessor to protect Lessor's interest under this Lease shall not constitute a termination of Lessee's right to possession.
- 8.4 The remedies provided in this Lease are in addition to any other remedies available to Lessor at law, in equity, by statute, or otherwise.
- 8.5 Agreements and provisions to be performed by Lessee under this Lease shall be at Lessee's sole cost and without abatement of rental, except as specifically provided in this Lease. If Lessee (I) fails to pay any sum of money, other than rental, required under this Lease, or (II) fails to perform any other act required of lessee under this Lease, and this failure continues for thirty (30) days after notice of the failure by Lessor, or a longer period as may be allowed under this Lease, Lessor may, without waiving or releasing Lessee from any obligations of Lessee, make payment or perform other acts required by this Lease on Lessee's behalf.

All sums paid by Lessor and all necessary incidental costs shall be payable to Lessor on demand and shall constitute additional rental under this Lease.

- 8.5(a) If, without objection by Lessor, Lessee holds possession of the Premises after expiration of the term of this Lease, Lessee shall become a tenant from month-to-month on the terms specified in this lease, except those pertaining to term, option to extend, and option to acquire the Building, but at a monthly rental equivalent to one hundred ten percent (110%) of the then prevailing monthly rental paid by Lessee at the expiration of the term of this Lease, payable in advance on or before the first day of each month. Each party shall give the other notice of intention to terminate the tenancy at least one (1) month prior to the date of termination of a monthly tenancy.
- 8.5(b) If, over Lessor's objection, Lessee holds possession of the Premises after expiration of the term of this Lease or expiration of the holdover tenancy, Lessee shall be deemed to be a tenant-at-sufferance and, without limiting the liability of Lessee for unauthorized occupancy of the Premises, Lessee shall indemnify Lessor and any replacement tenant for the Premises for any damages or loss suffered by either Lessor or the replacement tenant resulting from Lessee's failure to vacate the Premises in a timely manner.

**9. ATTORNEY'S FEES**

If either party to this Lease prevails in any legal proceeding arising under or in connection with the terms of the Lease, that party shall recover its reasonable attorney's fees from the other party.

**10. NOTICE**

Whenever notice is required to be given under this Lease, it shall be deemed given when deposited in the U.S. Mail with first class postage properly affixed thereto or when personally delivered and addressed as follows:

City of Ukiah  
300 Seminary Avenue  
Ukiah, CA 95482

Mendocino County Local Agency  
Formation Commission  
200 S. School Street, Suite K  
Ukiah, CA 95482

11. **WAIVER**

Waiver of any breach of this Lease, including the failure to pay rent or obtain prior approval for an assignment of the Lease, shall not be deemed a waiver of any subsequent breach of the same or a different provision of the Lease.

12. **PARAGRAPH HEADINGS**

Paragraph headings are included for the convenience of the parties and are not intended to define or limit the scope of this Lease.

13. **PREVIOUS AGREEMENT**

Any and all existing statement or agreements, whether oral or written, or renewals thereof between the parties hereto, covering the same subject matter, are hereby canceled and superseded by the terms of this Lease, and such prior agreements, statements or understandings shall have no further force or effect.

14. **DUPLICATE ORIGINALS**

This Lease may be executed in one or more duplicate originals bearing the original signature of both parties and when so executed any such duplicate original shall be admissible as proof of the existence and terms of this Lease.

Entered on this date \_\_\_\_\_

\_\_\_\_\_  
Sage Sangiacomo, City Manager, City of Ukiah

\_\_\_\_\_  
Mendocino County Local Agency Formation Commission

# MENDOCINO

## Local Agency Formation Commission

### Staff Report

MEETING March 6, 2023  
TO Mendocino Local Agency Formation Commission  
FROM Uma Hinman, Executive Officer  
SUBJECT **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**

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#### RECOMMENDATION

- 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).

#### BACKGROUND

This is a Public Hearing to consider public testimony and adoption of the Ford Road, Kunzler Ranch Road, and Carter Lane Out-of-Agency Services Agreement application (File No. O-2022-03) from the City of Ukiah (City) and Ukiah Valley Sanitation District (UVSD or District) 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). The original application included 13 parcels; however, 170-210-01 was removed by the applicant due to the agriculture zoning and land use designation.

The Out-of-Agency Services Agreement (OASA) application from the City (applicant) and District (interim service provider) was submitted on November 18, 2022 (File No. O-2022-03). The City and District propose to provide wastewater services to nine parcels on Ford Road, two-parcels on Kunzler Ranch Road, and one parcel on Carter Lane. The application involves a single northern area on Carter Lane, and a southern area with eleven parcels clustered together in the Ford Road area.

The OASA area is located within the Mendocino County Ukiah Valley Area Plan (UVAP). Eleven parcels are currently zoned Industrial and one parcel is currently zoned Agriculture. Ten parcels are vacant, the application identifies one parcel on Carter Lane as underutilized, and one parcel on Ford Road is developed with an agricultural supply business.

Application materials include: location/agency boundary maps, a parcel list (APN 170-180-13 should reference 651 Kunzler Ranch Road), the application form, a City resolution of application, a City Notice of Exemption (NOE), and Landowner Out of Area and Annexation Consent Agreement and Covenant document prepared by the City/District (Attachment 1).

## **Rescheduled Hearing**

On January 9, 2023, agenda item 6a associated with this application was pulled at the joint request of LAFCo staff and the applicants to allow time to clarify the factual basis for the application recommendation and CEQA exemption. LAFCo staff scheduled this item in March instead of February as anticipated to allow time to re-notice the public hearing item.

## **GOV § 56133**

The Commission may authorize a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization (e.g., annexation) pursuant to Government Code (GOV) Section (§) 56133(b).

## **SOI Consistency**

The OASA area is located outside the jurisdictional boundaries of the City and District and is located within the City's Sphere of Influence (SOI) boundary approved by the Commission on December 19, 2022, per Resolution No. 2022-23-06.

## **Local Policy**

Mendocino LAFCo Policy 12.2.2 (Extension of Services within Sphere) specifies that while annexation to cities and special districts is generally preferred to extending services by contract or agreement, the Commission recognizes that there may be local circumstances that justify approval of extended services by contract or agreement within the affected agency's sphere of influence. Such local circumstances most frequently involve extension of service to meet an existing health and safety need, where annexation is not practical or deemed undesirable for other policy reasons. The Commission discourages use of contract service extensions for the purpose of extending services to new development. The Commission will approve such extensions only under extraordinary circumstance and may apply strict limitations on such services.

## **Basis for Approval**

The recommended conditional approval of the OASA Area application is based on satisfying LAFCo law and local policy, including anticipation of later annexation, demonstration of extraordinary circumstances for extensions of service to new development, and application of strict limitations for extensions of service to new development, as outlined and discussed below.

- A. Anticipation of later annexation met by:
  - 1) Location of the OASA area within the City's recently adopted Sphere of Influence boundary.
  - 2) Commitment for orderly annexation of the area to the City per the interim services agreement.
  - 3) Standard requirement for the Annexation Consent Agreement and Covenant for each parcel.
- B. Extraordinary circumstances met by:
  - 1) Unprecedented interagency cooperation represented by the milestone interim services agreement resolving the long history of conflict between the City and District and duplication of service providers.
  - 2) High pressure for development to occur sooner than the annexation process can be completed.
  - 3) Preventing future public health and safety issues from development of multiple potentially large-scale septic systems in a floodplain area.
- C. Applying strict limitations met by:
  - 1) Approval is not anticipated to induce growth or create a significant change in buildout potential since the OASA Area is expected to develop with septic systems in the absence of sewer connections.
  - 2) Conditional approval withdrawn if the milestone agreement is terminated, except for properties already connected or that have commenced the sewer line construction process.



The OASA area is facing considerable development pressure that is expected to result in multiple potentially large-scale development projects to be served by septic systems in a floodplain area. Eleven parcels are currently zoned Industrial and one parcel is currently zoned Agriculture; however, the northern-most parcel zoned Agriculture has a General Plan land use designation of Mixed Use – North State Street (MUNS) based on the 2012 UVAP. The County is currently conducting a comprehensive rezone process to align inconsistent UVAP designations with its zoning code, and as a result, the northern-most parcel is anticipated to be removed from the Agriculture zoning district.

The proposed application would allow the District, through agreement with the City, to provide coordinated wastewater services to 12 properties in the interim period before City annexation of the OASA area and reorganization of the agencies. The District would extend wastewater services from nearby sewer main lines and prevent installing septic systems in a floodplain. The proposed application would ensure that expected growth under the zoning and General Plan can be supported by appropriate infrastructure and followed by annexation. The application has the potential for creating environmental protection benefits and preventing a future threat to public health and safety.

There has been a long history of conflict between the City and District, there are large areas of overlap between the agencies creating a duplication of service providers, and there is considerable need to limit piecemeal development and urban sprawl in the Ukiah Valley. The City-District Agreement represents a major milestone in the relationship between the agencies and a significant step forward in working together to provide joint sewer services for the greater good of ratepayers.

In recognition and support of the unprecedented cooperation between the City and District, the commitment for orderly annexation of the area to the City, and the need for logical, orderly, efficient, and appropriate delivery of sewer service and environmental protection in a floodplain area for multiple potentially large-scale development projects on Ford Road, Kunzler Ranch Road, and Carter Lane, the OASA application is recommended for conditional approval.

#### **City-District Agreement**

The City provides wastewater services to about two-thirds of City residents; the District provides wastewater services to one-third of City residents. The District also provides wastewater services outside the City limits to the north, south, and east.

In 1995, the City and District entered into a participation agreement whereby the City agreed to operate and maintain the UVSD sewer collection system and provide the District wastewater treatment services at the City's Wastewater Treatment Plant (WWTP), and UVSD agreed to share the cost based on the number of Equivalent Sewer Service Units (ESSUs). Costs for operation and capital are budgeted in City funds and shared by the City and District based on an agreed-upon apportionment.

The interrelated nature of the City and District sewer collection, treatment, and disposal systems support the ultimate merging of these two agencies. The agencies have developed a plan for the interim and long-term provision of municipal wastewater services to areas around the City seeking to develop.

The City and District have developed a milestone agreement (Attachment 3) for providing interim sewer services through OASAs. Per the City-District Agreement, interim sewer services would be provided for properties requesting Out-of-Agency Services (OAS) until (1) the area upon which those properties are situated are annexed by the City; or (2) the City annexes additional sufficient portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of LAFCo law.

The City-District Agreement conditions a delay in detaching existing and future overlap areas between the agencies until minimum thresholds are met, after which the UVSD would cease to be independent and separate from the City, through a LAFCo application process. The thresholds identified in the City-District Agreement are summarized as follows:

- Consistent with statutes, the District will support merger or reorganizing as a subsidiary district of the City upon reaching the threshold of 70% or more of District registered voters and 70% of District area is annexed into the City.
- The District will support the City’s pursuit of legislation to eliminate the statutory threshold for 70% of area of land.

The City-District Agreement allows cancellation by either the City or the District upon five-years prior written notice to the other party, or by mutual agreement to terminate.

The continued cooperation between the City and District is required to ensure the commitment for orderly annexation to the City and is satisfied by the City-District agreement. Terms and conditions item 2c in the attached resolution addresses this matter.

**Capacity**

The City’s WWTP, operated by the City, serves both the City and District. The WWTP has an average dry-weather flow capacity of 3.01 million gallons per day (MGD), an average wet-weather flow capacity of 6.89 MGD, and a peak wet-weather flow capacity of 24.5 MGD. The WWTP includes primary, secondary, and tertiary treatment, as well as solids handling facilities. The WWTP was significantly upgraded twelve years ago and remains in good working order. Based on the available capacity data in the table below, there is sufficient capacity remaining for expansion of sewer services into the OASA area without adversely effecting existing service levels.

Summary of ESSUs by Agency			
Area	UVSD	City of Ukiah	Totals
Current Usage (May 2022)	5,688	6,833	12,521
Percent of Total ESSUs	45.43%	54.57%	49.84%
New WWTP Agreement	65%	35%	100%
New WWTP Capacity	1,560	840	2,400
New WWTP ESSU’s Used	618	406	1,024
New WWTP ESSU’s Percent Used	39.63%	48.33%	42.68%
New WWTP ESSUs Remaining	942	434	1,376

Although there are no known development projects to determine the extended wastewater service demands, the City/District has sufficient capacity to serve the OASA area at current zoning and density.

**Connection**

The OASA properties would become interim District customers and would be connected to existing District infrastructure and subject to District fee schedules, policies, and requirements.

**Infrastructure**

The OASA properties would be served by an extension of existing District infrastructure (Attachment 2).

In the southern OASA area, the District has an existing sewer main line along Ford Road. Four of the OASA parcels have frontage along Ford Road, and the remaining eight parcels in this area are approximately 1,250-feet from the existing main line.

In the northern OASA area, the District has an existing sewer main line along Carter Lane, which forms the northern boundary of the subject property, and is approximately 250-feet from an existing agricultural area on the property. In addition, the District has an existing sewer main line along Riverview Drive, which is perpendicular to the north-eastern boundary of the subject parcel, and is approximately 275-feet from an existing residence on the property.

**Notification to Alternate Service Provider**

State law requires the Commission to notify any alternative service provider that has filed a map and a statement of its service capabilities with the Commission pursuant to GOV § 56133(c)(2). LAFCo staff has

determined that there are no alternative service providers nearby for wastewater service, and in addition this notice requirement only applies to OASA applications located outside the agency's SOI.

### **Terms and Conditions**

Resolution 2022-23-09 (Attachment 6) outlines the terms and conditions applicable to the approval.

Pursuant to Mendocino LAFCo Policy 12.2.2 related to applying strict limitations to OASA applications for new development, the Commission's approval is conditioned upon receiving annual written updates on development and annexation progress.

Pursuant to Mendocino LAFCo Policy 12.2.2 related to the requirement for extraordinary circumstances for new development, the Commission's approval is conditioned upon continued cooperation between the City and District, as represented by the City-District Interim Service Agreement.

Pursuant to Mendocino LAFCo Policy 12.2.6 and 12.2.7, the Commission's approval is conditioned upon receipt of an Annexation Consent Agreement and Covenant document for each property signed by the existing owners on title consenting to future annexation of the subject territory to the City. The document shall be recorded to bind future owners of the property.

### **CEQA Compliance**

LAFCo finds that the General Rule Exemption applies to the application pursuant to 14 CCR § 15061(b)(3).

See the LAFCo prepared Notice of Exemption (NOE) for further information (Attachment 5).

