

# MENDOCINO

## Local Agency Formation Commission

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

### COMMISSIONERS

**Carre Brown, Chair**  
County Board of Supervisors

**Tony Orth, Vice Chair**  
Brooktrails Township CSD

**Gerald Ward, Treasurer**  
Public Member

**Gerardo Gonzalez**  
Willits City Council

**John Huff**  
Mendocino Coast Recreation  
and Park District

**Scott Ignacio**  
Point Arena City Council

**John McCowen**  
County Board of Supervisors

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

**Will Lee, Alternate**  
Fort Bragg City Council

**Richard Weinkle, Alternate**  
Public Member

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

### STAFF

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Kristen Meadows

**Counsel**  
Scott Browne

### REGULAR MEETINGS

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

## A G E N D A

Regular Meeting of **Monday, August 3, 2020** at 9:00 AM  
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

*Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are available on the LAFCo website <http://mendolafco.org/recorded-meetings/>  
Meeting documents are available online: <http://mendolafco.org/meeting-documents/>*

### **Important Notice**

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

The regularly scheduled meeting of the Commission will be live streamed and available for viewing on the [Mendocino County YouTube page](#).

In order to minimize the risk of COVID-19 exposure, the public may provide written and verbal comments in lieu of personal attendance as outlined below.

Submit **written comments** electronically to [eo@mendolafco.org](mailto:eo@mendolafco.org) by 8:00 a.m. on August 3. In the subject line, specify the agenda item number for your comments, "To be read aloud" if desired, and in the body of the email include your name. If to be read aloud, please keep your comments to 500 words or less. All written comments will be provided as soon as feasible to the Commission and posted on the [meeting documents](#) page of the website.

Provide **verbal comments** via teleconference with the information provided on the [website](#). Please pre-register by email to [eo@mendolafco.org](mailto:eo@mendolafco.org) by 8:00 a.m. on August 3 to allow staff time to provide meeting participation instructions. In the subject line, specify the agenda item number for your comments and "...Live" (Example: Item 4a Public Comment Live), your name. Participants will receive instructions for participation in the meeting. Each participant will have three minutes to provide comments related to the agenda item.

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

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

### **2. PUBLIC EXPRESSION**

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

### 3. 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.

**3a) Approval of the June 1, 2020 Regular Meeting Summary**

**3b) Approval of the June 2020 Claims & Financial Report**

**3c) Approval of the July 2020 Claims & Financial Report**

**3d) Pehling & Pehling, CPAs Contract for FY 2019-20 Audit Services**

### 4. PUBLIC HEARING ITEMS

Public Hearings are scheduled for Commission consideration and possible adoption of items. Questions and comments from the Commission, participating agencies, and members of the public are welcome.

#### **4a) Mendocino City Community Services District MSR/SOI Update**

The Commission will consider a Municipal Service Review and Sphere of Influence Update as required by LAFCo law. The final report includes written determinations on the level and scope of services provided by Mendocino City Community Services District. RECOMMENDED ACTIONS: 1) Find the Mendocino City Community Services District Municipal Service Review and Sphere of Influence Update is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations §15306 and §15061(b)(3) and approve the Notice of Exemption for filing; and 2) Adopt LAFCo Resolution 2020-21-01, approving the Mendocino City Community Services District Municipal Service Review and Sphere of Influence Update and reducing the District's existing 2008 Sphere of Influence to a coterminous sphere.

### 5. WORKSHOP ITEMS

None

### 6. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

#### **6a) Proposed Amended Legal Representation Agreement**

The Commission will consider an amended Legal Representation Agreement with the Law Office of P. Scott Browne. RECOMMENDATION: Approve the proposed Amended Legal Representation Agreement and authorizing the Chair to sign the Agreement.

#### **6b) CALAFCO 2020 Board of Directors Nominations and Voting Delegate**

The Commission will receive a report on the CALAFCO Board Elections for 2020-21 and will consider submitting nominations for the Northern Region and selecting a voting delegate for the election to be held in October 2020.

#### **6c) CALAFCO Call for Legislative Action**

The Commission will consider CALAFCO's request for letters of opposition regarding Senate Bill 414 – the Small System Water Authority Act of 2020. RECOMMENDATION: Approve the proposed letter of opposition and authorize the Chair's signature.

### 7. 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.

**7a) Work Plan, Current and Future Proposals** (Written)

**7b) Correspondence** (Copies provided upon request)

**7c) Executive Officer's Report** (Verbal)

**7d) Committee Reports (Executive Committee/Policies & Procedures)** (Verbal)

**7e) Commissioner Reports, Comments or Questions** (Verbal)

**7f) CALAFCO Business and Legislative Report**

## ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, **September 14, 2020** at 9:00 AM  
*Location to be determined based on current State and local mandates related to the COVID-19 pandemic.*

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

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

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

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

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Agenda Item No. 3a

### COMMISSIONERS

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Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Kristen Meadows

**Counsel**  
Scott Browne

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

### DRAFT MINUTES

## Local Agency Formation Commission of Mendocino County

### Regular Meeting of Monday, June 1, 2020

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

**1. CALL TO ORDER and ROLL CALL (Video Time 2:51)**

Chair Brown called the meeting to order at 9:02 a.m.

**Regular Commissioners Present:** Carre Brown, Tony Orth, Gerald Ward (at 9:12 a.m.), Gerardo Gonzalez, Scott Ignacio, and John McCowen

**Regular Commissioners Absent:** None

**Alternate Commissioners Present:** Richard Weinkle (seated for Commissioner Ward until 9:12 a.m.)

**Alternate Commissioners Absent:** Jenifer Bazzani, Will Lee, John Haschak

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

**2. PUBLIC EXPRESSION (Video Time 6:02)**

No one from the public indicated interest in public expression.

**3. CONSENT CALENDAR (Video Time 6:45)**

Commissioner Orth noted that Alternate Commissioner Weinkle will be the voting member during Commissioner Ward's absence.

**3a) Approval of the April 6, 2020 Regular Meeting Summary**

Commissioner Ignacio noted a correction to the poll vote tally at the bottom of page 5 of the agenda packet: correct results were 6 to 3.

**3b) Approval of the May 4, 2020 Regular Meeting Summary**

**3c) Approval of the May 4, 2020 Claims & Financial Report**

<u>May 2020 Claims totaling</u>	<u>\$ 10,462.70</u>
Hinman & Associates Consulting	\$ 9,088.00
P. Scott Browne	\$ 600.00
Newspapers	\$ 190.70
Ukiah Valley Conference Center	\$ 434.00
Commissioner Stipends	\$ 150.00

Following a motion by Commissioner Ignacio and a second by Commissioner McCowen, the Consent Calendar was approved with noted changes by roll call vote.

Ayes: (7) Orth, McCowen, Gonzalez, Huff, Weinkle, Ignacio, Brown

#### 4. **PUBLIC HEARING ITEM** (Video Time 9:48)

##### 5a) **Final Budget and Work Plan for Fiscal Year 2020-21**

Chair Brown gave a review of the Public Hearing process and confirmed with EO Hinman that item was properly noticed.

EO Hinman reported that Commissioner Ward had joined the meeting (at 9:12 a.m.), then presented the Staff Report.

The Proposed Budget and Work Plan for Fiscal Year (FY) 2020-21 was approved by the Commission on May 4, 2020. The funding formula for LAFCo's budget is established in the Cortese-Knox-Hertzberg Act. Mendocino LAFCo is funded primarily by the County, Cities, and Independent Special Districts, each paying one-third of the adopted budget. Pursuant to California Government Code Section 56381, the Proposed and Final Budgets have been circulated to all member agencies including the County, Cities and Independent Special Districts. No comments have been received throughout the budget proceedings for FY 2020-21.

In recognition of the uncertain economic future due to the COVID-19 pandemic, the Final Budget includes multiple limits to expenses despite significant increases in membership fees and insurance premiums, and reflects a very small increase from last fiscal year (\$1,402). The 2020-21 Final Budget:

- Excludes participation in the annual CALAFCO Conference and out of County travel for Commissioners and Staff;
- Approves an increase to the Legal Services Agreement to provide for an average of four hours per month of legal support and accommodates a rate increase;
- Limits necessary increases in member agencies' apportionments to 10% and advises member agencies of the potential necessity to incrementally increase apportionment rates in future fiscal years in order for the Commission to achieve its expanding state mandated responsibilities, consistent with Government Code Section 56381; and
- Utilizes reserves to fund the difference between apportionments and expenditures.

Commissioner Ward expressed concern about voting on the Final Budget before having the discussion about Legal Counsel Support (Agenda Item 6a). Commissioner McCowen suggested moving forward, and if the discussion prompted a need for change, the Commission could revisit the Public Hearing item. Commissioner Ward, concurred.

Following a motion by Commissioner Orth and a second by Commissioner Huff, Resolution No. 19-20-04 was adopted, and the Final Budget and Work Plan for FY 2020-21 were approved unanimously by roll call vote.

Ayes: (7) Orth, McCowen, Gonzalez, Huff, Ward, Ignacio, Brown

#### 5. **WORKSHOP ITEMS** (Video Time 18:52)

##### 5a) **Mendocino City Community Services District MSR/SOI Update**

Chair Brown announced the item and called for staff presentation. EO Hinman introduced the Workshop for the Mendocino City Community Services District (MCCSD) Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) Update. EO Hinman noted that the Workshop was a continuation from the May Commission meeting, that additional public comments had been received since the agenda packet was released and were provided to the Commissioners and District and also posted on the LAFCo website, and that members of the public were in attendance to provide comments via teleconference. EO Hinman also thanked the District's Attorney Jim Jackson for participating in the Workshop on behalf of the District.

Analyst Feiler presented revisions made to the MCCSD Draft MSR/SOI Update since the May Commission meeting, four questions outlined in the staff report, and public comments received (Video Time 20:59).

Chair Brown thanked LAFCo Counsel Scott Browne for attending the meeting and called on each Commissioner in turn for comments and questions (Video Time 27:10).

Commissioner Gonzalez inquired about the response to question #2 on page 28 of the packet regarding whether the District has actually provided groundwater replenishment as part of groundwater management services. Staff responded that it does not appear that the District has provided groundwater replenishment service to date and the question can be further investigated. Counsel Browne clarified that if the service has not actually been provided by the agency then the question is whether it is a new or different function or class of service requiring LAFCo approval.

Commissioner Huff had no questions and noted that the questions raised by the public were well researched by staff.

Commissioner Ignacio confirmed interest in clarification regarding the question raised by Commissioner Gonzalez.

Commissioner McCowen requested confirmation regarding answers to the four questions on page 28 of the packet as follows: question 1 - yes, question 2 - no, question 3 - yes, and question 4 - yes. Counsel Browne clarified that the technical answer to question 2 is no, but question 2 should be restated to focus on whether or not the District needs LAFCo approval to provide groundwater replenishment. Discussion ensued regarding the District does have the statutory authority to provide groundwater replenishment service but if the District has not already exercised that power then it requires LAFCo approval to activate a latent power. Commissioner McCowen inquired as to whether the District supports including Road 500D in the Area of Interest (AOI) Designation as it could lead to an expansion of their service area. Staff responded that Road 500D was included in the AOI Designation based on staff review to identify an opportunity for increased coordination and was not requested by the District.

Chair Brown directed the question to District Attorney Jackson and EO Hinman noted that no action would be taken related to the workshop item. District Attorney Jackson confirmed that the District has statutory authority to provide groundwater replenishment under the Water Code but has never exercised that authority largely due to the lack of a water source to provide water service or replenish water and agreed it was a latent power. District Attorney Jackson also explained that the Road 500D area is not contiguous with the District boundary and that when Mr. Powers contacted the District years ago regarding wastewater service the District polled the property owners on North Lansing Street regarding wastewater service and there was very little interest in annexation to the District other than Mr. Powers and the District likely does not currently have active interest in the area. Commissioner McCowen noted that for the future public hearing, it would be helpful to know whether the District supports inclusion of the areas of interest, and District Attorney Jackson confirmed that he would request that the District Board Chair add this to the next District Board of Directors meeting agenda for discussion.

Commissioner Orth confirmed interest in clarification regarding the question raised by Commissioner McCowen related to whether the District supports including these areas of interest and noted that the staff report is very thorough and thanked staff for answering the questions from the first workshop.

Commissioner Ward requested clarification regarding the information source for the four questions on page 28 of the packet, and staff explained that questions 1 and 2 were addressed by staff in coordination with Counsel and questions 3 and 4 were based on information provided by the District. Commissioner Ward inquired about the issue raised by Mr. Gomes in the May workshop related to the December 4, 2019 and January 9, 2020 District Board of Directors meetings in which the District Board voted not to pursue the formation of a water replenishment district for a year. District Attorney Jackson responded that the event described by Mr. Gomes did not occur and explained that the District Board did not make a decision not to pursue water replenishment for one year. Commissioner Ward had no further questions and noted that staff did an excellent job on the report.

Chair Brown invited members of the public to provide comments (Video Time 40:02). Public comments were received from Barbara Reed, Steven Gomes, Paul Clark, and Ed Powers.

Ms. Reed indicated that she provided recent comments in a letter to staff and asked if the Commission had any questions. There were no questions from the Commission.

Mr. Gomes noted that he had difficulty hearing Commission discussion related to question 2 and inquired as to whether the conclusion was that the District has complied with Water Code Section 10702 and is authorized by law to provide water service which is a prerequisite to provide any groundwater management under Water Code Sections 10700-10717. Analyst Feiler provided a summary of the answer to question 1 from the staff report and confirmed that water and groundwater management are powers the District is able to exercise as recognized by LAFCo in 2005 per SB 135.

Mr. Gomes responded that it has not been determined then that the District is providing water services as defined by Water Code Section 515, which is selling and metering water for delivery, in order to be a water replenishment district as authorized, and Mr. Gomes noted that this is a contentious issue and he prefers not to have further litigation on the subject. Mr. Gomes commented that he hoped LAFCo could make a final determination as to whether existing wells that were in place prior to MCCSD formation should be governed by a sewer district that has more powers to control private wells than the State Department of Water Resources. Mr. Gomes explained that overlying water rights are not sufficiently accounted for in the District's groundwater management ordinances, which are applied uniformly throughout the District although a 2008 Kennedy and Jenks study concluded that underlying groundwater in the area is isolated into five separate zones that are disconnected from each other.

Ms. Reed commented that the powers of a water replenishment district are to provide water and the District does not provide water. Ms. Reed explained that the District is just metering private wells, which was not done by the State or County before 1987, and she noted that the District should be providing water in order to use water replenishment district powers.

Mr. Clark requested documentation showing that property owners voted to join MCCSD for water services and asked if the Commission had any questions.

Analyst Feiler recognized that Mr. Gomes had raised important and complicated issues that cannot necessarily be resolved within the scope of the MSR but staff will try to address them where possible in the study. Analyst Feiler also responded to comments by Ms. Reed and Mr. Clark noting that there is a distinction between groundwater management and groundwater replenishment activities and in 1985 District voters approved adding water service to MCCSD. District Attorney Jackson confirmed the responses provided by staff.

Mr. Powers commented that he is in a Public Records Act request process with State Parks to obtain information regarding using the 4-inch pressure line from Russian Gulch State Park (RGSP) that runs through the Road 500D area to the District, he inquired about whether RGSP is within the District boundary and if not how they are provided District wastewater service, and explained that the level of interest of property owners on Road 500D to connect to the District's wastewater system has likely changed since the District polled interest years ago as there are more homes now and he noted that he has not spoken with property owners on Lansing Street but connecting that area might require a separate lift station. Mr. Powers further explained the primary question is whether or not the 4-inch pressure line from RGSP could be utilized and possibly turned over to the District, at least between Road 500D to the Heeser Street lift station.

Commissioner Orth noted that an infrastructure study is a costly and necessary item to address the wastewater service questions which could be developed over the next five year period and once the actual cost per connection is determined it can have a big impact on those who support or do not support an annexation.

Mr. Powers commented that the costs of putting in the lift station could partly be offset by the revenue generated by the services provided to 500D, and possibly Lansing Street, and he noted that it is a difficult position to take that homes on Road 500D with septic systems that have failed and some presently in failure and with an existing 4-inch line running in front of all the homes should not be connected to a wastewater system that has excess capacity.

Chair Brown called on each Commissioner in turn for further comments and questions (Video Time 56:26).

Commissioner Ignacio had no comment or questions.

Commissioner McCowen requested to ask a question of Mr. Gomes, Ms. Reed, and Mr. Clark related to their combined letter provided for the May workshop. Mr. Gomes commented that he provided minutes of the District Board meeting of December 4, 2019 when the District Board intended not to pursue the water plans with a quorum of three Board members, then the Board appointed a fourth Director and at the last in-person Board meeting before the shelter-in-place order on January 9, 2020 the Board voted 2 to 2 not to pursue the water plans, which if the Board had passed the intent to further the water plans then the public could have submitted 250 protests and the Board would not have been able to consider the water plans for a year. Mr. Gomes continued explaining that then one Director that voted no on the water plans resigned and the District Board voted down appointing Jim Sullivan to the vacant Director seat, then the County Board of Supervisors appointed Jim Sullivan as the fourth Director, and then the District Board with three votes proceeded with the water plans at recent public hearings. Commissioner McCowen asked Mr. Gomes what specific action he believed LAFCo should take in regards to the issues he raised. Mr. Gomes responded that he believes that the District Board is out of compliance with transparency to the public related to the recent public hearings and noted that the District does not have bylaws to govern Board voting. Commissioner McCowen asked Mr. Gomes if at the January 9, 2020 District Board meeting the Board voted 2 to 2 not to pursue the water plans and Mr. Gomes so confirmed.

Commissioners Weinkle and Orth had no comment or questions.

Commissioner Ward noted that he previously raised the question regarding the December 4th and January 9th meetings and confirmed interest in receiving clarification regarding conflicting information provided by Mr. Gomes and the District Attorney. Commissioner Ward requested that staff address Mr. Gomes questions without going too far out of scope, work with Mr. Powers regarding annexation to address failing septic systems, and also inquired about next steps for the August meeting.

Commissioner Gonzalez agreed with Commissioners Orth and Ward regarding Mr. Powers and providing a roadmap to assist property owners in exploring whether there is a vehicle to move forward.

Commissioner Huff agreed with Commissioner Ward regarding assisting the property owners on Road 500D, noted that addressing areas with failing septic systems is within the LAFCo wheelhouse, and explained that Road 500D has cliffside homes and septic system failures could result in unsafe discharge to the ocean and so making progress on this issue is in the interest of public health and safety.

Commissioner McCowen requested legal advice regarding the public comment that the District decided not to pursue a certain course of action with a 2 to 2 vote on January 9th. Commissioner McCowen stated that the motion in front of the District Board at that time would have failed on a 2 to 2 vote and therefore the District in effect took no action unless there was a corresponding motion later subject to a quorum that resulted in a different vote. Counsel Browne responded that without knowing the District bylaws he cannot absolutely confirm, but that normally a 2 to 2 vote is no action, unless for example it is an appeal in which case the no action has the effect of affirming the action on the previous decision. Commissioner McCowen also inquired as to whether the District has bylaws and do they need them or do they proceed pursuant to statute. District Attorney Jackson responded that he was unaware of the complaint regarding the District bylaws and he would look into this further and he also confirmed that the December and January meetings were essentially deadlocked because of a lack of three affirmative votes in any direction which is why there were later votes on the groundwater management program and it was ultimately re-adopted.

Chair Brown reminded the Commissioners that LAFCo can make recommendations within the MSR and SOI Update Determinations and noted that the issue has been raised by staff that all funds have been expended for this study and the public hearing process will result in further expenses. Analyst Feiler noted that a written public comment had been received from Colin Morrow of the Carter Momsen PC Law Firm representing Mr. Gomes and read the comment into the record. Analyst Feiler explained potential additional costs related to addressing public comments as directed by the Commission and preparing for the public hearing process.



Commissioner McCowen noted the importance of minimizing costs, agreed with Commissioner Orth's comment and explained that we should proceed with identifying areas of interest based on affirmative interest by the District as opposed to advocacy by the public or interest of staff, requested information from the District regarding interest and capacity to serve areas outside their boundary including Road 500D and inquired as to whether excess wastewater capacity is needed for customers within the District boundary, commented that the proposed sphere for an agency should reflect what the agency has identified it can serve except that LAFCo can reduce the sphere if determined appropriate or expand the sphere associated with a contiguous Disadvantaged Unincorporated Community that has been identified, and confirmed that the record is now clear regarding the actions of the District Board of Directors related to adoption of the groundwater management ordinances and does not require further research unless someone provides documented evidence to the contrary.

Commissioner Orth commented that the five years between the MSR allows time for an agency to work on planning related to unmet needs identified in the community and explore feasibility and identify next steps as budget allows and the Area of Interest Policy supports that process.

Commissioner Ward requested resolution on the new or different function or class of water service issue raised. Commissioner McCowen responded it was clarified that the District has latent powers that would require LAFCo approval to activate.

Commissioner McCowen agreed with Commissioner Orth that identifying an area of interest allows an affected entity to be apprised of and comment on potential land use changes and explained his understanding that this situation involves fully developed areas with no further development potential that probably would not be approved at the current density based on the site constraints and the District should decide whether it is identified as an area of interest.

Commissioner Huff agreed with Commissioner McCowen and noted that Sections 1.3 and 1.4 of the study clearly outlines the scope of the MSR and SOI Update which have been well addressed by staff and commented that additional issues raised by the public related to the conduct of District Board meetings would be more appropriately resolved by another avenue such as the Grand Jury and activating latent powers for water service and annexing areas should be actions proposed by the District.

Chair Brown requested staff response and Analyst Feiler affirmed the refined scope of further staff activities related to public comments received and EO Hinman clarified that there is budget remaining in the current Work Plan line item to cover further expenses and the intent was to keep the Commission apprised of actual costs exceeding estimated costs for the study.

Commissioner McCowen suggested providing specific staff direction to move forward with the public hearing with the only further action needed to verify with the District their position on the proposed areas of interest. Commissioners Ward, Orth, Gonzalez, Huff, Ignacio, and Chair Brown agreed to the staff direction as stated by Commissioner McCowen.

Chair Brown noted potential cancellation of the July Commission meeting as proposed in the following agenda item and requested that staff inform interested members of the public regarding the public hearing tentatively scheduled for the August Commission meeting.

## **6. MATTERS FOR DISCUSSION AND POSSIBLE ACTION (Video Time 1:27:07)**

### **6a) Legal Counsel Services Report**

EO Hinman presented the item, noting that at the May 4, 2020 meeting the Commission requested a report on the Legal Service agreement with Attorney, Mr. Scott Browne, who has been representing and providing counsel to Mendocino LAFCo since August 4, 2014. The 2020-21 Final Budget includes an increase in rates and billable hours for legal services due to increased support provided in the latter half of the 2019-20 fiscal year and increasingly complex issues anticipated into the foreseeable future. The discussions which prompted the request centered around increased rates and billable hours, special projects, and applicant generated legal support.

Staff recommendations include amending the Legal Services contract with LAFCo to clarify reimbursement for application driven services, updating the LAFCo Fee Schedule as needed, and review of the Standard Fee Agreement for consistency and clarity.

Commissioners, Gonzalez, Huff, Orth and Ignacio supported Staff's recommendations

Commissioner McCowen confirmed with staff that unused monthly hours roll over for future use within a fiscal year. Commissioner McCowen also asked for clarification on LAFCo policy regarding costs (i.e. legal fees, environmental studies) for entities wishing to expand an SOI. EO Hinman stated that she would review the policies again but that typically much of the work on an SOI/MSR is done up front before a point of the discussion is reached where an agency would request a boundary change. A designation of a Special Project could be a way to recoup some of the legal fees spent in preparation. Following EO Hinman's answer, he stated that he supports Staff's recommendations.

Commissioner Ward asked for clarification regarding applications and special projects. EO Hinman explained the term/designation of "Special Project" applies to projects where there is no applicant but need for additional attorney review. The designation provides a vehicle for billing for extra time spent by staff and Legal Counsel. Pursuant to the LAFCo Fee Schedule, attorney fees related to applications are billed to the applicant.

Commissioner Ward requested copies of the Weger detachment billing and asked if Mr. Brown's attendance at the Weger Detachment hearing was billed to the application. EO Hinman answered that those fees were absorbed into LAFCo's contracted hours with Mr. Brown; other time spent on the detachment application was billed to the applicant.

Commissioner Ward asked if the City of Ukiah Detachment application was a "Special Project?" EO Hinman responded that as an application, legal support fees will be billed to the City and it did not require the Commission to designate it a special project. Furthermore, the proposed amendments to Legal Counsel's contract will help further clarify billings. Commissioner Ward expressed his preference of discussing rate changes for contractors at a time other than during a budget approval process.

Upon Commissioner Ward's question regarding whether Legal Counsel would be attending all future LAFCo meetings, Commissioners Brown and Gonzalez stated that legal counsel should be present if Staff deems it necessary. Commissioner McCowen suggested that the Commission be strategic about deciding when he should attend.

Following the discussion, Commissioner McCowen motioned to direct staff prepare an amendment to the Legal Services agreement to increase the contract hours, clarify project billing for legal services with consideration given to non-special projects and SOI/MSRs, update the Fee schedule, and review all policies for consistency and clarity. Commissioner Ignacio seconded the motion, which was passed unanimously by roll call vote.

Ayes: (7) Orth, McCowen, Gonzalez, Huff, Ward, Ignacio, Brown

Following the vote, Chair Brown thanked Mr. Brown for participating and advised that he would not be required for the rest of the meeting.

#### **6b) Cancellation of July 6, 2020 Regular Meeting of the Commission (Video Time 1:45:21)**

EO Hinman reported that due to COVID-19, staff spent a considerable amount of time revising operations, adding an unforeseen burden to the budget, which resulted in balance of \$605 remaining through the end of Fiscal Year 2019-20. As a cost savings measure, staff recommended canceling the July 6 meeting. EO Hinman ensured that Work Plan and application processing will continue to progress as well as the continuation of necessary office operations. Each Commissioner expressed support of Staff's recommendation and Chair Brown directed staff to notify all parties interested in the MCCSD MSR/SOI Update of the cancellation.

Following a motion by Commissioner Ignacio and a second by Commissioner McCowen, cancelation of the July 6 Regular Meeting of the Commission was unanimously approved by roll call vote.

Ayes: (7) Orth, McCowen, Gonzalez, Huff, Ward, Ignacio, Brown

## **8. INFORMATION/ REPORT ITEMS** (Video Time: 1:50:11)

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

EO Hinman presented and update:

#### Current Proposals

1. Weger/MCHDC Detachment: Staff is finalizing mapping requirements for submission to the State Board of Equalization.
2. Moores Annexation to Irish Beach Water District (IBWD): Staff has received the deposit and has corresponded with the applicant and IBWD regarding next steps. Following a conference call with IBWD, the application will not be moving forward at this time.
3. City of Ukiah Detachment Application: Staff has requested a new application due to elapsed time as well as let the City know of the need to process the application concurrently with the UVSD's MSR/SOI update.

#### Work Plan:

- The Administrative Draft is in progress for the Ukiah Valley Sanitation District and the Covelo Community Services District.
- County Service Area No. 3 MSR/SOI has been put on hold due to the pandemic.
- The public hearing for the Mendocino City Community Services District will be scheduled for August 3<sup>rd</sup>.

### **8b) Correspondence** None

### **8c) Executive Officer's Report** (Video Time: 1:54:36)

The Ukiah Valley Conference Center remains closed to the public including the LAFCo office. Staff continues to work remotely although visits regularly to collect mail and review files.

### **8d) Committee Reports (Executive Committee/Policies & Procedures)** None

### **8e) Commissioners Reports, Comments or Questions**

- Commissioner Orth noted that MCOG will meet today at 1:30 and will host a presentation on the Fire Evacuation Planning Grant.
- Commissioner Ward apologized for his tardiness and asked if there were any changes to the May Meeting Summary and/or Financial Report. Commissioner Ignacio provided an update. Commissioner Ward expressed his approval of the claims and suggested changed to the Minutes on page 11.
- Commissioner Gonzalez thanked staff for doing a great job considering the challenges presented by COVID-19. Commissioner Ignacio thanked the Chair for her leadership. Commissioners McCowen and Orth echoed their colleagues' sentiments.

### **8f) CALAFCO Business and Legislation Report**

CALAFCO continues preparations for the conference and holds weekly calls for EOs, Analysts, and Clerks. LAFCo staff participate for items of interest.

## **ADJOURNMENT** (Video Time: 2:01:20)

There being no further business, the meeting was adjourned at 11:00 a.m. The next regular meeting is scheduled for Monday, August 3, 2020 at 9:00 a.m. The location is to be determined based on guidelines recommended by the Mendocino County Public Health Officer and Executive Orders regarding the COVID-19 pandemic.

*Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.*

<https://www.youtube.com/watch?v=E6cQSak21aY&list=PLraKTU7AyZLQXUgRLLzYuAU9eq1qMFheb&index=6&t=0s>

# MENDOCINO Local Agency Formation Commission Staff Report

DATE: August 3, 2020  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Financial Report and Claims for June 2020**

**RECOMMENDED ACTION**

Approve the June 2020 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 3,590.00	\$ 7,348.00
	5600 Office Expenses	\$ 70.00	
	6200 Bookkeeping	\$ 170.00	
	7000 Work Plan	\$ 2,282.00	
	8020 Weger/MCHD Detachment Application	\$ 714.00	
	8010 City of Ukiah Detachment Application	\$ 522.00	
P. Scott Browne	6300 Legal Counsel-Monthly	\$ 600.00	\$ 600.00
Newspapers	5900 Public Notice for Budget	\$ 285.97	\$ 285.97
County of Mendocino	6000 Televising Meetings (April & May)	\$ 317.32	\$ 672.08
	6670 GIS (April & May)	\$ 354.76	
Ukiah Valley Conf. Center	5502 Office space	\$ 434.00	\$ 434.00
Commissioner Stipends	6740 Bazzani (Absent)	\$ -	\$ 50.00
	6740 Huff	\$ -	
	6740 Orth	\$ -	
	6740 Weinkle	\$ 50.00	
William Moores	8001 Moores Annexation to IBWD (refund)	\$ 1,402.44	\$ 1,402.44
<b>Total</b>			<b>\$ 10,792.49</b>

**Deposits:** Weger \$2,007

**Attachments:**

- Budget Track Spreadsheet
- Invoices: Hinman & Associates Consulting, Browne

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

Mendocino Local Agency Formation Commission  
 FY 2019-20 Budget and Application Tracking

Acct #	Task	FY 19-20 Budget	1st Qtr Subtotals	2nd Qtr Subtotal	3rd Qtr Subtotal	April	May	June	Year to Date	Remaining Budget	% of Budget Expended
<b>EXPENSES</b>											
5300	Basic Services - EO/Analyst/Clerk	\$72,060	\$13,977.00	\$18,484.00	\$23,473.00	\$8,061.00	\$6,520.00	\$3,590.00	\$75,045.00	\$-2,985.00	104%
	Unfunded Mandates (RDA Oversight)	\$0		\$525.00	\$415.00						
5500	Rent	\$5,460	\$1,365.00	\$1,374.00	\$1,392.00	\$434.00	\$434.00	\$434.00	\$5,433.00	\$27.00	100%
5600	Office Expenses	\$2,700	\$450.20	\$414.01	\$492.19	\$70.00	\$70.00	\$70.00	\$1,566.40	\$1,133.60	58%
5700	Internet & Website Costs	\$1,300	\$1,152.52	\$0.00	\$0.00				\$1,152.52	\$147.48	89%
5900	Publication & Legal Notices	\$2,000	\$54.87	\$1,078.08	\$0.00		\$190.70	\$285.97	\$1,609.62	\$390.38	80%
6000	Televising Meetings	\$3,000	\$0.00	\$457.71	\$377.31	\$271.66		\$317.32	\$1,424.00	\$1,576.00	47%
6100	Audit Services	\$3,500	\$1,625.00	\$0.00	\$1,625.00				\$3,250.00	\$250.00	93%
6200	Bookkeeping	\$4,500	\$1,090.00	\$1,120.00	\$1,450.00	\$370.00	\$300.00	\$170.00	\$4,500.00	\$0.00	100%
6300	Legal Counsel (S Browne)	\$7,200	\$1,800.00	\$1,800.00	\$1,800.00	\$600.00	\$600.00	\$600.00	\$7,200.00	\$0.00	100%
6400	A-87 Costs County Services	\$428	\$0.00	\$0.00	\$1,633.00				\$1,633.00	\$-1,205.00	382%
6500	Insurance - General Liability	\$1,100	\$0.00	\$0.00	\$0.00				\$0.00	\$1,100.00	0%
6600	Memberships (CALAFCO/CSDA)	\$2,750	\$1,075.00	\$1,446.00	\$0.00				\$2,521.00	\$229.00	92%
6670	GIS Contract with County	\$2,500	\$0.00	\$77.13	\$380.10			\$354.76	\$811.99	\$1,688.01	32%
6740	In-County Travel & Stipends	\$4,000	\$673.06	\$609.37	\$655.35	\$200.00	\$100.00	\$50.00	\$2,237.78	\$1,762.22	56%
6750	Travel & Lodging Expenses	\$3,500	\$0.00	\$1,052.03	\$0.00				\$1,052.03	\$2,447.97	30%
6800	Conferences (Registrations)	\$3,000	\$2,080.00	\$0.00	\$73.30				\$2,153.30	\$846.70	72%
7000	Work Plan (MSRs and SOIs)	\$41,250	\$1,309.00	\$2,108.00	\$11,995.00	\$1,105.00	\$1,522.00	\$2,282.00	\$20,321.00	\$20,929.00	49%
<b>Monthly/ Year to Date Totals</b>		<b>\$160,248.00</b>	<b>\$26,651.65</b>	<b>\$30,545.33</b>	<b>\$45,761.25</b>	<b>\$11,111.66</b>	<b>\$9,736.70</b>	<b>\$8,154.05</b>	<b>\$131,960.64</b>	<b>\$28,337.36</b>	<b>82%</b>
<b>APPLICATIONS</b>											
		<b>DEPOSIT (total by application)</b>	<b>1st Qtr Subtotals</b>	<b>2nd Qtr Subtotal</b>	<b>3rd Qtr Subtotal</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>Project Total to Date</b>	<b>Remaining Budget</b>	<b>Notes</b>
A-2009-8001	Irish Beach WD Moores Annexation	\$2,889.44	\$0.00	\$0.00	\$1,487.00			\$1,402.44	\$2,889.44	\$0.00	\$1,402.44 refunded 07/20
P-2014-8010	City of Ukiah Detachment of UVSD lands	\$1,532.75	\$0.00	\$0.00	\$0.00	\$0.00	\$676.00	\$522.00	\$1,198.00	\$334.75	
D-2019-1 (8020)	Weger Detachment from MCHD	\$12,055.65	\$5,647.00	\$2,173.15	\$0.00	\$270.00	\$0.00	\$714.00	\$11,999.65	\$56.00	
P-2019-2 (8021)	RRFC Annexation Pre-Application	\$1,200.00	\$244.00	\$275.00	\$681.00				\$1,200.00	\$0.00	\$681 refunded 01/20
<b>Applications to Date Totals</b>		<b>\$16,477.84</b>	<b>\$5,891.00</b>	<b>\$2,448.15</b>	<b>\$4,846.50</b>	<b>\$270.00</b>	<b>\$676.00</b>	<b>\$2,638.44</b>	<b>\$17,287.09</b>		
<b>EXPENSES AND APPLICATION TOTALS</b>			<b>\$32,542.65</b>	<b>\$32,993.48</b>	<b>\$50,607.75</b>	<b>\$11,381.66</b>	<b>\$10,412.70</b>	<b>\$10,792.49</b>	<b>\$149,247.73</b>		

**DEPOSITS**

5/30/2020 Lisa Weger \$ 2,007.00

**ACCOUNT BALANCES**

County of Mendocino Account Balance	\$ 2,216	County statement as of	5/20/2020
Operations (Checking) Account Balance	\$ 14,409	Bank balance as of	6/29/2020
Legal Reserve Balance	\$ 35,000	Bank statement as of	5/29/2020
Operations Reserve Balance	\$ 55,436	Bank statement as of	5/29/2020
<b>Total</b>	<b>\$ 107,061</b>		



# Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924  
 (916) 813-0818  
 uhinman@comcast.net

**Date** July 1, 2020  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** May 25 - June 30, 2020

**Invoice No.** 495  
**Invoice Total** \$ 7,348.00

Account Description	Staff/Hours			Other (At Cost)	Totals
	Executive Officer \$100	Analyst \$68	Clerk \$40		
5300 Basic Services	22.00		34.75		\$ 3,590.00
5601 Office Supplies Quickbooks Online Fee Office Supplies				\$ 70.00	\$ 70.00
6200 Bookkeeping	1.50		0.50		\$ 170.00
7000 Work Plan (MSR/SOI/Special Studies)					
MCCSD		16.50			\$ 1,122.00
UVSD		10.00	3.50		\$ 820.00
CSA 3		5.00			\$ 340.00
Covelo CSD					\$ -
8020 Weger MCHD Detachment Application		10.50			\$ 714.00
8010 City of Ukiah Detachment Application	0.50	6.50	0.75		\$ 522.00
<b>Totals</b>	\$ 2,400.00	\$ 3,298.00	\$ 1,580.00	\$ 70.00	\$ <b>7,348.00</b>

### 5300 Basic Services

Administrative tasks and Clerk duties. Website updates and postings. File research and maintenance. Communications with Commissioners, public inquiries, etc. June 1 agenda packet for regular Commission meeting. Conference calls and coordination with special districts, legal counsel, and staff. Researched and prepared files in response to Public Records Act request for Ukiah Valley area MSR/SOI reports and City applications (Phil Williams, Special Counsel City of Ukiah).

### 6200 Bookkeeping

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

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

Prepared 2nd Workshop staff report and Public Hearing Draft MCCSD MSR/SOI Update. Worked on development of Administrative Draft Covelo CSD and UVSD MSR/SOI Updates.

### 8020 Weger MCHD Detachment Application

Coordinated with applicant for maps prepared to BOE and County Surveyor standards. Prepared Certificate of Completion, BOE submittal and County Auditor TRA request.

### 8010 City of Ukiah Detachment of UVSD Area

Reviewed the 2014-2015 files and materials, and May and June 2020 submittals of application materials to restart processing of the 2014 application. Coordinated with LAFCo Legal Counsel and prepared correspondence to City.

**Uma Hinman**

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**From:** Intuit QuickBooks Team <intuit@notifications.intuit.com>  
**Sent:** Friday, June 19, 2020 8:32 AM  
**To:** eo@mendolafco.org  
**Subject:** We received your QuickBooks subscription payment!



## Payment success

Executive Officer, thank you for your payment.

**Invoice number:**  
1000154577367  
**Invoice date:** 06/19/2020  
**Total:** \$70.00  
**Payment method:** VISA ending in

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

[View billing history](#)

## Account details

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

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

**Law Office of P. Scott Browne**

131 South Auburn Street  
Grass Valley, CA 95945  
5302724250

**Tax ID: 68-0348904**

06-15-2020

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

**Invoice Number: 527**

Invoice Period: 05-16-2020 - 06-15-2020

Payment due by the 15th of next month.

**RE: Multiple Projects**

CALAFCo

Mendocino LAFCo

**CALAFCo**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
06-12-2020	PSB	Legislative Committee Meeting (Time split between all LAFCo clients)	0.20
<b>Total Fees</b>			0.00

**Mendocino LAFCo**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
05-16-2020	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement	
05-19-2020	PSB	Email from Uma; Review LAFCo fee agreement; Respond re: charging question; Conference call with Uma and Larkyn re: Ukiah San District detachment; Email from Uma re: UVSD position on detachment	2.00
05-20-2020	PSB	Review and revise letter to City re: detachment; Further emails; Review and respond to email from Uma re: billing City	1.00
05-26-2020	PSB	Review email from Uma; Review agenda and respond	0.90
05-27-2020	PSB	Email from Uma; Review legal services staff report and revise; Review and respond to additional emails; Telephone call from Uma; Review Mendocino CSD legal question responses; Review Court decision and statutes; Revise staff report;	2.60
06-01-2020	PSB	Prepare for meeting; Attend meeting of commission by Zoom call;	2.00

We appreciate your business.

Page 1 of 3



Date	Staff Member	Description	Hours
		Review emails;	
06-15-2020	PSB	Telephone call from Uma re: Ukiah detachment PRA request and status	0.50
		<b>Total Fees</b>	600.00
		<b>Total for this Invoice</b>	600.00
		<b>Previous Invoice Balance</b>	420.00
		Payment - 1588 on 06-08-2020	(600.00)
		Payment Applied to Moore on 05-06-2020	180.00
		<b>Total Amount to Pay</b>	<b>600.00</b>

We appreciate your business.

# Project Statement of Account

As of 06-15-2020

Project	Balance Due
Mendocino LAFCo	600.00
<b>Total Amount to Pay</b>	<b>600.00</b>

## CALAFCo

### Transactions

Date	Transaction	Applied	Invoice	Amount
05-15-2020	Previous Balance			73.30
05-27-2020	Payment Applied from Mendocino LAFCo	(73.30)	502	(73.30)
06-15-2020	Invoice 527			0.00
			<b>Balance</b>	<b>0.00</b>

## Mendocino LAFCo

### Transactions

Date	Transaction	Applied	Invoice	Amount
05-15-2020	Previous Balance			526.70
05-27-2020	Payment Applied	600.00	502	
05-27-2020	Payment Applied to CALAFCo	73.30	502	73.30
06-08-2020	Payment Received - Reference 1588			(600.00)
06-08-2020	Payment Applied	600.00	506	
06-15-2020	Invoice 527			600.00
			<b>Balance</b>	<b>600.00</b>

### Open Invoices and Credits

Date	Transaction	Amount	Applied	Balance
06-15-2020	Invoice 527	600.00		600.00
			<b>Balance</b>	<b>600.00</b>

We appreciate your business.

Page 3 of 3

# MENDOCINO Local Agency Formation Commission Staff Report

DATE: August 3, 2020  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: **Financial Report and Claims for July 2020**

**RECOMMENDED ACTION**

Approve the July 2020 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 8,228.00	
	5600 Office Expenses	\$ 70.00	
	5700 Internet & Website	\$ 1,197.52	
	6200 Bookkeeping	\$ 360.00	\$ 10,827.52
	7000 Work Plan MCCSD	\$ 782.00	
	8010 City of Ukiah Detachment of UVSD Areas	\$ 150.00	
	8019 Weger Detachment from MCHCD	\$ 40.00	
Ukiah Valley Conf. Center	5502 Office Space Rent	\$ 434.00	\$ 434.00
TGIF Repairs	5600 Office Expenses (Printer Repair & Maintenance)	\$ 182.50	\$ 182.50
County of Mendocino	6000 Televising Meetings	\$ 166.40	\$ 166.40
P. Scott Browne	6300 Legal Counsel	\$ 600.00	\$ 600.00
SDRMA	6500 Insurance - General Liability	\$ 2,815.00	\$ 2,815.00
CALAFCO	6600 Membership Dues	\$ 2,245.00	\$ 2,245.00
<b>Total:</b>			<b>\$ 17,270.42</b>

**Deposits:** None

**Attachments:**

- Budget Track Spreadsheet
- Invoices: Hinman & Associates Consulting, Browne, CALAFCO, SDRMA, TGIF.

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

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

Acct #	Task	FY 20-21 Budget	July	August	Sept	1st Qtr Subtotals	Year to Date	Remaining Budget	% of Budget Expended
<b>EXPENSES</b>									
5300	Basic Services - EO/Analyst/Clerk	\$72,060	\$8,228.00			\$8,228.00	\$8,228.00	\$63,832.00	11%
	Unfunded Mandates	\$0							
5500	Rent	\$5,568	\$434.00			\$434.00	\$434.00	\$5,134.00	8%
5600	Office Expenses	\$3,450	\$252.50			\$252.50	\$252.50	\$3,197.50	7%
5700	Internet & Website Costs	\$1,300	\$1,197.52			\$1,197.52	\$1,197.52	\$102.48	92%
5900	Publication & Legal Notices	\$2,000				\$0.00	\$0.00	\$2,000.00	0%
6000	Televising Meetings	\$2,000	\$166.40			\$166.40	\$166.40	\$1,833.60	8%
6100	Audit Services	\$3,500				\$0.00	\$0.00	\$3,500.00	0%
6200	Bookkeeping	\$4,500	\$360.00			\$360.00	\$360.00	\$4,140.00	8%
6300	Legal Counsel (S Browne)	\$10,200	\$600.00			\$600.00	\$600.00	\$9,600.00	6%
6400	A-87 Costs County Services	\$2,131				\$0.00	\$0.00	\$2,131.00	0%
6500	Insurance - General Liability	\$3,000	\$2,815.00			\$2,815.00	\$2,815.00	\$185.00	94%
6600	Memberships (CALAFCO/CSDA)	\$3,691	\$2,245.00			\$2,245.00	\$2,245.00	\$1,446.00	61%
6670	GIS Contract with County	\$2,500				\$0.00	\$0.00	\$2,500.00	0%
6740	In-County Travel & Stipends	\$3,000				\$0.00	\$0.00	\$3,000.00	0%
6750	Travel & Lodging Expenses	\$100				\$0.00	\$0.00	\$100.00	0%
6800	Conferences (Registrations)	\$150				\$0.00	\$0.00	\$150.00	0%
7000	Work Plan (MSRs and SOIs)	\$42,500	\$782.00			\$782.00	\$782.00	\$41,718.00	2%
<b>Monthly/ Year to Date Totals</b>		<b>\$161,650.00</b>	<b>\$17,080.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$17,080.42</b>	<b>\$17,080.42</b>	<b>\$144,569.58</b>	<b>11%</b>
<b>APPLICATIONS</b>									
		<b>DEPOSIT (total by application)</b>	<b>July</b>	<b>August</b>	<b>Sept</b>	<b>1st Qtr Subtotals</b>	<b>Project Total to Date</b>	<b>Remaining Budget</b>	<b>Notes</b>
P-2014-8010	City of Ukiah Detachment of UVSD lands	\$1,532.75	\$150.00			\$150.00	\$1,348.00	\$184.75	
D-2019-1 (8020)	Weger Detachment from MCHD	\$14,062.65	\$40.00			\$40.00	\$12,039.65	\$2,023.00	
<b>Applications to Date Totals</b>		<b>\$15,595.40</b>	<b>\$190.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$190.00</b>	<b>\$13,387.65</b>		
<b>EXPENSES AND APPLICATION TOTALS</b>			<b>\$17,270.42</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$17,270.42</b>	<b>\$30,468.07</b>		

**DEPOSITS**

**ACCOUNT BALANCES**

County of Mendocino Account Balance	\$	35,765		As of	7/27/2020
Operations (Checking) Account Balance	\$	3,402		Quickbooks balance as of	7/27/2020
Legal Reserve Balance	\$	35,000		Bank statement as of	6/30/2020
Operations Reserve Balance	\$	55,442		Bank statement as of	6/30/2020
<b>Total</b>	\$	<b>129,609</b>			



## Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924  
 (916) 813-0818  
 uhinman@comcast.net

**Date** July 26, 2020  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** July 1 - 26, 2020

**Invoice No.** 496  
**Invoice Total** \$ 10,827.52

Account Description	Staff/Hours			Other (At Cost)	Totals
	Executive Officer \$100	Analyst \$68	Clerk \$40		
5300 Basic Services	54.50	8.50	32.25		\$ 8,228.00
Public Records Act Requests	3.50		14.00		
5601 Office Supplies				\$ 70.00	\$ 70.00
Quickbooks Online Fee					
Office Supplies					
5700 Internet & Website Costs				\$ 1,197.52	\$ 1,197.52
6200 Bookkeeping	1.50		5.25		\$ 360.00
7000 Work Plan (MSR/SOI/Special Studies)					
MCCSD		11.50			\$ 782.00
UVSD					\$ -
CSA 3					\$ -
Covelo CSD					\$ -
8020 Weger MCHD Detachment Application			1.00		\$ 40.00
8010 City of Ukiah Detachment Application	1.50				\$ 150.00
<b>Totals</b>	<b>\$ 6,100.00</b>	<b>\$ 1,360.00</b>	<b>\$ 2,100.00</b>	<b>\$ 1,267.52</b>	<b>\$ 10,827.52</b>

### 5300 Basic Services

Administrative tasks and Clerk duties. Website updates and postings. File research and maintenance. Communications with Commissioners, public inquiries, etc. August 3 agenda packet for regular Commission meeting. Conference calls and coordination with special districts, legal counsel, and staff. Researched and prepared files in response to Public Records Act request for Ukiah Valley area MSR/SOI reports and City applications (Phil Williams, Special Counsel City of Ukiah).

### 6200 Bookkeeping

Prepared and coordinated with Treasurer regarding July claims. Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks. Confirmed FY 2019-20 budget tracking sheet and created FY 2020-21 budget tracking sheet.

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

Prepared Public Hearing staff report and Draft MCCSD MSR/SOI Update.

### 8020 Weger MCHD Detachment Application

Prepared and mailed BOE submittal. Prepared County distributions.

### 8010 City of Ukiah Detachment of UVSD Area

Reviewed emails and correspondence from City. Responded to phone calls from UVSD Legal Counsel regarding UVSD MSR/SOI Update.

**Pacific Internet**

PO Box 14038  
 Santa Rosa, CA 95402

**Receipt**

Date: 7/21/2020

Phone: (707)468-1005 / Fax:

<https://www.pacific.net/>, [billing@pacific.net](mailto:billing@pacific.net)

**Bill to:** 15757

L AFC of Mendocino County  
 Uma Hinman  
 200 S. School St.  
 Ukiah CA 95482  
 US

**Phone:** (707) 463-4470

**Fax:**

**Payment ID:** 395769

**Total Paid:** \$0.00

**Type:** VOID

**Number:**

**Invoice:** 423584

**Amount:** \$1,043.52

**Applied:** \$1,043.52

**Date of Payment:** 7/21/2020

Details:

	<u>Price:</u>	<u>Qty:</u>	<u>Ext.Price:</u>
--Circuit Info #899..STI-0086097-8	\$0.00	1	\$0.00
7/1/2020 to 7/1/2021 -- Single Circuit	\$779.40	1	\$779.40
--Phone Number #97..7074634470	\$0.00	1	\$0.00
7/1/2020 to 7/1/2021 -- Voice Service 1 unit@144.0000/unit	\$144.00	1	\$144.00
--Email #12130..eo@pacific.net	\$0.00	1	\$0.00
California 911 Emergency Surcharge (\$144.00 x 0.5%)	\$0.72	1	\$0.72
California Advanced Services Fund Surcharge (\$144.00 x 0.33333333%)	\$0.48	1	\$0.48
California Deaf and Disabled Telecom Program Surcharge (\$144.00 x 0.33333333%)	\$0.48	1	\$0.48
California High Cost Fund-A Surcharge (\$144.00 x 0.25%)	\$0.36	1	\$0.36
California Lifeline Telephone Service Surcharge (\$144.00 x 3%)	\$4.32	1	\$4.32
California Public Utility Commission User Fee (\$144.00 x 0.16666667%)	\$0.24	1	\$0.24
California Teleconnect Fund Surcharge (\$144.00 x 0.75%)	\$1.08	1	\$1.08
Property Tax Allotment Surcharge (\$144.00 x 3.16666667%)	\$4.56	1	\$4.56
FCC Interstate Telecom Service Provider Fee (\$144.00 x 0.25%)	\$0.36	1	\$0.36
Federal Subscriber Line Charge Fee (\$144.00 x 54.16666667%)	\$78.00	1	\$78.00
Federal Universal Service Fund Fee (\$144.00 x 16.58333333%)	\$23.88	1	\$23.88
Voice Regulatory Recovery Surcharge (\$144.00 x 3.91666667%)	\$5.64	1	\$5.64

**Amount: \$1,043.52**

**Invoice:** 425103

**Amount:** (\$1,043.52)

**Applied:** (\$1,043.52)

**Date of Payment:** 7/21/2020

Details:

	<u>Price:</u>	<u>Qty:</u>	<u>Ext.Price:</u>
<CREDIT>--Circuit Info #899..STI-0086097-8	\$0.00	1	\$0.00
<CREDIT>7/1/2020 to 7/1/2021 -- Single Circuit	(\$779.40)	1	\$-779.40
<CREDIT>--Phone Number #97..7074634470	\$0.00	1	\$0.00
<CREDIT>7/1/2020 to 7/1/2021 -- Voice Service 1 unit@144.0000/unit	(\$144.00)	1	\$-144.00
<CREDIT>--Email #12130..eo@pacific.net	\$0.00	1	\$0.00
<CREDIT>California 911 Emergency Surcharge (\$144.00 x 0.5%)	(\$0.72)	1	\$-0.72
<CREDIT>California Advanced Services Fund Surcharge (\$144.00 x 0.33333333%)	(\$0.48)	1	\$-0.48
<CREDIT>California Deaf and Disabled Telecom Program Surcharge (\$144.00 x 0.33333333%)	(\$0.48)	1	\$-0.48
<CREDIT>California High Cost Fund-A Surcharge (\$144.00 x 0.25%)	(\$0.36)	1	\$-0.36
<CREDIT>California Lifeline Telephone Service Surcharge (\$144.00 x 3%)	(\$4.32)	1	\$-4.32

**Pacific Internet**

PO Box 14038  
Santa Rosa, CA 95402

**Receipt**

**Date: 7/21/2020**

Phone: (707)468-1005 / Fax:

<https://www.pacific.net/>, [billing@pacific.net](mailto:billing@pacific.net)

**Bill to:** 15757

L AFC of Mendocino County  
Uma Hinman  
200 S. School St.  
Ukiah CA 95482  
US

**Phone:** (707) 463-4470

**Fax:**

<CREDIT>California Public Utility Commission User Fee (\$144.00 x 0.166666	(\$0.24)	1	\$-0.24
<CREDIT>California Teleconnect Fund Surcharge (\$144.00 x 0.75%)	(\$1.08)	1	\$-1.08
<CREDIT>Property Tax Allotment Surcharge (\$144.00 x 3.16666667%)	(\$4.56)	1	\$-4.56
<CREDIT>FCC Interstate Telecom Service Provider Fee (\$144.00 x 0.25%)	(\$0.36)	1	\$-0.36
<CREDIT>Federal Subscriber Line Charge Fee (\$144.00 x 54.16666667%)	(\$78.00)	1	\$-78.00
<CREDIT>Federal Universal Service Fund Fee (\$144.00 x 16.58333333%)	(\$23.88)	1	\$-23.88
<CREDIT>Voice Regulatory Recovery Surcharge (\$144.00 x 3.91666667%)	(\$5.64)	1	\$-5.64

**Amount: (\$1,043.52)**

<b>Payment ID:</b> 395773	<b>Total Paid:</b> \$1,197.52	<b>Type:</b> VISA	<b>Number:</b> XXXXXXXXXXXXX0384
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**Pacific Internet**

PO Box 14038  
 Santa Rosa, CA 95402

**Receipt**

Date: 7/21/2020

Phone: (707)468-1005 / Fax:

<https://www.pacific.net/>, [billing@pacific.net](mailto:billing@pacific.net)

**Bill to:** 15757

L AFC of Mendocino County  
 Uma Hinman  
 200 S. School St.  
 Ukiah CA 95482  
 US

**Phone:** (707) 463-4470

**Fax:**

**Invoice:** 423583      **Amount:** \$144.00      **Applied:** \$129.00      **Date of Payment:** 7/21/2020

Details:

	<u>Price:</u>	<u>Qty:</u>	<u>Ext.Price:</u>
7/1/2020 to 7/1/2021 -- Standard Hosting - Annually	\$144.00	1	\$144.00
--Domain #1203..mendolafco.org	\$0.00	1	\$0.00
--Email #14723..clerk@mendolafco.org	\$0.00	1	\$0.00
--Email #14724..eo@mendolafco.org	\$0.00	1	\$0.00
--Email #14725..analyst@mendolafco.org	\$0.00	1	\$0.00
--Email #15170..administrator@mendolafco.org	\$0.00	1	\$0.00
--cPanel #99..lafco	\$0.00	1	\$0.00

**Amount: \$144.00**

**Invoice:** 425102      **Amount:** \$25.00      **Applied:** \$25.00      **Date of Payment:** 7/21/2020

Details:

	<u>Price:</u>	<u>Qty:</u>	<u>Ext.Price:</u>
Domain Name Renewal - 1 Year - mendolafco.org	\$25.00	1	\$25.00

**Amount: \$25.00**

**Invoice:** 425104      **Amount:** \$86.96      **Applied:** \$86.96      **Date of Payment:** 7/21/2020

Details:

	<u>Price:</u>	<u>Qty:</u>	<u>Ext.Price:</u>
--Phone Number #97..7074634470	\$0.00	1	\$0.00
7/1/2020 to 8/1/2020 -- Voice Service 1 unit@12.0000/unit	\$12.00	1	\$12.00
--Email #12130..eo@pacific.net	\$0.00	1	\$0.00
California 911 Emergency Surcharge (\$12.00 x 0.5%)	\$0.06	1	\$0.06
California Advanced Services Fund Surcharge (\$12.00 x 0.33333333%)	\$0.04	1	\$0.04
California Deaf and Disabled Telecom Program Surcharge (\$12.00 x 0.33333333)	\$0.04	1	\$0.04
California High Cost Fund-A Surcharge (\$12.00 x 0.25%)	\$0.03	1	\$0.03
California Lifeline Telephone Service Surcharge (\$12.00 x 3%)	\$0.36	1	\$0.36
California Public Utility Commission User Fee (\$12.00 x 0.16666667%)	\$0.02	1	\$0.02
California Teleconnect Fund Surcharge (\$12.00 x 0.75%)	\$0.09	1	\$0.09
Property Tax Allotment Surcharge (\$12.00 x 3.16666667%)	\$0.38	1	\$0.38
FCC Interstate Telecom Service Provider Fee (\$12.00 x 0.25%)	\$0.03	1	\$0.03
Federal Subscriber Line Charge Fee (\$12.00 x 54.16666667%)	\$6.50	1	\$6.50
Federal Universal Service Fund Fee (\$12.00 x 16.58333333%)	\$1.99	1	\$1.99
Voice Regulatory Recovery Surcharge (\$12.00 x 3.91666667%)	\$0.47	1	\$0.47
--Circuit Info #899..STI-0086097-8	\$0.00	1	\$0.00



**Pacific Internet**

PO Box 14038  
Santa Rosa, CA 95402

**Receipt**

**Date: 7/21/2020**

Phone: (707)468-1005 / Fax:

<https://www.pacific.net/>, [billing@pacific.net](mailto:billing@pacific.net)

**Bill to:** 15757

L AFC of Mendocino County

Uma Hinman

200 S. School St.

Ukiah CA 95482

US

**Phone:** (707) 463-4470

**Fax:**

7/1/2020 to 8/1/2020 -- Single Line Circuit

\$64.95

1

\$64.95

**Amount: \$86.96**

**Total Payments: 2**

**Total Paid: \$1,197.52**

Fusion voice provided by Pacific Internet under Sonic Telecom. They can be reached at 888-766-4233.

Technical issues? Call (707) 468-1005 or email [support@pacific.net](mailto:support@pacific.net).

Billing questions? Call (707) 468-1005 or email [billing@pacific.net](mailto:billing@pacific.net).

**Law Office of P. Scott Browne**

131 South Auburn Street  
Grass Valley, CA 95945  
5302724250

**Tax ID: 68-0348904**

07-15-2020

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

**Invoice Number: 568**

Invoice Period: 06-16-2020 - 07-15-2020

Payment due by the 15th of next month.

**RE: Multiple Projects**

CALAFCo

Mendocino LAFCo

**CALAFCo**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
06-16-2020	PSB	Review materials in preparation for call; Conference call re: LAFCo 101 course (time split evenly between all LAFCo clients).	0.20
07-07-2020	PSB	Telephone call to David West; Conference call re: LAFCo 101 Webinar (Time split evenly between all LAFCo clients)	0.25
<b>Total</b>			0.45
			0.00

**Mendocino LAFCo**

**Time Details**

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
06-16-2020	WJC	Monthly flat rate, per legal agreement.	
06-23-2020	WJC	Work on amendment to representation agreement	0.50
06-24-2020	WJC	Review email from Uma with changes to agreement; Finalize and send to Uma by email	0.40
06-24-2020	PSB	Review technical services contract with County	1.00
06-29-2020	PSB	Review and respond to email re: Brown Act	0.30

We appreciate your business.

Page 1 of 3

<b>Date</b>	<b>Staff Member</b>	<b>Description</b>	<b>Hours</b>
06-30-2020	PSB	Review email; Review and respond to emails re: County contract	0.50
07-02-2020	PSB	Email from Uma re: Fire District Annexation	0.20
<b>Total</b>			2.90

600.00

<b>Total for this Invoice</b>	600.00
<b>Previous Invoice Balance</b>	420.00
Payment - ck# 1594 on 07-15-2020	(600.00)
Payment Applied to Moore on 05-06-2020	180.00
<b>Total Amount to Pay</b>	<b>600.00</b>

We appreciate your business.

Page 2 of 3

# Project Statement of Account

As of 07-15-2020

Project	Balance Due
Mendocino LAFCo	600.00
<b>Total Amount to Pay</b>	<b>600.00</b>

## CALAFCo

<b>Transactions</b>				
Date	Transaction	Applied	Invoice	Amount
06-15-2020	Previous Balance			0.00
07-15-2020	Invoice 568			0.00
			<b>Balance</b>	<b>0.00</b>

## Mendocino LAFCo

<b>Transactions</b>				
Date	Transaction	Applied	Invoice	Amount
06-15-2020	Previous Balance			600.00
07-15-2020	Payment Received - Reference ck# 1594			(600.00)
07-15-2020	Payment Applied	600.00	527	
07-15-2020	Invoice 568			600.00
			<b>Balance</b>	<b>600.00</b>

### Open Invoices and Credits

Date	Transaction	Amount	Applied	Balance
07-15-2020	Invoice 568	600.00		600.00
			<b>Balance</b>	<b>600.00</b>

We appreciate your business.

Page 3 of 3

CALAFCO

# CALAFCO Membership Invoice

1020 12th Street, Suite 222  
Sacramento, CA 95814

Date	Invoice #
7/1/2020	2020 23

<b>Bill To</b>
Mendocino LAFCo 200 South School St., Suite 2 Ukiah, CA 95482

Renewal Month	Due Date	Joined Date
July	7/31/2020	

Description	Amount
2020-21 LAFCo Member Dues	2,245.00

<b>Total</b>	\$2,245.00
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Thank you for helping to make  
CALAFCO even better!

CALAFCO Federal Tax ID 94-3312376

Phone #	Fax #	E-mail	Web Site
(916) 442-6536	(916) 442-6535	pmiller@calafco.org	www.calafco.org



# Property/Liability Package Program Invoice

Program Year 2020-21

## Local Agency Formation Commission of Mendocino County

200 South School Street  
Ukiah, California 95482

Invoice Date: 05/12/2020  
Invoice Number: 68028  
Member Number: 7157

Property, Boiler/Machinery, Pollution, Cyber <i>Coverage for 0 reported item(s) valued at (including contents): \$0</i>	\$0.00
Mobile/Contractors Equipment <i>Coverage for 0 reported item(s) valued at: \$0</i>	0.00
General Liability*, Errors & Omissions, Employee & Public Officials Dishonesty <i>Certificates: 1 Non-Member Certificate(s)</i>	3,050.00
Auto Liability (includes \$50 charge for non-owned auto coverage) <i>Coverage for 0 reported item(s) valued at: \$0</i>	50.00
Auto Comp / Collision <i>Coverage for 0 reported item(s) valued at: \$0</i>	0.00
Trailers <i>Coverage for 0 reported item(s) valued at: \$0</i>	0.00

<b>Gross Package Contribution</b>	<b>\$3,100.00</b>
Earned CIP Credits (7)	-210.00
Longevity Distribution Credit	0.00
MemberPlus Online RQ Bonus	-75.00
Other Discounts	0.00
<b>Subtotal</b>	<b>\$2,815.00</b>
<b>5% Multi-Program Discount</b>	<b>\$0.00</b>

## Total Contribution Amount Due by July 15

**\$2,815.00**

*\*Current Limit of Liability is \$2.5M for G/L, A/L and E&O (excluding outside excess liability limits)*

Please pay in full by the due date. If not, a late charge of one percent (1%) per month, twelve percent (12%) per annum, will be assessed on all sums past due. Imposition of this charge does not extend the due date for payment.

Please return GREEN COPY with your payment. For invoice questions call the SDRMA Finance Department.