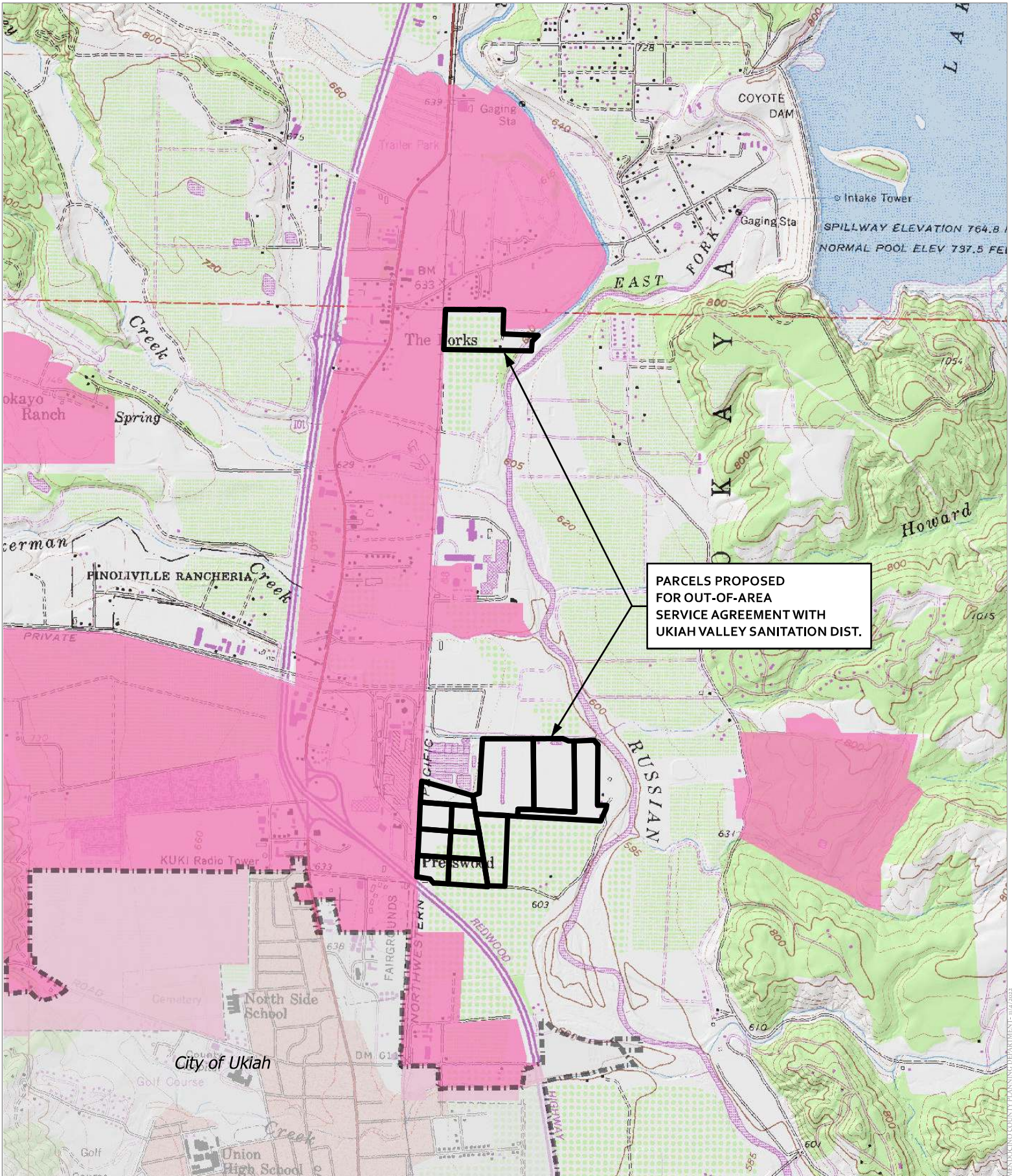
### **Public Notice**

The Public Hearing Notice was properly published/posted by Monday February 13, 2023 (Attachment 4).

### **Public Comments**

No public comments have been received to date.

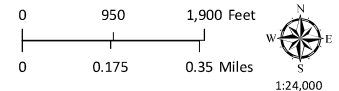
**Attachments:** (1) OASA Application Materials (maps, parcel list, forms, resolution, NOE, consent agreement)  
(2) City-District Sanitary Sewer Map  
(3) City-District Interim Service Agreement  
(4) Proof of Publication  
(5) LAFCo Notice of Exemption  
(6) LAFCo Resolution No. 2022-23-09



Map produced by the Mendocino County Planning & Building Svcs. Dept., November 2022  
 Coordinate System: NAD 83, Calif. State Plane Zone II  
 Projection: Lambert Conformal Conic  
 Parcel Data: Mendocino County Information Services, October, 2018  
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic  
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian  
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.  
 All spatial data is approximate. This map is not a substitute for a proper land survey.

● Major Towns & Places

▬ City Limits



**THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND.  
 DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES**

**RESOLUTION NO. 2022-75**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UKIAH APPROVING THE SUBMITTAL OF AN OUT OF AGENCY SERVICES AGREEMENT TO THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION (LAFCO)**

**WHEREAS:**

1. The City of Ukiah ("City") and Ukiah Valley Sanitation District ("District") provide sewer services within their respective jurisdictions and have received requests to extend sewer service to various properties outside of their jurisdictional boundaries; and
2. Under Government Code Section 56133, the Mendocino Local Agency Formation Commission ("LAFCo") may authorize a district to provide services outside its boundaries and Sphere of Influence ("SOI") pursuant to a written Out of Agency Service Agreement ("OASA"); and
3. On June 1, 2022, the Ukiah City Council approved an Agreement between the District and City regarding provision of interim sewer services and out of area (agency) service agreements; and
4. On June 8, 2022, the District Board of Directors approved said Agreement; and
5. The City and District desired to enter into said Agreement regarding (i) the provision of interim sewer services for properties requesting out of agency service until (1) the area upon which those properties are situated are annexed by the City or (2) the City annexes sufficient additional portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), including Government Code 57105 and (ii) the terms under which both the City and District are willing to support City annexation; and
6. Certain landowners outside the jurisdictional boundaries of the City and District but within the SOI of the City have approached the District about serving their properties with municipal sewer services; and
7. Said parcels ("territory") are more clearly delineated within the Exhibit A-Territory Map to this Resolution; and
8. Due to existing development pressures within the territory, failure to provide municipal sewer service to territory may result in such properties being developed with individual private septic systems, which due to existing environmental and site conditions within the territory, may pose a future threat to health and safety in the territory; and
9. The City has developed an OASA application ("Project") for review and approval by LAFCo and such Project is included within Exhibit B- OASA Application in Substantial Form to this Resolution; and
10. The Project consists of the interim provision of sewer service by the District to parcels

within the territory until such time that the City annexes the territory or the City annexes sufficient additional portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the; and

11. On November 9, 2022, the District Board of Directors approved the Project at their regular board meeting; and
12. On November 16, 2022, the Ukiah City Council approved the Community Development Director's determination that the Project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15320, Changes in Organization of Local Agencies.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Ukiah hereby adopts Resolution No. 2022-75, approving submittal of the Out of Agency Service Agreement identified in Exhibit B and authorizes the Mayor and/or the City Manager and/or his designee to execute all necessary corresponding documents and agreements for the Application and implementation of the Out of Agency Services Agreement if approved by LAFCo.

**PASSED AND ADOPTED** this 16<sup>th</sup> day of November, 2022, by the following roll call vote:

AYES: Councilmembers Orozco, Crane, Rodin, Duenas, and Mayor Brown  
NOES: None  
ABSENT: None  
ABSTAIN: None

  
\_\_\_\_\_  
Jim O. Brown, Mayor

ATTEST:  
  
\_\_\_\_\_  
Kristine Lawler, City Clerk



**OUT OF AGENCY SERVICE AGREEMENT APPLICATION**

**Attachment 1**

**List of Properties and Landowners**

APN	Address	Landowner	Size (Acres)	Proponent	Current / Proposed Use
170-210-01	401 Ford Rd	LS Fields LLC	±8.32	John Strangio	Vacant / Unknown
170-200-03	410 Ford Rd	Miguel Merino	±4.60	Richard Ruff	Commercial / Commercial
170-200-04	420 Ford Rd	Miguel Merino	±5.00	Richard Ruff	Vacant / Unknown
170-200-05	430 Ford Rd	Miguel Merino	±5.00	Richard Ruff	Vacant / Unknown
170-200-06	440 Ford Rd	Miguel Merino	±5.10	Richard Ruff	Vacant / Unknown
170-200-07	450 Ford Rd	Miguel Merino	±3.80	Richard Ruff	Vacant / Unknown
170-200-08	460 Ford Rd	Miguel Merino	±4.20	Richard Ruff	Vacant / Unknown
170-200-09	470 Ford Rd	LS Fields LLC	±5.60	John Strangio	Vacant / Unknown
170-200-18	550 Ford Rd	William Resnick	±10.63	Andrew Green	Vacant / Unknown
170-180-08	780 Ford Rd	Michael Milovina	±13.20	Michael Milovina	Vacant / Unknown
170-180-13	585 Kunzler Ranch Rd	Daniel Thomas	±17.21	Edie Lerman; Thomas Carter	Vacant / Unknown
170-180-14	611 Kunzler Ranch Rd	Daniel Thomas	±24.00	Daniel Thomas	Vacant / Unknown
169-130-76	251 Carter Ln	Andrew Nicoll	±17.90	Andrew Nicoll	Underutilized / Unknown

# MENDOCINO

## Local Agency Formation Commission

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

### Application Out-of-Agency Services Agreement

Please complete the following information to process an application for Out-of-Agency Services under Government Code Section 56133. Please do not leave information blank on this form; specify N/A if a portion is not applicable.

#### A. Applicant Information

- 1) Agency Name: City of Ukiah (applicant) / Ukiah Valley Sanitation District (interim sewer provider)
- 2) Agency Contact Information:

Name & Title	Craig Schlatter, Community Development Director, City of Ukiah Wing-See Fox, General Manager, Ukiah Valley Sanitation District
Phone	Craig: (707) 463-6219 Wing-See: (650) 503-1500
Email	Craig: <a href="mailto:cschlatter@cityofukiah.com">cschlatter@cityofukiah.com</a> Wing-See: <a href="mailto:wingseef@urbanfuturesinc.com">wingseef@urbanfuturesinc.com</a>
Address	City: 300 Seminary Ave. Ukiah, CA 95482 UVSD: 151 Laws Ave. #B Ukiah, CA 95482

#### B. Location of Territory to be Served (Use the Supplemental Property Sheet for multiple properties)

Assessor Parcel Number	Size	Current Use	Proposed Use
See attached list of APNs in Attachment 1.			

Landowner Name	See attached list of landowners in Attachment 1.
Mailing Address	
Email	

#### C. Type of Out-of-Agency Services Agreement

- 1)  New       Extended
- 2)  Water       Sewer       Other (please specify): \_\_\_\_\_
- 3)  A copy of the agreement between the agency and affected landowner(s) to be served has been attached.

Note: a copy of this agreement can be found in Attachment 2.



#### D. Justification

- 1) Is the subject territory located within the agency's Sphere of Influence?

Yes             No

Note: the area is located within the City of Ukiah's Sphere of Influence but not the Ukiah Valley Sanitation District's Sphere of Influence.

- 2) Is the reason for the application a threat to the health and safety of the public or the affected residents?

Yes - Provide documentation from the Public Health Officer.

No - Explain the reason for the application at this time.

In recent months, the area of the subject parcels (the "territory") has faced considerable development pressure. Although landowners prefer municipal sewer services, given these existing pressures failure to provide municipal sewer will likely result in the development of septic systems within the territory. Because of existing environmental and other site conditions within the territory, septic service provision for potential large-scale development projects could pose a future threat to health and safety. Additionally, without the efficient and coordinated provision of municipal sewer services, there may be increased potential for piecemeal development and urban sprawl.

- 3) Explain why a jurisdictional change (e.g., annexation) is not being considered at this time as an alternative to providing services outside the agency's boundaries.

With this Out of Area Service Agreement application, the City of Ukiah ("City") and Ukiah Valley Sanitation District ("District") propose interim municipal sewer service provided to the territory by the District until such time that the City annexes the territory. At its March 7, 2022, regular meeting, the Mendocino Local Agency Formation Commission ("LAFCo") agreed by consensus to this approach. Since this time, the City and District have developed an Agreement (Attachment 3) for providing interim sewer services through Out of Agency Service Agreements. Per the Agreement, interim sewer services would be provided for properties requesting out of agency service until "(1) the area upon which those properties are situated are annexed by the City; or (2) the City annexes additional sufficient portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000..."

The territory of the subject parcels is within the Sphere of Influence ("SOI") of the City of Ukiah adopted by LAFCo in 1984. The territory is also located with the proposed SOI of the City's draft 2040 General Plan. In 2021, the City submitted a pre-application to LAFCo to annex an area north of the City that includes the territory.

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4) Is annexation of the subject territory or affected property anticipated in the near future?

Yes       No

Please describe the agency's plans and timelines, or provide other relevant information.

LAFCo staff, working closely with City and District staff, are currently preparing updated Municipal Service Reviews and Spheres of Influence for the City and District. Concurrently, the City is updating its General Plan (Ukiah 2040). At such time as the General Plan is adopted by the City Council- and LAFCo adopts the updated Spheres of Influence for the District and City- the City will apply for annexation of the territory. The Ukiah General Plan is anticipated to be adopted by the City Council by December 2022. Provided LAFCo adopts the SOI for the District and City in December, an annexation application could be submitted to LAFCo as early as Spring 2023.

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### E. Service Information

1) Describe how the agency would provide the proposed new or extended service to the subject territory. Please identify any onsite and offsite infrastructure or facility improvements, any permits required from regulatory agencies, and associated funding requirements to provide service to the subject territory.

The City provides wastewater services to about two-thirds of City residents; the District provides wastewater services to one-third of City residents. The District also provides wastewater services outside of City limits to the north, south, and east. See Attachment 4 for a map of District wastewater services.

In 1995, the City and UVSD entered into a participation agreement whereby the City agreed to operate and maintain the UVSD sewer collection system and provide UVSD wastewater treatment services at the City's Wastewater Treatment Plant (WWTP), and UVSD agreed to share the costs based on the number of Equivalent Sewer Service Units. Costs for operation and capital are budgeted in City funds and shared by the City and District based on an agreed-upon apportionment.

Because no new development is proposed in the subject territory, future proposed or extended service cannot be determined at this time. The District has sufficient capacity to serve the entirety of this area.

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2) If the proposed new or extended service involves water or sewer, identify the anticipated demand in terms of use (i.e., gallons, acre-feet) and frequency of delivery (per day/month/etc.) associated with serving the subject territory. For extended service, please estimate the difference in comparison to existing demand.

Because no new development is proposed in the subject territory, demand for future proposed or extended service cannot be determined at this time. The District has sufficient capacity to serve the entirety of this area (see table in Section 4).

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- 3) Describe compensation for the proposed service (i.e., fee/household, fee/truck/tank, etc.).

The fee will be determined based on the number of ESSUs needed to serve the future development project(s), once those projects are proposed. This in turn will determine the fee to be charged.

- 4) Does the agency have sufficient capacities to provide the proposed new or extended service to the subject territory without adversely effecting existing service levels?

Yes. The City's Waste Water Treatment Plan (WWTP), operated by the City, serves both the City and District. The WWTP has an average dry-weather flow capacity of 3.01 million gallons per day (MGD), an average wet-weather flow capacity of 6.89 MGD, and a peak wet-weather flow capacity of 24.5 MGD. The WWTP includes primary, secondary, and tertiary treatment, as well as solids handling facilities. The WWTP was significantly upgraded twelve years ago and remains in good working order. Based on the available capacity data in the below table, there is sufficient capacity remaining for expansion of sewer services into the subject territory without adversely effecting existing service levels.

Summary of ESSUs by Agency			
Area	UVSD	City of Ukiah	Totals
Current Usage (May 2022)	5,688	6,833	12,521
Percent of Total ESSUs	45.43%	54.57%	49.84%
New WWTP Agreement	65%	35%	100%
New WWTP Capacity	1,560	840	2,400
New WWTP ESSU's Used	618	406	1,024
New WWTP ESSU's Percent Used	39.63%	48.33%	42.68%
New WWTP ESSUs Remaining	942	434	1,376

- 5) What services, if any, are currently provided to the subject territory?

There are currently no known sewer services provided to the subject territory.

- 6) Are there any alternate service providers or other service options available to the subject territory?

As indicated above, there are no known alternate service providers in the subject territory. The only other potential sewer service option is individual septic.

## F. Land Use Information

- 1) Identify the subject territory's land use designation, zoning, and minimum parcel density requirements and clarify whether the proposed provision of service(s) will increase onsite development potential or be growth inducing for the area.

The entirety of the subject territory is located within the Ukiah Valley Area Plan of Mendocino County. With the exception of APNs 169-130-76 and 170-210-01, the subject parcels carry a General Plan Land Use

Designation of Industrial (I) and are zoned Inland General Industrial (I2). The intention of the I2 zoning designation as described in the Mendocino County Zoning Code is "to create and preserve areas where a full range of industrial uses with moderate to high nuisance characteristics may locate. Typically, this district would be applied to locations where large land acreages were available and where the impacts associated with the unsightliness, noise, odor, and traffic, and the hazards associated with certain industrial uses, would not impact on residential and commercial areas." The I2 zoning designation, which lists a broad range of permitted civic, commercial, industrial, and agricultural use types not subject to the securing of a use permit, does not list a minimum parcel density requirement. There is no minimum lot area. There is also no minimum side and rear yard requirement, except that any side or rear yard contiguous to any district other than commercial or industrial shall have a minimum side yard of five (5) feet and a minimum rear yard of twenty (20) feet. There is a minimum front yard requirement of 10 feet and a maximum height for structures of 65 feet.

APN 170-210-01 carries a General Plan Land Use Designation of AG 40 and is zoned Agriculture. AG 40 reflects a minimum lot area of forty (40) acres and maximum dwelling density of one (1) unit per 40 acres. Minimum front, rear, and side yards must be fifty (50) feet each. Farm employee housing is permitted upon issuance of an administrative permit. The Agricultural Zoning district permits a variety of uses, including single-family residential, civic uses, agricultural use types, and accessory uses. APN 169-130-76 carries a General Plan Land Use Designation of MUNS and is zoned Agriculture. The MUNS (Mixed Use North State) General Plan Land Use Designation is intended to encourage mixed-use development with commercial uses encouraged at street level, retail and service, businesses, residential uses, processing, manufacturing and assembly.

All properties within the subject territory are vacant except for APN 169-130-76 (251 Carter Ln), which is underutilized, and 170-200-03 (410 Ford Rd), which currently is the location of the Big Daddy agricultural supply business.

Although there are no known development proposals at this time, the provision of wastewater services by the District in cooperation with the City through the out of area service agreement represents the best, most efficient approach to serving these parcels as opposed to private septic systems. The provision of sewer services is not expected to increase development potential beyond what is currently pursuable under existing zoning and land use constraints. As noted previously, currently properties in this territory can be developed for a broad range of permitted civic, commercial, industrial, and agricultural use types.

A map of the subject territory, with overlaid zoning and general plan land use designations, is included in Attachment 5.

2) Are there any proposed or approved, but not yet built, development projects involving the subject territory?

Yes  No

If yes, describe the proposed projects or land use entitlements and the timeline for implementation.

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3) The Commission's action regarding this request by the agency to provide new or extended services outside its jurisdictional boundary is subject to the requirements of the California Environmental Quality Act (CEQA). Has the agency conducted any CEQA reviews for any projects associated with this application?

Yes  No

If yes, please provide copies of the environmental documentation, including the Notice of Exemption or Notice of Determination and proof of payment of applicable California Department of Fish & Wildlife fees. See Attachment 6 for a conformed copy of the CEQA Notice of Exemption, recorded at the Mendocino County Clerk-Recorder's Office on November 17, 2022.

**FEE AGREEMENT AND VOLUNTARY INDEMNIFICATION AGREEMENT**

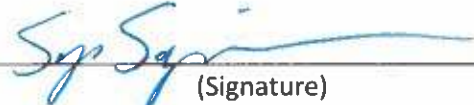
All applications must include signed [Fee Agreement and Voluntary Indemnification Agreement](#) forms, which are located at [www.mendolafco.org/application-materials](http://www.mendolafco.org/application-materials).

**FEES**

Per the Mendocino LAFCo [Fee Schedule](#), deposits toward the actual cost of processing proposals must be paid at the time an application is submitted. All deposits are initial payments toward the actual costs of processing proposals, including staff time and materials (e.g., noticing, postage, copying). In signing the Fee Agreement and Voluntary Indemnification, the applicant consents to reimburse LAFCo for all costs incurred in processing, including pre-application assistance.

**CERTIFICATION**

The undersigned hereby certifies that all LAFCo filing requirements will be met and that the statements made in this application are complete and accurate to the best of my knowledge.

  
\_\_\_\_\_  
(Signature)

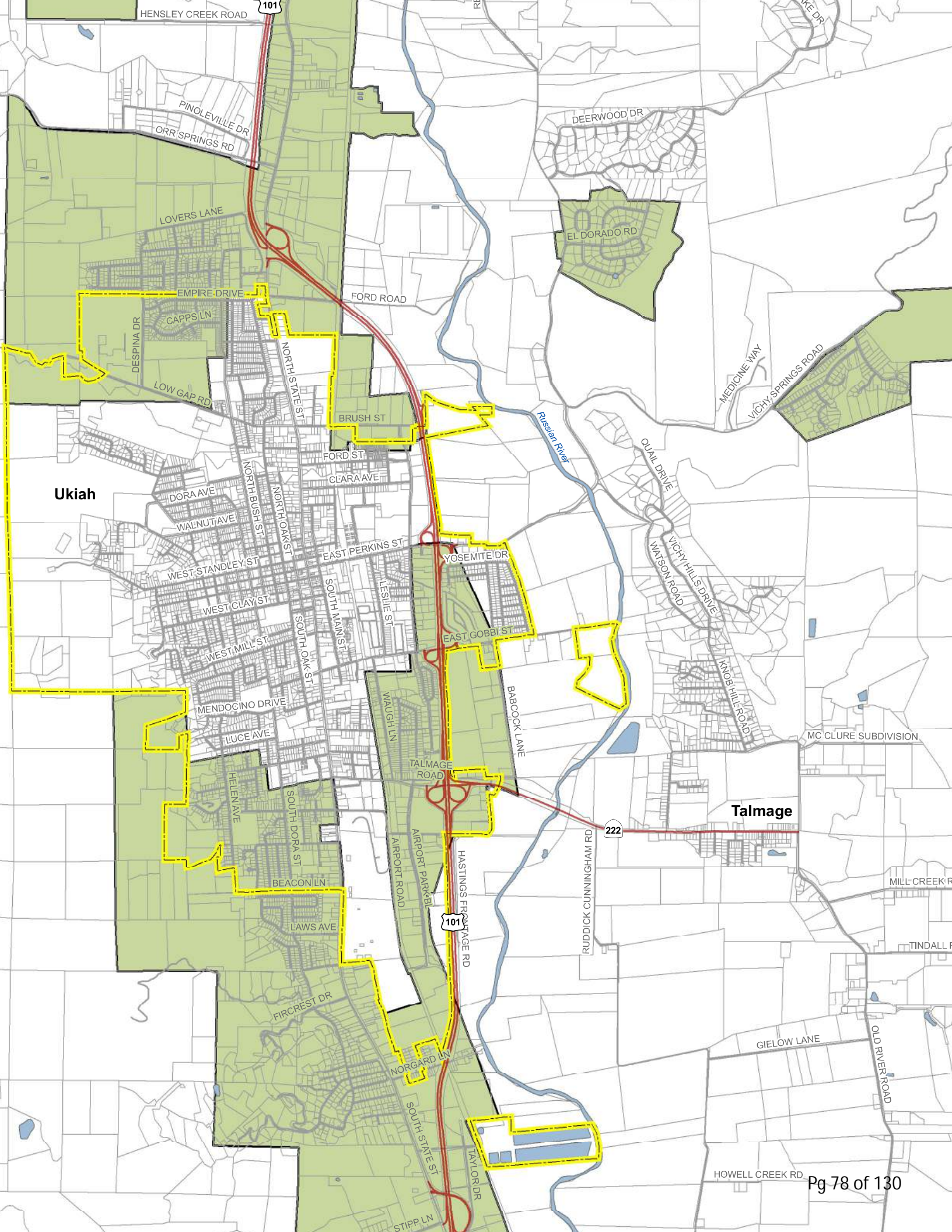
November 18, 2022  
\_\_\_\_\_  
(Date)

Print or Type Name: Sage Sangiacomo, City Manager

Daytime Telephone: (707) 463-6221

Email: ssangiacomo@cityofukiah.com

Please note: The Resolution of Application from the applicant (City of Ukiah) is included as Attachment 7.



HENSLEY CREEK ROAD

101

PINOLEVILLE DR  
ORR SPRINGS RD

LOVERS LANE

EMPIRE DRIVE

CAPPS LN

DESPINA DR  
LOW GAP RD

FORD ROAD

BRUSH ST

FORD ST

CLARA AVE

Ukiah

DORA AVE

WALNUT AVE

NORTH STATE ST  
NORTH BUSH ST  
NORTH OAK ST

EAST PERKINS ST

YOSEMITE DR

WEST STANDLEY ST

WEST CLAY ST

WEST MILL ST

WEST CLAY ST

WEST MILL ST

MENDOCINO DRIVE

LUCE AVE

HELEN AVE

SOUTH DORA ST

BEACON LN

LAWS AVE

FIRCREST DR

NORFORD LN

SOUTH STATE ST

STIPP LN

SOUTH MAIN ST

SOUTH OAK ST

LESLIE ST

WAUGH LN

AIRPORT PARK/BLDG

AIRPORT ROAD

TALMAGE ROAD

HASTINGS FRONTAGE RD

101

YOSEMITE DR

EAST GOBBI ST

BARBOCK LANE

TALMAGE ROAD

AIRPORT PARK/BLDG

AIRPORT ROAD

TALMAGE ROAD

HASTINGS FRONTAGE RD

101

YOSEMITE DR

EAST GOBBI ST

BARBOCK LANE

TALMAGE ROAD

AIRPORT PARK/BLDG

AIRPORT ROAD

TALMAGE ROAD

HASTINGS FRONTAGE RD

101

DEERWOOD DR

EL DORADO RD

Russian River

MEDICINE WAY

VICHY SPRINGS ROAD

QUAIL DRIVE

VICHY HILLS DRIVE  
WATSON ROAD

KNOB HILL ROAD

MC CLURE SUBDIVISION

Talmage

222

RUDDICK CUNNINGHAM RD

MILL CREEK R

TINDALL R

GIELOW LANE

OLD RIVER ROAD

HOWELL CREEK RD

AGREEMENT BETWEEN  
THE UKIAH VALLEY SANITATION DISTRICT AND THE CITY OF UKIAH  
REGARDING PROVISION OF INTERIM SEWER SERVICES AND OUT OF AREA  
SERVICE AGREEMENTS

This Agreement Regarding Out of Area Service Agreements and Interim Sewer Services ("Agreement") is made and entered into this 8<sup>th</sup> day of June, 2022, by and between the UKIAH VALLEY SANITATION DISTRICT, a county sanitation district organized under the laws of the State of California ("District") and the CITY OF UKIAH, a California municipal corporation ("City"). District and City are individually referred to as a "Party" and together as the "Parties."

RECITALS

WHEREAS, the Parties provide sewer services within their respective jurisdictions and have received requests to extend sewer service to various properties outside of their jurisdictional boundaries; and

WHEREAS, under Government Code section 56133, the Mendocino Local Agency Formation Commission ("LAFCo") may authorize a district to provide services outside its boundaries and sphere of influence ("SOI") pursuant to a written out of area service agreement ("OASA"); and

WHEREAS, the Parties desire to provide sewer service to those properties; and

WHEREAS, the City has submitted an annexation application to the Mendocino Local Agency Formation Commission (LAFCo) to annex City-owned properties in five areas within Mendocino County and a pre-application for the proposed annexation of areas north of Ukiah (Masonite/Ford Road area), and desires to annex other areas within the County, including the District (collectively referred to in this Agreement as "City Annexations"); and

WHEREAS, LAFCo is developing the Municipal Service Review (MSR)/SOI Update Study for LAFCo consideration of City and District proposals for annexations and/or extensions of service; and

WHEREAS, the Parties desire to enter into this Agreement regarding (i) the provision of interim sewer services for properties requesting out of area service until (1) the area upon which those properties are situated are annexed by the City or (2) the City annexes sufficient additional portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the Cortese–Knox–Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), including Government Code §57105 and (ii) the terms under which both Parties are willing to support City annexation.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and subject to the terms, conditions, and provisions hereof, the Parties hereto agree as follows:

## AGREEMENT

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into this Agreement as if set forth herein in full.

2. Term. The term of this Agreement shall commence on June 8, 2022 ("Commencement Date") and continue in effect until (1) the District becomes either a subsidiary district within the City or the District is merged with the City pursuant to Government Code Section 57105 or other applicable provisions of the CKH Act or state law, (2) the entire District is annexed by and detached from the City, (3) either the City or the District cancels this Agreement on 5 year's prior written notice to the other party, or (4) both the City and District mutually agree to terminate this Agreement.

3. Sewer Service. Until such time as the earliest of the following occurs, District shall have first rights of refusal to provide, at its sole discretion, sewer service to the areas outside the City's and District's jurisdictions: (1) the area is annexed to City; or (2) the Parties mutually agree otherwise. Said sewer service shall be at the same level of service as that provided throughout the District.

### 4. Mutual Cooperation

A. Out of Area Service Agreement (OASA). The City, as the applicant for annexation, shall prepare OASAs at the direction of the District to serve areas where development could occur with sewer services. The City shall submit sewer service related OASAs to the District for review and approval prior to filing with LAFCo. This Agreement and any OASA related tax sharing agreement with Mendocino County shall be attached to and incorporated by reference into any OASA submitted to LAFCo under this Agreement. The District shall reimburse the City for costs the City incurs to file the OASA, and the District may recover those costs from the property owners that request and receive out of area sewer service. For OASAs approved by LAFCo under this Agreement, the District shall collect all fees associated with providing such services from sewer customers of the affected parcels. During the term of this Agreement, the District shall be responsible for all costs associated with providing such services.

B. The City agrees that it will not apply to LAFCo for detachment of District territory from the City's jurisdictional boundaries as those boundaries currently exist or as they are changed by future City Annexations.



- C. District agrees to support City Annexations and to work cooperatively with City regarding revisions to the City's General Plan, Municipal Service Review and Sphere of Influence necessary or advisable to enable City Annexations and not to propose or seek LAFCo approval for or support proposed provisions in the District's MSR or SOI that would inhibit, conflict with, or prevent such City Annexations and/or reorganizations, as described in this Agreement.
- D. Pursuant to Government Code Section 57105 or other applicable provisions of state law, the District will support and urge LAFCo to approve either designating the District as a subsidiary district of the City or merger of the District with the City at such time as 70% or more of registered voters in the District are within the City limits and 70% of the area of land within the District is within the City's jurisdictional boundaries or when those reorganizations are otherwise authorized by state law.
- E. The District will support and cooperate with the City in seeking special legislation to amend the CKH Act to authorize merger of the District with the City when 70% or more of registered voters in the District are within the City limits without regard to the area of District land that is within the City, subject to reasonable conditions that are agreeable to both parties.

5. Indemnity. Neither Party, its officers, agents or employees, shall have any liability for intentional or negligent acts, by omission or commission, by the other party, or of any officer, agent or employee thereof. Each Party shall indemnify, defend and hold the other party, including their respective officers, agents, employees and independent contractors, harmless from any claim or action arising out of performance of this Agreement with respect to any work to be performed by or authority delegated to such party.

6. Modification and Termination. This Agreement may not be modified, terminated or rescinded, in whole or in part, except by a written instrument duly executed and attested by the Parties hereto or their successors or assigns.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Notices. All notices to be delivered hereunder, if personally delivered, shall be deemed received when delivered. If mailed in the United States mail, notices shall be mailed postage prepaid, registered or certified, with return receipt requested, and shall be deemed delivered on the date stated on the return receipt. If mailed in any other manner, including by email with acknowledgment of receipt, notices shall be deemed received on actual receipt. Notices shall be mailed in the above manner to the following addresses:

**UKIAH VALLEY SANITATION DISTRICT**

151 Laws Avenue  
Ukiah, CA 95482  
Attn: General Manager  
Email: [aa@uvsd.org](mailto:aa@uvsd.org)

**CITY OF UKIAH**

City of Ukiah Civic Center  
300 Seminary Avenue  
Ukiah, CA 95482  
Attn: City Manager  
Email: [cityclerk@cityofukiah.com](mailto:cityclerk@cityofukiah.com)

Either Party may from time to time change its address for notice by notifying the other party of such new address.

9. Entire Agreement. This instrument and any authorized attachments thereto contains the entire Agreement between the Parties relating to the obligations of the City and District as described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect.