Special District Risk Management Authority  
1112 I Street Suite 300, Sacramento, California 95814-2865  
Tel 916.231.4141 or 800.537.7790 | Fax 916.231.4111  
[www.sdrma.org](http://www.sdrma.org)



# Property/Liability Credit Incentive Program



## Local Agency Formation Commission of Mendocino County

CIP Points Earned as of: 3/31/2020

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2019-20. **The CIP points earned will be applied toward the invoice for the 2020-21 program year. However, the actual dollar credit shown as 'Earned CIP Credits' on the invoice may differ from this report due to the actual General and Auto Liability amounts on the invoice.** The following earned credits have been documented:

CIP Criteria Description*	CIPs Earned	CIP \$ Earned	Unearned CIPs	Unearned CIP \$
SDRMA Safety Specialist Certificate	0	\$0	2	\$29
Special District Administrator designation from SDLF	0	\$0	2	\$29
Staff Attendance at SDRMA Workshop	0	\$0	2	\$29
Additional Staff Attendance at SDRMA Workshop	0	\$0	1	\$15
Management Staff Attendance at CSDA Sponsored Training	1	\$15	0	\$0
Additional Management Staff Attendance at CSDA Sponsored Training	1	\$15	0	\$0
Attendance at Approved Legal Seminar	0	\$0	1	\$15
Additional Attendance at Approved Legal Seminar	0	\$0	1	\$15
TargetSolutions Online Training Program	0	\$0	3	\$44
Use of SDRMA Safety Video Library	0	\$0	2	\$29
<b>ADMINISTRATION TRACK TOTALS - 9 POINTS MAXIMUM</b>	<b>2</b>	<b>\$29</b>	<b>7</b>	<b>\$102</b>
SDLF District of Distinction designation	0	\$0	4	\$58
Single Board Member Attendance at SDRMA Workshop	0	\$0	1	\$15
Additional Board Member Attendance at SDRMA Workshop	0	\$0	1	\$15
Single Board Member Attendance at CSDA Training	0	\$0	1	\$15
Additional Board Member Attendance at CSDA Training	0	\$0	1	\$15
Completion of two CSDA Education / Webinar sessions	0	\$0	2	\$29
General Safety Specialist Certificate	0	\$0	1	\$15
<b>GOVERNANCE TRACK TOTALS - 4 POINTS MAXIMUM</b>	<b>0</b>	<b>\$0</b>	<b>4</b>	<b>\$58</b>
No Claims during the year	2	\$29	0	\$0
<b>CLAIMS TRACK TOTALS - 2 POINTS MAXIMUM</b>	<b>2</b>	<b>\$29</b>	<b>0</b>	<b>\$0</b>
<b>COMBINED TRACK TOTALS - 15 POINTS MAXIMUM</b>	<b>4</b>	<b>\$58</b>	<b>11</b>	<b>\$160</b>
<b>5 YEAR NO CLAIMS BONUS</b>	<b>3</b>	<b>\$44</b>	<b>0</b>	<b>\$0</b>
<b>TOTAL CREDIT INCENTIVE POINTS</b>	<b>7</b>	<b>\$102</b>	<b>11</b>	<b>\$160</b>

\*For detailed information, please see the Property/Liability CIP criteria for the applicable Program Year. For questions, please contact Dennis Timoney, Chief Risk Officer at 800.537.7790 or dtimoney@sdrma.org.

### 2020-21 Credit Incentive Program Criteria

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses and positively impact the overall cost of property/liability coverage through the Credit Incentive Program.

Credit incentives of up to 15 points can be earned based on an Agency's participation in meeting the following program guidelines. One CIP point is equal to a 1% discount on the Agency's Property/Liability Program for the Auto and General Liability net contributions invoice only. Participating members may choose among various options to complete during the CIP period (April 1 – March 31) to reach the maximum points allowable within each track.

**The maximum total points a member can receive is 15 points (not including bonus points) and points earned before March 31, 2020 will be applied to the 2020-21 Program Year.** Options allowing a member to earn points for both Property/Liability and Workers' Compensation are designated with ***(Credit will be applied to both programs)***. Points are currently awarded as follows:

#### ADMINISTRATION TRACK (9 POINTS MAXIMUM)

For staff accredited with the SDRMA General Safety Specialist Certificate or Supervisor Safety Specialist Certificate. This certificate program is a way for the Agency's staff to demonstrate their dedication to safety and loss prevention. The General Safety Specialist certificate requires the Agency employee complete and pass four OSHA certified general training courses and to receive the Supervisor Safety Specialist certificate, complete and pass two supervisory safety courses in addition to the four OSHA certified general training courses. Certificates are valid for 2 years.

**2 points**  
**No Documentation Required** - Will be confirmed by SDRMA.  
***(Credit will be applied to both programs)***

For management staff accredited with the Special District Administrator designation by the Special District Leadership Foundation (SDLF). This certification program is a way for special district administrators to affirm – to their customers, to their board of directors, and to themselves – that they are competent and experienced in their profession. Requirements for this certification include management experience, continuing education, community service, and ultimately an exam.

**2 points**  
**No Documentation Required** - Will be confirmed by SDLF.  
***(Credit will be applied to both programs)***

For each full-day attendance by the Agency's safety officer, designated individual, or employee(s) at an SDRMA Safety/Claims Education Day (First attendee earns 2 points, second attendee earns 1 point).

**3 Points maximum**  
**No Documentation Required** - Will be confirmed by SDRMA workshop attendance sheet.  
***(Credit will be applied to both programs)***

For each full-session attendance by the Agency's management staff in a California Special Districts Association (CSDA) sponsored training program, such as CSDA annual conference workshops and/or the Special District Leadership Academy (Each attendee earns 1 point).

**2 points maximum**  
**No Documentation Required** - Will be confirmed by CSDA training attendance sheet.  
***(Credit will be applied to both programs)***

For attending an approved Legal Seminar relating to Employment Practices or Human Resource issues (Each attendee earns 1 point).

**2 Points maximum**



## Property/Liability Program

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**Documentation Required** – Course syllabus and certificate of completion must be submitted to SDRMA for credit. For utilizing SDRMA's Safety DVD/Video Library. Participating members must review a minimum of 4 Safety DVD/Videos.

**2 points**

**No Documentation Required** - Will be confirmed by SDRMA.

For staff participation in SDRMA's online safety training program – TargetSolutions Safety Programs. 25% of member employees (FT, PT and volunteer firefighters) must each successfully complete a minimum of four individual e-training modules.

**3 points**

**No Documentation Required** - Will be confirmed by SDRMA.

### GOVERNANCE TRACK – GOVERNING BODY RELATED (4 POINTS MAXIMUM)

For Agency accredited with District of Distinction designation by the Special District Leadership Foundation (SDLF). This accreditation program enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply to SDLF for designation as a "District of Distinction" by submitting financial audits, policies and procedures and proof of Governance and Ethics training received by directors and executive staff.

**4 points**

**No Documentation Required** - Will be confirmed by SDLF.

*(Credit will be applied to both programs)*

For each full-day attendance by a member of the Agency's governing body at an SDRMA Safety/Claims Education Day (Each attendee earns 1 point).

**2 Points maximum**

**No Documentation Required** - Will be confirmed by SDRMA workshop attendance sheet.

*(Credit will be applied to both programs)*

For each full-session attendance by a member of the Agency's governing body in a California Special Districts Association (CSDA) sponsored training program, such as CSDA annual conference workshops (SDRMA approved), Board Leadership Training, Special District Leadership Academy and/or Special District Leadership Foundation (Each attendee earns 1 point).

**2 points maximum**

**No Documentation Required** - Will be confirmed by CSDA training attendance sheet.

*(Credit will be applied to both programs)*

For completion by a member of the Agency's governing body of a minimum of two CSDA Education / Webinar training session(s).

**2 points**

**No Documentation Required** - Will be confirmed by CSDA training attendance sheet.

For members of a governing body accredited with the SDRMA General Safety Specialist Certificate. This certificate program is a way for the Agency's governing body to demonstrate their dedication to safety and loss prevention. The General Safety Specialist certificate requires an Agency's governing body member complete and pass four OSHA certified general training courses.

**1 point**

**No Documentation Required** - Will be confirmed by SDRMA.

*(Credit will be applied to both programs)*

### CLAIMS TRACK (2 POINTS)

For a participating member agency not having any "paid" claims (excluding first party property claims).

**2 points**

**No Documentation Required** - Will be confirmed by SDRMA.

## Property/Liability Program

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The following bonus points are in addition to the 15 CIP point limit:

### CLAIMS BONUS (3 POINTS)

For a member agency not having any "paid" claims as outlined under the Claims Track for the prior 5 consecutive years.

**3 points**

**No Documentation Required** - Will be confirmed by SDRMA.

### CONTACT INFORMATION

For questions regarding point credits or the Credit Incentive Program, please contact SDRMA Chief Risk Officer Dennis Timoney at [dtimoney@sdrma.org](mailto:dtimoney@sdrma.org) or SDRMA Claims Manager Debbie Yokota at [dyokota@sdrma.org](mailto:dyokota@sdrma.org) or call the SDRMA office at 800.537.7790.

Also, visit our website at [www.sdrma.org](http://www.sdrma.org), click on MemberPlus Services and then click on TargetSolutions Program to view information about the program or take an online demonstration course of several of our Online Certified Safety Training Program Courses available to all members including:

Over 800 member safety-training courses in English and Spanish

- Courses that meet State and Federal government regulations for required contact hours for certified water and wastewater operators
- Courses endorsed by the National Fire Protection Association (NFPA)
- Courses that are recognized and accepted by the California Water Environmental Association (CWEA) and the California Department of Health Services (DHS)
- OSHA approved training courses – 40 new courses
- Professional Development Courses in Leadership, Management, Computer Skills, Customer Service, Finance, Health and Wellness
- Online Driver Training and Compliance Program
- Emergency Vehicle Operator
- Law Enforcement, Online Police Training
- Human Resources

## ACH Payment Information

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SDRMA is happy to accept Automated Clearing House (ACH) payments for any invoices relating to the Property/Liability, Workers' Compensation and Health Benefits Programs. Please reference the following information to process payments correctly. If you have any questions, please contact Jennifer Chilton, CPA, Acting Finance Manager at 800.537.7790 or [jchilton@sdrma.org](mailto:jchilton@sdrma.org).

All ACH Payments need to be sent to:

**RIVER CITY BANK**  
**American Bankers Association (ABA)**  
**Routing Number: 121133416**

**Health Benefits Program Payments**  
Send funds to Deposit Account Number:  
**0811090531**

**Property/Liability Program Payments**  
Send funds to Deposit Account Number:  
**0811090507**

**Workers' Compensation Program Payments**  
Send Fund to Deposit Account Number:  
**0811090523**



# INVOICE

1040 N. State Street, Suite E  
 Ukiah, California 95482  
 (707) 463-8889 • (707) 463-8989 Fax

No. 6268

Customer	LAFCO	Date	7-20-20
Address	200 S. SCHOOL	Equipment	IJP
City State Zip	KRISTEN	Model	HP OJPRO8710
Phone	972-7628 CELL	Serial #	CN68FG320W

Symptom	ADF ISSUES
	CLEAN & SERVICE
	*RUSH*

Work Performed	FULLY INSPECTED CONDITION OF UNIT. CLEANED ALL ROLLERS, PAPER PATH GUIDES & PAN. CLEANED ENTIRE DOCUMENT SECTION & SIGHT GLASS. LUBRICATED CARRIAGE TRANSPORT SYSTEM. NO FAILURES OBSERVED. TESTED FINE!
Page Count	12,468

QTY	PART #	DESCRIPTION	PRICE	PRICE EXT

WE WILL NOT BE RESPONSIBLE FOR LOSS OR DAMAGE CAUSED BY FIRE, THEFT, TESTING, OR ANY OTHER CAUSES THAT ARE BEYOND OUR CONTROL. MATERIALS REPLACED ON THIS REPAIR ARE WARRANTED FOR THIRTY DAYS FOR THE SAME PROBLEM. ANY ADDITIONAL LABOR NEEDED WILL BE BILLED AT QUARTER HOUR INCREMENTS. IT IS UNDERSTOOD BY THE PURCHASER THAT THE MATERIAL DESCRIBED ABOVE REMAINS THE PROPERTY OF THE SELLER UNTIL PAID FOR IN FULL. A FINANCE CHARGE OF 1.5% PER MONTH (18% PER ANNUM) WILL BE ADDED TO PAST DUE ACCOUNTS. TERMS: NET 10 DAYS. NO GOODS HELD OVER THIRTY DAYS.

TOTAL PARTS	
TAX	
LABOR	\$157.50
EXPEDITE	\$25.00
TOTAL DUE	\$182.50

X Phil (FOR KRISTEN) ☺ Thank You!

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: August 3, 2020  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Proposal for Financial Audit Services for Fiscal Year 2019-20

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**RECOMMENDATION**

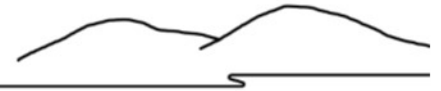
The Commission approve the PnPCPA proposal for preparation of the fiscal year 2019-20 financial audit and authorize the Chair to execute an agreement with PnPCPA for financial audit services consistent with the attached proposal.

**BACKGROUND**

After a competitive Request for Proposals (RFP) process in mid-2019, the Commission selected PnPCPA to conduct an independent audit of LAFCo's financial statements for Fiscal Year (FY) 2018-19, with the option for annual extensions up to an additional four years. A budget increase of four percent annually for each additional year was included.

The FY 2019-20 Audit Services proposal from PnPCPA is attached for the Commission's consideration. The proposed budget of \$3,380 is consistent with the annual four percent increase and will come in slightly under our FY 2020-21 budget for the audit. The proposal requires an upfront payment of 50% (\$1,690) to initiate the audit, with a final payment due upon receipt of the final audit. If approved, the initial payment to start the audit will be included in the September 2020 claims.

Attachment: PnPCPA proposal for FY 2019-20 audit services



July 13, 2020

Mendocino LAFCO  
200 S School St  
Ukiah, CA 95482

Dear Board:

We are pleased to confirm our understanding of the services we are providing for Mendocino LAFCO for the year ended June 30, 2020,. We will audit the Statement of Net Position, Statement of Activities and where applicable the Statement of Revenues, Expenditures, and Change in Fund Balance, Balance Sheet and Statement of Cash Flows of Mendocino LAFCO as of and for the year ended Mendocino LAFCO.

Accounting standards generally accepted in the United States of America call for certain required supplementary information (RSI) to accompany the basic financial statements. The Governmental Accounting Standards Board also considers this information a necessary part of financial reporting as it provides perspective to the basic financial statements. Therefore, as part of this engagement, we will apply limited procedures to Mendocino LAFCO's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will primarily consist of inquiries of management regarding their methods of measurement and presentation. However, we will not express an opinion or provide any assurance on this RSI as our limited procedures do not provide us with sufficient evidence to do so under our professional standards. Consequently, the financial statements we present to you will include the following required RSI that will not be audited and, as such, our report will disclaim an opinion on this RSI:

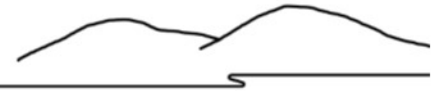
- Management's Discussion and Analysis

We also understand that supplementary information other than RSI will accompany Mendocino LAFCO's basic financial statements. In accordance with auditing standards generally accepted in the United States of America, we will apply auditing procedures and other additional procedures deemed necessary to the following supplementary information accompanying the basic financial statements in order to provide an opinion on this information in relation to the financial statements as a whole.

**Objective**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional supplementary information referred to above when considered in relation to the financial statements taken as a whole.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards (GAAS). Our professional standards as defined by GAAS require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. As such, our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Mendocino LAFCO and other procedures we consider necessary. The procedures we determine necessary will depend on our "auditor's" judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or form an opinion, we may disclaim an opinion or not issue a report.



**Audit Procedures**

Our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Mendocino LAFCO and other procedures we consider necessary. The procedures we determine necessary will depend on our “auditor’s” judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. 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. If we deem it appropriate, our procedures will also include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and will include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters. These representations will include acknowledging our assistance with the preparation of your financial statements, the supplementary information, and notes accompanying these documents, and that you have reviewed and approved these documents, approved their release, and that you have accepted responsibility for them.

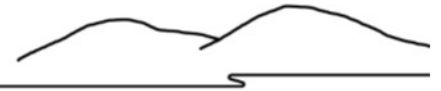
Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you, or the appropriate level of management, of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we will consider internal controls relevant to the preparation and fair presentation of the Mendocino LAFCO's financial statements in order to design audit procedures that are appropriate in the circumstances. However, our audit procedures are not designed for the purpose of expressing an opinion on the effectiveness of your internal control. In accordance with our professional standards, we will communicate in writing to the appropriate level of management and those charged with governance matters concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of Mendocino LAFCO's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion. Management maintains the responsibility for identifying and ensuring that Mendocino LAFCO complies with applicable laws, regulations, contracts, and other agreements.

Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Zach Pehling is the engagement partner for the audit services specified in this letter. His responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.



## Responsibilities of Management and Those Charged with Governance

As part of our engagement, we may advise you about appropriate accounting principles and their application; however, the management of Mendocino LAFCO acknowledges and understands that the final responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America remains with you. This responsibility includes the financial statements, all accompanying information, and the representations that accompany them. As such, the management of Mendocino LAFCO is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

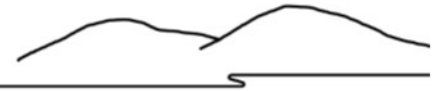
By your signature below, you also acknowledge that the management of Mendocino LAFCO is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements, and all accompanying information, that are free from material misstatement, whether due to fraud or error. This responsibility includes the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Mendocino LAFCO and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America. In addition, management is also responsible for having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization that involves management, employees who have significant roles in internal control, regulators, and others where fraud could have a material impact on the financial statements. The management of Mendocino LAFCO is also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting Mendocino LAFCO received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Mendocino LAFCO complies with applicable laws and regulations and for taking timely and appropriate actions to remedy any fraud, illegal acts, or violations of contracts and agreements. You agree that you will confirm your understanding of your responsibilities as defined in this letter to us in your representation letter.

Management is also responsible for the preparation and fair presentation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree that you will confirm your understanding of your responsibilities with respect to the supplementary information in your representation letter. You further agree to include our report on the supplementary information in any document that contains and indicates that we have reported on such supplementary information.

Management's responsibilities also include designating qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the nonattest services we perform as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for them.

You further acknowledge and understand that management is responsible for providing us with access to all information management is aware of that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; for the accuracy and completeness of the information that is provided to us; and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. This responsibility also includes providing us with any additional information that we may request from management for the purpose of the audit; as well as allowing us unrestricted access to individuals within the organization from whom we may determine it necessary to obtain audit evidence, including access to your designated employees who will type all confirmations we request.





**Written Report**

We expect to issue a written report upon completion of our audit of Mendocino LAFCO's financial statements. Our report will be addressed to the Board of Directors of Mendocino LAFCO. We cannot provide assurance that an unmodified opinion will be expressed on the financial statements. Circumstances may arise in which it is necessary for us to modify our opinion, add emphasis-of-matter or other-matter paragraphs, decline to express an opinion or withdraw from the engagement.

**Other Matters**

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, and telephone calls), except that we agree that our gross fee, including expenses, will not exceed 3380 for the audit for this contract. An initial deposit of 1690 due at the beginning of the year and the remainder due at completion of the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit.. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

It is our policy to keep records related to this engagement for 7 years. However, Zach Pehling CPAs does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period Zach Pehling CPAs shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to Mendocino LAFCO and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

\_\_\_\_\_  
Zach Pehling

**RESPONSE:**

This letter correctly sets forth the understanding of Mendocino LAFCO.

**APPROVED:**

\_\_\_\_\_  
Mendocino LAFCO

\_\_\_\_\_  
Date

# MENDOCINO Local Agency Formation Commission Staff Report

MEETING August 3, 2020  
TO Mendocino Local Agency Formation Commission  
FROM Uma Hinman, Executive Officer  
SUBJECT **Public Hearing** to Consider Adoption of a Resolution Approving the Mendocino City Community Services District Municipal Service Review and Sphere of Influence Update

---

## RECOMMENDATION

- 1) Find the Mendocino City Community Services District Municipal Service Review and Sphere of Influence Update is exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations §15306 and §15061(b)(3) and approve the Notice of Exemption for filing; and
- 2) Adopt LAFCo Resolution 2020-21-01, approving the Mendocino City Community Services District Municipal Service Review and Sphere of Influence Update and reducing the District's existing 2008 Sphere of Influence to a coterminous sphere.

## BACKGROUND

This is a Public Hearing to consider public testimony and proposed adoption of the Mendocino City Community Services District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update.

The Commission held two Workshops on May 4, 2020 and June 1, 2020 to hear public comments and provide direction on revisions to the draft study in preparation for this Public Hearing item.

At the June Workshop, the Commission directed LAFCo staff to proceed with the Public Hearing with the only further action needed to verify with the District their position on the proposed Areas of Interest.

### Sphere of Influence

In 2008, the Commission approved a reduction of approximately two-thirds in the size of the District SOI located east of SR 1 to reflect the area that the wastewater treatment plant and groundwater resources have the capacity to serve. There have been no changes to the District boundary or SOI since then.

The District has confirmed that their current boundary reflects existing service needs and projected service demands over the next five years. The District's SOI is recommended to be reduced to a coterminous sphere, which is a sphere that is the same as the jurisdictional boundary, consistent with Policy 10.1.4.a, since there have been no annexations in the last 12 years, there is no planned urban development, and there is low projected growth and demand for services. Policy 10.1.4.a from the Mendocino LAFCo Policies and Procedures Manual states as follows:

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency's sphere of influence if either of the following two conditions apply:

- a) the land is outside the affected agency's jurisdictional boundary but has been within the sphere of influence for 10 or more years; or

b) the land is inside the affected agency’s jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

### **Area of Interest**

Based on recommendations from District staff and direction from the District Board of Directors on July 27, 2020, there are no Area of Interest designations identified on Figure 2-1a.

### **Public Comments**

As detailed in the May 4, 2020 and June 1, 2020 staff reports, LAFCo staff received multiple correspondences during the workshops related to the District’s groundwater management services and extending wastewater services to the Road 500D area, and updates are provided below. No further public comments have been received to date.

### **Water Services Question**

Mr. Gomes, Ms. Reed, and Mr. Clark appear to be questioning the legal authority for the District to provide water and groundwater management services. Specifically they question whether the District is authorized to provide “water service” as defined in Water Code §515. If the District is not legally authorized to provide water service, then they assert, the District is not legally authorized to provide groundwater management, since that is only authorized under Water Code §10702 for a local agency that is legally authorized to provide “water services”.

WAT §515 states as follows:

“Water service” means the sale, lease, rental, furnishing, or delivery of water for beneficial use, and includes, but is not limited to, contracting for that sale, lease, rental, furnishing, or delivery of water, except bottled water.

WAT §10702 states as follows:

Any local agency which is authorized by law to provide water services may, by ordinance, or by resolution if the local agency is not authorized to act by ordinance, establish programs for the management of groundwater resources.

The District is authorized by law to provide water services based on multiple sources of authority. First the voters of the District passed Measure A on November 5, 1985 which specifically authorized the provision of water services “To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation” per Public Contract Code §20681(a). Second the Community Services District (CSD) Principal Act authorizes a CSD to “Supply water for any beneficial uses, in the same manner as a municipal water district” per GOV §61100(a).

Clearly the District is legally authorized to provide water services. It is noteworthy that WAT §515 was added to the Water Code in 1991 and therefore the very specific water service definition in that section was not necessarily contemplated by the Legislature in drafting AB 786 (WAT §10700-10717) in 1987 related to the requirement for the local agency to be authorized by law to provide water services. Further, there is no requirement in WAT §10702 that a local agency exercise its water services authority.

Because the District is legally authorized to provide water services, it is also authorized to provide groundwater management services. WAT §10700 et seq. expressly authorizes a local agency with legal authority to provide water services to also provide groundwater management services. This language originated from 1987 special legislation Assembly Bill Number 786, Hauser Chapter 472, specifically for the Mendocino City CSD area authorizing the provision of groundwater management and water replenishment services.

The District has been actively providing groundwater management services since the 1990s. The District does not need LAFCo approval to provide groundwater management services as it is not a latent power per SB 135. Section 3.3 and Appendix D were added to the study and provide more information.

## Road 500D

Mr. Powers and District staff had a preliminary conversation regarding the process and feasibility issues related to extending wastewater services to the Road 500D area. A potential solution is for property owners to work directly with State Parks to tie into the State's infrastructure and service allocation. A service extension by contract might be possible to address public health and safety issues from failing septic systems in the area.

District annexation would likely entail multiple steps shown below and substantial time, resources, and collaboration between the District and property owners. Annexation of all parcels between the District boundary and Road 500D would allow for logical and orderly development and municipal service provision to the area.

(a) Educating property owners on the applicability of the District's groundwater management services and hydrological study requirements and the complexity of establishing a new wastewater line over a bridge crossing if the State pressure main cannot be utilized.

(b) Determining the level of interest of property owners and willingness to pay for District wastewater and groundwater management services.

(c) Funding an engineering study to determine project feasibility and cost per connection.

(d) Preparing a Plan for Services and submitting an annexation application.

LAFCo staff supports efforts by the District and property owners to collaborate and reach mutually agreeable resolution regarding District services.

**Attachments:** (1) Mendocino City CSD MSR/SOI Update  
(2) Proof of Publication  
(3) Notice of Exemption  
(4) LAFCo Resolution No. 2020-21-01

# **PUBLIC HEARING DRAFT**



## **MENDOCINO CITY COMMUNITY SERVICES DISTRICT**

### **Municipal Service Review and Sphere of Influence Update**

Prepared for:

**MENDOCINO LAFCO**

200 South School Street

Ukiah, California 95482

<http://www.mendolafco.org/>

Workshop: May 4, 2020

Continued Workshop: June 1, 2020

Public Hearing: August 3, 2020

**Adopted: TBD**

**LAFCo Resolution No: TBD**

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# TABLE OF CONTENTS

<b>1</b>	<b>INTRODUCTION .....</b>	<b>1-1</b>
1.1	LOCAL AGENCY FORMATION COMMISSION .....	1-1
1.2	MENDOCINO LAFCO .....	1-1
1.3	SPHERE OF INFLUENCE .....	1-1
1.4	MUNICIPAL SERVICE REVIEW .....	1-2
1.5	MENDOCINO LAFCO POLICIES .....	1-2
1.6	SENATE BILL 215 .....	1-5
<b>2</b>	<b>AGENCY OVERVIEW .....</b>	<b>2-1</b>
2.1	HISTORY.....	2-1
2.1.1	FORMATION.....	2-1
2.1.2	BOUNDARY .....	2-2
2.1.3	SERVICES.....	2-2
2.2	GOVERNMENT STRUCTURE.....	2-3
2.2.1	GOVERNING BODY.....	2-3
2.2.2	PUBLIC MEETINGS .....	2-3
2.2.3	STANDING COMMITTEES.....	2-4
2.2.4	PUBLIC OUTREACH .....	2-4
2.2.5	COMPLAINTS .....	2-4
2.2.6	TRANSPARENCY AND ACCOUNTABILITY .....	2-5
2.3	OPERATIONAL EFFICIENCY .....	2-5
2.3.1	MANAGEMENT AND STAFFING .....	2-5
2.3.2	AGENCY PERFORMANCE.....	2-7
2.3.3	REGIONAL AND SERVICE-SPECIFIC PARTICIPATION .....	2-7
2.3.4	INTERAGENCY COLLABORATION.....	2-7
2.3.5	CONTRACT OR JPA SERVICES .....	2-8
2.3.6	SHARED SERVICES AND FACILITIES .....	2-8
2.3.7	ENHANCED SERVICE DELIVERY OPTIONS.....	2-8
2.3.8	GOVERNMENT RESTRUCTURE OPTIONS.....	2-9
2.4	FINANCES .....	2-9
2.4.1	CURRENT FISCAL HEALTH .....	2-9
2.4.2	LONG TERM FINANCIAL CONSIDERATIONS.....	2-12
2.5	GROWTH .....	2-16
2.5.1	PRESENT AND PLANNED LAND USE AND DEVELOPMENT .....	2-16
2.5.2	EXISTING POPULATION AND PROJECTED GROWTH .....	2-24
2.6	DISADVANTAGED UNINCORPORATED COMMUNITIES .....	2-25
<b>3</b>	<b>MUNICIPAL SERVICES .....</b>	<b>3-1</b>
3.1	SERVICE OVERVIEW .....	3-1
3.1.1	SERVICES.....	3-1
3.1.2	OUT-OF-AGENCY SERVICES.....	3-1
3.2	WASTEWATER .....	3-1
3.2.1	SERVICE OVERVIEW .....	3-1
3.2.2	WASTEWATER SYSTEM MANAGEMENT PLAN.....	3-2
3.2.3	COLLECTION SYSTEM .....	3-3
3.2.4	OPERATION AND MAINTENANCE PROGRAM .....	3-5
3.2.5	SYSTEM CAPACITY.....	3-8
3.2.6	FACILITIES AND ASSETS.....	3-9

3.3 WATER..... 3-10

    3.3.1 LEGAL AUTHORITY ..... 3-10

    3.3.2 POWERS..... 3-11

3.4 GROUNDWATER MANAGEMENT ..... 3-12

    3.4.1 GROUNDWATER MANAGEMENT OVERVIEW ..... 3-12

    3.4.2 WATER DEMAND AND CAPACITY ..... 3-14

    3.4.3 WATER SUPPLY CONSERVATION AND ENHANCEMENT ..... 3-16

    3.4.4 OPERATIONS AND CAPITAL NEEDS ..... 3-21

3.5 STREET LIGHTING ..... 3-21

    3.5.1 SERVICE OVERVIEW ..... 3-21

3.6 DETERMINATIONS ..... 3-22

    3.6.1 MSR REVIEW FACTORS ..... 3-22

**4 SPHERE OF INFLUENCE ..... 4-1**

    4.1 SOI UPDATE ..... 4-1

        4.1.1 EXISTING SPHERE OF INFLUENCE..... 4-1

        4.1.2 STUDY AREAS..... 4-1

        4.1.3 AREA OF INTEREST DESIGNATION ..... 4-1

        4.1.4 PROPOSED SOI CHANGES ..... 4-2

        4.1.5 CONSISTENCY WITH LAFCO POLICIES ..... 4-2

        4.1.6 OTHER LOCAL POLICIES..... 4-2

        4.1.7 DETERMINATIONS ..... 4-2

**5 REFERENCES ..... 5-1**

**6 ACRONYMS ..... 6-1**

**7 ACKNOWLEDGEMENTS..... 7-1**

    7.1 REPORT PREPARATION ..... 7-1

    7.2 ASSISTANCE AND SUPPORT ..... 7-1

**8 APPENDICES ..... 8-1**

    8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES ..... 8-1

    8.2 APPENDIX B – WEBSITE COMPLIANCE HANDOUT ..... 8-2

    8.3 APPENDIX C – MENDOCINO COUNTY POLICIES ..... 8-3

    8.4 APPENDIX D – GROUNDWATER SPECIAL LEGISLATION ..... 8-10



# 1 INTRODUCTION

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## 1.1 LOCAL AGENCY FORMATION COMMISSION

Local Agency Formation Commissions (LAFCo) are quasi-legislative, independent local agencies that were established by State legislation in 1963 to oversee the logical and orderly formation and development of local government agencies including cities and special districts. There is one LAFCo for each county in California.

LAFCo is responsible for implementing the Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (California Government Code Section 56000 et. seq.) in order to promote orderly growth, prevent urban sprawl, preserve agricultural and open space lands, and oversee efficient provision of municipal services.

LAFCo has the authority to establish and reorganize cities and special districts, change their boundaries and authorized services, allow the extension of public services, perform municipal service reviews, and establish spheres of influence. Some of LAFCo's duties include regulating boundary changes through annexations or detachments and forming, consolidating, or dissolving local agencies.

## 1.2 MENDOCINO LAFCO

The CKH Act provides for flexibility in addressing State regulations to allow for adaptation to local needs. Mendocino LAFCo has adopted policies, procedures and principles that guide its operations. These policies and procedures can be found on Mendocino LAFCo's website at the following location: <http://mendolafco.org/policies-procedures/>.

Mendocino LAFCo has a public Commission with seven regular Commissioners and four alternate Commissioners. The Commission is composed of two members of the Mendocino County Board of Supervisors, two City Council members, two Special District representatives, and one Public Member-At-Large. The Commission also includes one alternate member for each represented category.

## 1.3 SPHERE OF INFLUENCE

The CKH Act requires LAFCo to adopt a Sphere of Influence (SOI) for all local agencies within its jurisdiction. A SOI is "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission" (GC §56076).