10 Waiver. Failure of any Party to insist upon strict performance of any of the terms, conditions or covenants in this Agreement will not be deemed a waiver of any right or remedy that Party may have and will not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions or covenants contained in this Agreement, nor will it constitute a precedent for interpretation of this Agreement.

11. Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile or electronic signatures will be permitted.

13. Authority to Execute Agreement. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that, by so executing this Agreement, the parties hereto are formally bound to the provisions of this Agreement.

14. No Third Party Beneficiaries Intended. No person or entity not a named party to this Agreement is intended as a beneficiary of any provision of this Agreement or to have

any standing or authority to enforce any provision of this Agreement. No such third-party beneficiaries are intended or created.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**UKIAH VALLEY SANITATION DISTRICT      CITY OF UKIAH**

  
\_\_\_\_\_  
Ernie Wipf, Chair, Board of Directors

  
\_\_\_\_\_  
Jim Brown, Mayor

ATTEST:

  
\_\_\_\_\_  
Chelsea Teague, Board Secretary


ATTEST

  
\_\_\_\_\_  
Kristine Lawler (Jun 20, 2022 14:04 PDT)  
Kristine Lawler, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Joanna Gin, General Counsel

APPROVED AS TO FORM:

  
\_\_\_\_\_  
David Rapport, City Attorney



**OUT OF AGENCY SERVICE AGREEMENT APPLICATION**

**Attachment 6**

**CEQA ENVIRONMENTAL DOCUMENTATION**



# NOTICE OF CEQA EXE

TO:  Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814

FROM: City of Ukiah  
300 Seminary Avenue  
Ukiah, CA 95482

X County Clerk  
500 Low Gap Road  
Ukiah, CA, 95482

PROJECT TITLE: Out of Agency Service Agreement Between City of Ukiah and Ukiah Valley Sanitation District for the Provision of Interim Sewer Services

PROJECT LOCATION: Certain Unincorporated Parcels within the City of Ukiah Sphere of Influence (see attached Location Map)

PUBLIC AGENCY APPROVING PROJECT: City of Ukiah, City Council

DATE OF APPROVAL: November 16, 2022

NAME OF PROJECT APPLICANT: City of Ukiah

**CEQA EXEMPTION STATUS:**

- Ministerial
- Declared Emergency
- X Categorical Exemption: Section 15320, Changes in Organization of Local Agencies
- Statutory Exemption Section

**PROEJCT SUMMARY AND REASONS WHY PROJECT IS EXEMPT:**

On June 1, 2022, the Ukiah City Council approved an agreement between the Ukiah Valley Sanitation District (District) and City of Ukiah (City) regarding Provision of Interim Sewer Services and Out of Agency Service Agreements ("City-District Agreement"). The District Board approved said agreement on June 8, 2022. The City-District Agreement, among other items, directs the City to prepare Out of Agency Service Agreement (OASA) applications for the Mendocino Local Agency Formation Commission's (LAFCo's) consideration for the provision of interim sewer service by the District. On November 16, 2022, the Ukiah City Council approved submittal of the OASA ("Project") to Mendocino LAFCo.

The Project is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15320, Changes in Organization of Local Agencies, which consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the



geographical area in which previously existing powers are exercised. Examples include but are not limited to: (a) Establishment of a subsidiary district; (b) Consolidation of two or more districts having identical powers; and (c) Merger with a city of a district lying entirely within the boundaries of the city. As previously described, the Project includes a proposal for the District to provide interim sewer services to the territory until such time that the City annexes the territory; or the City annexes additional sufficient portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

**Lead Agency Contact Person** Craig Schlatter, Director of Community Development  
**Phone Number** (707) 463-6219  
**Email** [cschlatter@cityofukiah.com](mailto:cschlatter@cityofukiah.com)

This is to certify that the record of project approval is available to the General Public at:

**Community Development Department, Ukiah Civic Center, 300 Seminary Avenue, Ukiah, CA 95482**

  
 Signature (Public Agency)

11-17-22  
 (Date)

Director of Community Development  
 (Title)

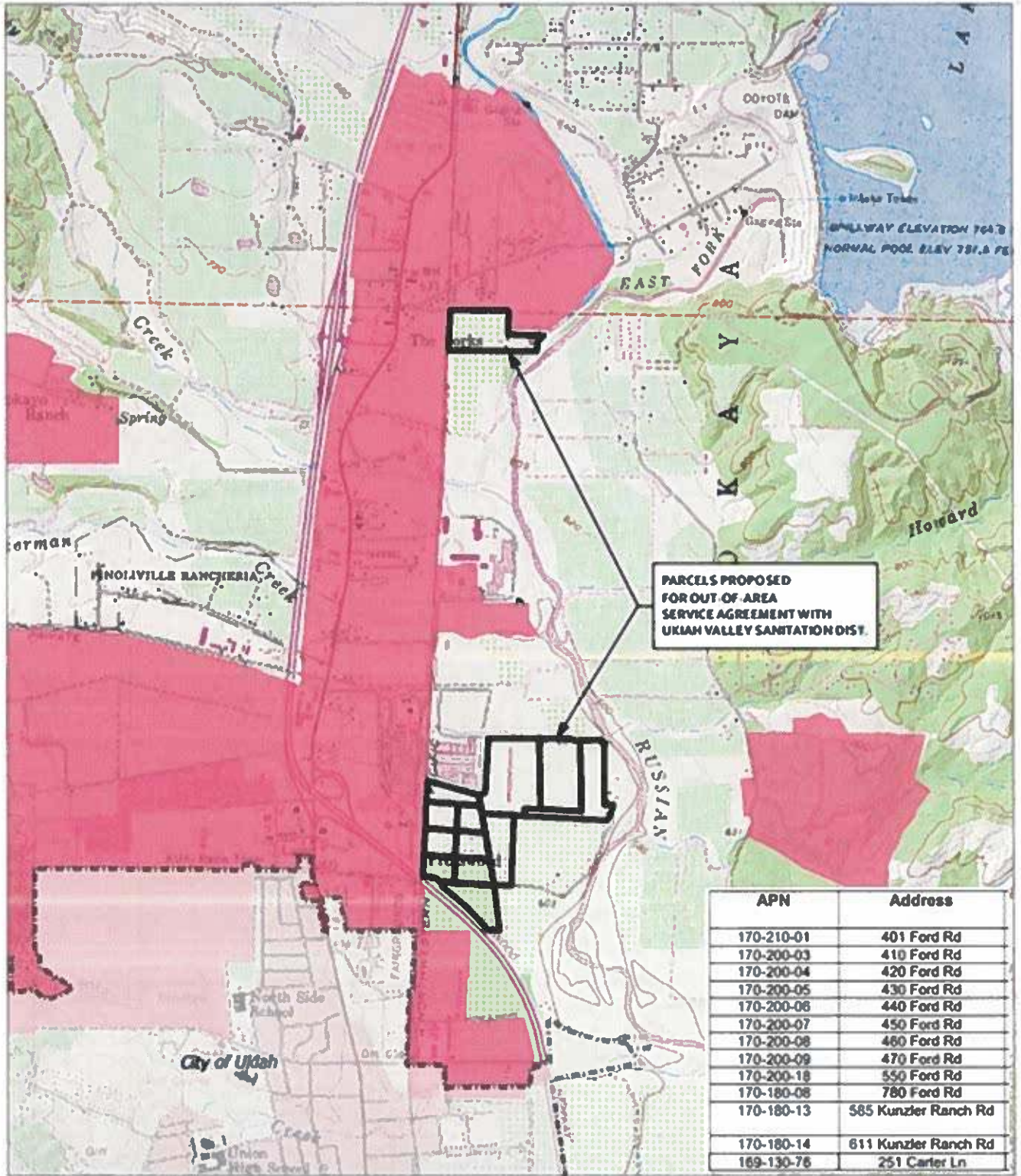
Katrina Bartolomie, Clerk-Recorder  
 Mendocino County, CA  
 501 Low Gap Rd , Room 1020  
 Ukiah, Ca 95482

Receipt: 22-15489

Product	Name	Extended
NTDETER	Notice Of Determination	\$50.00
	#Pages	1
	Document #	2022-E0080
	#NegativeDecl	0
	#MitigatedNegativeDecl	0
	# EIR	0
	# Cert. Reg Pogram	0
	#ConformedLabels	1
<b>Total</b>		<b>\$50.00</b>
<b>Tender (On Account (Charge or Prepay))</b>		<b>\$50.00</b>
Account#	UKCITY	
Account Name	CITY OF UKIAH (EIR)	
Balance	(\$106.00)	

Thank You!

Thu Nov 17 11:53:10 PST 2022 marianna



PARCELS PROPOSED FOR OUT-OF-AREA SERVICE AGREEMENT WITH UKIAH VALLEY SANITATION DIST.

APN	Address
170-210-01	401 Ford Rd
170-200-03	410 Ford Rd
170-200-04	420 Ford Rd
170-200-05	430 Ford Rd
170-200-06	440 Ford Rd
170-200-07	450 Ford Rd
170-200-08	460 Ford Rd
170-200-09	470 Ford Rd
170-200-18	550 Ford Rd
170-180-08	780 Ford Rd
170-180-13	585 Kunzler Ranch Rd
170-180-14	611 Kunzler Ranch Rd
169-130-76	251 Carter Ln

Map produced by the Mendocino County Planning & Building Services Department using data provided by the California State Plane State Plane System, National Geospatial Data, and other sources. All rights reserved. This map is not a warranty of any kind. Do not use this map to determine legal property boundaries.

Major Towns & Places

City Limits



LOCATION MAP

**THIS MAP AND DATA ARE PROVIDED WITHOUT WARRANTY OF ANY KIND. DO NOT USE THIS MAP TO DETERMINE LEGAL PROPERTY BOUNDARIES.**

After recording, return to:  
Mendocino Local Agency Formation Commission  
200 S School Street  
Ukiah, CA 95482

Exempt from fees per Gov Code 6103

**LANDOWNER OUT OF AREA SERVICE AND ANNEXATION CONSENT  
AGREEMENT AND COVENANT**

**Address being served:** \_\_\_\_\_

**Assessor Parcel No.:** \_\_\_\_\_ ( “the  
Property,” Legal description in Attachment 1.)

**Owners:** \_\_\_\_\_

**Parties to Agreement:**

Owners

Ukiah Valley Sanitation District (District)

City of Ukiah (City)

Mendocino County Local Agency Formation Commission (LAFCO)

**By this Agreement:**

1. **Owner agrees** to apply to District for sewer service to the Property. Owner agrees to comply with District’s ordinances and policies governing the extension and provision of such service, including applicable costs and fees.

2. **District agrees** upon approval of this Agreement by LAFCO to provide sewer service to the Property in compliance with its duly adopted policies and ordinances.

3. **Owner consents** to and agrees to support the City’s annexation of the Property in compliance with Attachment 2.

4. **Term of Agreement.** This Agreement remains in effect until annexation of the Property by the City is final at which time this Agreement is terminated.

**AGREEMENT EFFECTIVE UPON LATEST NOTARIZED SIGNATURE DATE  
ON PAGE 2.**



**SIGNATURE PAGE**

**OWNER(S)**

The undersigned hereby certify to be all the Owner(s) of the Property described in Attachment 1, the only person(s) whose consent is necessary to pass title to said real property, and to have consented to the annexation of said real property to the City of Ukiah.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dated: \_\_\_\_\_

**UKIAH VALLEY SANITATION DISTRICT**

By: \_\_\_\_\_  
Ernie Wipf, Chairman

Dated: \_\_\_\_\_

**CITY OF UKIAH**

By: \_\_\_\_\_  
Sage Sangiacomo, City Manager

Dated: \_\_\_\_\_

**MENDOCINO LOCAL AGENCY FORMATION COMMISSION**

Executed by: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Dated: \_\_\_\_\_

\*Signatures to be acknowledged

## ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_

(insert name and title of the officer)

personally appeared \_\_\_\_\_,

Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**ATTACHMENT 1**  
**[LEGAL DESCRIPTION OF PROPERTY]**

**ATTACHMENT 2**  
**CONSENT TO ANNEXATION**

- a) Consent/Petition to Future Annexation. Owner consents to and petitions for the annexation of the Property by the City of Ukiah, understanding that upon annexation, the Property and its Owners will become subject to City ordinances and other duly adopted regulations and policies, including the taxes, assessments and fees that the City imposes on property in the City.
  
- 2) Binding on Successors in Interest. This consent shall be a covenant running with the land that is binding on anyone acquiring an ownership interest in the Property.
  
- 3) Tenants to be Bound. All existing or future leases, rental agreements, or other agreements providing a right to use or occupy the Property shall contain the following covenant:

*“This agreement and the right of lessee or tenant to possess and occupy the property is subject to the Annexation Agreement recorded as Mendocino County Document No. \_\_\_\_\_ on \_\_\_\_\_, 202\_. By its terms that agreement is binding on tenants or anyone else with a right to use or occupy the property under this lease.”*

- 4) Consequences of Breach. Owner and LAFCO agree that if Owner or anyone succeeding to Owner’s interest in all or any portion of the Property protests annexation of all or any portion of the Property by the City, LAFCo and the City shall be entitled to take the following actions:
  - a) LAFCo shall treat this consent as the binding decision and action of the Owner for all purposes under the Cortese Knox Hertzberg Act (Government Codes Section 56000 *et seq.*) and any objection or protest shall be null and void and may be disregarded by LAFCO in determining objections and/or the value of all protests to such annexation.
  
  - b) In addition to the above, if deemed necessary, LAFCO and the City may specifically enforce this agreement and covenant against Owners or their successors in the state courts of Mendocino County.



AGREEMENT BETWEEN  
THE UKIAH VALLEY SANITATION DISTRICT AND THE CITY OF UKIAH  
REGARDING PROVISION OF INTERIM SEWER SERVICES AND OUT OF AREA  
SERVICE AGREEMENTS

This Agreement Regarding Out of Area Service Agreements and Interim Sewer Services ("Agreement") is made and entered into this 8<sup>th</sup> day of June, 2022, by and between the UKIAH VALLEY SANITATION DISTRICT, a county sanitation district organized under the laws of the State of California ("District") and the CITY OF UKIAH, a California municipal corporation ("City"). District and City are individually referred to as a "Party" and together as the "Parties."

RECITALS

WHEREAS, the Parties provide sewer services within their respective jurisdictions and have received requests to extend sewer service to various properties outside of their jurisdictional boundaries; and

WHEREAS, under Government Code section 56133, the Mendocino Local Agency Formation Commission ("LAFCo") may authorize a district to provide services outside its boundaries and sphere of influence ("SOI") pursuant to a written out of area service agreement ("OASA"); and

WHEREAS, the Parties desire to provide sewer service to those properties; and

WHEREAS, the City has submitted an annexation application to the Mendocino Local Agency Formation Commission (LAFCo) to annex City-owned properties in five areas within Mendocino County and a pre-application for the proposed annexation of areas north of Ukiah (Masonite/Ford Road area), and desires to annex other areas within the County, including the District (collectively referred to in this Agreement as "City Annexations"); and

WHEREAS, LAFCo is developing the Municipal Service Review (MSR)/SOI Update Study for LAFCo consideration of City and District proposals for annexations and/or extensions of service; and

WHEREAS, the Parties desire to enter into this Agreement regarding (i) the provision of interim sewer services for properties requesting out of area service until (1) the area upon which those properties are situated are annexed by the City or (2) the City annexes sufficient additional portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the Cortese–Knox–Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), including Government Code §57105 and (ii) the terms under which both Parties are willing to support City annexation.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and subject to the terms, conditions, and provisions hereof, the Parties hereto agree as follows:

## AGREEMENT

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into this Agreement as if set forth herein in full.

2. Term. The term of this Agreement shall commence on June 8, 2022 ("Commencement Date") and continue in effect until (1) the District becomes either a subsidiary district within the City or the District is merged with the City pursuant to Government Code Section 57105 or other applicable provisions of the CKH Act or state law, (2) the entire District is annexed by and detached from the City, (3) either the City or the District cancels this Agreement on 5 year's prior written notice to the other party, or (4) both the City and District mutually agree to terminate this Agreement.

3. Sewer Service. Until such time as the earliest of the following occurs, District shall have first rights of refusal to provide, at its sole discretion, sewer service to the areas outside the City's and District's jurisdictions: (1) the area is annexed to City; or (2) the Parties mutually agree otherwise. Said sewer service shall be at the same level of service as that provided throughout the District.

### 4. Mutual Cooperation

A. Out of Area Service Agreement (OASA). The City, as the applicant for annexation, shall prepare OASAs at the direction of the District to serve areas where development could occur with sewer services. The City shall submit sewer service related OASAs to the District for review and approval prior to filing with LAFCo. This Agreement and any OASA related tax sharing agreement with Mendocino County shall be attached to and incorporated by reference into any OASA submitted to LAFCo under this Agreement. The District shall reimburse the City for costs the City incurs to file the OASA, and the District may recover those costs from the property owners that request and receive out of area sewer service. For OASAs approved by LAFCo under this Agreement, the District shall collect all fees associated with providing such services from sewer customers of the affected parcels. During the term of this Agreement, the District shall be responsible for all costs associated with providing such services.

B. The City agrees that it will not apply to LAFCo for detachment of District territory from the City's jurisdictional boundaries as those boundaries currently exist or as they are changed by future City Annexations.

- C. District agrees to support City Annexations and to work cooperatively with City regarding revisions to the City's General Plan, Municipal Service Review and Sphere of Influence necessary or advisable to enable City Annexations and not to propose or seek LAFCo approval for or support proposed provisions in the District's MSR or SOI that would inhibit, conflict with, or prevent such City Annexations and/or reorganizations, as described in this Agreement.
- D. Pursuant to Government Code Section 57105 or other applicable provisions of state law, the District will support and urge LAFCo to approve either designating the District as a subsidiary district of the City or merger of the District with the City at such time as 70% or more of registered voters in the District are within the City limits and 70% of the area of land within the District is within the City's jurisdictional boundaries or when those reorganizations are otherwise authorized by state law.
- E. The District will support and cooperate with the City in seeking special legislation to amend the CKH Act to authorize merger of the District with the City when 70% or more of registered voters in the District are within the City limits without regard to the area of District land that is within the City, subject to reasonable conditions that are agreeable to both parties.

5. Indemnity. Neither Party, its officers, agents or employees, shall have any liability for intentional or negligent acts, by omission or commission, by the other party, or of any officer, agent or employee thereof. Each Party shall indemnify, defend and hold the other party, including their respective officers, agents, employees and independent contractors, harmless from any claim or action arising out of performance of this Agreement with respect to any work to be performed by or authority delegated to such party.

6. Modification and Termination. This Agreement may not be modified, terminated or rescinded, in whole or in part, except by a written instrument duly executed and attested by the Parties hereto or their successors or assigns.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Notices. All notices to be delivered hereunder, if personally delivered, shall be deemed received when delivered. If mailed in the United States mail, notices shall be mailed postage prepaid, registered or certified, with return receipt requested, and shall be deemed delivered on the date stated on the return receipt. If mailed in any other manner, including by email with acknowledgment of receipt, notices shall be deemed received on actual receipt. Notices shall be mailed in the above manner to the following addresses:



**UKIAH VALLEY SANITATION DISTRICT**

151 Laws Avenue  
Ukiah, CA 95482  
Attn: General Manager  
Email: [aa@uvsd.org](mailto:aa@uvsd.org)

**CITY OF UKIAH**

City of Ukiah Civic Center  
300 Seminary Avenue  
Ukiah, CA 95482  
Attn: City Manager  
Email: [cityclerk@cityofukiah.com](mailto:cityclerk@cityofukiah.com)

Either Party may from time to time change its address for notice by notifying the other party of such new address.

9. Entire Agreement. This instrument and any authorized attachments thereto contains the entire Agreement between the Parties relating to the obligations of the City and District as described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect.

10 Waiver. Failure of any Party to insist upon strict performance of any of the terms, conditions or covenants in this Agreement will not be deemed a waiver of any right or remedy that Party may have and will not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions or covenants contained in this Agreement, nor will it constitute a precedent for interpretation of this Agreement.

11. Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile or electronic signatures will be permitted.

13. Authority to Execute Agreement. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that, by so executing this Agreement, the parties hereto are formally bound to the provisions of this Agreement.

14. No Third Party Beneficiaries Intended. No person or entity not a named party to this Agreement is intended as a beneficiary of any provision of this Agreement or to have

any standing or authority to enforce any provision of this Agreement. No such third-party beneficiaries are intended or created.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**UKIAH VALLEY SANITATION DISTRICT      CITY OF UKIAH**

  
\_\_\_\_\_  
Ernie Wipf, Chair, Board of Directors

  
\_\_\_\_\_  
Jim Brown, Mayor

ATTEST:

  
\_\_\_\_\_  
Chelsea Teague, Board Secretary

ATTEST

  
\_\_\_\_\_  
Kristine Lawler (Jun 20, 2022 14:04 PDT)  
Kristine Lawler, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Joanna Gin, General Counsel

APPROVED AS TO FORM:

  
\_\_\_\_\_  
David Rapport, City Attorney

# Ukiah Daily Journal

617 S. State St  
Ukiah, California 95482  
(707) 468-3500  
advertising@record-bee.com

2117504

MENDOCINO COUNTY LAFCO  
200 SOUTH SCHOOL ST  
UKIAH, CA 95482

## PROOF OF PUBLICATION (2015.5 C.C.P.)

### STATE OF CALIFORNIA COUNTY OF MENDOCINO

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Ukiah Daily Journal, a newspaper of general circulation, printed and published daily in the City of Ukiah, County of Mendocino and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California, under the date of September 22, 1952, Case Number 9267; that the notice, of which the annexed is a printed copy (set in type not smaller than non-pareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

02/10/2023

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.

Dated at Ukiah, California,  
February 16th, 2023



Molly E. Lane, LEGAL CLERK

Legal No. 0006731491

0055-23

2-10/23

#### Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING.

NOTICE IS HEREBY GIVEN that on Monday, March 6, 2023, at 9:00 AM (or as soon thereafter as the matter may be heard) in a hybrid meeting format with in-person participation in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, and remote participation pursuant to State Executive Order N-29-20 and AB 361 in response to the COVID-19 pandemic via video or telephone as described in the Instructions for Remote Participation Option in the agenda to be posted at least 72 hours in advance of the meeting, and livestreamed at [www.youtube.com/MendocinoCountyVideo](http://www.youtube.com/MendocinoCountyVideo), the Mendocino Local Agency Formation Commission (LAFCo) will hold a Public Hearing to consider adoption of the following: Ford Road, Kunzler Ranch Road, Carter Lane Proposed Out-of-Agency Services Agreement - City of Ukiah and Ukiah Valley Sanitation District application (File No. O-2022-03) to provide wastewater services to 13 parcels (170-210-01, 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) located in unincorporated Mendocino County. Copies of all related documents may be reviewed once available at the LAFCo website ([www.mendolafco.org](http://www.mendolafco.org)) or at the LAFCo office. If you cannot attend the Public Hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: [eo@mendolafco.org](mailto:eo@mendolafco.org); phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION. UMA HINMAN, Executive Officer.

**Notice of Exemption**

*(Exempt from fees per GOV Section 27383)*

**Appendix E**

**To:** Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044  
  
County Clerk  
County of: Mendocino

**From:** (Public Agency): Mendocino LAFCo  
200 South School Street  
Ukiah, California 95482  
  
(Address)

Project Title: Ford Road, Kunzler Ranch Road, Carter Lane OASA Area for Wastewater from City/UVSD

Project Applicant: City of Ukiah (City) and Ukiah Valley Sanitation District (UVSD)

Project Location - Specific:

Unincorporated areas of the Ukiah Valley on Ford Road, Kunzler Ranch Road, and Carter Lane.

Project Location - City: City of Ukiah Project Location - County: Mendocino

Description of Nature, Purpose and Beneficiaries of Project:

Ford Rd, Kunzler Ranch Rd, Carter Ln Out-of-Agency Wastewater Services Agreement (File No. O-2022-03) for City of Ukiah/UVSD to serve 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, 169-130-7).

Name of Public Agency Approving Project: Mendocino Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Mendocino Local Agency Formation Commission

Exempt Status: **(check one):**

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: §15061(b)(3) (General Rule Exemption)
- Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

The application seeks to extend sewer services to parcels that will otherwise develop with the installation of septic systems, which are not suitable for the anticipated scale of development. The application will not have a significant effect on the environment, and may have an environmental benefit by avoiding the need for the development of multiple septic systems in a floodplain area and proximate to a major river.

Lead Agency  
Contact Person: Uma Hinman, Executive Officer Area Code/Telephone/Extension: (707) 463-4470

**If filed by applicant:**

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature: \_\_\_\_\_ Date: 3/6/2023 Title: Executive Officer

Signed by Lead Agency  Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.  
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: \_\_\_\_\_

**Resolution No. 2022-23-09**  
**of the Mendocino Local Agency Formation Commission**

**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 and Finding of Exemption Pursuant to the California Environmental Quality Act**

WHEREAS, the Local Agency Formation Commission of Mendocino County, hereinafter referred to as the “Commission”, administers California Government Code Section 56000 et. seq., known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the Commission may authorize a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary but within its sphere of influence (SOI) in anticipation of a later change of organization in accordance with California Government Code Section 56133; and

WHEREAS, the Commission received an out-of-agency services agreement (OASA) application on November 18, 2022 from the City of Ukiah (City) and Ukiah Valley Sanitation District (UVSD or District), hereinafter referred to as “application”, requesting the approval of an OASA involving wastewater services to twelve parcels within the unincorporated area located on Ford Road, Kunzler Ranch Road, and Carter Lane, identified by the Mendocino County Assessor’s Office as APNs 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 (the “OASA Area”); and

WHEREAS, the application for the OASA Area is located outside the jurisdictional boundaries of the City and District and is located within the City’s SOI boundary adopted by the Commission on December 19, 2022; and

WHEREAS, although there are no known proposed development projects within the OASA Area to determine the extended wastewater service demands, the City/District has sufficient capacity to serve the properties in the proposed OASA Area at the current zoning and density; and

WHEREAS, the application, located outside the City and District boundaries but within the City’s sphere of influence, satisfies the anticipation of later annexation requirement pursuant to Government Code Section 56133(b) and extraordinary circumstances and applying strict limitations for extensions of service to new development pursuant to Mendocino LAFCo Policy 12.2.2; and

WHEREAS, the application meets the statutory criteria outlined in LAFCo law and adopted local policy requirements; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing on the application to be conducted by the Commission in the form and manner provided by law; and

WHEREAS, the Executive Officer’s report and recommendations on the application were presented to the Commission in the manner provided by law and adopted local policy; and

WHEREAS, the Commission heard and fully considered all the testimony and evidence presented at a public hearing held on the application on March 6, 2023.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. The Commission finds the application is exempt from further review under the California Environmental Quality Act under the General Rule Exemption pursuant to Title 14 of the California Code of Regulations (14 CCR) §15061(b)(3), and approves the Notice of Exemption for filing. It can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This is because the application seeks to extend sewer services to parcels that will otherwise develop with the installation of septic systems, which are not suitable for the anticipated scale of development. The application will not have a significant effect on the environment, and may have an environmental benefit by avoiding the need for the development of multiple septic systems in a floodplain area, which could present cumulative environmental concerns due to known flood hazards in the area and proximity to the Russian River.
2. 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 conditionally approved, subject to the following terms and conditions.
  - a) The properties subject to the out-of-agency services agreement area approval shall be defined by the map depicted in Exhibit “A”, attached hereto and incorporate herein by reference.
  - b) The Commission’s approval of the identified OASA Area for extension of wastewater services is not anticipated to induce growth or create a significant change in buildout potential since the OASA Area is expected to develop with septic systems in the absence of sewer connection. The extension of wastewater services is to ensure that expected growth under the zoning and General Plan can be supported by appropriate infrastructure and followed by annexation. The City and/or District shall provide the Executive Officer annual written updates on development and annexation progress in the OASA Area (electronic communication is adequate).
  - c) The continued cooperation between the City and District is required to ensure the commitment for orderly annexation to the City, which requirement has been satisfied by the execution of the City-District Interim Service Agreement shown in Exhibit “B”, attached hereto and incorporated herein by reference. If the City and/or District anticipate terminating the Interim Service Agreement under its terms allowing cancellation by either the City or the District upon five-years prior written notice to the other party, or by mutual agreement to terminate, the City and District must provide prompt written notification to the Executive Officer of any interagency notice or mutual agreement to terminate the Interim Service Agreement. In advance of termination of the Interim Service Agreement, the City and District will be required to appear before the Commission on the matter. Upon notice received by LAFCo, no additional applications for extension of services within the OASA Area will be processed by LAFCo under this approval. LAFCo will not prevent, limit or interrupt wastewater services subject to this OASA Area approval for individual properties that already have a sewer connection in place or that have commenced construction of the sewer connection line, so long as those properties have completed the LAFCo Annexation Consent Agreement and Covenant document.
  - d) The LAFCo Annexation Consent Agreement and Covenant document is required for each property to be signed by the existing owners on title consenting to future annexation of

the subject territory to the City of Ukiah. The document shall be recorded to bind future owners of the property, among other things.

- e) Upon City and/or District receipt of written notice from the Executive Officer confirming the Annexation Consent Agreement and Covenant documentation is valid, and satisfactory completion of any other conditions of approval, the City and/or District may commence construction of sewer connection lines and associated infrastructure to the subject property in compliance with all applicable federal, state, and local laws and regulations.
3. A Certificate of Completion is not filed for out-of-agency services agreements. Therefore, the effective date of the out-of-agency services agreement conditional approval for the OASA Area shall be the date of execution of this resolution. Any work commenced or costs incurred by the City and/or District prior to satisfying all conditions of this conditional approval, and within the CEQA statute of limitations timeframe related to discretionary actions, are completed at the agency's own risk.