When reviewing an SOI for a municipal service provider, LAFCo will consider the following five factors:

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for

those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sphere of Influence Updates include written statements or determinations with respect to each of the five mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of establishing or modifying a service provider's SOI or probable future boundary.

## **1.4 MUNICIPAL SERVICE REVIEW**

The CKH Act (GC §56430) requires LAFCo to prepare a Municipal Service Review (MSR) for all local agencies within its jurisdiction. MSRs are required prior to and in conjunction with the update of a Sphere of Influence (SOI).

An MSR is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area.

An MSR must address the following seven factors:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

MSRs include written statements or determinations with respect to each of the seven mandated areas of evaluation outlined above. These determinations provide the basis for LAFCo to consider the appropriateness of a service provider's existing and future service area boundary.

## **1.5 MENDOCINO LAFCO POLICIES**

In addition to making the necessary determinations for establishing or modifying a SOI consistent with the CKH Act, the appropriateness of an agency's SOI is also based on an evaluation of consistency with local LAFCo policies.

The following Sphere of Influence policies are from the Mendocino LAFCo Policies and Procedures Manual, adopted November 5, 2018.

### **10.1.1 Legislative Authority and Intent**

A sphere of influence is the probable 20-year growth boundary for a jurisdiction's physical development. The Commission shall use spheres of influence to:

- a) promote orderly growth and development within and adjacent to communities;
- b) promote cooperative planning efforts among cities, the County, and special districts to address concerns regarding land use and development standards, premature conversion of agriculture and open space lands, and efficient provision of public services;
- c) guide future local government reorganization that encourages efficiency, economy, and orderly changes in local government; and
- d) assist property owners in anticipating the availability of public services in planning for the use of their property.

### **10.1.2 Definitions**

The Commission incorporates the following definitions:

- a) an “establishment” refers to the initial development and determination of a sphere of influence by the Commission;
- b) an “amendment” refers to a limited change to an established sphere of influence typically initiated by a landowner, resident, or agency; and
- c) an “update” refers to a comprehensive change to an established sphere of influence typically initiated by the Commission.

### **10.1.3 Sphere Updates**

In updating spheres of influence, the Commission’s general policies are as follows:

- a) The Commission will review all spheres of influences every five years for each governmental agency providing municipal services. Municipal services include water, wastewater, police, and fire protection services.
- b) Sphere of influence changes initiated by any agency providing a municipal service shall generally require either an updated or new service review unless LAFCo determines that a prior service review is adequate.
- c) Spheres of influence of districts not providing municipal services including, but not limited to, ambulance, recreation, hospital, resource conservation, cemetery, and pest control shall be updated as necessary.

### **10.1.4 Reduced Spheres**

The Commission shall endeavor to maintain and expand, as needed, spheres of influence to accommodate planned and orderly urban development. The Commission shall, however, consider removal of land from an agency’s sphere of influence if either of the following two conditions apply:

- a) the land is outside the affected agency’s jurisdictional boundary but has been within the sphere of influence for 10 or more years; or
- b) the land is inside the affected agency’s jurisdictional boundary but is not expected to be developed for urban uses or require urban-type services within the next 10 years.

### **10.1.5 Zero Spheres**

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer

needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

#### **10.1.6 Service Specific Spheres**

If territory within the proposed sphere boundary of a local agency does not need all of the services of the agency, a “service specific” sphere of influence may be designated.

#### **10.1.7 Agriculture and Open Space Lands**

Territory not in need of urban services, including open space, agriculture, recreational, rural lands, or residential rural areas shall not be assigned to an agency’s sphere of influence unless the area’s exclusion would impede the planned, orderly and efficient development of the area. In addition, LAFCo may adopt a sphere of influence that excludes territory currently within that agency’s boundaries. This may occur when LAFCo determines that the territory consists of agricultural lands, open space lands, or agricultural preserves whose preservation would be jeopardized by inclusion within an agency’s sphere. Exclusion of these areas from an agency’s sphere of influence indicates that detachment is appropriate.

#### **10.1.8 Annexations Are Not Mandatory**

Before territory can be annexed to a city or district, it must be within the agency’s sphere of influence (G.G. §56375.5). However, territory within an agency’s sphere will not necessarily be annexed. A sphere is only one of several factors that are considered by LAFCo when evaluating changes of organization or reorganization.

#### **10.1.9 Islands or Corridors**

Sphere of influence boundaries shall not create islands or corridors unless it can be demonstrated that the irregular boundaries represent the most logical and orderly service area of an agency.

#### **10.1.10 Overlapping Spheres**

LAFCo encourages the reduction of overlapping spheres of influence to avoid unnecessary and inefficient duplication of services or facilities. In deciding which of two or more equally capable agencies shall include an area within its sphere of influence, LAFCo shall consider the agencies’ service and financial capabilities, social and economic interdependencies, topographic factors, and the effect that eventual service extension will have on adjacent agencies. Where an area could be assigned to the sphere of influence of more than one agency, the following hierarchy typically applies:

- a) Inclusion within a city’s sphere
- b) Inclusion within a multi-purpose district’s sphere
- c) Inclusion within a single-purpose district’s sphere

Territory placed within a city’s sphere indicates that the city is the most logical provider of urban services. LAFCo encourages annexation of developing territory (i.e., area not currently receiving services) that is currently within a city’s sphere to that city rather than to one or more single-purpose special districts. LAFCo discourages the formation of special districts within a city’s sphere. To promote efficient and coordinated planning among the county’s various agencies, districts that provide the same type of service shall not have overlapping spheres.

### **10.1.11 Memorandum of Agreements (For City Sphere Amendments and Updates)**

Prior to submitting an application to LAFCo for a new city sphere of influence or a city sphere of influence update, the city shall meet with the County to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements as contained in G.C. §56425. If an agreement is reached between the city and County the agreement shall be forwarded to LAFCo. The Commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by LAFCo and the County, and LAFCo shall give great weight to the agreement to the extent that it is consistent with LAFCo policies in its final determination of the city sphere.

### **10.1.12 Areas of Interest**

LAFCo may, at its discretion, designate a geographic area beyond the sphere of influence as an Area of Interest to any local agency. (Resolution No. 2018-19-01)

- a) An Area of Interest is a geographic area beyond the sphere of influence in which land use decisions or other governmental actions of one local agency (the "Acting Agency") impact directly or indirectly upon another local agency (the "Interested Agency"). For example, approval of a housing project developed to urban densities on septic tanks outside the city limits of a city and its sphere of influence may result in the city being forced subsequently to extend sewer services to the area to deal with septic failures and improve city roads that provide access to the development. The city in such a situation would be the Interested Agency with appropriate reason to request special consideration from the Acting Agency in considering projects adjacent to the city.
- b) When LAFCo receives notice of a proposal from another agency relating to the Area of Concern, LAFCo will notify the Interested Agency and will consider its comments.
- c) LAFCo will encourage Acting and Interested Agencies to establish Joint Powers Agreements or other commitments as appropriate.

(LAFCo, 2018)

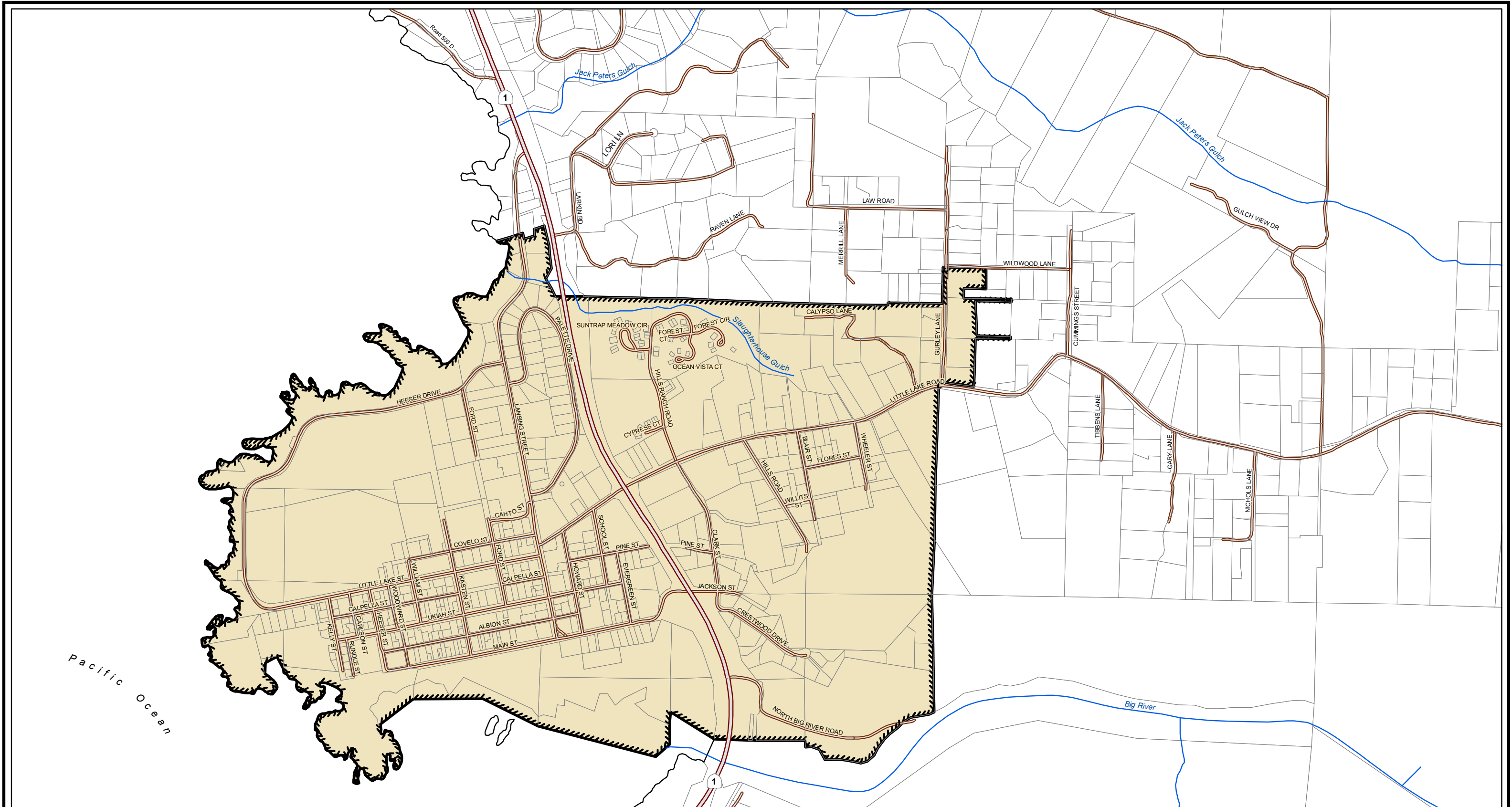
## **1.6 SENATE BILL 215**

Senate Bill 215 (Wiggins) requires LAFCo to consider regional transportation plans and sustainable community strategies developed pursuant to SB 375 before making boundary decisions. Senate Bill 375 (Sustainable Communities and Climate Protection Act) requires each metropolitan planning organization (MPO) to address regional greenhouse gas (GHG) emission reduction targets for passenger vehicles in their Regional Transportation Plan (RTP) by integrating planning for transportation, land-use, and housing in a sustainable communities strategy.

Mendocino County is not located within an MPO boundary and therefore is not subject to the provisions of SB 375. However, the Mendocino Council of Governments (MCOG) supports and coordinates the local planning efforts of Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits to address regional housing and transportation needs and helps provide a framework for sustainable regional growth patterns through the 2018 Mendocino County Regional Housing Needs Allocation (RHNA) Plan and Vision Mendocino 2030 Blueprint Plan. MCOG is also responsible for allocating regional transportation funding to transportation improvement projects consistent with the 2017 RTP for Mendocino County.

Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits are the local agencies primarily responsible for planning regional growth patterns through adoption and implementation of general plan and zoning regulations. While Mendocino County is not subject to the provisions of SB 375, LAFCo will review applicable regional transportation and growth plans when considering a change of organization or reorganization application.

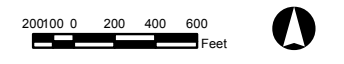
Figure 2-1a



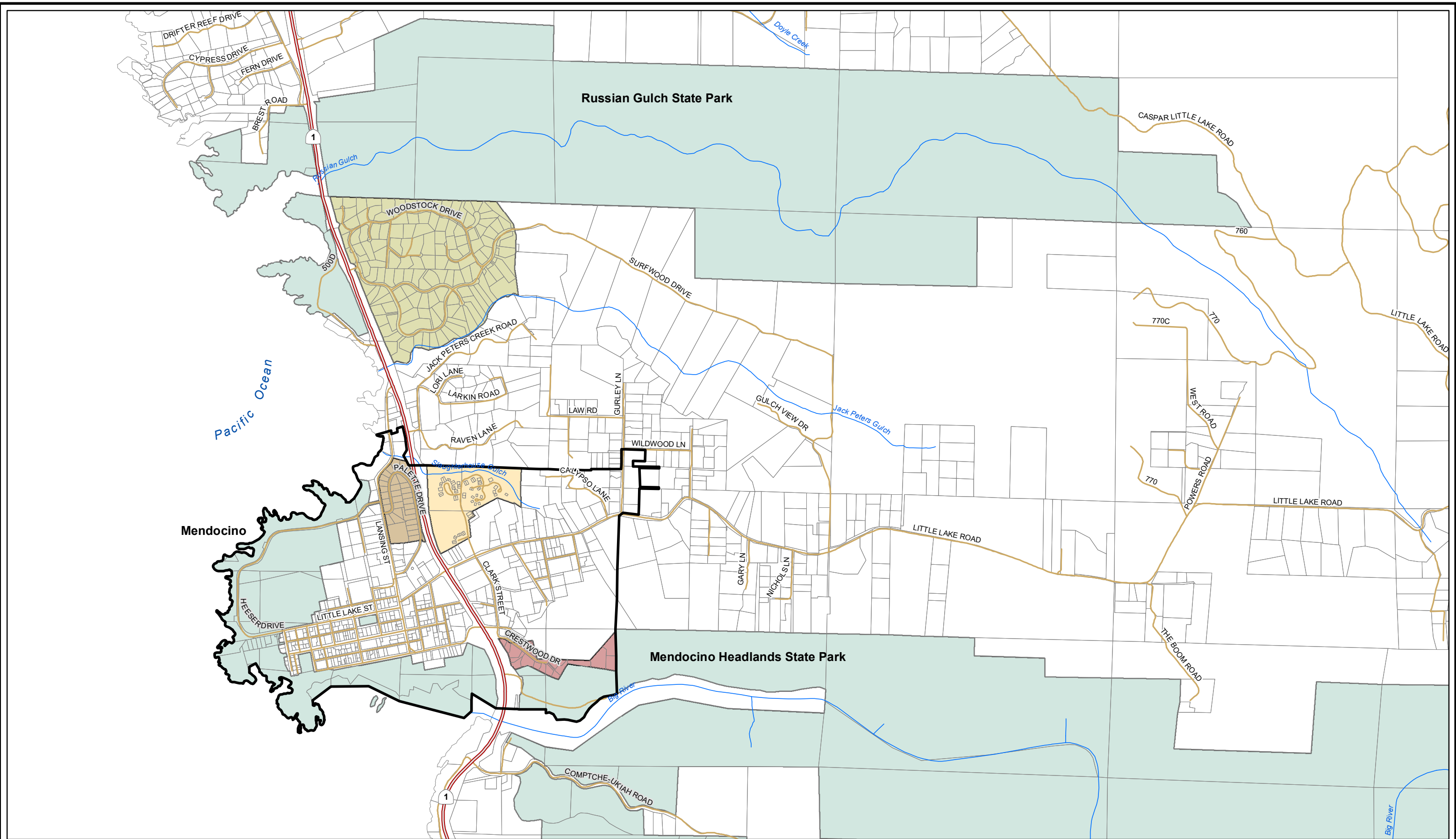
# Mendocino City Community Services District

Source: This map was created by the Mendocino County Division of Information Services GIS Program, July 2020.  
 Note: This map is not a survey product.

- Mendocino City CSD
- Highways
- Sphere of Influence
- Streams
- Parcels
- Roads



**Figure 2-1b**



**Mendocino City Community Services District**

Source: This map was created by Mendocino County Division of Information Services GIS Program, May 2020  
 Note: This map is not a survey product.

- Mendocino City CSD
- Hills Ranch Mutual Water Company
- Parcels
- Surfwood Mutual Water Corporation
- Big River Vista Mutual Water Company
- Highways
- Point of View Mutual Water Company
- State Parks
- Roads
- Streams



## 2 AGENCY OVERVIEW

**Table 2.1 MCCSD Profile**

<b>Agency Name:</b>	Mendocino City Community Services District
<b>Phone Number:</b>	(707) 937-5790
<b>Fax Number:</b>	(707) 937-3738
<b>Mailing Address:</b>	P.O. Box 1029, Mendocino, CA 95460
<b>District Office:</b>	10500 Kelly Street, Mendocino, CA 95460
<b>Website:</b>	mccsd.com
<b>General Email:</b>	mccsd@mcn.org
<b>Date of Formation:</b>	1971
<b>Agency Type:</b>	Independent Special District, Multi-Service Provider
<b>Enabling Legislation:</b>	Community Services District Law: Government Code §61000 et seq.
<b>Board Meeting Schedule:</b>	Last Monday of each month at 7:00 p.m. at the District Office, 10500 Kelly Street, Mendocino, CA

Source: MCCSD, 2019a.

### 2.1 HISTORY

#### 2.1.1 FORMATION

The Mendocino City Community Services District (MCCSD or District) was formed on August 31, 1970 by Mendocino LAFCo Resolution No. 70-7 to provide a community wastewater system to collect and treat wastewater for properties within the District and the Russian Gulch State Park located outside the jurisdictional boundaries of the District. While the District has the name Mendocino City CSD, the community is an unincorporated area.

##### 2.1.1.1 Background

The coastal community of Mendocino was founded in 1851. For 120 years, the community functioned on individual wells and septic systems. In 1971, a study by the Mendocino County Health Department found that most of the wells in the community were contaminated. The District was formed to address the wastewater and water issues for the community. Wastewater treatment was the first priority for the newly formed district. General obligation bonds for the wastewater treatment facility were approved by a margin of 86-percent of District voters. In 1975, four years after the District was formed, the wastewater treatment plant became operational. In 1985, the District called an election and the electorate approved adding water powers to the District. For two years after that, the District attempted to find an adequate water source for the community, but they could not locate a water source that was suitable both in quantity and quality. To this day, the community continues to rely on private wells for water supply.

In 1987, the Legislature passed AB 876 which established Water Code Section 10700 et seq. (refer to Appendix D in Section 8.4 for specific language) and which authorized the District to establish programs for the management of the groundwater resources within the District and to function as a water replenishment district. Prior to enactment of this legislation, the County Health Department enforced

the groundwater extraction provisions of the Mendocino Town Plan. In 1990, the District adopted a Groundwater Management Plan/Groundwater Extraction Permit Ordinance (Ordinance No. 90-1) and assumed responsibility of groundwater management from Mendocino County. The groundwater management authority provided in Water Code Section 10700 et seq. was considered an interim authority until the District could find a water source suitable for a community water system. Water Code Section 10717 provides that upon implementation of a municipal central water system supplying water to the inhabitants within the boundaries of the District, the District's authorization to manage groundwater is terminated. Due to the lack of an adequate water source, the District has not developed a municipal central water system. Therefore, the need for groundwater from the local aquifer to supply private wells continues to be necessary and the District's Groundwater Management Plan which limits water extraction remains in effect.

(LAFCo, 2008)

There are three Mutual Water Companies within the District boundary named Point of View Estates, Hills Ranch, and Big River Vista and one Mutual Water Company located north of the District boundary named Surfwood that serve subdivisions and are shown on Figure 2-1b along with State Park lands. Refer to the 2018 LAFCo study prepared in accordance with AB 54 for more information on Mutual Water Companies in Mendocino County available at the following link: <http://mendolafco.org/wp-content/uploads/2018/08/2018-Mutual-Water-Company-Profile-Report-w-maps.pdf>.

### 2.1.2 BOUNDARY

The coastal community of Mendocino is an unincorporated area of Mendocino County, located 9.5 miles south of Fort Bragg and located on the Mendocino Headlands between Slaughterhouse Gulch and Big River, as shown on Figure 2-1a. The District boundary is approximately one square mile (640 acres) in size, with State Route (SR) 1 bisecting the District.

Since 1981 there have been several annexations to the District, as shown in Table 2.2 below. There have been no changes to the District boundary since the prior 2008 MSR.

<b>Year</b>	<b>File Name</b>	<b>Acreage</b>	<b>Status</b>	<b>LAFCo Reso No.</b>
1981	Sea Rock Annexation	2.5	Completed	81-11
1989	Jacobson/Fox Annexation	5.17	Completed	89-12
1993	Slauson Annexation	1.27	Completed	93-2
1994	SOI & Master Service Element Plan	--	Completed	94-4
2002	Hassebrock/Sawyer Annexation	--	Incomplete	--
2008	Chapman Annexation	2.02	Completed	2008-07
2008	General SOI MSR documentation	--	Completed	2008-08

### 2.1.3 SERVICES

The Mendocino City CSD provides the following municipal services: Wastewater, Water, Groundwater Management, and Street Lighting. For more information regarding these services, refer to Chapter 3. For more information regarding other services provided by contract or agreement refer to Section 2.3.5.

## 2.2 GOVERNMENT STRUCTURE

### 2.2.1 GOVERNING BODY

The Board of Directors is the legislative body for the District and is responsible for establishing policy, adopting and amending the annual budget, enacting ordinances, adopting resolutions, and appointing committees. The District is governed by a five-member Board of Directors elected at-large to serve staggered four-year terms (Table 2.3). In order to be elected to the Board, candidates must be registered voters residing within the District boundaries. If there are insufficient candidates for election, or if the number of filed candidates is equal to the number of vacancies, then District Board members may be appointed in lieu of election, as outlined below. Directors take office at noon on the first Friday in December following their election.

Gov. Code Sections 1780-1782 governs the process used for appointment of vacant Board of Director seats. The MCCSD Board of Directors has 60 days to appoint an interested individual to a vacant seat. The interested person must live within the District boundary and be a registered voter. If the District cannot fill the seat within the 60-day period, the Mendocino County Board of Supervisors can appoint a Director to the MCCSD Board during the next 30-day period. If the vacant seat is not filled during the 90-day period, the seat remains empty until the next election.

The Board of Directors elects officers, including a President (Chairman) and Vice-President every year at the December organizational meeting of the Board. The Board may create additional offices and elect Board members to those offices, provided that no member of a Board of Directors holds more than one office. Board members receive no compensation. Staff support for the Board include a Superintendent, three additional full-time staff, and contract services of legal counsel, accountant, architect, and engineer as needed. (MCCSD, 2019a)

<b>Name</b>	<b>Title</b>	<b>Term Expiration</b>
Harold Hauck	Vice-President	2022
Otto Rice	Director	2020
Jean Arnold	Director	2020
James Sullivan	Director	2020
Vacant	Director	2022

Source: MCCSD: 2019a & 2020.

The District recently had two vacancies on the Board of Directors. On March 24, 2020, the Mendocino County Board of Supervisors appointed James Sullivan to the MCCSD Board of Directors per County Resolution No. 20-028. There was not an interested and qualified candidate to appoint to the second vacant seat. Three seats are set to expire this year, and there is one vacant seat, all of which are scheduled to be filled by election in November 2020 (MCCSD, 2020).

### 2.2.2 PUBLIC MEETINGS

Regularly scheduled meetings for the District Board of Directors are held on the last Monday of each month at 7:00 p.m. at the District office located at 10500 Kelly Street in Mendocino. In accordance with the Brown Act, all meetings are open to the public and are publicly posted in three places within District, including at the meeting location, a minimum of 72 hours prior to regular meetings or a minimum of 24

hours prior to special meetings. Public notice and meeting information including agendas, meeting minutes, reports, resolutions, and ordinances are published on the District's website and are available at the District's office upon request. Minutes are kept for all public Board meetings and are adopted at a subsequent meeting. (MCCSD, 2019a)

### **2.2.3 STANDING COMMITTEES**

Committees assist in carrying out various functions of local government. The District has five standing committees: Plant Operations, Finance, Personnel and Management, Groundwater Management, and Street Lighting. Additional ad hoc committees are also formed as needed. One additional ad hoc committee on Safety is also currently meeting. These committees meet as needed at the District Office at 10500 Kelly Street in Mendocino. Committees must have at least one Board member and must seek Board approval for actions taken on behalf of the Board, including expenditure of funds. Committees may consist only of Board members as appointed by the Board, or consist of one or more Board members and residents of the District.

### **2.2.4 PUBLIC OUTREACH**

The District maintains a website at [www.mccsd.com](http://www.mccsd.com) as required by SB 929, which is a helpful communication tool to enhance government transparency and accountability. The District's website has well organized information that appears to meet the special district transparency requirements of State law, including the availability of agendas, ordinances, and financial information. The website also contains staffing and Board member information; job postings; plans and reports on upcoming projects such as the wastewater treatment plant upgrade project; educational materials on water conservation, water recycling, and fat, oil, grease (FOG) waste; ordinances and resolutions; and the Sewer System Management Plan. The District encourages public participation and keeps constituents informed of District activities through its website and with press releases and mailers.

The District's website could be enhanced by posting a map of the District boundaries and permit applications, and a link to the regular Board meeting schedule on the Board of Directors page. Also valuable for public access would be a comprehensive content management system, such as DocuShare, to provide a searchable document archive system for Board meeting packets and adopted ordinances, resolutions, annual budgets, past and current financial audit reports, and other digital records. The website could also be further improved with an update to the "Services" tab of the website to incorporate more information about the most recent drought from late 2011 to early 2019 (US Drought Monitor, 2019).

### **2.2.5 COMPLAINTS**

The public can submit written or provide verbal comments or complaints in person or by phone at the District office during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., or at the District Board of Directors meetings during the general public comment period. The District has received several complaints of odors from the wastewater system in the last five years. These complaints have been addressed in person by District staff and District operations were found to be in compliance with applicable laws and regulations. The District now has an Online Odor Reporting Form for customer use and responds to these reports immediately. (MCCSD, 2019a; Kelley, 2019)

## 2.2.6 TRANSPARENCY AND ACCOUNTABILITY

The District adopted Governance Guidelines by motion on September 30, 2008, which address the Board of Directors' elections, officers, meeting conduct, conflicts of interest, decisions, rules of order, and responsibilities. The District also adopted Fiscal Policies by motion on September 30, 2008, which include administrative policies, fiscal policies, personnel policies, and purchasing policies and bidding regulations. On October 27, 2008, the District adopted by Ordinance 08-3 Policies and Procedures for Purchasing of Supplies and Equipment, for Procuring Professional and Maintenance Services, and for the Disposal of Surplus Property. This is the District's primary purchasing policy document. These policies were all adopted following the recommendations of the previous MSR for MCCSD. (MCCSD, 2008; LAFCo, 2008)

The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict of Interest Code pursuant to Government Code §81000 et seq. The Political Reform Act also requires persons who hold office to disclose their investments, interests in real property, and incomes by filing a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203.

According to AB 1234, if a local agency provides compensation or reimbursement of expenses to local government officials, then all local officials are required to receive two hours of training on public service ethics laws and principles at least once every two years and establish a written policy on reimbursements pursuant to Government Code §53235.

The District complies with these above requirements (MCCSD, 2019a).

Refer to Appendix A for a brief list of educational resources regarding open government laws and Appendix B for a website compliance handout.

## 2.3 OPERATIONAL EFFICIENCY

### 2.3.1 MANAGEMENT AND STAFFING

The Board of Directors appoints a Superintendent to support their efforts and oversee the daily operations of the District to ensure that the Board's policies, programs, and priorities are implemented. The responsibilities and specific duties of the District Superintendent include the following:

- The implementation of the policies established by the Board of Directors for the operation of the District, including planning, organizing, directing, and reviewing the operation of the wastewater treatment facilities, collection and recycled water systems, groundwater management, and street lighting.
- The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the employee relations system established by the Board of Directors.
- The daily supervision of the District's wastewater treatment facility.
- The supervision of the District's administrative activities and finances.

(MCCSD, 2019a)

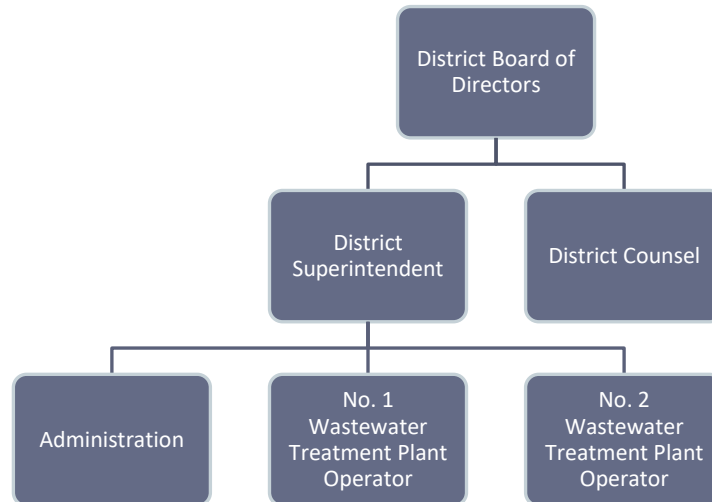
General government services provided under the direction of the District Superintendent include wastewater treatment plant operations, administration, finance, and planning. Financial activities include accounting, utility billing, purchasing, payroll, collections, and assisting with the annual audit

process. Wastewater treatment plant operations include day-to-day operations and maintenance of the plant, management of employees, and ensuring compliance with the National Pollutant Discharge Elimination System (NPDES) permit for the Wastewater Treatment Plant for waste discharge and water recycling requirements.

Administrative activities include preparation of reports such as the monthly Groundwater Management Report, preparing for public meetings and updates to the Board, providing customer service at the District office and other outreach opportunities, and maintaining the District’s official records such as meeting minutes, ordinances, resolutions, legal documents, and legal opinions. Planning activities include review and vetting of the Sewer System Management Plan, Groundwater Management Plan, and other long-range plans and policies such as District ordinances. Planning activities also include application for grant funds for capital improvement and planning projects for wastewater facilities and groundwater planning/services. The District Superintendent also processes new Groundwater Extraction Permit and Special Event Permit applications, which involves assisting customers with the application, reviewing the required hydrological studies, and making recommendations to the Board on water metering and allotment as applicable.

District staffing consists of four (4) Full Time Equivalent (FTE) positions. Table 2.4 shows District staffing levels by personnel groups. The District has authorization for 4 full-time positions and currently has 4 full-time employees as follows: one Superintendent, one District Secretary, and two (2) Wastewater Treatment Operators. Figure 2-2 shows the District’s organizational chart, and Table 2.4 summarizes staffing levels.

**Figure 2-2 MCCSD Organizational Chart**



Source: MCCSD, 2019a.

<b>Personnel Groups</b>	<b>FTE</b>
Management	1.0
Administration	1.0
Wastewater	2.0
<b>Total</b>	<b>4</b>

Source: MCCSD, 2019a.

Three (3) of these four (4) positions will be retiring within the next 18 months; the District Superintendent, District Secretary, and a Wastewater Treatment Operator. Given the remote location of the District and the small number of staff, it is recommended that the District consider early recruitment and overlapping training of new personnel with current personnel.

The District also maintains part-time professional services contracts with an attorney for general legal counsel, a Certified Public Accountant for financial services, and an architect and engineer for District facilities projects. These contracts are used on an as-needed basis.

(MCCSD, 2019a)

### **2.3.2 AGENCY PERFORMANCE**

A component of monitoring agency performance is routinely evaluating staff productivity. The District has indicated that it does not track employee workload and productivity through a timekeeping mechanism but does conduct annual written performance evaluations for all employees.

During the annual budget development process, the Board reviews the goals and objectives from the prior fiscal year and establishes goals and objectives for the upcoming fiscal year.

In the regular performance of duty, District staff identifies areas of improvement and takes corrective action when feasible and appropriate or informs the District Superintendent when further direction is needed.

District staff also learns about new opportunities to achieve operational efficiencies by attending regional and service-specific meetings and communicating with colleagues regarding industry standards, best management practices, changing regulations, and service delivery models implemented by other local agencies.

The District monitors and evaluates agency operations through regulatory reporting and review of District databases and records.