PASSED and ADOPTED by the Local Agency Formation Commission of Mendocino County this 6th day of March 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

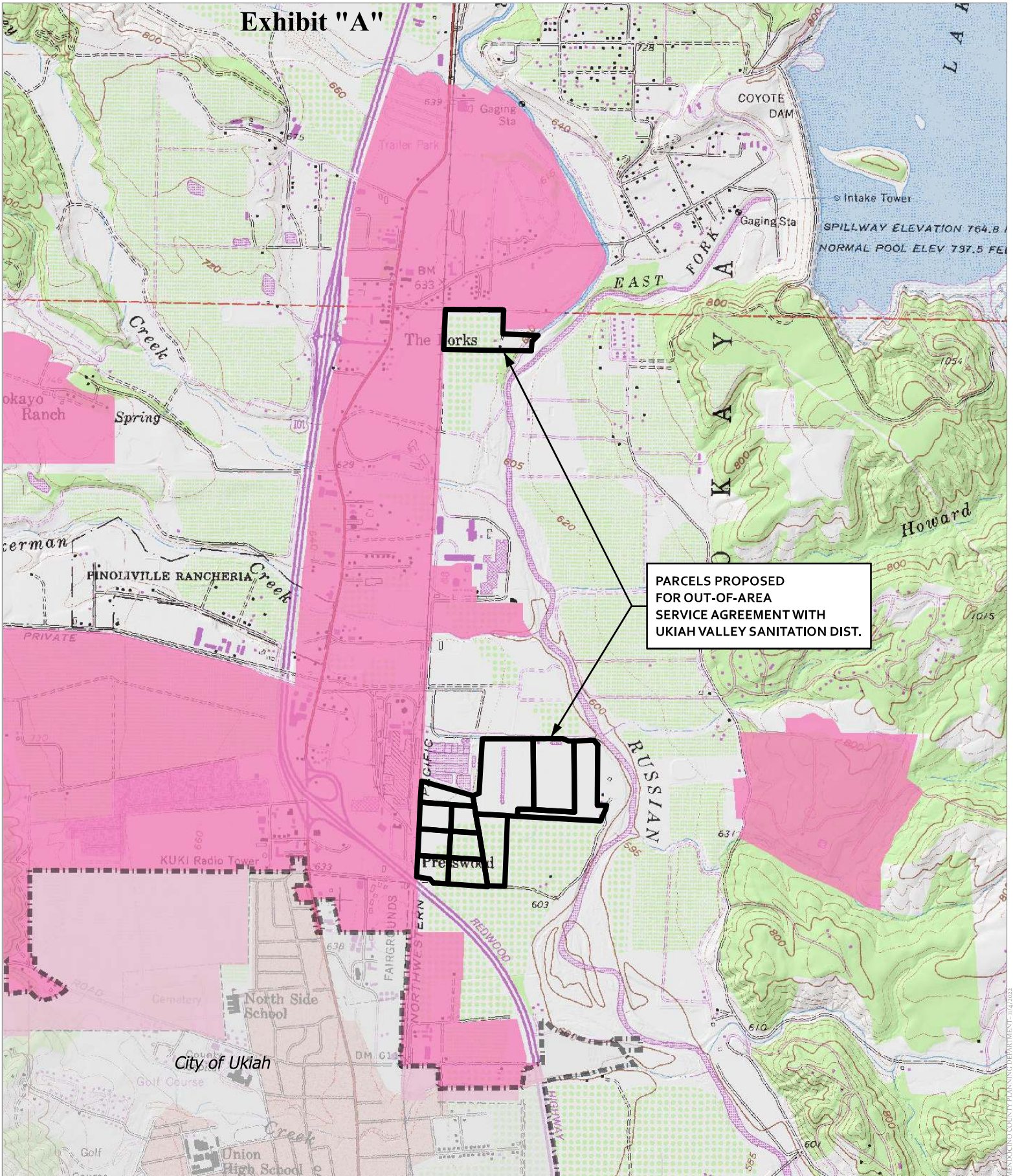
ABSENT:

\_\_\_\_\_  
MAUREEN MULHEREN, Commission Chair

ATTEST:

\_\_\_\_\_  
UMA HINMAN, Executive Officer

# Exhibit "A"

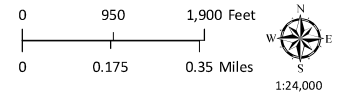


PARCELS PROPOSED FOR OUT-OF-AREA SERVICE AGREEMENT WITH UKIAH VALLEY SANITATION DIST.

Map produced by the Mendocino County Planning & Building Svcs. Dept., November 2022  
 Coordinate System: NAD 83, Calif. State Plane Zone II  
 Projection: Lambert Conformal Conic  
 Parcel Data: Mendocino County Information Services, October, 2018  
 Aerial Imagery: US Dept. of Agriculture/ArcGIS Online mosaic  
 Topographic Data: USGS 7.5 minute quad series Mount Diablo Base & Meridian  
 Parcel numbers are for tax purposes only and do not represent legal or salable parcels.  
 All spatial data is approximate. This map is not a substitute for a proper land survey.

● Major Towns & Places

▬ City Limits





AGREEMENT BETWEEN  
THE UKIAH VALLEY SANITATION DISTRICT AND THE CITY OF UKIAH  
REGARDING PROVISION OF INTERIM SEWER SERVICES AND OUT OF AREA  
SERVICE AGREEMENTS

This Agreement Regarding Out of Area Service Agreements and Interim Sewer Services ("Agreement") is made and entered into this 8<sup>th</sup> day of June, 2022, by and between the UKIAH VALLEY SANITATION DISTRICT, a county sanitation district organized under the laws of the State of California ("District") and the CITY OF UKIAH, a California municipal corporation ("City"). District and City are individually referred to as a "Party" and together as the "Parties."

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WHEREAS, the Parties provide sewer services within their respective jurisdictions and have received requests to extend sewer service to various properties outside of their jurisdictional boundaries; and

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WHEREAS, the Parties desire to provide sewer service to those properties; and

WHEREAS, the City has submitted an annexation application to the Mendocino Local Agency Formation Commission (LAFCo) to annex City-owned properties in five areas within Mendocino County and a pre-application for the proposed annexation of areas north of Ukiah (Masonite/Ford Road area), and desires to annex other areas within the County, including the District (collectively referred to in this Agreement as "City Annexations"); and

WHEREAS, LAFCo is developing the Municipal Service Review (MSR)/SOI Update Study for LAFCo consideration of City and District proposals for annexations and/or extensions of service; and

WHEREAS, the Parties desire to enter into this Agreement regarding (i) the provision of interim sewer services for properties requesting out of area service until (1) the area upon which those properties are situated are annexed by the City or (2) the City annexes sufficient additional portions of the District to qualify the District for reorganization as a subsidiary district of or merger with the City under applicable provisions of the Cortese–Knox–Hertzberg Local Government Reorganization Act of 2000 ("CKH Act"), including Government Code §57105 and (ii) the terms under which both Parties are willing to support City annexation.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, and subject to the terms, conditions, and provisions hereof, the Parties hereto agree as follows:

## AGREEMENT

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into this Agreement as if set forth herein in full.

2. Term. The term of this Agreement shall commence on June 8, 2022 ("Commencement Date") and continue in effect until (1) the District becomes either a subsidiary district within the City or the District is merged with the City pursuant to Government Code Section 57105 or other applicable provisions of the CKH Act or state law, (2) the entire District is annexed by and detached from the City, (3) either the City or the District cancels this Agreement on 5 year's prior written notice to the other party, or (4) both the City and District mutually agree to terminate this Agreement.

3. Sewer Service. Until such time as the earliest of the following occurs, District shall have first rights of refusal to provide, at its sole discretion, sewer service to the areas outside the City's and District's jurisdictions: (1) the area is annexed to City; or (2) the Parties mutually agree otherwise. Said sewer service shall be at the same level of service as that provided throughout the District.

### 4. Mutual Cooperation

A. Out of Area Service Agreement (OASA). The City, as the applicant for annexation, shall prepare OASAs at the direction of the District to serve areas where development could occur with sewer services. The City shall submit sewer service related OASAs to the District for review and approval prior to filing with LAFCo. This Agreement and any OASA related tax sharing agreement with Mendocino County shall be attached to and incorporated by reference into any OASA submitted to LAFCo under this Agreement. The District shall reimburse the City for costs the City incurs to file the OASA, and the District may recover those costs from the property owners that request and receive out of area sewer service. For OASAs approved by LAFCo under this Agreement, the District shall collect all fees associated with providing such services from sewer customers of the affected parcels. During the term of this Agreement, the District shall be responsible for all costs associated with providing such services.

B. The City agrees that it will not apply to LAFCo for detachment of District territory from the City's jurisdictional boundaries as those boundaries currently exist or as they are changed by future City Annexations.

- C. District agrees to support City Annexations and to work cooperatively with City regarding revisions to the City's General Plan, Municipal Service Review and Sphere of Influence necessary or advisable to enable City Annexations and not to propose or seek LAFCo approval for or support proposed provisions in the District's MSR or SOI that would inhibit, conflict with, or prevent such City Annexations and/or reorganizations, as described in this Agreement.
- D. Pursuant to Government Code Section 57105 or other applicable provisions of state law, the District will support and urge LAFCo to approve either designating the District as a subsidiary district of the City or merger of the District with the City at such time as 70% or more of registered voters in the District are within the City limits and 70% of the area of land within the District is within the City's jurisdictional boundaries or when those reorganizations are otherwise authorized by state law.
- E. The District will support and cooperate with the City in seeking special legislation to amend the CKH Act to authorize merger of the District with the City when 70% or more of registered voters in the District are within the City limits without regard to the area of District land that is within the City, subject to reasonable conditions that are agreeable to both parties.

5. Indemnity. Neither Party, its officers, agents or employees, shall have any liability for intentional or negligent acts, by omission or commission, by the other party, or of any officer, agent or employee thereof. Each Party shall indemnify, defend and hold the other party, including their respective officers, agents, employees and independent contractors, harmless from any claim or action arising out of performance of this Agreement with respect to any work to be performed by or authority delegated to such party.

6. Modification and Termination. This Agreement may not be modified, terminated or rescinded, in whole or in part, except by a written instrument duly executed and attested by the Parties hereto or their successors or assigns.

7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. Notices. All notices to be delivered hereunder, if personally delivered, shall be deemed received when delivered. If mailed in the United States mail, notices shall be mailed postage prepaid, registered or certified, with return receipt requested, and shall be deemed delivered on the date stated on the return receipt. If mailed in any other manner, including by email with acknowledgment of receipt, notices shall be deemed received on actual receipt. Notices shall be mailed in the above manner to the following addresses:

**UKIAH VALLEY SANITATION DISTRICT**

151 Laws Avenue  
Ukiah, CA 95482  
Attn: General Manager  
Email: [aa@uvsd.org](mailto:aa@uvsd.org)

**CITY OF UKIAH**

City of Ukiah Civic Center  
300 Seminary Avenue  
Ukiah, CA 95482  
Attn: City Manager  
Email: [cityclerk@cityofukiah.com](mailto:cityclerk@cityofukiah.com)

Either Party may from time to time change its address for notice by notifying the other party of such new address.

9. Entire Agreement. This instrument and any authorized attachments thereto contains the entire Agreement between the Parties relating to the obligations of the City and District as described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect.

10 Waiver. Failure of any Party to insist upon strict performance of any of the terms, conditions or covenants in this Agreement will not be deemed a waiver of any right or remedy that Party may have and will not be deemed a waiver of any right or remedy for a subsequent breach or default of the terms, conditions or covenants contained in this Agreement, nor will it constitute a precedent for interpretation of this Agreement.

11. Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder to this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

12. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which, when executed and delivered shall be deemed an original and all of which together shall constitute the same agreement. Facsimile or electronic signatures will be permitted.

13. Authority to Execute Agreement. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that, by so executing this Agreement, the parties hereto are formally bound to the provisions of this Agreement.

14. No Third Party Beneficiaries Intended. No person or entity not a named party to this Agreement is intended as a beneficiary of any provision of this Agreement or to have

any standing or authority to enforce any provision of this Agreement. No such third-party beneficiaries are intended or created.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**UKIAH VALLEY SANITATION DISTRICT      CITY OF UKIAH**

  
\_\_\_\_\_  
Ernie Wipf, Chair, Board of Directors

  
\_\_\_\_\_  
Jim Brown, Mayor

ATTEST:

  
\_\_\_\_\_  
Chelsea Teague, Board Secretary


ATTEST

  
\_\_\_\_\_  
Kristine Lawler (Jun 20, 2022 14:04 PDT)  
Kristine Lawler, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Joanna Gin, General Counsel

APPROVED AS TO FORM:

  
\_\_\_\_\_  
David Rapport, City Attorney

**MENDOCINO**  
**Local Agency Formation Commission**

**Staff Report**

MEETING      March 6, 2023  
TO              Mendocino Local Agency Formation Commission  
FROM          Uma Hinman, Executive Officer  
SUBJECT       **Draft Policy for Commissioner Teleconferencing**

---

**RECOMMENDATION**

The Commission adopt Resolution No. 2022-23-10 approving the policy for Commission Teleconferencing consistent with the provisions of Assembly Bill 2449.

**BACKGROUND**

At its November 7, 2022 regular meeting, the Commission heard a report on the new rules for teleconferencing required under AB 2449 directed the Policies & Procedures Committee to develop a draft policy implementing the statute for Commission consideration. The Policies & Procedures Committee met on February 16, 2023 to develop a policy for recommendation to the Commission.

The Governor issued a series of executive orders in connection with the ongoing COVID-19 pandemic, which included a waiver of all physical-presence requirements under the Brown Act. These orders expired on September 30, 2021. Assembly Bill 361, which took effect as an urgency measure on September 16, 2021, allowed local agencies to continue conducting remote meetings during a State of Emergency or until January 1, 2024. Upon the termination of the emergency declaration for CA (effective February 28, 2023), the temporary, expanded remote meeting benefits of AB 361 will end.

As of March 1, 2023, agencies conducting meetings under the Brown Act will have the choice to return to pre-COVID Brown Act meeting rules or follow the new Brown Act provisions under AB 2449 ([GOV 54953](#)), which allows for limited remote meeting capabilities for elected officials.

The following policy is the current Mendocino LAFCo general policy regarding meetings:

*Policy 3.8.1 General*

*All meetings conducted by Mendocino LAFCo, including posting and publication of public notices and agendas, shall adhere to the provisions of the Ralph M. Brown Act (GOV 54950 et seq.).*

The Committee recommends inclusion of a new Policy 3.8.1.1 *Commissioner Teleconferencing*; see attached resolution and draft policy recommended to the Commission for consideration. The new policy is consistent with AB 2449 and allows for teleconferencing under limited circumstances.

Also attached is a summary of AB 2449 for information.

Attachment(s): Resolution No. 2022-23-10 with draft policy  
Summary of AB 2449

**Resolution No. 2022-23-10**  
**of the Local Agency Formation Commission of Mendocino County**

**Approving the**  
**Commissioner Teleconferencing Policy**

WHEREAS, Local Agency Formation Commissions have been created under the provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Sections 56000 et. seq. of the Government Code, as independent agencies, with the power to adopt policies and procedures to carry out their functions, (§56300); and

WHEREAS, the Commission directed the Policies & Procedures Committee to develop a policy implementing the new teleconferencing requirements of Assembly Bill 2449 that allow for limited teleconferencing for members of governing bodies.

WHEREAS, the Policies & Procedures Committee held a public meeting on the proposed commissioner teleconferencing policy on February 16, 2023 and at that meeting, the Committee considered the report of the Executive Officer and all oral and written comments with respect to the proposed policy, and recommended the policy to the Commission.

WHEREAS, this Commission held a public meeting on the proposed commissioner teleconferencing policy and at that meeting this Commission received the recommendation of the Policies & Procedures Committee, the report of the Executive Officer, and all oral and written comments with respect to the proposed policy.

NOW, THEREFORE, the Local Agency Formation Commission of the County of Mendocino DOES HEREBY RESOLVE, DETERMINE and ORDER the adoption of the Commissioner Teleconferencing Policy as set forth in Exhibit A.

BE IT FURTHER RESOLVED that the Mendocino LAFCo Policies & Procedures Manual be updated accordingly.

PASSED and ADOPTED by the Local Agency Formation Commission of Mendocino County this 6th day of March 2023 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
MAUREEN MULHEREN, Commission Chair

ATTEST:

\_\_\_\_\_  
UMA HINMAN, Executive Officer

## Exhibit A

### Policy 3.8.1.1 Commissioner Teleconferencing

Regular meetings of the Commission shall adhere to the provisions of the Ralph M. Brown Act (GOV 54950 et seq) and the provisions of [GOV 54953](#), which allow for teleconferencing under specific conditions.

To promote transparency and public participation, regular meetings of the Commission will be held in a hybrid format provided the technology to do so is readily available. Commissioners shall participate in-person for all Commission meetings, unless circumstances exist to justify the use of “Expanded Teleconferencing Procedures.” Should a Commissioner request attendance by teleconference for “just cause” or “emergency circumstances,” as defined in GOV 54953(j), the requirements set forth in the statute shall apply.

Commissioners may attend regular Commission meetings by teleconference not to exceed two times per year. Commissioners must make such requests of the Commission prior to or at the start of a regular meeting, stating the reason (“just cause” or “emergency circumstances”) and a brief description of the circumstances relating to the need to appear remotely. The Commission shall take action on the request at the beginning of the meeting.

#### 3.8.1.1.1 Global Teleconferencing Procedures

At the discretion of the Commission and/or the Executive Officer, any employee, consultant or individual presenting or attending a meeting of the Commission, other than a member of the Commission, shall be permitted to attend via teleconference without compliance or conditions set forth herein.

To the extent a commissioner wishes to attend a meeting via teleconference, the commissioner shall generally be required to comply with the “Standard Teleconferencing Procedures” below, unless the circumstances exist to justify the use of “Expanded Teleconferencing Procedures.”