(MCCSD, 2019a)

### **2.3.3 REGIONAL AND SERVICE-SPECIFIC PARTICIPATION**

The District participates in the California Rural Water Association (CRWA) (MCCSD, 2019a). CRWA provides training, technical assistance, resources and information to assist rural water and wastewater utilities. Their services include but are not limited to assistance developing rate schedules, setting up proper testing methods, understanding changing government regulations, preparing a Consumer Confidence Report (CCR), and updating operator certification requirements.

### **2.3.4 INTERAGENCY COLLABORATION**

Below are examples of the District's interagency collaborative arrangements:

- The District participates in the California Water/Wastewater Response Agency (CalWARN) for mutual assistance. CalWARN provides a mutual assistance program consistent with other statewide mutual aid programs and the Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS) through a process that allows for sharing emergency resources among signatories statewide and the resources to respond and recover more quickly from a disaster.

- The District participates in the Golden State Risk Management Authority for the purpose of pooled insurance for providing liability and workers compensation for its facilities, operations, and employees.
- Retirement for District employees is provided through the California Public Employee Retirement System (CalPERS).

(MCCSD, 2019a)

### **2.3.5 CONTRACT OR JPA SERVICES**

The District does not contract with private or public entities or provide services to District residents through Joint Powers Authority (JPA). Other services within the community are provided outside the purview of the District, such as road maintenance through the County of Mendocino and solid waste and recycling through Waste Management, as described further in Section 2.3.7 below.

### **2.3.6 SHARED SERVICES AND FACILITIES**

The District works cooperatively with other local agencies to deliver services more effectively or efficiently by sharing public facilities, resources, and/or service delivery responsibility when feasible.

The District provides wastewater treatment to Russian Gulch State Park and the Headlands State Park via contract. Russian Gulch State Park is outside the District boundaries, and Mendocino Headlands State Park is within the District boundaries.

The District also maintains a Memorandum of Understanding (MOU) with the Mendocino Unified School District (MUSD) for recycled water to irrigate the School District's fields. MCCSD and MUSD approved a 1997 Memorandum of Understanding and Joint Resolution 97-1 at the regular MCCSD Board of Directors meeting on February 24, 1997 to commit the necessary capital for upgrading the old water reclamation system. Water Reclamation Requirements Order No. 97-66, adopted by the California Regional Water Quality Control Board North Coast Region on August 27, 1997, outlined the provisions of the joint water reclamation system. The system pumps tertiary treated effluent from the wastewater plant to the Mendocino High School. The treated water is used to irrigate the school athletic fields. An average of two million gallons per year is transferred to the school. The fields are now in excellent condition, in part due to the reused water, and the reused water has helped reduce the demand on the groundwater resource.

There are planned expansions of the recycled water system that include a recycled water fire hydrant system, an irrigation system for the middle and grammar schools, and an irrigation system for Friendship Park. These expansions will require cooperative agreements between the Mendocino Fire Protection District, the MUSD and the Community Center of Mendocino non-profit that leases this property.

### **2.3.7 ENHANCED SERVICE DELIVERY OPTIONS**

The District is the primary municipal service provider in the community of Mendocino and the immediate surrounding area. The County of Mendocino provides law enforcement, code enforcement, transportation, and stormwater collection services within the District. The Mendocino Fire Protection District and Mendocino Volunteer Fire Department provide fire suppression, basic life support and medical services, cliff and water rescue, hazardous conditions and vehicle collision response, as well as other safety assistance such as lift assist, locked in car, etc. CAL FIRE Mendocino Unit provides wildland fire suppression and mutual aid to local fire agencies during the declared fire season. (County, 2008)



There is no redundancy in the provision of municipal services to the District.

No new opportunities for the District to achieve organizational or operational efficiencies were identified during the preparation of this MSR.

### **2.3.8 GOVERNMENT RESTRUCTURE OPTIONS**

Government restructure options should be pursued if there are potential benefits in terms of reduced costs, greater efficiency, better accountability or representation, or other advantages to the public. There is no recommendation for a reorganization of local municipal service providers in the area at this time.

## **2.4 FINANCES**

The District's financial resources are accounted for as an enterprise or proprietary fund type. Enterprise funds use the accrual basis of accounting, wherein revenues are recorded when earned and expenses are recorded when liabilities are incurred. The activities of enterprise funds closely resemble those of private businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds are used for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The District's financial resources are accounted for in different funds based on organizational units, which are further distinguished by being operating or non-operating revenues and expenses. Operating revenues include income derived from wastewater services and related activities. Operating expenses include all costs applicable to providing these services. Non-operating revenues and expenses include income and costs not associated with the District's normal business of providing wastewater services. Other operating items include groundwater management and administration.

The cost of providing enterprise services is intended to be financed predominantly through service user fees, which include regular recurring charges for wastewater use, wastewater right of use, annual grease mitigation fees for commercial properties that qualify, groundwater management fees, and water meter reading fees. Non-recurring fees are collected for new groundwater extraction permits and special event permits. Property taxes are also received from the County, which is considered non-operating revenue. (G&A, 2019)

### **2.4.1 CURRENT FISCAL HEALTH**

#### **2.4.1.1 Financial Summary**

The District prepares and adopts an annual budget prior to the beginning of each fiscal year (July 1), which serves as a financial planning tool and an expense control system. Budgetary revenue estimates represent original estimates modified for any authorized adjustments, contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. Expenses cannot exceed the authorized budgeted amounts unless the budget is amended by the Board of Directors by resolution during the fiscal year. Unused appropriations lapse at the end of the fiscal year (June 30) and are available to be allocated in the following budget. This method is known as zero-based budgeting. The District also has annually audited financial statements prepared by a Certified Public Accountant (CPA) which serve as financial assurance for the

use of public funds. This section includes District financial information for Fiscal Years (FY) 2014-15, 2015-16, 2016-17, 2017-18, and 2018-19 and highlights specific revenue sources and long-term financial considerations.

Table 2.5 provides year-end (not budget) financial information for the District. This table summarizes the Statement of Activities for FY 2014-15 through 2018-19, prepared by Goranson & Associates, and for FY 2014-15 prepared by Rick Bowers, CPA. The table represents the short-term financial standing of the District based on reporting annual income, expenses, and profits/losses using the full accrual basis of accounting. This involves depreciation, which is a method of spreading the cost of a capital asset over its estimated useful life, as opposed to recognizing the cost of a capital asset as an expenditure at the date of acquisition. The District defines a capital asset as a fixed asset (land, buildings and improvements, equipment, and vehicles) with an initial cost of \$5,000 or greater with an estimated useful life in excess of one year (MCCSD, 2020). Figure 2-4 shows the most recent Statement of Net Position, which represents the long-term financial standing, or net position, of the District based on reporting the difference between the District's assets and liabilities. The following hyperlink from the District's website can be accessed to download a full copy of the District's FY 2018-19 Audit: <http://www.mccsd.com/2019-pdf/10/2018-19%20Audit.pdf>.

<b>Table 2.5 MCCSD Financial Summary</b>					
	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY18-19</b>
Beginning Aggregated Net Position	\$1,938,423	\$1,769,895	\$4,692,276	\$4,747,215	\$4,763,632
Prior Period Adjustments	(\$258,207)	\$2,868,691	\$0	\$0	\$0
Ending Aggregated Net Position	\$1,769,895	\$4,692,276	\$4,747,215	\$4,763,632	\$4,770,555
<b>Revenue</b>					
<u>General Revenues</u>					
Property Taxes	\$85,475	\$88,957	\$89,836	\$92,939	\$97,086
Debt Service Taxes	\$1,837	\$4,225	\$316	\$0	\$0
Loan Fees	(\$1,569)	\$18,186	(\$1,458)	(\$1,400)	(\$5,141)
Investment Earnings	\$1,998	\$2,502	\$2,575	\$4,945	\$5,839
Sub-total	\$87,741	\$113,870	\$91,269	\$96,484	\$97,784
<u>Program Revenues</u>					
Wastewater Services	\$588,706	\$680,191	\$698,401	\$679,965	\$674,722
Groundwater Surcharge and Permit Fees	\$137,097	\$69,458	\$35,724	\$69,265	\$103,547
Hookup Fees and Other Revenues	\$32,187	\$25,316	\$22,610	\$11,423	\$1,650
Sub-total	\$757,990	\$774,965	\$756,735	\$760,653	\$675,835
<b>Total Revenue</b>	<b>\$845,731</b>	<b>\$888,835</b>	<b>\$848,004</b>	<b>\$857,137</b>	<b>\$877,703</b>
<b>Expenses</b>					
Personnel and Benefits	\$365,687	\$408,779	\$390,743	\$392,587	\$380,047
Collection	\$2,899	\$4,527	\$12,193	\$5,791	\$12,391

	<b>FY 14-15</b>	<b>FY 15-16</b>	<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY18-19</b>
Disposal	\$18,307	\$20,255	\$21,810	\$21,899	\$25,189
Groundwater Management	\$56,733	\$60,850	\$20,505	\$88,158	\$33,257
Treatment	\$151,553	\$122,073	\$139,555	\$112,549	\$126,199
Wastewater	\$0	\$0	\$0	\$0	\$77,104
General and Administrative	\$46,922	\$79,471	\$45,018	\$50,206	\$44,896
Interest Expense	\$15,504	\$15,504	\$14,533	\$13,936	\$16,906
Depreciation	\$98,447	\$133,686	\$148,708	\$155,594	\$154,791
<b>Total Expenses</b>	<b>\$756,052</b>	<b>\$845,145</b>	<b>\$793,065</b>	<b>\$840,720</b>	<b>\$870,780</b>
<b>Net Program Revenues/(Expenses)</b>	<b>\$89,679</b>	<b>\$43,690</b>	<b>\$54,939</b>	<b>\$16,417</b>	<b>\$6,923</b>

Sources: Bowers, 2015; G&A: 2017, 2018a, 2018b, 2019.

According to the audited financial information in the table above, the District generally operates at a net income, or revenue gain, which is a key measure of fiscal health and indicates that the District does not need to utilize reserve funds to balance the budget or meet current operating costs. The District has maintained a balanced budget for the past several years. (G&A, 2019)

The District's financial performance decreased in FY 2014-15 and increased during FY 2015-16. The decrease for FY 2014-15 was due to the recording of the net pension liability as required by GASB 68. However, operating revenues increased during FY 2014-15 by \$65,259 because of an increase in wastewater service, groundwater surcharge and permit fees. Operating expenditures increased during FY 2014-15 by \$117,317 because of corrected reporting of depreciation expense and increase of personnel expenses. Net capital assets decreased by \$14,676 during FY 2014-15 because of depreciation. A prior period restatement for FY 2014-15 was due to GASB 68 and a requirement to disclose net pension liability. (Bowers, 2015; G&A, 2017)

The increase for FY 2015-16 was due to prior understated fixed assets as well as net income. Operating revenues increased during FY 2015-16 by \$16,975 because of an increase in customers. General revenues increased by \$40,185 because of an increase in property taxes and loan fee income. Operating expenditures increased during FY 2015-16 by \$89,093 because of correct reporting of depreciation expense and increase of personnel expenses. Net capital assets increased by \$3,228,231 during FY 2015-16 because of understated prior year fixed assets and overstated accumulated depreciation. Investment in capital assets are 91 percent of total net position. Long-term liabilities decreased by \$73,719 for FY 2015-16 because of deferred inflows and principal payments to debt. A prior period adjustment for FY 2015-16 is due to incorrectly stated fixed assets for the prior years. (G&A, 2018a)

The District's financial performance continued to increase in FY 2016-17 through FY 2018-19. In FY 2016-17 the increase was due to increased net income. At the end of FY 2016-17 the District's net position was \$4,747,215. The increase in FY 2017-18 and 2018-19 was due to a combination of construction in process and a decrease in long-term debt. At the end of FYs 2017-18 and 2018-19, the District's aggregated net position was \$4,763,632 and \$4,770,555, respectively. Net capital assets increased in FYs 2016-17 through 2018-19 because of an increase to projects in progress. At the same time, long-term liabilities decreased in FYs 2016-17 through 2018-19 because of deferred inflows and principal payments

to debt. In FY 2018-9, the District took out a line of credit for \$200,000, and it is due to be paid in March 2020. (G&A; 2018b, 2019)

### **2.4.1.2 Enterprise Activities**

The District's business-type operations include wastewater collection and treatment services and groundwater management services. These enterprise activities are funded by service rates. The District reviews rates and fees during the annual budget development process and proposes an increase when necessary to support the ongoing delivery of services. The District Board of Directors adopts rates and fees annually at a duly noticed Public Hearing based on actual expenditures and cost recovery.

It is District policy that connection fees are proportionately charged to all users. The connection fee is called the Right of Use fee by MCCSD. This is a hook-up fee or capacity share fee. The charge is based on an Equivalent Single Dwelling (ESD) of wastewater treatment plant capacity. The fee represents the value of the proportionate share of the existing wastewater system charges to new customers or expanding users. The fee is normally calculated by adding existing system value, previously paid debt service, future capital improvements, and a proportionate share of current debt service.

The District adopted Rates and Fees for Fiscal Year 2018-2019 per Resolution No. 2019-1. The District's monthly sewer charge is \$50.60 per ESD, and the one-time hook-up fee, the "Right of Use Capacity Charge," per ESD is \$2,858. Groundwater extraction permits involve three one-time fees, which include \$200 for the administrative portion of the permit, \$300 for the Board permit approval, and \$700 for the Hydrological Study approval. The District also charges \$10.63 per ESD on a monthly basis for groundwater management services, \$100 for an annual water metering by the District, and a one-time fee of \$120 to administer the water meter reading agreement. The District's enterprise services are currently operating at a net income or revenue gain. (G&A, 2019)

## **2.4.2 LONG TERM FINANCIAL CONSIDERATIONS**

### **2.4.2.1 Reserves**

The District does not have any reserve accounts established. The District practices zero-sum budgeting and reserves are zeroed out at the end of the year. (G&A, 2019)

The District currently has \$400,000 in cash reserves in a Local Agency Investment Fund (LAIF) and approximately \$200,000 in checking and savings accounts (MCCSD, 2020).

It is recommended that the District establish a financial reserves policy for fiscal stability, unforeseen operating needs, and to accumulate restricted funds for capital improvements and equipment replacement costs.

### **2.4.2.2 Long-Term Liabilities**

The District has a note payable to California Infrastructure and Economic Development for a biosolids drying unit and housing for the unit for \$650,000 that is originally dated April 2005. The note matures August 2034 and has an interest rate of 3.05 percent. The District also has a line of credit with a local financial institution in the amount of \$750,000. The interest rate for the line of credit is 7.25 percent and the loan matures March 2020. (G&A, 2019)

Other long-term liabilities consist of compensated absences and retirement pension liability. Figure 2-3 shows the District's long-term liabilities for FY 2018-19.

**Figure 2-3 Long-term Liabilities for FY 2018-19**

	Beginning Balance	2019		Ending Balance	Due Within One Year
		Additions	Reductions		
Note payable	\$ 425,551	\$ -	\$ (20,455)	\$ 405,096	\$ 21,077
Deferred outflows	270,268	51,603	(52,386)	269,485	46,000
Line of credit	-	200,000	-	200,000	200,000
Compensated absence	2,738	-	-	2,738	-
<b>Total long-term liabilities</b>	<b>\$ 698,557</b>	<b>\$ 251,603</b>	<b>\$ (72,841)</b>	<b>\$ 877,319</b>	<b>\$ 267,077</b>

Source: G&A, 2019.

Future maturity for notes payable and line of credit at June 30, 2019 is as follows:

2020	\$221,077
2021	\$21,721
2022	\$22,835
2023	\$23,066
2024	\$24,495
Thereafter	\$312,806

Source: G&A, 2019.

### 2.4.2.3 Capital Improvement Plan

The District's Capital Improvement Plan (CIP) is for anticipated wastewater system improvements. This program includes the cost of major rehabilitation, expansion or upgrading of the treatment plant and the collection system as they reach their useful lives. Improvements can include increasing system design capacity or improvements needed for new regulatory operational requirements.

The District does not have a restricted or separate fund for capital improvements. The funds that are not used in a fiscal year are added to the District's unrestricted general fund.

The original residential hook-up fee was \$250 and the commercial connection cost was \$350 until the Right of Use ordinance and connection fee schedule were revised. The connection fee charges were increased based on an engineering study that revalued the wastewater system and recommended the fee increase to recover the current value of the remaining plant capacity. Major rehabilitation, expansion or upgrading of the District's collection system, as shown in Table 2.6 below, will be funded by this program. The ocean outfall survey has been completed and construction of the plant upgrades is scheduled to be completed by December 2020 (MCCSD, 2020).

(MCCSD, 2018)

<b>Component</b>	<b>Acquisition Date</b>	<b>Unit Cost</b>	<b>Average Life, Years</b>
Outfall survey	2019	\$21,900	20
Upgrade plant & recycled water systems	2019	\$1,048,500	20
Upgrade drying beds	2019	\$216,000	40
Backwash PLC controls	2019	\$80,000	30
Replace pond liner	2019	\$60,000	40
Plant electrical system upgrade	2019	\$515,000	40
Collection system upgrades	2023	\$697,731	40
Storage unit	2025	\$500,000	40
Wastewater outfall additional cost over replacement	2025	\$5,000,000	45

Source: MCCSSD, 2019d.

#### **2.4.2.4 Equipment Replacement Program**

An inventory of critical spare parts and collection system sewer lines are stored at the treatment plant or at individual lift stations to ensure that critical equipment can be repaired immediately. If a component fails that is not in stock, the District has pump-around equipment and lift station bypass equipment to prevent a Sanitary Sewer Overflow (SSO) until the replacement parts can be delivered and the repairs made.

The District sets aside equipment replacement funds on an annual basis as a line item budget expense determined from the amount equal to the straight-line depreciation (based on original costs) of the assets. The original plant, collection system, outfall, two lift stations and subsequent plant improvements were valued at \$3.77 million for the connection fee study in 2006. For the FY 2019-20 budget, \$96,297 was included in the budget for equipment replacement. The District does not have a restricted Equipment Replacement Fund (Depreciation Fund); revenues collected for equipment replacement are deposited into the general fund. (MCSSD, 2019d)

#### **2.4.2.5 Rehabilitation and Replacement Plan**

Following regularly scheduled annual collection system cleaning and videotaping, the private contractor prepares a detailed report and videotape of the work that was performed. The location of damaged sewer lines root intrusion and excessive grease deposits are identified in the report. Cracked and damaged lines are scheduled as soon as possible for repairs. The District uses local plumbing and underground contractors to make the point repairs. Equipment Replacement Fund reserves are used to pay for sewer line rehabilitation and lift station equipment replacement.

Any deficiencies in the collection system that are identified during routine maintenance are scheduled to be upgraded during the current fiscal year. Cash reserves from the Capital Improvement Fund are used for collection system upgrades and improvements. (MCCSD, 2018)

**Figure 2-4 FY 2018-19 Statement of Net Position**

	<u>2019</u>	<u>2018</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 10,270	\$ 11,995
Current portion of note payable	221,077	20,454
Total current liabilities	<u>231,347</u>	<u>32,449</u>
Long term liabilities:		
Note payable	404,473	425,551
Compensated absences	2,738	2,738
Deferred outflows:		
Net pension liability	269,031	270,268
Total long term liabilities	<u>676,242</u>	<u>698,557</u>
Total liabilities	<u>907,589</u>	<u>731,006</u>
<b>NET POSITION</b>		
Net investment in capital assets	4,694,108	4,580,972
Restricted for debt service	67,640	67,640
Restricted for Groundwater Management	200,793	200,793
Unassigned	(191,986)	(85,773)
Total net position	<u>4,770,555</u>	<u>4,763,632</u>
Total liabilities and net position	<u>\$ 5,678,144</u>	<u>\$ 5,494,638</u>

Source: G&amp;A, 2019.

## 2.5 GROWTH

### 2.5.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT

#### 2.5.1.1 Town of Mendocino

Founded in 1851, the unincorporated community of Mendocino was the first lumber town on California’s north coast. The District encompasses this historical community on the Mendocino Headlands, which was added to the National Register of Historic Places listings in 1971 as the Mendocino and Headlands Historic District (NPS, 2010).

Mendocino Headlands is a peninsula that is bounded on three sides by ocean cliffs that range in height from 40 to 100 feet. Maximum elevations within the community are on the eastern edges of the community with a slope of approximately 10 percent toward the western bluffs. The location of the community on the headlands has the effect of geographically constraining growth, and the natural decline of the area provides a pathway for surface flow and aquifer drainage to the ocean bluffs.

The District’s historical area of development, which includes the core community of Mendocino, is west of SR 1 on the headlands, with newer development to the east.

Mendocino’s economy is largely tourism-based, with a downtown commercial district facing the ocean and a large number of hotels and bed and breakfasts. Mendocino Headlands State Park is within the community of Mendocino, and Russian Gulch State Park is located approximately one mile north of the District boundaries. These open space and recreational lands are also a draw for tourists and recreationists.

During the tourist season, the day and night time population increases substantially. Since 1987, Mendocino has been the site of the Mendocino Music Festival, which is held annually in the Mendocino Headlands State Park. This event and others like it bring large crowds of visitors to the area that put an additional demand on groundwater and wastewater treatment resources.

The Town of Mendocino is a “special community” as described in Section 30253(5) of the Coastal Act with a balance of residential, commercial, and visitor serving facilities.

#### 2.5.1.2 Land Use Authority

The County of Mendocino regulates land use growth in the unincorporated community of Mendocino through Division III of Title 20 of the Mendocino County Code, the “Mendocino Town Zoning Code.” The Mendocino Town Zoning Code implements the Mendocino Town Plan geographical segment, which is an area certified by the California Coastal Commission through the Local Coastal Program. The Local Coastal Program consists of the Town Plan, the Town Land Use Map, the Town Zoning Code, and the Town Zoning Map, all of which must be certified by the Coastal Commission. The Town Zoning Code supersedes the County’s Zoning Code because of the involvement of the Coastal Commission with development in the community, and Chapter 3 of the California Coastal Act and the decisions of the Coastal Commission guide the implementation and interpretation of the Town Zoning Code. (County, 2019)



### 2.5.1.3 Mendocino Town Plan

The Mendocino Town Plan is a chapter within the Mendocino County General Plan's Coastal Element. The Town Plan was adopted on June 10, 1992. During the Plan development the community voiced strong support for maintaining the Town's residential character and limiting population growth.

The primary issues facing the Town of Mendocino identified in the plan are as follows:

1. **Specificity of Plan:** The historic attractiveness of the Town largely arises from its architectural diversity, so a single set of development standards would be contrary to the preservation of the historic nature of the community. As described further in Section 2.5.14, the Mendocino Historical Review Board now oversees development review in the Town of Mendocino to ensure the preservation of the architecture and character of the Historic District of the Town of Mendocino.
2. **Growth:** There is general community agreement that growth in the town must be limited, but disagreement as to how controlled it should be. The Town Plan calls for preserving Mendocino as a "real" town, rather than as a resort, to limit expansion of overnight visitor accommodations. The resulting reduction in total visitor days spent in the town offsets the slight increase in additional automobile travel per visitor. Section 30007.5 of the Coastal Act applies as the conflict between maximum accessibility and preservation of the town must "be resolved in a manner which on balance is the most protective of coastal resources." The plan attempts to achieve compromise between "no-growth" and "free-market" partisans.
3. **Amount of Development:** Some residents believe that virtually all vacant land in the Historic District should remain unbuilt, while others hold that well-designed new buildings at some locations will not harm, and will perhaps improve, the town.
4. **Historic Preservation:** The County of Mendocino recognized, through adoption of the Mendocino Historic Preservation District for the Town of Mendocino, the importance of preserving the style of architecture which dominates the Town. Examples of early Northern California architecture and the character of the community resulting from development connected with the early redwood lumber industry along the Mendocino Coast in the last half of the 19th Century is evident throughout the community. Additionally, it is found that the preservation of the architecture and the community character is essential in maintaining the Town as a special community within the context of the Coastal Act and which contributes to the economy of the Town and the County.
5. **Design of New Buildings:** Some find new development that closely follows the architectural style of the pre-1900 buildings most acceptable. Others want new buildings to be readily distinguishable as such, but less prominent than historic buildings.
6. **Intensity of Development:** There is no one intensity that is typical. Some blocks have high building coverage; others are largely open. Two-story buildings are interspersed with one-story buildings, but most commercial buildings are two stories. Water towers and outbuildings, often crowded in back yards, contrast with a vacant lot adjoining or across the street. Most houses are modest cottages on lots 40 to 50 feet wide, but there are about a dozen mansions on larger lots with wide yards.
7. **Views of the Town:** Public acquisition of the headlands effectively conserves the view of the Historical District (Zone A) from Highway 1. Though each large tree and water tower is important, the main visual concern of the plan is the character of the district as seen from within the town and

the view of the town as seen from the southerly approaches. The asphalt expanse of the highway is the only significant element of discord seen from outside the town. The less noticeable new development east of Highway 1 can be, the sharper the definition of the old town.

8. **Views from the Town:** West of Highway 1, Mendocino's gridiron street pattern and sloping site provide marine views from most streets and from many buildings over vacant lots or low buildings. Coastal Commission policy has been to protect views from public right of way but avoid restricting the use of private property to preserve private views. Some private views could be preserved by regulating the location of a new building on a lot in a view corridor, but in most instances, shifting the new building would block another existing or potential view. Limiting the height of new buildings to one story would preserve some views, but would adversely affect both town character and equity. Limiting maximum height would help to preserve town character.
9. **Affordable Housing:** Affordable housing is scarce within the Mendocino town plan area. New affordable units will not be provided unless specifically addressed as a housing program within the scope of the housing element of the General Plan or accomplished through considerations of Mixed Use, RR-2 or R+ designations. Preservation of existing affordable units may be another effective measure available to protect affordable units. Allowing non-transient lodging houses and second units in predominantly single-family areas and requiring construction of housing as a condition of development of commercial space would be additional ways of increasing the supply of relatively low-priced rentals.
10. **Water Supply and Wastewater Disposal:** In 1983, the MCCSD wastewater treatment plant operated at two-thirds capacity, partially because most residents use their limited water supply sparingly. Lack of a community water system limits development to the satisfaction of some and the frustration of others. Many wells went dry during the 1977 drought and some run low nearly every summer. Residents endure inconvenience and are concerned that new development could deplete their water supply. No information is available which would allow determination of the population that can be supported by individual wells. Although many residents favor a community water system, there was also a concern that it could affect the visual character of the Historical Zone because of the growth inducing impacts it could have. Lots smaller than 12,000 square feet could be created if permitted by zoning regulations; water towers would be decorative only; and less open space would be necessary.

(County, 2017)

#### 2.5.1.4 Historic Preservation District

The Historical Preservation District for the Town of Mendocino was incorporated into the Mendocino County Zoning Ordinance in 1973. The Preservation District established the Mendocino Historical Review Board (MHRB) that must approve demolition, construction, remodeling, excavation, and painting within Zone A, comprising the 19th century town west of Highway 1. The Board has less specific powers of approval in Zone B, the area east of Highway 1 visible from Zone A (see Figure 2-5). Together the two areas constitute a National Register Historic District, allowing building owners to qualify for federal grants and tax incentives for preservation and restoration. There are only two such districts in the State of California; the Town established the Preservation District as a condition of the State acquiring the headlands.

The Mendocino Historical Review Board reviews applications for development to protect the landmark status of buildings and ensure development is compatible with surrounding development. The Mendocino Historical Review Board consists of five members who must be electors and residents within the Historic District. Members of the Review Board are appointed by the Board of Supervisors.

(County, 1992)

### 2.5.1.5 Land Use

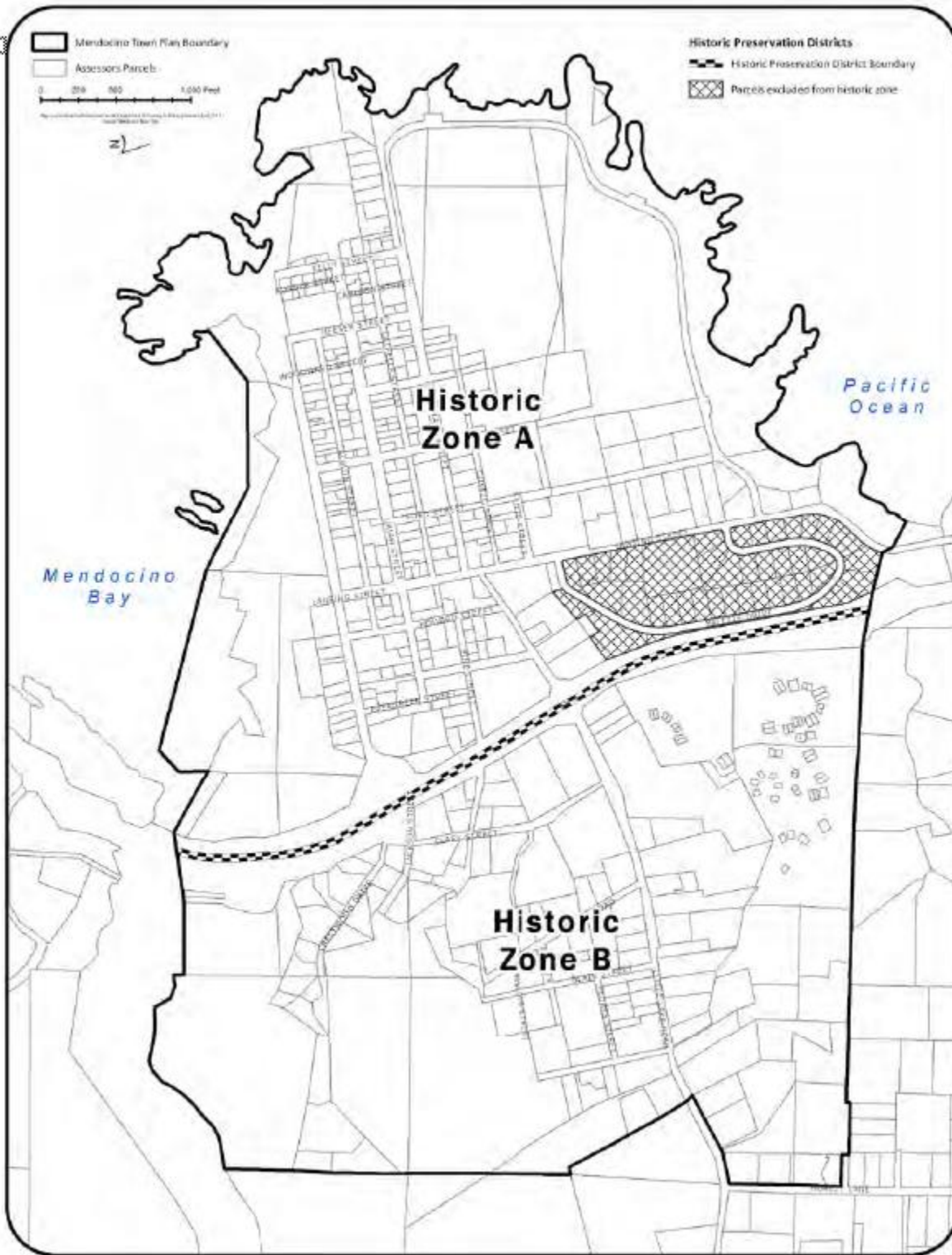
The Mendocino Town Plan Land Use Map (Figure 2-6) shows that the downtown area is comprised largely of residential and commercial uses, but also has a large amount of public facility use designation and nearby open space in the Mendocino Headlands State Park. East of State Route 1 is some suburban residential development, as well as more rural residential development and open space. The specific zoning designations for the Town of Mendocino are listed below and are based on the Mendocino Town Plan. Both the Mendocino Town Land Use Map and Mendocino Town Zoning Map were last updated on November 7, 2017. Both Plans were adopted by the Mendocino County Board of Supervisors and certified by the California Coastal Commission.

- MC - Commercial
- MMU - Mixed Use
- MRM - Multiple Family Residential
- MOS - Open Space
- MPF - Public Facilities
- MRR1 - Rural Residential (1 acre minimum)
- MRR2 - Rural Residential (2 acre minimum)
- MRR2: - PD Rural Residential (Planned Development)
- MSR – Suburban Residential
- MTR – Mendocino Town Residential

The Mendocino Town Zoning Map shows the Town boundaries as approved by the California Coastal Commission in the 1990 geographic segmentation of the Town for Local Coastal Plan map purposes. The map also shows hotels, inns, and bed and breakfast accommodations (Figure 2-7).

(County, 2017)

Figure 2-5 Mendocino Town Plan Historic Zones



Source: County, 2017.