#### 3.8.1.1.2 Standard Teleconferencing Procedures

Members of the Commission, inclusive of all bodies and committees required to comply with the Brown Act, may attend a meeting via teleconference if the following conditions are satisfied:

1. At least a quorum of commissioners participates in the meeting from locations within the County;
2. The agenda posted for the meeting is posted at all teleconference locations, each of which are identified in the notice and the agenda for the meeting; and
3. Each teleconference location is accessible to the public, and the public is permitted to comment at each teleconference location.

#### 3.8.1.1.3 Expanded Teleconferencing Procedures

A commissioner may attend a regular meeting via videoconference only without the need to comply with the Standard Teleconferencing Procedure requirements to notice and post agenda locations or make such locations accessible to the public, if the following conditions are satisfied:

1. At least a quorum of the commissioners participate in-person from a single physical location accessible to the public and as clearly identified in the posted agenda;
2. The public is permitted to attend the meeting either by teleconference or videoconference in a manner such that the public may participate in real-time during the meeting;
3. Notice of the means by which the public may remotely participate and offer comment during the meeting is included within the posted agenda;



4. Commissioners attending remotely have either “just cause” or “emergency circumstance”, as defined in [GOV 54953](#), that justifies their attendance via videoconference:
5. A commissioner who has not attended a regular meeting remotely on the basis of “just cause” more than two times in a calendar year or on the basis of “emergency circumstance” for longer than three consecutive months.

In order to utilize the Expanded Teleconferencing Procedures, a commissioner shall:

1. For “just cause” circumstance, notify the Commission at the earliest opportunity, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstance relating to their need to appear remotely at the given meeting;
2. For “emergency circumstance,” request to participate at a meeting due to an “emergency circumstance” as soon as possible, preferably before the posting of the agenda but up to the start of the meeting, with such request including a general description of the circumstances relating to their need to appear remotely at the given meeting, though any description need not exceed 20 words and need not include any medical information exempt from disclosure by law;
3. The commissioner shall disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the Member’s relationship to such individuals;
4. Participate through videoconferencing, with both visual and audio technology.

Upon request of a commissioner to utilize the Expanded Teleconference Procedures, the Commission shall:

1. Take action by majority vote on a request to participate remotely due to an “emergency circumstance” at its earliest opportunity, which may be taken as a noticed agenda item or as an added item if sufficient time was not provided to place the proposed action on the agenda;
2. In the event of disruption within the power of the Commission that prevents the broadcasting of the meeting to members of the public, or in the event of disruption within LAFCo’s control that prevents members of the public from offering public comment using the teleconferencing or videoconferencing options, take no further action during a meeting until such access is restored.

#### 3.8.1.1.4 Miscellaneous Provisions

With respect to Standard Teleconferencing Procedures and Expanded Teleconferencing Procedures set forth herein, such are intended to comply with [GOV 54953](#)(b) and (f), respectively, and, as such, in the event of conflict between this Policy and such statutory provisions, the statutory provisions shall control and be implemented as if set forth in this Policy.

## Summary of AB 2449 Requirements

The passage of AB 2449 allows for limited use of hybrid meetings in the absence of a declaration of state of emergency. Under the provisions of the recently signed AB 2449, agencies will not be obligated to post agendas at all teleconference locations, will not be obligated to identify all teleconference locations in the meeting agendas, and will not be obligated to make each teleconference location open to the public.

For an agency to proceed under the procedures established by AB 2449, meetings must have at least a quorum of the members of the legislative body participating in-person from a singular, physical location clearly identified on the agenda, be open to the public, and be situated within the boundaries of the territory over which the local agency exercises jurisdiction.

Remote participation under AB 2449 must be done for specified reasons — either because of a “just cause” or as a result of “emergency circumstances.” The two cases have different requirements that must be observed and have their own unique restrictions. See table on next page for more details. The agency must also be prepared to host a robust remote meeting — under the terms of AB 2449, an agency must provide at least one of the following so that the public may remotely observe the meeting and provide comments:

- A two-way audiovisual platform (defined to mean an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function); and/or
- A two-way telephonic service and a live webcasting of the meeting (defined to mean a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate)

### Conditions under which AB 2449 may be used

Board/Commission members are individually tasked with observing certain requirements before they can make use of AB 2449’s terms. It is incumbent upon the individual board/commission members themselves to follow certain requirements laid out in the bill; save for some overlapping obligations, the requirements differ based on whether the member’s remote participation is arising out of a “just cause” or “emergency circumstances,” as shown in the table below:

“Just Cause”	“Emergency Circumstances”
<p><b>“Just cause”</b> means any of the following:</p> <ul style="list-style-type: none"> <li>• A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely</li> <li>• A contagious illness that prevents a member from attending in person</li> <li>• A need related to a physical or mental disability not otherwise accommodated</li> <li>• Travel while on official business of the legislative body or another state or local agency</li> </ul> <p><u>Procedures</u></p> <p>➤ The member notifies the legislative body at the earliest opportunity possible (including at the</p>	<p><b>“Emergency circumstances”</b> means a physical or family medical emergency that prevents a member from attending in person.</p> <p><u>Procedures</u></p> <p>➤ The member requests the legislative body to allow them to participate in the meeting remotely due to <b>“emergency circumstances”</b> and the legislative body takes action to approve the request. The member shall make this request to participate remotely at a meeting as soon as possible. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting.</p>

"Just Cause"	"Emergency Circumstances"
<p>start of a regular meeting) of their need to participate remotely for "<b>just cause</b>," including a general description of the circumstances relating to their need to appear remotely at the given meeting.</p> <p>Remote participation for "just cause" reasons shall not be utilized by any member of the legislative body for more than two (2) meetings per calendar year.</p>	<p>The general description of the circumstances does not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act.</p> <p>➤ The member shall make a separate request for each meeting in which they seek to participate remotely.</p> <p>The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with existing law.</p>
<p>Should either case ("just cause"/"emergency circumstances") be declared, the member shall:</p> <ul style="list-style-type: none"> <li>• Publicly disclose at the meeting, before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individual(s); <i>and</i></li> <li>• Participate through both audio <i>and</i> visual technology.</li> </ul>	
<p>Under neither case ("just cause"/"emergency circumstances") do AB 2449's provisions permit any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for a period of:</p> <ul style="list-style-type: none"> <li>• More than three (3) consecutive months or 20 percent of the regular meetings for the local agency within a calendar year, <i>or</i></li> <li>• More than two (2) meetings if the legislative body regularly meets fewer than 10 times per calendar year.</li> </ul>	

# MENDOCINO

## Local Agency Formation Commission

### Staff Report

DATE: March 6, 2023  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Mid-Year Budget Review and Work Plan Report for FY 2022-23**

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#### RECOMMENDATION

Receive and file report.

#### BACKGROUND

Mid-year budget reviews are intended to review expenses and revenues half-way through a budget year to determine whether any adjustments are needed before the end of the fiscal year. The mid-year budget review also assists with development of the next fiscal year budget and work plan.

#### Mid-Year Budget Review

The mid-year budget review is an opportunity to review itemized operating expenses and make adjustments as necessary. Attachment 2 summarizes the expenditures as of January 31, 2023 by account.

As shown in Attachment 1, the Commission adopted a FY 2022-23 budget of \$263,800. Table 1 summarizes the adopted budget, the current expenditure totals and percent of budget expended as of January 31, 2023 (see Attachment 2 for additional detail). The current Work Plan includes two single agency MSR/SOI studies and two regional multi-agency water/wastewater agencies MSR/SOI studies.

The budget review indicates staffing and work plan costs are within budget. Two categories, Accounts 5500 Office Rent and 6670 GIS Contract with County, are projected to run overbudget by the end of the fiscal year. Under [Policy 5.1.6 Budget Adjustments](#), the Executive Officer may approve expenditures exceeding individual account budgets by up to five percent, not to exceed \$3,000.

It is anticipated that the projected overages in Account 5500 will be within the policy allowances and will be covered by underutilized budget in other categories. While it is anticipated that Account 6670 will go overbudget by the end of the fiscal year, no budget amendment is recommended at this time since staff is unsure of additional need for GIS services.

The following notes summarize the overview:

1. Revenues for this fiscal year include apportionment fees totaling \$265,000, split equally among the categories of Cities/County/Special Districts. Additional revenues include overhead collected through service fees and bank interest, which at mid-year are a combined sum of \$3,666.
2. Expenses as of January 31, 2023 were \$111,234, mostly allocated to Basic Services/Staffing and office operations (Services and Supplies).

Mid-Year Expense Summary	Adopted (\$)	Mid-Year Total (\$)	% of total
Basic Services (Staffing)	125,100	57,450	46
Services and Supplies	68,700	30,640	45
Work Plan	70,000	23,144	33
<b>Expenses Total</b>	<b>263,800</b>	<b>111,234</b>	<b>42</b>

3. Applications are processed and billed to the applicant per the adopted services rates, which were first adopted in early 2022 and went into effect July 1, 2022. The service rates allow for recapture of some overhead costs. “Contract Staff” is the amount billed at contract staff rates that is passed through to the consultant; the “Overhead” is used to offset operational and work plan costs. “Direct Costs” are those items that are billed at cost to the applicant (i.e., public notice publishing and mailing costs).

Contract Staff	Overhead	Direct Costs	Total
\$9,638	\$3,488	\$100	\$13,226

Application processing has been focused on a number of projects this fiscal year, including several City of Ukiah applications and an application from the Elk Community Services District for activation of latent powers. Activities on applications has primarily been focused on the City of Ukiah’s proposal to annex City-owned properties and a joint application with the Ukiah Valley Sanitation District to extend out-of-agency services to the Ford Road, Kunzler Ranch Road, and Carter Lane area located northeast of City limits.

4. Reserves are on target at \$115,995.
- \$50,000 for legal reserves; as directed by Commission
  - \$65,995 for operational reserves; policy specifies 25% of operational budget (target \$65,950)
5. Contingencies for Work Plan implementation are at \$30,815. The contingencies are intended to cover unanticipated work plan costs such as overages on MSR/SOI and special study development (e.g., consultant contracts, adjusting work plan to include additional agencies or complicated subjects, etc.). Additionally, the contingencies may be used to cover CEQA related costs that are not included in the Work Plan budget, which normally assumes application of Exemptions.

**Work Plan Status Report**

Staff have completed two of the four scheduled MSR/SOI update tasks: City of Ukiah and the Ukiah Valley Sanitation District (UVSD). The remaining two Work Plan tasks are regional water and wastewater districts that are divided into coastal and inland agencies.

Delays in the regional MSR/SOI studies have primarily been related to application workload, which is prioritized, and staff vacancy. Progress on the Work Plan is summarized in the following table.

Remaining Work Plan Tasks 2021-22	Budget (\$)	Status (% complete)
City of Ukiah*	15,000	100
Ukiah Valley Sanitation District*	10,000	100
Coastal Water/Wastewater Districts	20,000	0
Inland Water/Wastewater Districts (not including UVSD)	25,000	0
* Initiated in FY 2021-22		

The December 2022 completion of the City of Ukiah and the Ukiah Valley Sanitation District MSR/SOI Updates were major milestones for LAFCo. The highly collaborative process closely paralleled the City’s General Plan Update and included regular coordination meetings between LAFCo, City and UVSD staff, as well as agency staff support in development of the studies. This was the first update of the SOIs for both agencies since their establishment in 1984.

*Coastal Region Water and Wastewater Districts MSR/SOI Updates*

Six (6) special districts and 10 mutual water companies (MWC) have been identified for the coastal water and wastewater districts MSR/SOI updates. Originally scheduled and budgeted for fiscal year 2022-23 to include four (4) special districts and four (4) MWCs, staff have since identified an additional two (2) wastewater agencies and six (6) mutual water companies for inclusion.

#	Water Districts	W <sup>1</sup>	WW <sup>2</sup>	Mutual Water Companies
1	Gualala Community Services District		X	Albion MWC
2	Caspar South Water District		X	Anchor Bay Water Works
3	Elk County Water District	X		Big River Vista MWC
4	Irish Beach Water District	X		Caspar South Service Company
5	Mendocino County Water Works District No. 2		X	Hills Ranch MWC
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 MWC
9				Seafair Road and Water Company
10				Surfwood MWC

<sup>1</sup> Water service provider  
<sup>2</sup> Wastewater service provider

With the completion of the City of Ukiah and UVSD MSR/SOI Updates in December, staff has been focused on application processing, which takes precedence over the Work Plan. Staff anticipates initiating the coastal region water and wastewater districts MSR/SOI updates in early April.

Note that under Assembly Bill (AB) 54, MWCs are required to provide service area maps and service information upon request by LAFCo. While a full MSR analysis will not be completed for MWCs, their inclusion in the context of regional water discussion and analyses is important, particularly as the State Water Resources Control Board has the authority to require consolidation under AB 88 as well as continued regional drought planning. LAFCo prepared a [report](#) on MWCs in 2018.

*Inland Region Water and Wastewater Districts MSR/SOI Updates*

The inland region water and wastewater districts MSR/SOI updates will follow the coastal region updates. Originally, a total of eight agencies were identified for the inland region districts: four (4) water/wastewater districts and four (4) mutual water companies. Staff have since expanded the list to include a total of eight (8) water/wastewater districts and eight (8) mutual water companies.

#	Water Districts	W <sup>1</sup>	WW <sup>2</sup>	O <sup>3</sup>	Mutual Water Companies
1	Calpella County Water District	X	X		Branscomb MWC
2	Hopland Public Utilities District	X	X		Dos Rios MWC
3	Laytonville County Water District		X		Lakeview Mutual MWC
4	Millview County Water District		X		Meadow Estates MWC
5	Potter Valley Irrigation District			X	Pine Mountain MWC

<b>Table 5. Inland Region Water and Wastewater Districts scheduled for MSR/SOI Updates</b>					
#	Water Districts	W <sup>1</sup>	WW <sup>2</sup>	O <sup>3</sup>	Mutual Water Companies
6	Redwood Valley County Water District	X	X		River Estates MWC
7	Round Valley County Water District			X	Rogina Water Company
8	Willow County Water District	X			Russian River Estates MWC
<sup>1</sup> Water service provider <sup>2</sup> Wastewater service provider <sup>3</sup> Other services provided (i.e. irrigation water)					

### Staff Activities Through First Half of FY 2022-23

In addition to the Work Plan, the first half of this fiscal year has been focused on application processing and responding to inquiries and researching issues brought forward by special districts and landowners.

The following summary of staff activities is intended to be an informative overview and is not all-inclusive:

- Processing a joint Out-of- Agency Agreement application for the City of Ukiah and the UVSD.
- Regular coordination meetings with City of Ukiah and Ukiah Valley Sanitation District staff regarding development of the MSR/SOI Updates and proposals to support development in the region.
- Coordination with County staff regarding County Service Area 3 Sherwood Road Pilot Project.
- Provided initial consultation with two additional agencies (Anderson Valley CSD and Gualala Community Services District) on application needs and process.
- Policy development in response to the passing of AB 2449 regarding teleconferencing meetings.
- City of Ukiah General Plan Update CEQA review and comment letters.
- Develop and implement a request for proposals for legal counsel services.
- Implement two special district member elections.
- Respond to Mendocino Coast Health Care District board members' inquiries regarding laws and best practices for board management and administration.
- Respond to numerous inquiries including a special district formation on the south coast for recreation, options for consolidation of administration for cemetery districts, and potential landowner-initiated annexation/detachment of individual parcels.
- Respond to Public Records Act requests.
- Coordinate FY 2021-22 annual audit with CPA and Treasurer.