### 2.5.1.6 Development

Existing development in the Town of Mendocino consists primarily of residential, commercial, public facilities, and open space uses. The controlling goal of the Town Plan, as stated in Coastal Element Policy 4.13-1, is the preservation of the Town's character, which is a blend of historic character, the natural setting, the aesthetic features of the of the architecture and land forms, and the blend of cultural, educational and commercial facilities. The Plan seeks to preserve the Town's character while allowing for orderly growth. The community seeks to balance residential units, visitor accommodations and commercial uses, while providing open space and siting structures to retain public views of the sea. Specifically, this balance is implemented by regulating additional commercial uses through development limitations cited in the Mixed Use and Commercial Land Use Classifications and by limiting the number of visitor-serving uses.

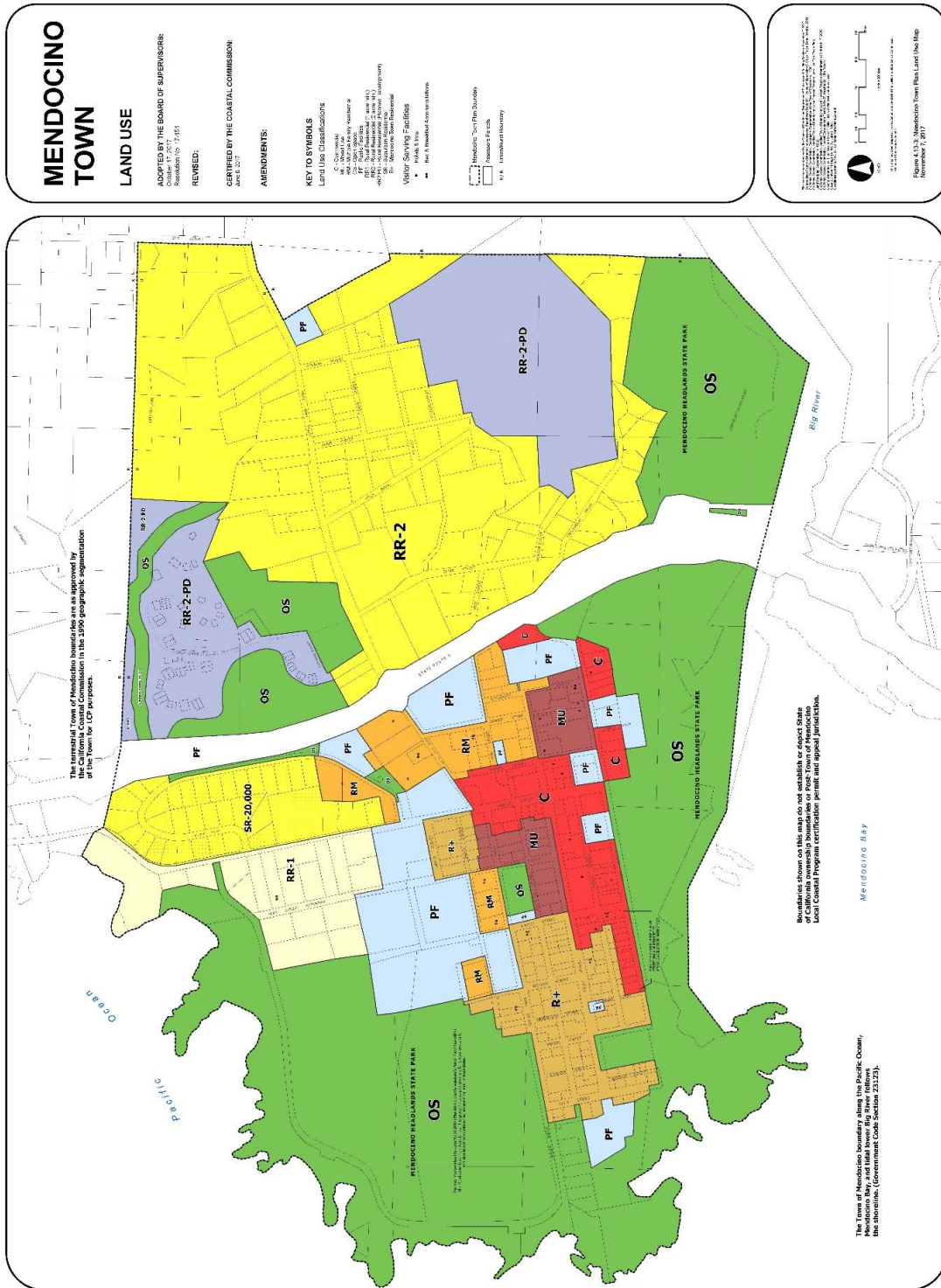
The Town has a large number of visitor-serving facilities, including hostels, hotels, bed and breakfast inns, motels, student/instructor temporary housing, single unit rentals, and vacation home rentals, as denoted on the Town Plan Land Use and Zoning Maps (Figure 2-6 and 2-7). The Mendocino Town Plan designates existing Visitor Serving Facilities providing overnight accommodations on a parcel-by-parcel basis by placing the appropriate designation on the Town Plan Map. Any additional Visitor Serving Facilities for overnight accommodations above and beyond these designations require a Plan amendment. No hotels or motels with more than 25 overnight units are permitted. Existing visitor serving facilities that propose to expand beyond the maximum number of units listed in the Plan require a General Plan Amendment. Visitor Serving Units remain fixed, with a ratio of 13 long-term dwelling units to one Vacation Home Rental or one Single Unit Rental.

To maintain the scale of the town, the Town Plan land use classifications limit the size of a single store to 8,000 square feet. Much of the downtown area is designated mixed use, with arts and crafts studios and professional offices. The intent of the Town Plan is to continue this mix, while maintaining an environment that will encourage new residential investment. North of Saint Anthony's Church along the west side of Lansing Street, the plan shows one unit per acre. In the Palette Drive area on the east side of Lansing Street a pattern of 20,000 square foot lots is established, with the exception of the Hill House property which is RM.

East of SR 1 the plan recognizes the Hills Ranch Planned Unit Development, approved with 54 units on 40.6 acres, and designates the remaining area east of SR 1 as two-acre minimum sites. Two large parcels totaling approximately 41 acres at the southeast boundary of the district are shown as planned unit development to ensure the preservation of the wooded hillside viewed from the south side of Big River and by north bound traffic on SR 1. The plan notes existing public facilities, such as schools, churches, cemeteries, community buildings, and utilities, and assumes that all will remain.

Acquisition of Mendocino Headlands State Park in 1975 preserved the town's setting. Grindle Park on Little Lake Road, the only locally controlled public open space, was deeded to the Town by the heirs of an early resident and is now owned by the Mendocino Fire Protection District. Heider Field, a parcel of approximately one acre in the center of town, has been acquired by State Parks and Recreation to remain as community open space. Mendocino's present charm is in part dependent on the many vacant or partially unused parcels within the town. The plan calls for three approaches to preservation of some of this open space: dedication of scenic easements, special site planning standards, and property acquisition.

Figure 2-6 Mendocino Land Use



Source: County, 2017.



The development of affordable housing is encouraged by the County Housing Element and five provisions of the Town Plan, which include allowing second dwelling units in single family areas, requiring dwelling units in the Mixed Use (MU) areas land use classification, allowing dwelling units to be intermixed with commercial uses in the Commercial (C) and Mixed Use (MU) land use classifications, limiting the conversion of dwelling units to non-residential uses, and allowing for student/instructor intermittent temporary housing in the Mendocino Art Center.

(County, 2017)

Growth in the community is governed both by the applicable land use regulatory authorities of Mendocino County and the California Coastal Commission, and by groundwater resource and wastewater system constraints. Growth of the wastewater system could occur through new development within the MCCSD boundaries or expansion of the system to serve existing areas adjacent to the District in the 2008 Sphere of Influence area currently utilizing on-site septic systems. There are currently approximately 87 acres of undeveloped land within the District, and approximately 125 acres of land adjacent to the District's boundaries contained within the 2008 Sphere of Influence. The wastewater system is generally in good condition with sufficient capacity for full build out within the 2008 Sphere of Influence (SHN, 2010). Groundwater resources, however, may be limited depending on specific location and use, and so are evaluated on a case-by-case basis as development occurs.

## **2.5.2 EXISTING POPULATION AND PROJECTED GROWTH**

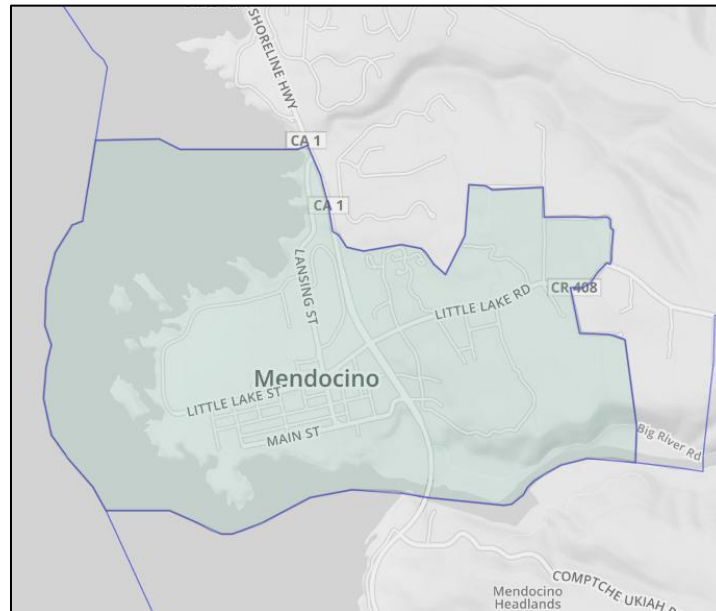
The Town of Mendocino is a Census Designated Place (CDP) in Mendocino County. According to the Census Bureau, Mendocino CDP has a total area of 7.4 square miles, of which 2.3 square miles are land and 5.2 square miles are water. As of the 2010 census, there were 894 persons living in Mendocino, up from 824 in 2000. Of those, 830 people lived in households, 64 lived in non-institutionalized group quarters, and 10 were institutionalized. There were 447 households. The average household size was 1.86, down from 1.94 in 2000, and the average family size was 2.41, also down from 2.51 in 2000. Median age was 56.1 years. There were 617 housing units at an average density of 83.1 per square mile, of which 271 were occupied by renters. The homeowner vacancy rate was 3.9 percent and the rental vacancy rate was 9.2 percent.

While the CDP boundaries are not the same as the District; this information provides some insight into demographic circumstances of the District. The size of the District is slightly over one square mile.

According to the American Community Surveys Demographic and Housing Estimates for 2018, there are 548 housing units in Mendocino CDP, with the total population of 782 being divided at 61.6 percent male, 38.4 percent female, and with a median age of 55.8.

Based on the 2013-2017 American Community Survey 5-Year Estimates, the population estimate for Block Group 4 is 782 (USCB, 2018a) as shown in Figure 2-8 below.



**Figure 2-8 MCCSD and Block Group 4 Boundaries**

Source: US Census Bureau: ACS 5-Year Estimates, 2018.

Another way to determine the estimated population size for the District is the number of residential units, or wastewater service connections, multiplied by the average household size. Based on CDP data of 1.86 persons per household and the District's current data of 425 residential wastewater service connections, there are approximately 790 people residing in the District. For the purposes of this study, the current District population is estimated to be approximately 800 people.

Population growth is expected to increase at an annual rate of approximately 0.5 percent for Mendocino County (DOT, 2017). Based on this growth rate, the District can expect a small population increase of 20 people within the next five years.

## 2.6 DISADVANTAGED UNINCORPORATED COMMUNITIES

Senate Bill (SB) 244, which became effective in January 2012, requires LAFCo to evaluate any Disadvantaged Unincorporated Communities (DUCs), including the location and characteristics of any such communities, when preparing an MSR that addresses agencies that provide water, wastewater, or structural fire protection services. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) that is less than 80 percent of the State MHI. This State legislation is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

The Town of Mendocino is a Census Designated Place (CDP). Mendocino CDP and two adjacent census tract block groups have been evaluated and the economic information from Table 2.7 below shows that the District and surrounding areas do not meet the income threshold to qualify as a DUC. MHI data is not available at a geographic unit smaller than census tract block group in order to conduct a more refined level of economic analysis for the north end of Lansing Street and Road 500D. Special consideration will be given to any future identified DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

<b>Table 2.7 2018 Median Household Income (MHI)</b>	
California MHI	\$75,277
<b>80% of California MHI</b>	<b>\$60,222</b>
Mendocino CDP MHI	\$63,801
Block Group 2, Census Tract 110.2 MHI	\$73,097
Block Group 3, Census Tract 110.2 MHI	\$82,596

**Source:** United States Census Bureau website: <https://data.census.gov/cedsci/>  
 2018: American Community Survey (ACS) 5-Year Estimates Detailed Tables  
 Table B19013: Median Household Income in the Past 12 Months (In 2018 Inflation-Adjusted Dollars)

## 3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the SOI Update process and assist LAFCo in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.7.

### 3.1 SERVICE OVERVIEW

#### 3.1.1 SERVICES

Mendocino City CSD provides the following municipal services:

- Wastewater Collection and Treatment
- Groundwater Management
- Street Lighting

Planning and design review is provided by the Historical Review Board, and additional municipal services are provided to District residents by other public agencies or non-profit organizations through agreements and by private businesses through service contracts, as detailed in Section 2.3.4.

This MSR only reviews services provided by the District. This is the second MSR prepared for the District; the first one was adopted by the Commission on November 3, 2008 (LAFCo Resolution No. 2008-08).

#### 3.1.2 OUT-OF-AGENCY SERVICES

The District provides out-of-agency services (OAS) by agreement to Russian Gulch State Park, which is located approximately one mile north of the District boundaries. The agreement to serve Russian Gulch and Headlands State Parks allowed the District to establish the wastewater system in the 1970s by locating the District's wastewater treatment plant on Headlands State Park land; it appears that Russian Gulch State Park was never within the District boundary. The District does not provide any other OAS.

Local agencies are required to obtain LAFCo approval prior to entering into contracts with private individuals or organizations to provide services outside of the agency's boundaries. However, an extended service that a city or district was providing on or before January 1, 2001 is exempt from LAFCo review pursuant to GOV §56133(e)(4). The District's OAS to Russian Gulch State Park was established in the 1970s and is therefore exempt from LAFCo approval.

### 3.2 WASTEWATER

#### 3.2.1 SERVICE OVERVIEW

The District owns, operates, and maintains a public wastewater system. The District estimates that the wastewater system serves approximately 3,499 people daily, including the Headlands and Russian Gulch State Parks visitors (Table 3.1). The MCCSD wastewater service area is predominantly characterized by

residential and commercial development and open space, with one larger institutional user, the Mendocino Unified School District. There is no industrial flow to the MCCSD sewerage system.

Type	#
Residents	497
Inn guests	450
Business employees	250
Restaurant employees	80
Russian Gulch SP overnight	200
Grocery Stores employees	12
Headlands SP day visitors *	1,700
Russian Gulch & Headlands State Parks employees	10
MUSD students	250
MUSD teachers and staff	30
Hall, theater, church employees	20
Total	3,499
* The figure for Headlands State Park is conservative; State Parks estimates 2,500 daily visitors.	

The District reports the following wastewater customers by use type: 425 residences, 1 cottage industry, 11 guest cottages, 2 sleeping units, 26 vacation homes, 255 hotels, motels, and bed and breakfasts, and a number of commercial and institutional uses. There are also 12 residences served by on-site septic systems within the District boundaries. Usually the residences on the visitor accommodation parcels are for the manager or owner of the inn or Bed & Breakfast. There are no industrial dischargers in the District.

The MCCSD wastewater system is comprised of collection, treatment and disposal facilities. The District manages and maintains over 47,000 feet of collection system sewer lines and 3 lift stations (Figure 3-1). The California Department of Parks and Recreation maintains a collection system and fourth lift station at Russian Gulch State Park. State Park wastewater is pumped from their lift station through a force main to the MCCSD gravity collection system. Wastewater collected from the Mendocino wastewater system is treated at the District's wastewater treatment plant. The plant provides full tertiary treatment before discharge via an ocean outfall.

### **3.2.2 WASTEWATER SYSTEM MANAGEMENT PLAN**

MCCSD's sewer services are regulated under the Statewide General Waste Discharge Requirements (WDR), which mandates the development of a Sewer System Management Plan (SSMP) and the reporting of SSOs using an electronic reporting system. The SSMP outlines the annual management and scheduled maintenance for the sewer lines and the District's three lift stations. The District last updated its SSMP in 2018.

The SSMP identifies the staff responsible for various elements and programs of the SSMP, including for its overflow emergency response plan, system evaluation and capacity assurance plan, and fats, oil, and grease (FOG) control program. It also identifies the chain of communication for responding to and reporting SSOs. It provides details on its operation and maintenance program, which includes

maintaining map layers of wells, manholes, and sewer lines; how and on what schedules sewer lines are cleaned and videotaped; and provides a maintenance schedule as shown in Figure 3-2.

### **3.2.3 COLLECTION SYSTEM**

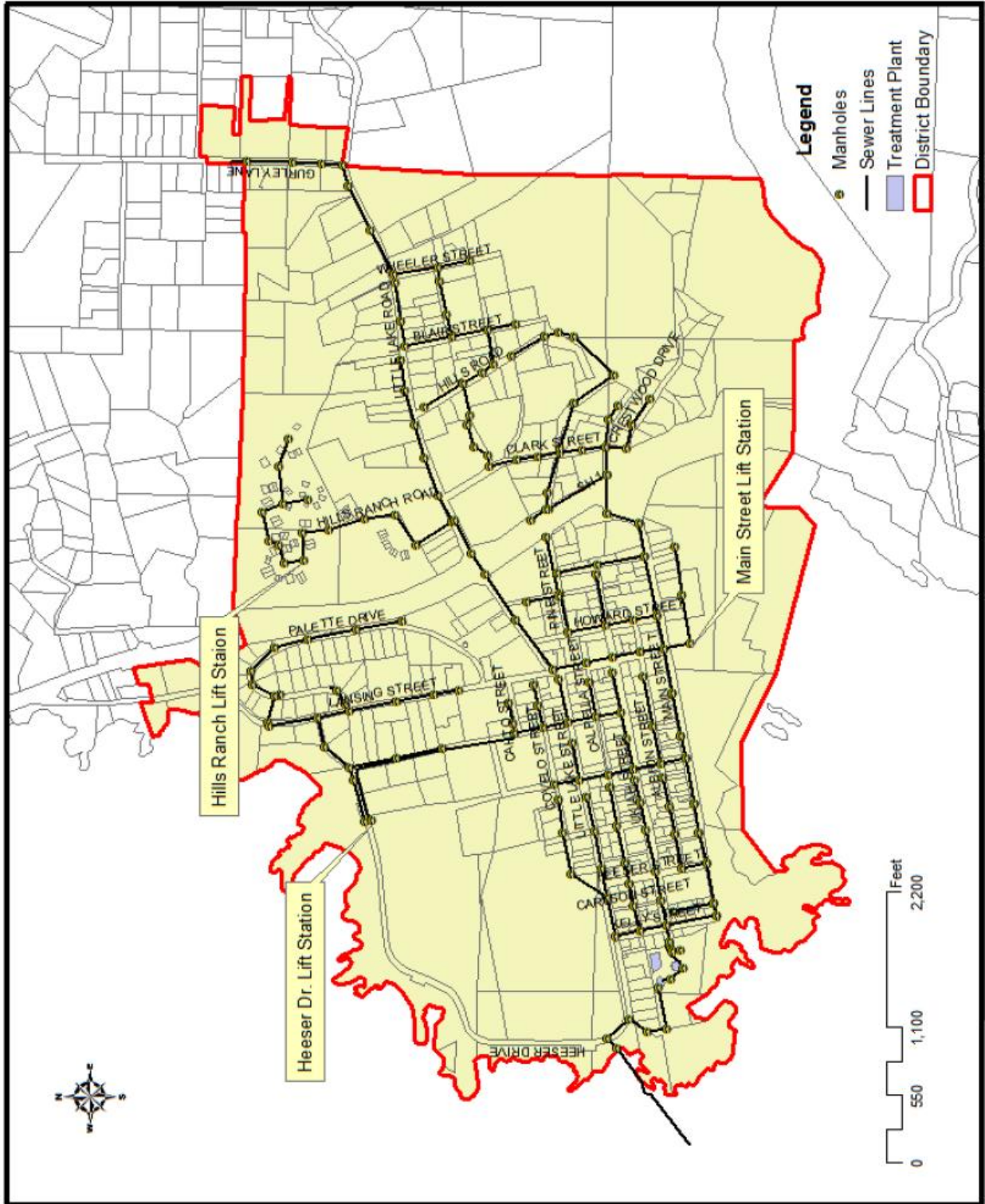
The District's wastewater collection system is comprised of vitrified clay, concrete, and PVC pipe ranging in size from 15-inch trunk lines to 4-inch laterals. The collection system includes the major portion of the system that was built in the mid 1970's, several pre-existing concrete collection lines, and a private collection system constructed three years after the District system was completed in the Hills Ranch Subdivision.

Several of the old sewer lines were incorporated into the District collection system that was completed in 1975. The date of the installation of the original system is unknown. In 2003, the District added a privately owned Hills Ranch Subdivision collection system and lift station at the request of the property owners. This system was constructed in 1978.

Three lift stations, "A" (Main Street), "B" (Heeser Drive), and "C" (Hills Ranch) are now maintained and operated by the MCCSD. Originally, lift stations "A" and "B" served only a limited number of local residents and had wet wells designed to provide 12 hours storage capacity, which eliminates the need for standby power facilities. Hills Ranch Lift Station C, located in the Suntrap Meadow Circle cul-de-sac, collects wastewater from the areas within the subdivision. This station pumps wastewater by means of centrifugal pumps through a 4-inch PVC force main to the gravity portion of the system at Manhole No. HR9 located in the intersection of Hills Ranch Road and Suntrap Meadow Circle. The lift station has an emergency generator.

In addition to the District's three lift stations, the California Department of Parks and Recreation maintains a collection system and lift station at Russian Gulch State Park. Park water is pumped from their lift station through a force main to the MCCSD gravity system. Headlands State Park, with whom the District has a contract to provide wastewater services, discharges directly into the gravity system.

Figure 3-1 Location Map Showing MCCSD Collection System and Lift Stations



Source: MCCSD, 2018.

### **3.2.4 OPERATION AND MAINTENANCE PROGRAM**

The District has a System Operation and Maintenance Program (SOMP) which establishes procedures intended to prevent or minimize the potential for sanitary sewer overflows. The program includes guidelines for the operation and maintenance of the sanitary sewer collection system, which includes a detailed discussion about the District's collection system maps, operation and maintenance activities, the District's capital improvement program, system rehabilitation and replacement, and District personnel training. As part of the SOMP, MCCSD has developed a five-year cleaning and videotaping schedule of the sewer lines and lift stations. The District performs ongoing repair and maintenance activities to the collection system and the ocean outfall line as needed. Any damage to the collection system found during regular collection system maintenance is repaired during that year.

To prevent or contain SSOs, the District has emergency pump-around and containment equipment for sewer line blockages. This equipment is installed until the blockage is cleared and any wastewater that has been contained in a storm drain is pumped back to the gravity collection system. Plant operators are given regular training in the operation and setup of the pump-around and containment equipment.

Areas where visual or video inspections indicate repeated or unusual accumulation of grease, grit, roots or other debris, or in areas with a past history of sewage blockages, are considered hot spots. Hot spots are cleaned as frequently as necessary to prevent sewer line blockages and spills; however, in no case is the interval greater than once annually for cleaning or inspection. Hot spots are also mapped and added to the Collection System Operation and Maintenance Program when they are identified.

The variety of lift station equipment requires different operation and maintenance procedures for each lift station design and the type of pumps that are used at each station. To facilitate the maintenance of the District's lift stations, a pump run is initiated several times during the week during routine inspections. Routine maintenance is performed, including the monthly greasing of all bearing and fittings, until major service is required. Additional pump maintenance is based upon manufacturer's recommendations. A checklist, tailored to each site, is used to document and assist in the routine maintenance. Routine maintenance is performed at each lift station from a weekly maintenance checklist printed from the District's Jet Stream maintenance program. Work performed at the lift stations is entered into the District's wastewater maintenance database on a weekly basis from the data obtained from the checklist.

Each lift station has an emergency bypass, so in case of a prolonged power outage or an equipment failure the lift station wet well can be pumped to the gravity portion of the collection system. A bypass pump installed in the wet well is powered by an emergency generator in these situations. District personnel are trained on the setup and operation of this equipment. The District also has a Safety Program that includes training in confined space entry, infections and infectious diseases, traffic hazards, and underground excavation safety.

#### **3.2.4.1 Collection System Maps**

In 2001, the District approved development of a Geographic Information System (GIS) for the wastewater system. Manhole and sewer line layers were created to show the sewer lines between manholes. An attribute table with manhole and sewer line information was georeferenced to each manhole and sewer line, which lists the line type, line material and the pipe diameter. The District is able to use the attribute table and map displays for collection system maintenance scheduling, to query information about the system, and to create maps and labels. A well layer was also created with the

location of 420 wells, along with an attributes table that includes well depths and coordinates. The collection system overlies the town's shallow aquifer, as knowing the location of all wells in relation to the collection system is critical to preventing contamination of the groundwater supply. The sewer line layer was used to create a no-well-drilling buffer zone. Mendocino County restricts well drilling within 50 feet of a sewer line.

New lateral connections and existing laterals are added to the sewer lateral layer as needed. A hot spot layer will also be generated in the near future to assist maintenance crews to regularly maintain these trouble areas.

#### **3.2.4.2 Sewer Line Cleaning**

In 2009, MCCSD purchased a trailer mounted high pressure jetter for sewer line cleaning of sewer mains and emergency cleaning of mainline blockages. In 2011 MCCSD purchased an Aries Portable Pipeline Television Inspection System. The District cleans and videotapes the collection system using the jetter and camera system. Contractors are used to clean lift station wet wells. Normally one-fifth of the collection system and hot spot areas are cleaned on an annual basis. There are several old sections of the collection system that are not accessible to jetting equipment or are exceptionally long sections without manhole access. In these areas, flushing is used to keep the lines clear of material that may cause blockages.

#### **3.2.4.3 Videotaping of Sewer Lines**

During annual cleaning, all sewer lines that are high pressure water jetted are then videoed and recorded. The video recording is used to locate damage to the collection system, which is next scheduled for repair during the current budget year. Hot spots are video inspected to determine if the cause is due to damage, root intrusion, breakage or separation, etc., and corrective actions are then initiated.

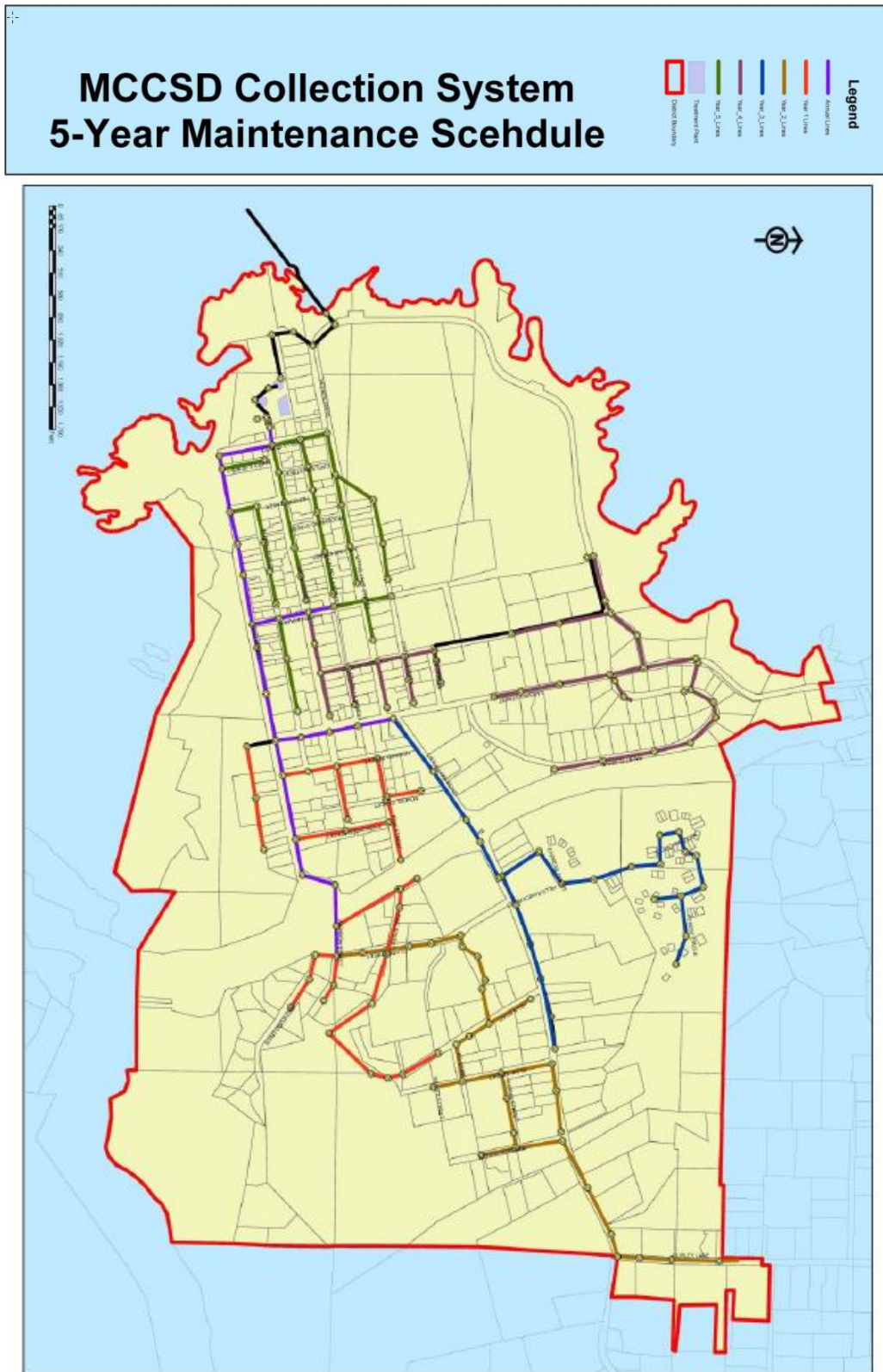
#### **3.2.4.4 Record Keeping**

The District maintains collection system cleaning logs and video recording records, which are then used to locate and schedule repairs to damaged sections. The Sewer Maintenance Database is regularly updated from the data collected during annual maintenance. Maintenance logs include data on hot spot line segments, the condition of lines, line size and type, and any offset or cracked sewer lines.

(MCCSD, 2018)



Figure 3-2 Five-Year Collection System Maintenance Program Map



Source: MCCSD, 2018.

### 3.2.5 SYSTEM CAPACITY

The MCCSD wastewater collection, treatment, and disposal facilities serve a community with an approximate resident population of 800, covering an area of approximately one square mile. This area is predominantly characterized as oceanside residential, commercial, and visitor serving facilities.

The District's total plant capacity is divided by an Equivalent Single Dwelling (ESD) of system capacity and there are 1,500 ESDs of plant capacity in the MCCSD wastewater system. In FY 2016-17, 1,098.36 ESDs of plant capacity were collected from past and current users. The remaining portion (401.64 ESDs of plant capacity) of the capital costs of the system will be recovered from future users and expanding users through connection fees.

In 2020, there are 1,115 ESDs of wastewater system use resulting in a remaining plant capacity of 385 ESDs for new development, changes in use, and expansion of existing uses (MCCSD).

Growth of the wastewater system could occur through new development within the boundaries of the MCCSD or expansion of the system to serve existing areas adjacent to the MCCSD currently utilizing on-site sewage disposal systems (septic systems). There are approximately 87 acres of undeveloped land within the District, and approximately 125 acres of land adjacent to the District's boundaries contained within the 2008 Sphere of Influence. However, growth in Mendocino is anticipated at only 0.5 percent per year, for a total population increase of only 20 individuals within the next five years.

The District completed a Sewer System Capacity Analyses study in November 2009. The study was performed by SHN Consulting Engineers & Geologists, Inc. to inventory collection system components, determine the effects of population growth on existing wastewater capacity, and analyze and evaluate wastewater collection system performance during peak day flows and storm and wet weather events. The study also measured collection system inflow and infiltration. SHN hydraulically modeled the collection system to recognize hydraulic deficiencies that could lead to future SSOs. A capital improvement plan was included in the SHN report. Eight capital improvement projects with their 2010 estimated costs were recommended by SHN, as shown in Figure 3-3 below, which have not been completed to date. (MCCSD, 2018)

**Figure 3-3 Capital Improvements Summary**

Project #	Location	Description	Estimated Cost
Project #1	MH 10 to MH 11	Upgrade line size form 15" to 24"	\$98,337
Project #2	MH 16 to MH 19	Repair/Replacement for Sags	\$212,850
Project #3	MH 4A to C/O 4A	Manhole Additions	\$29,700
Project #4	MH 81 to hr0 and hr0 to hr1	Upgrade line size from 6" to 8"	\$159,300
Project #5	MH H to MH I and MH I to MH J	Upgrade line materials from Plastic to PVC	\$132,894
Project #6	MH 47 to C/O 47 and C/O 47 to Capped Main Line	Manhole Additions	\$23,625
Project #7	MH 73 to C/O 73 to C/O 73a to C/O at Parcel	Manhole Additions	\$29,025
Project #8	Various Locations	Root Treatment	\$10,000

The SHN report indicates that the wastewater system is in good condition and that the system currently has no capacity problems and will not have capacity problems even at build out, except where an oversized line was installed on an extremely low slope. One of the improvements included in the capital improvements recommendations is replacement of this section of line; however, the priority for

implementing this project is low. Other project identified in Figure 3-3 above address specific defects or material susceptible to failure. Overall, the collection system has been maintained in such a way that has extended the useful life of the system well past its design life, and continued maintenance at existing levels will continue to extend its practical functions.

(SHN, 2010)

### 3.2.6 FACILITIES AND ASSETS

The District owns, operates, and maintains multiple capital assets including land, structures, equipment, and infrastructure to provide services to its constituents. As of June 30, 2019, the District's capital assets totaled \$5,319,658, including projects in process. The District also has a no-cost lease from the State of California for one square-foot of ground space related to seven monitoring wells that was set to expire in October 2019. The District requested that the lease be renewed; however, State Parks has not renewed the lease to date (MCCSD, 2020).

The Districts owns and operates its wastewater collection, treatment, and disposal system, as described in Sections 3.3.1 and 3.3.3. It also owns office equipment and three vehicles to support its operations. Capital assets as of June 30, 2019, with depreciation, are shown in Figure 3-4 below.

**Figure 3-4 MCCSD Capital Assets as of June 30, 2019**

	Beginning Balance	Net additions and deletions	Ending Balance
Capital assets, not being depreciated:			
Projects in process	\$ 706,296	\$ 592,817	\$ 1,299,113
Land	1,600,000	-	1,600,000
Total capital assets, not being depreciated	2,306,296	592,817	2,899,113
Capital assets, being depreciated:			
Improvements & Infrastructure	\$ 4,649,129	\$ 10,249	\$ 4,659,378
Vehicles	46,800		46,800
Office equipment and furniture	50,736		50,736
Equipment	650,733	-	650,733
Total capital assets, being depreciated	5,397,398	10,249	5,407,647
Less accumulated depreciation for:	(2,832,311)	(154,791)	(2,987,102)
Total capital assets, being depreciated, net	2,565,087	(144,542)	2,420,545
Capital assets, net	\$ 4,871,383	\$ 448,275	\$ 5,319,658

Source: G&A, 2019.

The District is also in the process of upgrading its wastewater treatment plant as follows:

- Treatment plant process facilities: Construction of a new plant operations building, upgrade of the treatment plant's main electrical service, replacement of tertiary filter backwash control panel, upgrade of motor control panels in the blower room, and updating the electrical wiring throughout the treatment plant facility to current electrical code.

- Relocation of existing laboratory in the old control building to the new operations building.
- Relocation of service vehicle and sewer maintenance and emergency equipment into the new plant operations building's garage area.
- Installation of new electrical panel in the new plant operations building for future upgrade of the recycled water system, #2 plant water system, and chlorination and de-chlorination systems.
- Remodel of the District Office to meet ADA access compliance, addition of an ADA-compliant parking space with a path of travel between facility buildings, and conversion of the existing laboratory/ control room into a meeting room for monthly Board meetings.

The Notice of Award for the construction contract was issued in October 2019, and construction is anticipated to begin on the new operations building in spring 2020. The upgrade to the plant wiring will begin during the winter of 2019-20. (MCCSD, 2019b)

## 3.3 WATER

### 3.3.1 LEGAL AUTHORITY

#### 3.3.1.1 Local Ballot Measure A

Authorized services and facilities for a Community Services District (CSD) are governed by the CSD Principal Act and include water services per GOV §61100(a), and any of its statutory predecessors.

The District is authorized by law to provide water services based on passage of Measure A on November 5, 1985 by registered voters in the District. The Measure A ballot language was as follows:

Shall the District acquire the powers regarding water as set forth in the California Public Contract Code Section 20681(a)?

The language of Public Contract Code §20681(a) was as follows:

To supply the inhabitants of the district with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation.

Public Contract Code §20681(a) was repealed and replaced by GOV §61600(a) in 1986 per AB 515 and water authority was transferred to CSD law. CSD law was subsequently revised and GOV §61600(a) was replaced by GOV §61100(a) in 2006 by SB 135. This change allowed any CSD that had water authority prior to the change in law to supply water for any beneficial uses (Water Code §71000 et seq.).

(LAFCo, 2008)

#### 3.3.1.2 SB 135 CSD Act Update

The CSD Principal Act was comprehensively updated by SB 135 which took effect January 1, 2006. SB 135 consolidated the provisions for CSDs into a list of 31 services and facilities and also changed the definition of latent powers.

Under the old CSD statutes, latent powers were those services or powers authorized by the Principal Act when the District was formed, but were not currently being exercised, provided that any powers not designated in the petition for the formation of the District may not be exercised if the voters in the District must activate the power.

SB 135 redefined latent powers as those services and facilities authorized by the new CSD Principal Act that a CSD did not provide before January 1, 2006, as determined by LAFCo. Therefore, SB 135 effectively grandfathered in all services and facilities that CSDs provided before January 1, 2006.

The old CSD Principal Act from 1955 required voter approval of latent powers and predated the statewide creation of LAFCo in 1963. With SB 135, all powers authorized for CSDs but not being exercised became latent powers, regardless of the initial formation petition.

Consistent with SB 135, on December 29, 2005 LAFCo staff determined that the current services provided by Mendocino City CSD were as follows.

1. Collection and treatment of sewage, wastewater, recycled water and storm water in the same manner as a Sanitary District.
2. Acquire, construct, improve, maintain, operate street lighting and landscaping on public property, public rights of way and public easements.
3. Water services for any beneficial use in the same manner as a Municipal Water District, including a ground water management program as provided by Water Code Sections 10700-10717, and the District's Ordinance for Groundwater Extraction Permits and policies to manage and protect groundwater resources, to promote water conservation, increase the use of reclaimed water, reduce ground water extraction and to collect information on groundwater conditions in Mendocino.

The 2008 MSR/SOI study prepared for the District reaffirmed the above list of active powers.

(LAFCo, 2008)

### **3.3.2 POWERS**

#### **3.3.2.1 Active Water Powers**

After the passage of Measure A in 1985, the District secured grants, prepared studies, and tested multiple locations to identify a water source of adequate quantity and quality to create a municipal central water system to serve the entire District. To date, no adequate water source has been identified.

While the District does not provide water services in the traditional sense of the word with a raw water source, water treatment plant, and piped delivery system, the District does supply water for beneficial uses including tertiary treated reclaimed water per agreement with the Mendocino Unified School District and State well water from a water storage tank at the Wastewater Treatment Plant during drought conditions per agreement with State Parks.

All functions or classes of water services provided by the District prior to January 1, 2006 are considered active powers and may be continued and expanded without LAFCo approval.

#### **3.3.2.2 Latent Water Powers**

According to GOV §56050.5, a "latent service or power" means those services, facilities, functions, or powers authorized by the principal act under which the district is formed, but that are not being exercised, as determined by the commission pursuant to subdivision (i) of Section 56425.

Making a determination regarding latent powers involves evaluating whether an authorized service or power has been exercised and whether it constitutes a new or different function or class of service. To

date, the District has provided water services supplied by groundwater wells from the local aquifer and reclaimed water from that original source.

The unconfined Mendocino Headlands aquifer has a significant amount of water loss annually through cliff faces and does not hold or store groundwater from one year to the next; thus, groundwater conditions in the local aquifer are strongly influenced by annual precipitation. (MCCSD, 2019c)

In order to expand water services beyond reclaimed water supply and well water storage, the District will likely need to identify and establish a new water source from outside the local aquifer to develop a water system or replenish the local aquifer.

While water replenishment is naturally related to groundwater management services, in this case, water replenishment is considered a new or different function or class of groundwater management services. In addition, a municipal central water system is considered a new or different function or class of water services. Therefore, LAFCo approval is required for activation of latent powers for the District to provide water replenishment activities or develop a municipal central water system in the District.

## **3.4 GROUNDWATER MANAGEMENT**

### **3.4.1 GROUNDWATER MANAGEMENT OVERVIEW**

Groundwater is the primary water supply for the unincorporated Town of Mendocino. Mendocino residents and business owners rely on approximately 420 privately owned wells for their water supply. Although the permanent population in the District is less than 800, the Town of Mendocino is a popular tourist destination, which increases the population served by the District substantially at various times of the year.

Groundwater is pumped from the unconfined Mendocino Headlands aquifer (Department of Water Resources Bulletin 118 Groundwater Basin 1-021, Fort Bragg Terrace Area Basin). Unlike typical California groundwater basins, which contain alluvial sediments surrounded by low permeability bedrock that holds the water in the basin, the Mendocino Headlands are surrounded by cliffs. A major portion of the annual inflow into the aquifer is discharged through these cliffs via springs generally within the same water year, so a significant amount of water loss occurs annually.

Groundwater conditions are strongly influenced by the amount of annual precipitation. Historically, the Town of Mendocino has experienced water shortages during dry years and even during years with normal rainfall. In response to the high concentration of wells, lack of inter-annual (carryover groundwater) storage in the aquifer, and frequent water shortages, MCCSD obtained groundwater management authority in 1987 under Assembly Bill 786 per CWC §10700 et seq. (refer to Appendix D in Section 8.4 for specific language), which provided the District with the authority to establish programs for the management of groundwater resources within the District. Prior to enactment of AB 786, the Mendocino County Department of Environmental Health enforced the groundwater extraction provisions of the Mendocino Town Plan. In 1990, MCCSD assumed responsibility of groundwater management from Mendocino County.

The groundwater management authority provided in Water Code 10700 et seq. was considered an interim authority until the District could find a water source suitable for a community water system. Due to a lack of water source, however, a community water system has never been completed, and the Groundwater Management Plan, which limits water extraction, has stayed in effect.

The Groundwater Management Plan was initially developed in 1990, along with a Groundwater Extraction Permit Ordinance, to limit groundwater withdrawals from the Mendocino Headlands aquifer. The Groundwater Management Plan was most recently updated in 2020, and includes a Water Conservation Program, Data Management Program, Groundwater Monitoring Program, Water Recycling Program, and Water Shortage Contingency Plan.

The primary goals of the Groundwater Management Plan are to:

- Promote water conservation
- Limit groundwater withdrawals to prevent aquifer overdraft
- Manage Mendocino’s groundwater supply during drought
- Ensure groundwater quality is protected
- Develop groundwater management programs that serve as a foundation for groundwater management decision-making

(MCCSD, 2019c)

#### **3.4.1.1 Gomes v. MCCSD**

On June 30, 2015, Mr. Gomes filed legal action against the MCCSD in a Petition for Writ of Mandate and Complaint for Declaratory Relief and Damages. The petition was heard by Judge Richard Henderson who denied Gomes all relief on his petition. Mr. Gomes then filed a First Amended Complaint on June 13, 2016 which added claims for alleged taking of property for public use without compensation, violation of procedural and substantive due process, and damages claiming the fines levied by the District for Mr. Gomes’ non-compliance with the Groundwater Management Program were unconstitutional excessive fines. Trial of these claims was held before Judge Cindee Mayfield who denied Mr. Gomes all relief on his complaint and upheld the District Groundwater Management Program.

Mr. Gomes then appealed the denial of the petition and complaint. On appeal, the court found that the District has the authority to manage groundwater within the district (based on California Water Code § 10700 et seq.). However, the court determined that the District should have used the “majority protest” procedures found in Water Code §10703-10706 when adopting changes to the Groundwater Management Program in 2007. The District had followed those procedures when initially adopting its Groundwater Management Program in 1990. The District held multiple public hearings prior to adopting the 2007 amendments to its Groundwater Management Program, but did not precisely follow the “majority protest” provisions of the Water Code as it did not appear to the District that the procedure was required for the changes made in 2007.

The trial court judge had agreed with this determination, but the court of appeal reversed on that narrow procedural ground and awarded Mr. Gomes \$128,000 in Attorney fees. The District recently re-adopting its 2007 Groundwater Management Program using the procedures set forth in the Water Code. The resolutions of intention to adopt the Groundwater Extraction Permit and Water Shortage Contingency Plan ordinances were approved by the MCCSD Board of Directors on April 16, 2020, and the final resolutions for adoption of these ordinances, including a determination that there has been no majority protest against the Groundwater Management Program, was adopted by the MCCSD Board on May 26, 2020.

(MCCSD, 2020)

### 3.4.2 WATER DEMAND AND CAPACITY

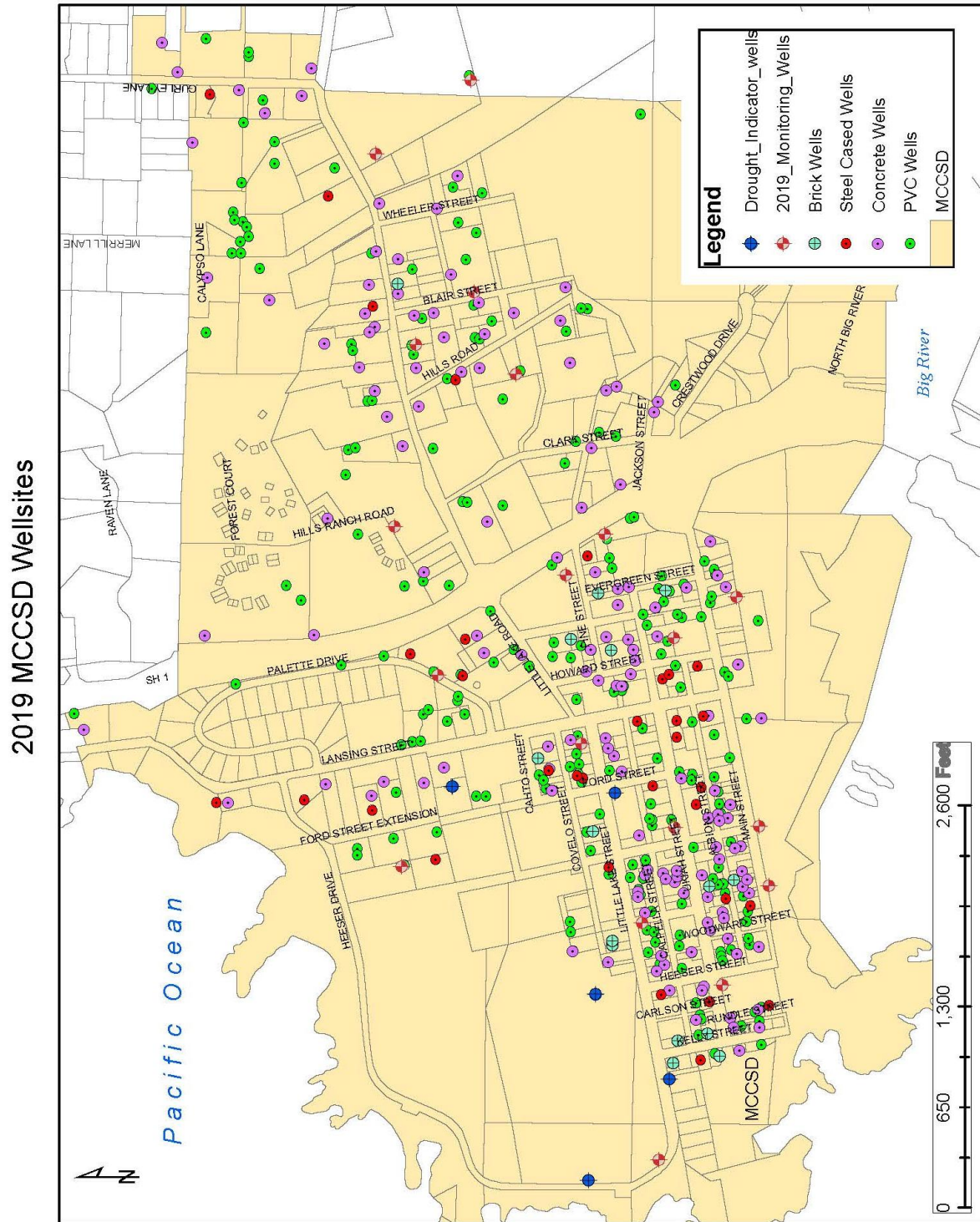
The permanent population of the Town of Mendocino is about 800. However, Mendocino is a well-known tourist destination and the population increases by approximately 524 during the high tourist season based on full lodging facilities from the Mendocino Town Plan. The main business district of the Town of Mendocino is along the southern portion of the peninsula along Mendocino Bay. The population is concentrated near the main business district. Other residential areas are located to the north and east of the main business district. The northern and western portions of the peninsula are primarily open space with much of the land included in Mendocino Headlands State Park.

As shown in Figure 3-5 below, groundwater wells are located throughout the extent of the District, with the highest density of pumping wells lying in the southern portion of the Mendocino Headlands where commercial development is most concentrated. Well depths typically range between 40 to 200 feet, with most new wells in the range of 100 to 150 feet. A few older wells are as shallow as 20 to 25 feet. Shallower wells may be completed solely in the terrace gravels; however, most wells are composite and are completed in the underlying Franciscan bedrock. Flow rates to wells are quite variable, but typically range from less than 1 gallon per minute (gpm) to over 25 gpm. Wells which produce above 10 gpm are considered high yield wells in this area, while high yield wells in most areas typically produce over 100 gpm. Higher flow rates are typically for short time intervals and during high water level periods during the winter months.

Because of these low yields, most properties employ storage tanks and, through the MCCSD, the community has implemented significant water conservation measures. Even so, some wells run dry in the late fall months, especially in drier than normal years, and water is trucked in to replenish storage tanks at several properties on a regular basis in the fall. This practice becomes more widespread during periods of drought.



Figure 3-5 2019 MCCSD Well Locations



Source: MCCSD, 2019c.

As shown in Table 3.1, residential users represent the largest amount of groundwater demand, with visitor-serving uses such as vacation and hotel accommodations and restaurants also using a considerable amount of groundwater.

<b>User Category</b>	<b>Gal/day</b>
Residential	118,396
Inns, Hotels, B&Bs, Vac. Home Rentals	40,938
Restaurants, Bars	31,708
Retail, Office, Grocery, Service, Vet., Station, Home Occupation, Personal Services, gov. buildings	26,344
Library, MFPD	690
Churches, Halls	4,175
Ballpark, Community Center	2,314-
Rainbow School	240
Headlands Park	2,000
<b>TOTAL (gallons per day)</b>	<b>226,805</b>
<b>TOTAL (acre-feet per year)</b>	<b>254.07</b>

Source: MCCSD, 2019c.

### **3.4.3 WATER SUPPLY CONSERVATION AND ENHANCEMENT**

The function of the Groundwater Management Plan is to conserve water in order to strike a balance between the water needs of the community and the amount of water available on an annual basis. To that end, the Groundwater Management Plan includes several plans and programs to monitor water usage, model future supply and demand, and limit groundwater use. These programs include the groundwater extraction permit ordinance, water conservation program, groundwater monitoring program, water recycling program, data management program, and water shortage contingency plan.

#### **3.4.3.1 Groundwater Model**

In 2002, MCCSD received a California Department of Water Resources (DWR) Local Groundwater Management Assistance Grant, in part for the purpose of developing a groundwater model using the U.S. Geological Survey developed model code MODFLOW to assist MCCSD in managing the groundwater resources for the Town of Mendocino. Other portions of the grant funded the development of an updated groundwater monitoring system, including the drilling and completion of ten new monitoring wells to supplement the existing monitoring well network.

A numerical model, Groundwater Modeling Study of the Mendocino Headlands, was developed to help implement the District's groundwater management program. Model development combined the existing understanding of the Mendocino Headland hydrogeology from the DWR 1985 study with recently collected data from the MCCSD. This existing data includes historic pump test results, new pump tests completed on the monitoring wells, a well water level canvass, and topographic survey information. The model development includes locating the saturated zones of the marine terrace deposits. Model calibration was based on groundwater elevation data collected by MCCSD from wells in the area. From the model results, an estimate of the perennial or safe yield of the Mendocino Headlands aquifer was calculated.

The Groundwater Model has been updated several times since its development as additional groundwater data, new hydrologic budgets, and updated software become available. Water data has been updated to incorporate recent years, and the results compared to measured groundwater elevation data. Drought criteria in the 2007 Water Shortage Contingency Plan has also been updated. The long-term “sustainable” yield for the Mendocino Headlands aquifer and a series of model scenarios to evaluate groundwater conditions at potential future “build-out” has also been evaluated. A number of different scenarios and conditions has also been evaluated, including various rainfall conditions, groundwater conditions during droughts, and the effects of water conservation on the groundwater supply.

### **3.4.3.2 Groundwater Extraction Permit Ordinance**

On January 29, 1990 MCCSD adopted a Resolution of Intention, Resolution No. 113, to adopt the Groundwater Management Plan. On February 26, 1990 the District Board of Directors voted in favor of Groundwater Extraction Permit Ordinance 90-1, which was the first element in the District’s groundwater management program. The Ordinance included groundwater extraction permitting procedures and a mandatory water conservation requirement. Since that time, there have been several amendments to the Groundwater Extraction Permit Ordinance (Resolutions 91-3, 92-2, 00-1, 01-1, and 04-1), which have clarified the original ordinance, outlined the hydrological study and aquifer test procedures and methodology, enabled the ordinance to conform to the Mendocino Coastal Groundwater Development Guidelines, defined several terms, and addressed the issue of cumulative effects to surrounding wells during aquifer testing.

The District’s extraction permit ordinance requires any person seeking to extract groundwater for a new development, change in use, or expansion of existing use to apply for and obtain a valid and current MCCSD Groundwater Extraction Permit (GWEP). The GWEP process includes a hydrological study and aquifer pump test. Approval of the hydrological study is a prerequisite for application of the GWEP, and issuance of a GWEP is a prerequisite to the issuance of a County building permit for any new development or a use permit for any change in use within the District. Water may not be imported from outside the District to supplement available local groundwater for the purpose of proving the existence of adequate water for a project.

Public comment on the proposed development is heard at a regular meeting of the Board of Directors. Following public comment, the Board independently determines whether to approve the hydrological study. The Board of Directors may not approve a hydrological study or a Groundwater Extraction Permit application if the aquifer pump test had an adverse impact on a hydrologically contiguous well or the aquifer. The Board may also consider mitigation measures that eliminate adverse impacts to surrounding wells as a condition of approval of the hydrological study.

A GWEP contains standard conditions with an approved allotment of water, installation of a water meter, and submission of monthly meter readings. Water use allotments are based on the size and type of approved parcel development, and are calculated from the District’s Water Use Standards. The Water Use Standards are periodically reevaluated based on actual data collected by the District. An approved water meter must also be installed to monitor water use. Meter readings are sent monthly to the District office.

(MCCSD, 2019c)

### 3.4.3.3 Water Conservation Program

The community of Mendocino is extremely conservative in its water use as compared with other North Coast towns, with an estimated 70 gallons per day (gpd) per capita on average, or 45-76 percent of use in towns similarly situated.

The following recommendations were made by the Department of Water Resources in their 1982 Groundwater Study for the Mendocino Coast and hold continued relevance to any discussion of water conservation. DWR stated that the first two recommendations could reduce water consumption by 50 percent, while the subsequent recommendations are designed to maximize groundwater recharge while minimizing run-off.

1. All new development should incorporate proven water conservation technology in planning and construction of the project (E.g., low-flush toilets, low-flow shower heads, single faucets with aerators, water-efficient clothes washer and dishwashers, hot-water pipe insulation, water reclamation, water storage, and drought-tolerant landscaping).
2. The installation of efficient irrigation systems, such as drip irrigation, soil moisture sensors, and automatic timers, which minimize runoff and evaporation and maximize the amount of water reaching the plant's roots, is recommended to all citizens.
3. Where feasible, all new development should endeavor to retain rainwater for groundwater recharge. At minimum, the development and construction of a project should be designed to reduce, retard, and disperse runoff (e.g., mulched or terraced slopes reduce erosion and retain rainfall; porous drain swales and paving materials allow infiltration of rainwater; out sloped roads spread runoff evenly down a slope; landscaping with drought-resistant ground cover will protect the soil, facilitate infiltration, and reduce runoff).
4. Cluster development should be encouraged wherever appropriate.
5. The preservation of existing natural drainage areas and incorporation of natural drainage in new developments aids groundwater recharge.
6. Flood plains and aquifer recharge areas, which are the best sites for groundwater recharge, should be preserved as open space.
7. In addition, all new street and off-street parking development should utilize permeable materials to aid groundwater recharge. Water that might otherwise recharge the aquifer is presently lost to run-off from the use of non-permeable paving materials.
8. The District adopted its Water Conservation Program on February 25, 1991. The District promotes water conservation by both voluntary water conservation education program and a mandatory water conservation requirement in the Groundwater Management Plan ordinance.

(DWR, 1982)

MCCSD uses an ongoing public awareness campaign to promote water conservation in Mendocino, and the Groundwater Extraction Permit Ordinance requires that water conservation devices be installed for all new development as a condition of permit approval. Water use standards are included in the ordinance to limit the quantity of water that can be extracted for new development, changes of use, or expansion of an existing use.

Recommendations provided in the Groundwater Management Program include encouraging gardeners and residents to cultivate drought tolerant plants, and cataloging low water use technologies for public reference, in addition to adopting the above recommendations from DWR-82 as applicable. The District also plans to expand the recycled water system.

(MCCSD, 2019c)

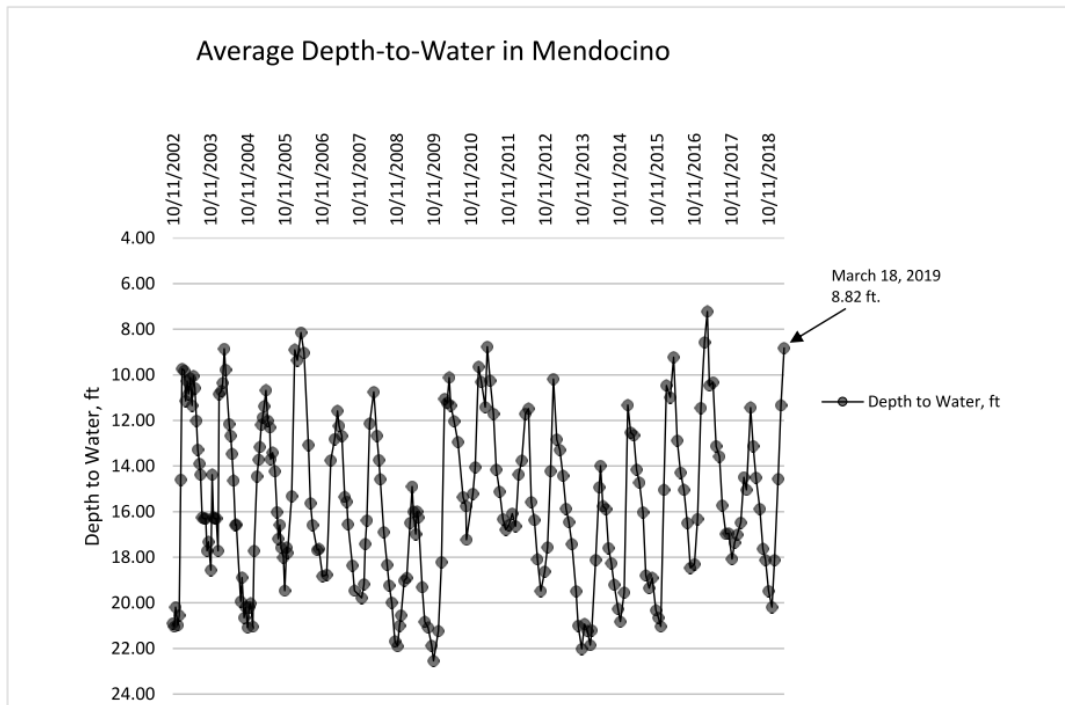
### 3.4.3.4 Groundwater Monitoring Program

In 1987, the California Department of Health Services recommended that the District develop a Groundwater Monitoring Program. The purpose of the groundwater monitoring program is to provide information that will allow computation of the change of groundwater in storage. The information needed includes spring and fall groundwater levels, the hydraulic properties of the aquifer (such as permeability and specific yield), and the land area covered by the District.

An adequate monitoring well network has been developed with 24 monitoring wells that are representative of the vertical and lateral dimensions of the aquifers. Establishing the network of monitoring wells required that each monitoring well log was reviewed to ensure that the well tapped the monitored aquifer.

Data collected from each monitoring well is entered into a computer database. These data can then be used to create hydrographs, groundwater elevation contour maps, and groundwater change contour maps that will provide the tools to evaluate groundwater levels and determine changes in the amount of groundwater in storage. All of these factors are then used to regularly update the Mendocino Groundwater Model. Changes in average groundwater levels have been monitored in the revised well yield from October of 2002 to March 2019 (see Figure 3-6).

**Figure 3-6 Average Depth-to-Water in Mendocino**



Source: MCCSD, 2019c.

District groundwater level monitoring data since 2002 indicate that changes in groundwater storage are directly related to annual precipitation as shown in Figure 3-7 below and are not due to increased groundwater extraction, since Mendocino water demand has declined since 2002. The District's GWMP has been effective in preventing aquifer depletion by conserving the groundwater resource based on current groundwater level data.

**Figure 3-7 Measured Rainfall 2002-2018**

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2015	2016	2017	2018
Rainfall	34.7	49.6	36.4	43.0	53.5	29.8	31.8	24.4	47.2	46.9	32.6	32.4	24.2	44.5	57.3	32.2

Source: MCCSD, 2019c.

### 3.4.3.5 Water Recycling Program

MCCSD and Mendocino Unified School District approved a Memorandum of Understanding and Joint Resolution 97-1 on February 24, 1997 to commit the necessary capital for a water reclamation project using treated wastewater for irrigation purposes at Mendocino High School's (MHS) sports fields. In 1998 the water reclamation system was constructed with funds provided by MCCSD and a grant from the Reebok Corporation. Approximately two million gallons per year of reused water has been used on the MHS athletic fields for irrigation since the new system was installed. Due to many field improvements and reclaimed water, the MHS soccer field is now considered one of the best in the conference.

An expansion of the recycled system may include: 1) a recycled water fire hydrant system, 2) an irrigation system for the middle and grammar schools, and 3) an irrigation system for Friendship Park.

### 3.4.3.6 Data Management Program

In 2004 MCCSD received a second Local Groundwater Assistance Program Grant from DWR to create a GIS geodatabase to upgrade the District's GIS and to expand the well database. The geodatabase allowed for easy presentation of charts, graphs, and maps from attribute data for wells, parcel maps, water demand, and other themes in the database. Potential future uses include determination of drought stage in accordance with the proposed Water Shortage Contingency Plan, assistance in project review for permitting new extraction wells, permitting for well abandonment, permitting for changes to existing wells, and groundwater management planning and infrastructure engineering.

### 3.4.3.7 Proposed Water Shortage Contingency Plan

A Water Shortage Contingency Plan was developed in 2006 for the Groundwater Management Plan. The various rainfall/recharge and water conservation scenarios for the Water Shortage Contingency Plan were based on typical drought year rainfall. Five numeric groundwater model scenarios were run: baseline average rainfall, 25 percent below normal rainfall, 40 percent below normal rainfall, historic drought (64 percent below normal rainfall), and a no rainfall year scenario. The Water Shortage Contingency Plan was prepared with a plan for serious and critical water shortages. The Plan included how to determine a groundwater shortfall, possible responses to a water supply shortage, a water shortage contingency plan with drought stage conditions and requirements, and an emergency water rationing plan.