### Anticipated Staff Activities for Remainder of FY 2022-23

Staff will remain focused on progressing Work Plan tasks and processing several applications and proposals that are on file and anticipated in the coming months. Following is a brief summary of anticipated tasks through the end of the fiscal year:

- FY 2023-24 Budget and Work Plan development.
- City of Ukiah application proposing annexation of City-owned properties.
- City of Ukiah application proposing annexation of Western Hills Properties.
- Elk Community Services District proposal to activate latent powers.
- Coastal region water/wastewater MSR/SOI updates.
- Research and respond to public inquiries.
- Completion of tasks listed above (SD regular member election, legal counsel services contract, etc.) and staff recruitment.

### Attachments

1. Adopted FY 2022-23 Budget and Work Program
2. Mid-Year Budget Review Spreadsheets (expenses and revenues)

Attachments

1. Adopted FY 2022-23 Budget and Work Program
2. Mid-Year Budget Review Spreadsheets (expenses and revenues)



**Resolution No. 2021-22-18**  
**of the Local Agency Formation Commission of Mendocino County**

**Adopting the**  
**Final Budget and Work Program for Fiscal Year 2022-23**

WHEREAS, in accordance with the Cortese Knox Hertzberg Act of 2000, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, annually adopts a budget pursuant to Government Code Section 56381(a) to fulfill its purposes and functions that are set by State law; and

WHEREAS, 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 program of this chapter pursuant to Government Code Section 56381(a); and

WHEREAS, the Commission adopted a Proposed Budget and Work Program and held a duly noticed hearing as required by law on May 2, 2022 for the purposes of developing a Final Budget and Work Program for Fiscal Year 2022-23; and

WHEREAS, the Proposed Fiscal Year 2022-23 Budget and Work Program has been circulated to all affected agencies pursuant to Government Code Section 56381(a); and

WHEREAS, the Commission hereby advises member agencies of the potential necessity to incrementally increase agency apportionment rates in the fiscal years to follow in order for the Commission to achieve its expanding state mandated responsibilities, consistent with Government Code Section 56381; and

WHEREAS, the Commission heard and fully considered all evidence presented at a duly noticed public hearing held on the Fiscal Year 2022-23 Final Budget and Work Program on June 6, 2022.

NOW, THEREFORE, the Mendocino Local Agency Formation Commission does hereby RESOLVE, DETERMINE, and ORDER as follows:

1. The Commission hereby adopts the Final Budget for Fiscal Year 2022-23 as set forth in Exhibit A, attached hereto; and
2. Establishes the Fiscal Year 2022-23 Work Program priorities as identified in Exhibit B, attached hereto; and
3. Establishes the agency apportionment fees for Fiscal Year 2022-23 at \$265,000, which remains unchanged from the current fiscal year; and
4. Finds that the Fiscal Year 2022-23 Final Budget and Work Program allows the Commission to fulfill its prescribed regulatory and planning duties.

BE IT FURTHER RESOLVED that aforementioned Fiscal Year 2022-23 Final Budget and Work Program is officially adopted and ordered to be circulated to all affected agencies pursuant to Government Code Section 56381(a).

PASSED and ADOPTED by the Local Agency Formation Commission of Mendocino County this 6th day of June 2022 by the following vote:

AYES: Ward, Froneberger, Mulheren, McGourty, Rodin, Gonzalez, Orth

NOES: None

ABSTAIN: None

ABSENT: None

*Charles A Orth*  
Charles A Orth (Jun 7, 2022 20:56 PDT)

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CHARLES A. ORTH, Commission Chair

ATTEST:

*Uma Hinman*  
Uma Hinman (Jun 8, 2022 07:46 PDT)

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UMA HINMAN, Executive Officer

Exhibit A

Mendocino Local Agency Formation Commission  
Final Budget for FY 2022-2023

June 6, 2022

ACCOUNT #	DESCRIPTION	FY 2021-22	FY 2022-23
		Final	Final
<b>REVENUE</b>			
	<i>Anticipated Cash Balance</i>		
4000	LAFCo Apportionment Fees	\$ 265,000	\$ 265,000
4100	Service Fee Overhead		
4800	Miscellaneous		
4910	Interest Income	\$ 100	\$ 100
	<b>Revenue Subtotal</b>	<b>\$ 265,100</b>	<b>\$ 265,100</b>
<b>EXPENSES</b>			
5300	Basic Services ( <i>EO, Analyst, Clerk</i> )	\$ 108,000	\$ 125,100
5500	Rent	\$ 5,775	\$ 6,500
5600	Office Expenses	\$ 3,300	\$ 3,300
5700	Internet & Website Costs	\$ 2,500	\$ 2,500
5900	Publication and Legal Notices	\$ 2,000	\$ 2,000
6000	Televising Meetings	\$ 2,000	\$ 2,000
6100	Audit Services	\$ 3,500	\$ 3,800
6200	Bookkeeping	\$ 4,500	\$ 4,500
6300	Legal Counsel	\$ 19,000	\$ 19,000
6400	A-87 Costs County Services	\$ 2,100	\$ 2,100
6500	Insurance-General Liability	\$ 2,450	\$ 3,200
6600	Memberships ( <i>CALAFCO/CSDA</i> )	\$ 3,525	\$ 3,700
6670	GIS Contract with County	\$ 2,500	\$ 2,000
6740	In-County Travel & Stipends	\$ 4,000	\$ 4,000
6750	Travel & Lodging Expense	\$ 6,250	\$ 6,000
6800	Conferences ( <i>Registrations</i> )	\$ 4,100	\$ 4,100
7000	Work Plan ( <i>MSRs and SOIs</i> )	\$ 51,500	\$ 70,000
	<b>Operating Expense Total</b>	<b>\$ 227,000</b>	<b>\$ 263,800</b>
	<b>REVENUE/EXPENSE DIFFERENCE</b> <i>(Negative balance indicates use of fund balance and/or reserves)</i>	\$ 38,100	\$ 1,300
<b>RESERVES / CONTINGENCIES</b>			
	Legal Reserves		\$ 50,000
	Operations Reserves @ 25% Annual Operating Budget		\$ 65,950
	Total Reserves		\$ 115,950
	<i>Anticipated Cash Balance</i>		\$ 30,815
	Proposed Work Plan Contingency		\$ 30,815

## Exhibit B

### Work Program (Basic Services and Work Plan) FY 2022-23 Final

Tasks	Description & Assumptions	Estimated Budget
<b>Basic Services</b>		
Office Hours & Administrative Duties	Clerk duties not related to projects; office hours; public assistance; PRA requests; budget development, tracking, amendments; accounts payable, QuickBooks; annual audit; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review, etc.; carrying out Commission direction.	\$ 75,000
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 5 hours per month.	Current Contract
Application Processing	Process change of organization or reorganization applications initiated by landowner petition or resolution of application from Cities and Special Districts to modify existing powers, annex and/or detach territory from agency boundaries, and create, dissolve, or consolidate/merge local agencies.	Paid by applicant
Policy Development	Prepare expedited process for out-of-area water services; outreach and update SOI policy; policy amendment and development as needed.	\$ 10,000
Transparency Improvements to Website	Assess/implement website improvements (JPAs, maps, etc.); Post JPA Agreements on website (SB 1266).	\$ 1,100
<b>Total</b>		<b>\$ 125,100</b>
<b>Work Plan</b>		
MSR/SOI Update	Prepare and adopt combined Municipal Service Review and Sphere of Influence (MSR/SOI) Update studies pursuant to GOV §56425 and §56430, either in-house or by contract.	\$ 70,000
<p>The agencies listed below have priority for preparation of a LAFCo-initiated MSR/SOI Update in Fiscal Year 2022-23.  <b>The actual completion of a specific study may span multiple fiscal years. The budget allocation for each agency is based on estimated costs. Actual costs for study completion may be higher or lower than estimated below.</b></p> <p>Work Plan implementation is subject to change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.</p> <p>The Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).</p>		
<b>The total Work Plan Budget of \$70,000 is not limited to the following designations. These budget allocations may shift to other agencies as needed during the year.</b>	City of Ukiah	\$ 15,000
	Ukiah Valley Sanitation District	\$ 10,000
	Coastal Water Districts (6)	\$ 20,000
	Inland Water Districts (8)	\$ 25,000
	<b>Total</b>	

Mendocino LAFCo Budget Tracking

MENDOCINO LAFCO FY 2022-23 BUDGET TRACKING				
REVENUE		BUDGET	YTD Subtotal	Balance
4020	OPERATING INCOME (APPORTIONMENTS)	\$ 265,000.00	\$ 120,000.00	\$ 145,000.00
4800	MISCELLANEOUS (SERVICE FEES OH, COPIES)		\$ 3,609.87	\$ (3,609.87)
4910	INTEREST	\$ 100.00	\$ 55.98	\$ 44.02
Income/Fees Subtotals		\$ 265,100.00		
8000	APPLICATIONS	PRIOR FY DEPOSITS	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	\$ 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
8601	Sustainable Ag Lands Committee Grant	\$ 3,225.00	\$ 2,525.00	\$ 5,750.00
Application Subtotals			\$ 7,025.00	\$ 47,282.75
REVENUE TOTAL			\$ 7,025.00	

**Mendocino LAFCo Budget Tracking**

EXPENSES		BUDGET	Total Expenses YTD	Budget Balance	% Budget Expended
5300	<b>Basic Services - EO/Analyst/Clerk</b> Unfunded Mandates (Public Records Requests)	\$ 125,100.00	\$ 57,450.00	\$ 67,650.00	54%
5500	<b>Rent</b>	\$ 6,500.00	\$ 3,735.00	\$ 2,765.00	43%
5600	<b>Office Expenses</b>	\$ 3,300.00	\$ 1,936.41	\$ 1,363.59	41%
5700	<b>Internet &amp; Website Costs</b>	\$ 2,500.00	\$ 1,109.36	\$ 1,390.64	56%
5900	<b>Publication &amp; Legal Notices</b>	\$ 2,000.00	\$ 507.54	\$ 1,492.46	75%
6000	<b>Televising Meetings</b>	\$ 2,000.00	\$ 731.15	\$ 1,268.85	63%
6100	<b>Audit Services</b>	\$ 3,800.00	\$ 3,750.00	\$ 50.00	1%
6200	<b>Bookkeeping</b>	\$ 4,500.00	\$ 2,310.00	\$ 2,190.00	49%
6300	<b>Legal Counsel (S Browne)</b>	\$ 19,000.00	\$ 6,300.00	\$ 12,700.00	67%
6400	<b>A-87 Costs County Services</b>	\$ 2,100.00	\$ -	\$ 2,100.00	100%
6500	<b>Insurance - General Liability</b>	\$ 3,200.00	\$ 2,799.92	\$ 400.08	13%
6600	<b>Memberships (CALAFCO/CSDA)</b>	\$ 3,700.00	\$ 3,579.00	\$ 121.00	3%
6670	<b>GIS Contract with County</b>	\$ 2,000.00	\$ 1,789.64	\$ 210.36	11%
6740	<b>In-County Travel &amp; Stipends</b>	\$ 4,000.00	\$ 199.13	\$ 3,800.87	95%
6750	<b>Travel &amp; Lodging Expenses</b>	\$ 6,000.00	\$ 1,268.52	\$ 4,731.48	79%
6800	<b>Conferences (Registrations)</b>	\$ 4,100.00	\$ 625.00	\$ 3,475.00	85%
7000	<b>Work Plan (MSRs and SOIs)</b>	\$ 70,000.00	\$ 23,143.75	\$ 46,856.25	67%
<b>Subtotals</b>		<b>\$ 263,800.00</b>	<b>\$ 111,234.42</b>		
8000	<b>APPLICATIONS</b>	<b>TOTAL</b>	<b>Total</b>	<b>Deposit</b>	
		<b>DEPOSITS TD</b>	<b>Expenses TD</b>	<b>Balance</b>	
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	\$ 3,753.75	\$ 1,246.25	
8028	Elk CSD Activation of Latent Powers (L-2022-01)	\$ 5,000.00	\$ 4,236.25	\$ 763.75	
8029	City of Ukiah Annexation of Western Hills Properties (A-2022-02)	\$ 5,000.00	\$ 250.00	\$ 4,750.00	
8030	City of Ukiah/UVSD Out of Agency Service Agreement (O-2022-03)	\$ 2,500.00	\$ 7,905.84	\$ (5,405.84)	
8601	Sustainable Ag Lands Committee Grant	\$ 5,750.00	\$ 5,750.00	\$ -	
<b>Contract Staff Billing Subtotal</b>			\$ 9,638.75		
<b>Service Fees Overhead (OH) Subtotal</b>			\$ 3,487.50		
<b>Application Expenses Total</b>			\$ 13,225.84		
<b>EXPENSES TOTAL</b>			\$ 124,460.26		

# MENDOCINO Local Agency Formation Commission

## Staff Report

MEETING      March 6, 2023  
TO              Mendocino Local Agency Formation Commission  
FROM          Uma Hinman, Executive Officer  
SUBJECT      **Applications and Work Load**

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### 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/Ukiah Valley Sanitation District Out of Agency Service Agreement for Wastewater Services (File No. O-2022-03)

On November 18, 2022, the City of Ukiah and the Ukiah Valley Sanitation District (UVSD) submitted a joint application to extend wastewater services to areas outside both the City of Ukiah and the UVSD boundaries and within the City of Ukiah's Sphere of Influence. The proposed service areas include several parcels in the Masonite/Ford Road area and a parcel in The Forks area. The proposal is submitted with an *Agreement Between the Ukiah Valley Sanitation District and the City of Ukiah Regarding Provision of Interim Sewer Services and Out of Area Service Agreements*, which specifies the interim service provider

for the parcels to be the UVSD until the area is annexed into the City of Ukiah. Public hearing scheduled for March 6, 2023.

#### 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. LAFCo and City staff have established regularly scheduled coordination meetings for the proposal. 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. A change in project description required a revised Notice of Filing be distributed, which was completed in mid-October. The application is incomplete.

## **POTENTIAL FUTURE PROPOSALS**

LAFCo staff has been made aware of the following potential future proposals that may come before the Commission for consideration. Also see Attachment 1 Summary Table – Application Activity and Potential Future Proposals.

#### Anderson Valley Community Services District Annexation of Sphere of Influence

The Anderson Valley Community Services District (AVCSD) is coordinating with LAFCo staff on application requirements for annexation of the District's Sphere of Influence (SOI) for fire services. An application is anticipated in the first quarter of 2023.

## **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

<b>APPLICATION ACTIVITY</b>								
<i>Project status as of March 1, 2023</i>								
<b>LAFCo File No.<sup>1</sup></b>	<b>Applicant</b>	<b>Project Name</b>	<b>Date Application Received</b>	<b>Certificate of Filing</b>	<b>LAFCo Hearing Date</b>	<b>Certificate of Completion</b>	<b>BOE Submittal Date</b>	<b>Additional Comments</b>
O-2022-03	Ukiah/ UVSD	Out of Agency Service Agreement for Wastewater Services	11/18/2022	N/A	3/6/2023		N/A	Public hearing scheduled for March 6, 2023
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)
<b>Potential Future Proposals</b>								
N/A	AVCSD	Annexation of SOI for Fire Services						Coordination on application needs

<sup>1</sup>Key: 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

<b>FY 2021-22 ESTIMATED WORK PLAN IMPLEMENTATION SCHEDULE AND STATUS</b>						
<i>Work Plan status as of March 1, 2023</i>						
<b>Subject to Change:</b> 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.						
<b>CEQA:</b> 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.						
<b>Rolling Work Plan:</b> 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.						
<b>Agency</b>	<b>Request for Information</b>	<b>Admin Draft</b>	<b>Public Workshop</b>	<b>Public Hearing</b>	<b>Final Study</b>	<b>Status/Notes</b>
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	A joint public workshop on the MSR portion of the study was held in September. A second joint workshop on the SOI portion of the study was held in November. The public hearing was held in December and resulted in adoption of the studies and SOI.
City of Ukiah	Complete	Complete	9/12/22 11/7/22	12/19/22	12/23/22	A joint public workshop on the MSR portion of the study was held in September. A second joint workshop on the SOI portion of the study was held in November. The public hearing was held in December and resulted in adoption of the studies and SOI.
Coastal Water Districts	Pending	Pending				
Inland Water Districts	Pending	Pending				