The plan provides a strategy and specific response measures for different stages of drought, forecasts drought impacts so that appropriate measures can be taken to curtail water use for overall protection of the groundwater supply for the community, and establishes a program of voluntary and mandatory water conservation measures to be implemented after the Plan is reviewed and adopted by the District. The Water Shortage Contingency Plan documents the drought history of the District, previous DWR Grants, existing MCCSD Groundwater Management Planning, and the Water Budget. An analysis of the water budget includes correlation of pumping demand and rainfall correlated from the groundwater model. This information and model data was used to determine the criteria for declaring four different drought stages with corresponding conservation efforts. Finally, an economic impact analysis of drought was completed and is summarized in the plan.

A Water Shortage Emergency Ordinance draft was also developed to address both the need for the Board of the MCCSD to declare a water shortage emergency and to implement non-emergency water conservation measures. The Draft Ordinance was based on a review of a number of Water Conservation Ordinances and Water Shortage Emergency Ordinances throughout California, but was specifically tailored to Mendocino's unique conditions.

(MCCSD, 2019c)

#### **3.4.4 OPERATIONS AND CAPITAL NEEDS**

The District does not own, operate or maintain any water collection, treatment, or distribution facilities and infrastructure, so there are no infrastructure needs. However, the District does own and operate groundwater monitoring facilities and equipment, including a well sounder, monitoring wells, a utility trailer, a weather station, and various office equipment. According to the 2019 Capital Improvement Program, there is currently no need to replace or add to these facilities and equipment. Additionally, the minor nature of these items in tandem with the dedicated annual funds and annual surcharges and permit fees for groundwater management, there are no issues foreseen with replacing or maintaining these items into the future.

### **3.5 STREET LIGHTING**

#### **3.5.1 SERVICE OVERVIEW**

Street lighting within the Mendocino City CSD is paid for by the District, but the street lights are owned and maintained by PG&E. There are no facilities or equipment associated with street lighting that are the responsibility of MCCSD. MCCSD does have a standing committee on Street Lighting to address any issues with it as the need arises. (Kelley, 2019)

## 3.6 DETERMINATIONS

This section presents the required MSR determinations pursuant to California Government Code §56430(a) for the Mendocino City Community Services District.

### 3.6.1 MSR REVIEW FACTORS

#### 3.6.1.1 Growth

Growth and population projections for the affected area

1. The Mendocino City CSD is estimated to serve a population of approximately 800 residents. The number of actual users of groundwater increases by approximately 524 people during the tourist season based on full lodging facilities and the wastewater system is estimated to serve approximately 3,500 people daily with the inclusion of business, school, and State Parks users.
2. There are approximately 87 acres of undeveloped land within the District, and approximately 125 acres of land adjacent to the District's boundaries contained within the 2008 Sphere of Influence. According to the Sewer System Capacity Analysis in November 2009, the District's wastewater treatment plant has the capacity to accommodate all growth at build out.
3. Population growth is expected to increase at an annual rate of approximately 0.5 percent for Mendocino County. Based on this growth rate, the District can expect a small population increase of 20 people within the next five years. It is anticipated that the District will experience very limited growth.
4. Mendocino County and the California Coastal Commission have land use authority over privately-owned lands within the District boundary. Mendocino County makes land use decisions based on the Mendocino Town Plan and the Mendocino Town Zoning Code.
5. MCCSD has authority over groundwater extraction permits, which include proof of adequate water supply, and are required prior to any development or change in land use that uses more water, within the District boundaries.

#### 3.6.1.2 Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence

6. The Town of Mendocino is a Census Designated Place (CDP). Mendocino CDP has a median household income (MHI) of \$63,801 and the two adjacent census tract block groups have MHIs of \$73,097 and \$82,596, which do not meet the income threshold of \$60,222 to qualify as a DUC. Special consideration will be given to any future identified DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

#### 3.6.1.3 Capacity of Facilities and Adequacy of Services

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged unincorporated communities within or contiguous to the sphere of influence

7. The District provides Wastewater, Water, Groundwater Management, and Street Lighting services.



8. The MCCSD service area encompasses a population of approximately 800 residents. This area is predominantly characterized by residential development, with two larger institutional users, the Mendocino Unified School District and Russian Gulch State Park. There is no industrial flow to the MCCSD wastewater system.
9. The District provides wastewater treatment services to Russian Gulch State Park, which is located approximately one mile north of the District boundaries. The District does not provide any other out of agency services.
10. The District manages and maintains over 47,000 feet of collection system sewer lines and three lift stations. The California Department of Parks and Recreation maintains a collection system and fourth lift station at Russian Gulch State Park. State Park wastewater is pumped from their lift station through a force main to the MCCSD gravity collection system. Wastewater collected from the Mendocino wastewater system is treated at the District's wastewater treatment plant. The plant provides full tertiary treatment before discharge via an ocean outfall.
11. The total plant capacity is divided by an Equivalent Single Dwelling (ESD) of system capacity and there are 1,500 ESDs of plant capacity in MCCSD wastewater system. In 2020, there are 1,115 ESDs of wastewater system use resulting in a remaining plant capacity of 385 ESDs for new development, changes in use, and expansion of existing uses. The District has adequate capacity to serve all land uses at projected buildout.
12. It is recommended that the District and property owners on the north end of Lansing Street and Road 500D work together to explore the technical feasibility and associated costs of extending wastewater services to address failing non-standard septic systems in the area.
13. Current CIP projects planned to implemented in 2020 and 2021 include constructing a new plant operations building, upgrading the treatment plant's main electrical service, replacing the tertiary filter backwash control panel, upgrading the motor control panels in the blower room, bringing the electrical wiring throughout the treatment plant facility up to current electrical code, relocating the existing laboratory in the old control building to the new operations building, relocating the service vehicle and sewer maintenance and emergency equipment into new plant operations building's garage area, and installing a new electrical panel in the new plant operations building for future upgrade of the recycled water system, #2 plant water system, and chlorination and de-chlorination systems. Also planned is remodeling the District Office to meet ADA access compliance, add an ADA compliant parking space with a path of travel between facility buildings, and convert existing laboratory/ control room into a meeting room for monthly Board meetings.
14. The SSMP recommends that additional documentation of the collection system using the MCCSD GIS system should be considered.
15. The voters of the District passed Measure A on November 5, 1985 which specifically authorized the District to provide water services. After the passage of Measure A, the District secured grants, prepared studies, and tested multiple locations to identify a water source of adequate quantity and quality to create a municipal central water system to serve the entire District. To date, no adequate water source has been identified and the community continues to rely on private wells for water supply.
16. The unconfined Mendocino Headlands aquifer has a significant amount of water loss annually through cliff faces and does not hold or store groundwater from one year to the next; thus, groundwater conditions in the local aquifer are strongly influenced by annual precipitation. In 1987, special legislation AB 876 was approved which authorized the District to establish programs for the

management of the groundwater resources within the District and to function as a water replenishment district. In 1990, the District adopted a Groundwater Management Plan/Groundwater Extraction Permit Ordinance, began providing groundwater management services, and assumed responsibility of the groundwater extraction provisions of the County's Mendocino Town Plan.

17. The District currently provides a limited scope of water services including tertiary treated reclaimed water and State well water from a water storage tank at the Wastewater Treatment Plant during drought conditions. In order to expand water services beyond reclaimed water supply and well water storage, the District will likely need to identify and establish a new water source from outside the local aquifer to develop a water system or replenish the local aquifer. Due to the present lack of an adequate water source, the District has not developed a municipal central water system. Therefore, the need for groundwater from the local aquifer to supply private wells continues to be necessary and the District's Groundwater Management Plan which limits water extraction remains in effect.
18. The Groundwater Management Program recommends encouraging gardeners and residents to cultivate drought tolerant plants, cataloging low water use technologies for public reference, and adopting the recommendations from DWR's Mendocino County Coastal Groundwater Study as applicable.

#### 3.6.1.4 Financial Ability of Agency

##### Financial ability of agencies to provide services

19. The District prepares an annual Budget and has annual Independent Financial Audits prepared by a qualified Certified Public Accountant. The District must provide LAFCo a complete copy of all future financial audit reports (starting with Fiscal Year 2019-20) prepared by a Certified Public Accountant within 12 months of the end of the fiscal year or years under examination consistent with the timeframes established by Government Code Section 26909(a)(2)(b)(ii) as amended by SB 448.
20. According to audited financial information from Fiscal Years 2014-15 through 2018-19, the District generally operates at a net income or revenue gain to sufficiently cover operating costs and maintains a sufficient fund balance. This indicates that under the current level of service delivery, the District is able to meet its ongoing financial obligations. The District has adequate finances to meet current and future demands for public services within the next five years.
21. The District has a note payable with California Infrastructure and Economic Development for \$405,096 as of June 30, 2019, for a capital facilities improvement, which matures August 2034 and has an interest rate of 3.05 percent. The District also has a line of credit with a local financial institution. The line of credit is \$750,000, and the District currently owes \$200,000, due within one year. These amounts are budgeted in the annual CIP and accounted for in the overall budget.
22. Previous grants reduced the cost to the District of the facilities. Connection fees are only required to recover the present value of the actual costs to the District of the facilities. Funds to replace the facilities (depreciation) should be collected as a part of user fees and should be adequate to cover the full replacement costs of the facilities as grants may not be available in the future.
23. The District currently has \$400,000 in cash reserves in a Local Agency Investment Fund and approximately \$200,000 in checking and savings accounts. As of June 30, 2019, the District's cash and cash equivalents balance was \$141,502 for its enterprise activities. It is recommended that the

District establish a financial reserves policy for fiscal stability, unforeseen operating needs, and to accumulate restricted funds for capital improvements and equipment replacement costs.

24. The District has a Capital Improvement Program that is updated on an annual basis.

### 3.6.1.5 Shared Services and Facilities

Status of, and opportunities for, shared facilities

25. The District provides wastewater treatment services for Russian Gulch State Park and Mendocino Headlands State Park by agreement.
26. The District maintains a Memorandum of Understanding (MOU) with the Mendocino Unified School District for recycled water to irrigate the School District's fields.
27. There are planned expansions of the recycled water system that include a recycled water fire hydrant system, an irrigation system for the middle and grammar schools, and an irrigation system for Friendship Park. These expansions will require cooperative agreements between the fire district, the school district and the park district.
28. The District participates in the California Water/Wastewater Response Agency (CalWARN) for mutual assistance. CalWARN provides a mutual assistance program consistent with other statewide mutual aid programs and the Standardized Emergency Management System (SEMS) and the National Incident Management System (NIMS) through a process that allows for sharing emergency resources among signatories statewide and the resources to respond and recover more quickly from a disaster.
29. The District participates in the Golden State Risk Management Authority for the purpose of pooled insurance for providing liability and workers compensation for its facilities, operations, and employees.
30. Retirement for District employees is provided through the California Public Employee Retirement System (CalPERS).
31. The District does not contract with private or public entities or provide services to District residences through Joint Powers Authority (JPA). Other services are provided outside the purview of the District, such as road maintenance through the County of Mendocino and solid waste and recycling through Waste Management.
32. There are no additional opportunities for the District to achieve organizational or operational efficiencies identified during the preparation of this MSR.

### 3.6.1.6 Accountability, Structure, and Operational Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies

33. The District is governed by a five-member Board of Directors elected to serve 4-year terms. Several of the Board members have served the District for multiple consecutive terms which can be a significant benefit in establishing long-standing positive working relationships in the community, understanding the history and unique aspects of the organization, and maintaining institutional knowledge. The District currently has one vacancy on the Board of Directors and three seats that are set to expire this year and are scheduled to be filled by election in November 2020.
34. Regularly scheduled Board meetings are held on the last Monday of each month at 7:00 p.m. at the District office located at 10500 Kelly Street in Mendocino. All meetings are open to the public

and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.

35. The District Board of Directors conducts business and takes action by approving motions and adopting resolutions and ordinances by a majority vote of a sufficient quorum.
36. The District adopted Governance Guidelines by motion on September 30, 2008, which addresses the Board of Directors elections, officers, meeting conduct, conflicts of interest, decisions, rules of order, and responsibilities. The District adopted Fiscal Policies by motion on September 30, 2008, which include administrative policies, fiscal policies, personnel policies, and purchasing policies and bidding regulations. On October 27, 2008, the District adopted by Ordinance 08-3 Policies and Procedures for Purchasing of Supplies and Equipment, for Procuring Professional and Maintenance Services, and for the Disposal of Surplus Property. The District Board members file a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203 of the Political Reform Act. The District Board of Directors considers proposed increases to rates and fees at a properly noticed Public Hearing and subject to mailing a Notice of Hearing for Protests to all property owners pursuant to Proposition 218. The District complies with local government ethics laws and regulations and operates with accountability and transparency.
37. The District maintains a website, at [www.mccsd.com](http://www.mccsd.com), which is a helpful communication tool to enhance government transparency and accountability. The District's website has well organized information that appears to meet the special district transparency requirements of State law including the availability of agendas, ordinances, and financial information. The website also contains staffing and Board member information; job postings; plans and reports on upcoming projects such as the wastewater treatment plant upgrade project; educational materials on water conservation, water recycling, and fat, oil, grease (FOG) waste; ordinances and resolutions; and the Sewer System Management Plan.
38. The public can submit written or provide verbal comments or complaints in person or by phone at the District office during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., or at the District Board of Directors meetings during the general public comment period.
39. The District's website could be enhanced by posting a map of the District boundaries and permit applications, and a link to the regular Board meeting schedule on the Board of Directors page. Also valuable would be a comprehensive content management system, such as DocuShare, to provide a searchable document archive system for Board meeting packets and adopted ordinances, resolutions, annual budgets, past and current financial audit reports, and other digital records. The website could also be further improved with an update to the "Services" tab of the website to incorporate more information about the most recent drought from late 2011 to early 2019 (US Drought Monitor, 2019).
40. District staff has been very responsive, helpful, and cooperative throughout the intensive and iterative study development process in preparing this MSR/SOI Update.

### 3.6.1.7 Other Service Delivery Matters

Any other matter related to effective or efficient service delivery, as required by commission policy
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41. There are no other matters related to service delivery required by Mendocino LAFCo Policy.

## 4 SPHERE OF INFLUENCE

LAFCo prepares a Municipal Service Review (MSR) prior to or in conjunction with the Sphere of Influence (SOI) Update process. An SOI Update considers whether a change to the SOI, or probable future boundary, of a local government agency is warranted to plan the logical and orderly development of that agency in a manner that supports CKH Law and the Policies of the Commission. The MSR and required determinations are presented in Chapters 2 and 3 of this document and form the basis of information and analysis for this SOI Update. This chapter presents the SOI Update and required determinations pursuant to California Government Code §56425(e) for Mendocino City Community Services District.

### 4.1 SOI UPDATE

#### 4.1.1 EXISTING SPHERE OF INFLUENCE

The existing Sphere of Influence (SOI) for Mendocino City CSD is larger than the District boundary and was established by LAFCo on November 3, 2008 (LAFCo Resolution No. 2008-08). In 2008, the Commission approved a reduction of approximately two-thirds in the size of the District SOI located east of SR 1 to reflect the area that the wastewater treatment plant and groundwater resources have the capacity to serve. There have been no changes to the District boundary or SOI since then.

#### 4.1.2 STUDY AREAS

##### 4.1.2.1 2008 SOI

The SOI area adopted by the Commission in 2008 included a total of approximately 55 parcels located north of the District boundary along Lansing Road and located east of SR 1 adjacent to the District boundary along Law Road, Merrill Lane, Wildwood Lane, and an area accessed from Little Lake Road, as shown on Figure 2-1a.

##### 4.1.2.2 Road 500 D

A property owner with an undeveloped parcel on Road 500D, located north of the District boundary and west of SR 1, is interested in receiving wastewater services from the District via a 4-inch pressure main that crosses the subject parcel between Russian Gulch State Park and the District. The property owner has provided public records of failing or failed non-standard septic systems in the area of Road 500D to document the need for municipal wastewater services.

Serving this parcel would require annexation of all intervening parcels to the District boundary line; approximately 12 parcels along Lansing Road and 5 parcels along Road 500D. In addition, the annexing property owners would be responsible for considerable costs associated with extending wastewater infrastructure. At a minimum, extending services would entail engineering and developing a gravity collection system, lift station, and force main to the District's collection system. (Kelley, 2019)

#### 4.1.3 AREA OF INTEREST DESIGNATION

LAFCo's Area of Interest Policy, per Section 10.1.12, provides for the designation or identification of unincorporated areas located near to, but outside the jurisdictional boundary and established SOI of a city or district, in which land use decisions or other governmental actions of another local agency directly or indirectly impact the subject local agency.

An Area of Interest (AOI) designation serves as a compromise approach that recognizes situations involving challenging boundary or municipal service delivery considerations, or for which urbanization may be anticipated in the intermediate or long-range planning horizons. It is a tool intended to enhance communication and coordination between local agencies.

An AOI designation is most helpful when the county and city or district can reach agreement that development plans related to LAFCo designated Areas of Interest will be treated the same as if these areas were within the city or district SOI boundary regarding notification to and consideration of input from the city or district.

There are no areas that have been designated as an AOI to further emphasize and support the District in requesting consideration from the County of Mendocino regarding discretionary land use entitlements or other development plans with the potential to impact District lands, facilities, and/or services.

#### **4.1.4 PROPOSED SOI CHANGES**

The District has confirmed that their current boundary reflects existing service needs and projected service demands over the next five years (MCCSD, 2019a). A coterminous SOI, which is a sphere that is the same as the jurisdictional boundary, is appropriate given that there have been no annexations in the last 12 years, there is no planned urban development, and there is low projected growth and demand for services. The SOI for the Mendocino City CSD is recommended to be reduced to a coterminous sphere, as shown in Figure 2-1a, consistent with Policy 10.1.4.a.

#### **4.1.5 CONSISTENCY WITH LAFCO POLICIES**

The District is comprised of a historical mixed use residential and commercial community with a visitor-oriented economy and open space resources. Reducing the District’s existing 2008 SOI to a coterminous sphere is consistent with Mendocino LAFCo Policies (refer to Section 1.5 for the specific SOI policies).

#### **4.1.6 OTHER LOCAL POLICIES**

Refer to Appendix C in Section 8.3 for other applicable local policies.

#### **4.1.7 DETERMINATIONS**

It is recommended that the Commission reduce the existing 2008 Sphere of Influence for Mendocino City Community Services District to a coterminous sphere as shown in Figure 2-1a. The following statements have been prepared in support of this recommendation.

##### **4.1.7.1 Land Uses**

The present and planned land uses in the area, including agricultural and open space lands

The Mendocino Town Plan Land Use Map shows that the downtown area is comprised largely of residential and commercial uses, but also has a large area of public facility uses, as well as surrounding open space with the Mendocino Headlands State Park. East of State Route 1 is some suburban residential development, as well as more rural residential development and open space. The County of Mendocino regulates land use growth in the unincorporated community of Mendocino through Division III of Title 20 of the Mendocino County Code, the “Mendocino Town Zoning Code.” The Mendocino Town Zoning Code implements the Mendocino Town Plan geographical segment, which is certified by the California Coastal Commission through the Local Coastal Program. The Local Coastal Program consists of the Town Plan, the Town Land Use Map, the Town Zoning Code, and the Town Zoning Map, all of which must be certified by the Coastal Commission. The Town Zoning Code supersedes the County’s Zoning Code because of the involvement of the Coastal Commission with development in the

community, and Chapter 3 of the California Coastal Act and the decisions of the Coastal Commission guide the implementation and interpretation of the Town Zoning Code.

#### 4.1.7.2 Need for Facilities and Services

The present and probable need for public facilities and services in the area

The District provides Wastewater, Water, Groundwater Management, and Street Lighting services. The Mendocino City CSD is estimated to serve a population of approximately 800 residents. The number of actual users of groundwater increases by approximately 524 people during the tourist season based on full lodging facilities and the wastewater system is estimated to serve approximately 3,500 people daily with the inclusion of business, school, and State Parks users. Population growth is expected to increase at an annual rate of approximately 0.5 percent for Mendocino County. Based on this growth rate, the District can expect a small population increase of 20 people within the next five years. It is anticipated that the District will experience very limited growth. The residents and visitors currently receiving services from the District will continue to need these public services. Additionally, as determined in the MSR, it is recommended that the District work closely with property owners on the north end of Lansing Street and Road 500D to explore the technical feasibility, willingness, and associated costs of providing wastewater services to address failing non-standard septic systems.

#### 4.1.7.3 Capacity of Facilities and Adequacy of Services

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

As determined in the MSR prepared for the District, the Mendocino City CSD has adequate facilities and equipment to meet current and future demands for public services within the next five years. The Town of Mendocino relies on groundwater from the local aquifer to supply private wells. An additional water source would be needed to meet future long-term growth demands in the area as detailed in MSR determinations 15, 16, and 17. Additionally, as determined in the MSR, funds to replace the facilities (depreciation) should be collected as a part of user fees and should be adequate to cover the full replacement costs of the facilities as grants may not be available in the future.

#### 4.1.7.4 Communities of Interest

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency

No social or economic communities of interest have been identified that should be included in the Mendocino City CSD boundary or SOI.

#### 4.1.7.5 Disadvantaged Unincorporated Communities

The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

The Town of Mendocino is a Census Designated Place (CDP). Mendocino CDP has a median household income (MHI) of \$63,801 and the two adjacent census tract block groups have MHIs of \$73,097 and \$82,596, which do not meet the income threshold of \$60,222 to qualify as a DUC. Special consideration will be given to any future identified DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

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## 6 ACRONYMS

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AF	Acre-feet
CalPERS	California Public Employees Retirement System
CalWARN	California Water/Wastewater Response Agency
CDP	Census-Designated Place
CEQA	California Environmental Quality Act
CIP	Capital Improvement Plan
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPA	Certified Public Accountant
CRWA	California Rural Water Association
CSD	Community Services District
ESD	Equivalent single-family dwelling unit
FOG	fat, oil, grease
FY	Fiscal Year
GHG	Greenhouse gas
GPD	Gallons per day
GPM	Gallons per minute
GWEP	Groundwater Extraction Permit
JPA	Joint Powers Authority
LAFCo	Local Agency Formation Commission
LLFPD	Little Lake Fire Protection District
MCCSD	Mendocino City Community Services District
MCOG	Mendocino Council of Governments
MG	million gallons
MGD	million gallons per day
MHI	Median household income
MHS	Mendocino High School
MOU	Memorandum of Understanding
MSR	Municipal Service Review
MUSD	Mendocino Unified School District
NIMS	National Incident Management System
RHNA	Regional Housing Needs Allocation
RTP	Regional Transportation Plan
SEMS	Standardized Emergency Management System
SOI	Sphere of Influence
SOMP	System Operations and Maintenance Program
SSMP	Sewer System Management Plan
SSO	Sanitary Sewer Overflow
WTP	Water Treatment Plant
WWTP	Wastewater Treatment Plant

## 7 ACKNOWLEDGEMENTS

### 7.1 REPORT PREPARATION

This Municipal Service Review and Sphere of Influence Update was prepared by Jessica Hankins in consultation with Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

Uma Hinman, Executive Officer  
Larkyn Feiler, Analyst  
Kristen Meadows, Clerk

### 7.2 ASSISTANCE AND SUPPORT

This Municipal Service Review and Sphere of Influence Update could not have been completed without the assistance and support from the following organizations and individuals.

Mendocino City CSD	Michael Kelley, Former District Superintendent Ryan Rhoades, New District Superintendent Jodi Mitchell, Former District Secretary
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## 8 APPENDICES

### 8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES

The purpose of this appendix is to provide a brief list of some educational resources for local agencies interested in learning more about the broad scope of public interest laws geared towards government transparency and accountability. This appendix is not intended to be a comprehensive reference list or to substitute legal advice from a qualified attorney. Feel free to contact the Mendocino LAFCo office at (707) 463-4470 to make suggestions of additional resources that could be added to this appendix.

The websites listed below provide information regarding the following open government laws: (1) **Public Records Act** (Government Code §6250 et seq.), (2) **Political Reform Act** – Conflict-of-Interest regulations (Government Code §81000 et seq.), (3) **Ethics Principles and Training** (AB 1234 and Government Code §53235), (4) **Brown Act** – Open Meeting regulations (Government Code §54950 et seq.), and (5) **Online Compliance** regulations (Section 508 of the US Rehabilitation Act and Government Code §11135).

- Refer to the State of California Attorney General website for information regarding public access to governmental information and processes at the following link: <https://oag.ca.gov/government>.
- Refer to the State of California Attorney General website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <https://oag.ca.gov/ethics>.
- The Fair Political Practices Commission (FPPC) is primarily responsible for administering and enforcing the Political Reform Act. The website for the Fair Political Practices Commission is available at the following link: <http://www.fppc.ca.gov/>.
- Refer to the California Department of Rehabilitation website for information regarding Section 508 of the US Rehabilitation Act and other laws that address digital accessibility at the following link: <http://www.dor.ca.gov/DisabilityAccessInfo/What-are-the-Laws-that-Cover-Digital-Accessibility.html>.
- Refer to the Institute for Local Government (ILG) website to download the Good Governance Checklist form at the following link: [www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices](http://www.ca-ilg.org/post/good-governance-checklist-good-and-better-practices).
- Refer to the Institute for Local Government (ILG) website to download the Ethics Law Principles for Public Servants pamphlet at the following link: [www.ca-ilg.org/node/3369](http://www.ca-ilg.org/node/3369).
- Refer to the Institute for Local Government (ILG) website for information regarding Ethics Training Courses required pursuant to AB 1234 at the following link: <http://www.ca-ilg.org/ethics-education-ab-1234-training>.
- Refer to the California Special Districts Association (CSDA) website for information regarding online and website compliance webinars at the following link: <http://www.csda.net/tag/webinars/>.

## 8.2 APPENDIX B – WEBSITE COMPLIANCE HANDOUT

Refer to the next page.

# Appendix B

## California Website Compliance Checklist

Use this checklist to keep your district's website compliant with State and Federal requirements.

### Public Records Act

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SB 929

**Our district has created and maintains a website**

Passed in 2018, all independent special districts must have a website that includes contact information (and all other requirements) by Jan. 2020

SB 272

**Our Enterprise System Catalog is posted on our website**

All local agencies must publish a catalog listing all software that meets specific requirements—free tool at [getstreamline.com/sb272](http://getstreamline.com/sb272)

AB 2853 (optional):

**We post public records to our website**

This bill allows you to refer PRA requests to your site, if the content is displayed there, potentially saving time, money, and trees

### The Brown Act

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AB 392:

**Agendas are posted to our website at least 72 hours in advance of regular meetings, 24 hours in advance of special meetings**

This 2011 update to the Act, originally created in 1953, added the online posting requirement

AB 2257:

**A link to the most recent agenda is on our home page, and agendas are searchable, machine-readable and platform independent**

Required by Jan. 2019—text-based PDFs meet this requirement, Microsoft Word docs do not

### State Controller Reports

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Financial Transaction Report:

**A link to the Controller's "By the Numbers" website is posted on our website**

Report must be submitted within seven months after the close of the fiscal year—you can add the report to your site annually, but posting a link is easier

Compensation Report:

**A link to the Controller's PublicPay website is posted in a conspicuous location on our website**

Report must be submitted by April 30 of each year—you can also add the report to your site annually, but posting a link is easier

### Healthcare District Websites

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AB 2019:

**If we're a healthcare district, we maintain a website that includes all items above, plus additional requirements**

Including budget, board members, Municipal Service Review, grant policy and recipients, and audits

### Open Data

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AB 169:

**Anything posted on our website that we call "open data" meets the requirements for open data**

Defined as "retrievable, downloadable, indexable, and electronically searchable; platform independent and machine readable" among other things

### Section 508 ADA Compliance

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CA gov code 7405:

**State governmental entities shall comply with the accessibility requirements of Section 508 of the federal Rehabilitation Act of 1973**

Requirements were updated in 2018—if you aren't sure, you can test your site for accessibility at [achecker.ca](http://achecker.ca)



California Special Districts Association  
CSDA  
Districts Stronger Together



STREAMLINE  
Website compliance made easy

# The Brown Act: new agenda requirements

Tips for complying with AB 2257 by January, 2019

## Placement:

**What it says:** An online posting of an agenda shall be posted on the primary Internet Web site homepage of a city, county, city and county, special district, school district, or political subdivision established by the state that is accessible through a prominent, direct link to the current agenda.

**What that means:** Add a link to the **current agenda directly to your homepage**. It cannot be in a menu item or otherwise require more than a single click to open the agenda.

## Exception:

**What it says:** A link to the agenda management platform may be added to the home page instead of a link directly to the current agenda, if the agency uses an integrated agenda management platform that meets specified requirements, including, among others, that the current agenda is the first agenda available at the top of the integrated agenda management platform.

**What that means:** If you use an agenda management system, you may add a link to that system directly to your homepage (again, not in a menu item), if the format of the agenda meets the requirements below, and if the current agenda is the first at the top of the list.

## Format:

**What it says:** [agenda must be] Retrievable, downloadable, indexable, and electronically searchable by commonly used Internet search applications. Platform independent and machine readable. Available to the public free of charge and without any restriction that would impede the reuse or redistribution of the agenda.

**What that means:** You cannot add Word Docs or scanned (image-based) PDFs of your agenda to your website—Word Docs are not platform independent (the visitor must have Word to read the file), and scanned PDFs are not searchable. Instead, **keep your agenda separate from the packet** and follow these steps:

1. From Word or other document system: Export agenda to PDF
2. Add that agenda to your website (or to your agenda management system), and include a link to that agenda on your homepage
3. Then, you can print the agenda, add it to your pile of documents for the packet, and scan that to PDF - just keep the packet separate from the agenda (only the agenda must meet AB 2257)
4. Keep the link on the homepage until the next agenda is available, then update the link

Questions? Contact [sloane@getstreamline.com](mailto:sloane@getstreamline.com) or [dillong@csga.net](mailto:dillong@csga.net)

## 8.3 APPENDIX C – MENDOCINO COUNTY POLICIES

Mendocino County's General Plan establishes a policy framework for the Mendocino town area in Chapter 7 Coastal Element, Chapter 4.13 Mendocino Town Plan, dated June 10, 1992. The following policies are specific to the Mendocino town area, and supplement the countywide goals and policies included elsewhere in the County's General Plan. Where there are conflicts between the Town Plan and the County General Plan, the Town Plan controls due to the involvement of the California Coastal Commission with oversight of the area.

### Growth Management

Policy 4.13-1: The town of Mendocino shall be designated a special community and a significant coastal resource as defined in Coastal Act Section 30251. New development shall protect this special community which, because of its unique characteristics, is a popular visitor destination point for recreational uses.

Mendocino shall be recognized as a historic residential community with limited commercial services that are important to the daily life of the Mendocino Coast. The controlling goal of the Town Plan shall be the preservation of the town's character. This special character is a composite of historic value, natural setting, attractive community appearance and an unusual blend of cultural, educational and commercial facilities.

The preservation of the town's character shall be achieved, while allowing for orderly growth. This shall be done by careful delineation of land uses, provision of community services and review and phasing of development proposals. Balance shall be sought between residential units, visitor accommodations and commercial uses. Provision of open space and siting of structures to retain public views of the sea shall be considered as part of all new development proposals. The objective shall be a Town Plan which retains as much as possible the present physical and social attributes of the Mendocino Community.

"Balance" between residential uses, commercial uses and visitor serving uses shall be maintained by regulating additional commercial uses through development limitations cited in the Mixed Use and Commercial Land Use Classifications; and, by limiting the number of visitor serving uses.

Visitor Serving Units listed on Table 4.13-1 (234) shall remain fixed, and a ratio of thirteen long term dwelling units to one Vacation Home Rental or one Single Unit Rental (Tables 4.13-2 and 4.13-3) shall remain fixed; until the plan is further reviewed and a plan amendment is approved and certified by the California Coastal Commission.

For example, an increase in long term residential dwelling units from the current count of 306 to 319, would allow an increase of one short term rental, whether Single Unit Rental or Vacation Home Rental. Tables 4.13-2 (Single Unit Rentals) and 4.13-3 (Vacation Home Rentals) shall be flexible as to location and such changes of location shall not require a plan amendment.

Policy 4.13-2: This amended plan shall be reviewed three years after certification of this plan amendment date to determine the effect of development on town character. The plan shall be revised, if necessary, to preserve town character consistent with Policy 4.13-1.

Policy 4.13-3: To preserve town character, commercial development shall be limited as mapped and shown in the plan, though at some point the amount of commercial space will be less than the market could support.



**Policy 4.13-4:** Visitor Serving Accommodations: These policies are intended to preserve town character and Visitor Serving Facilities shall be limited and regulated consistent with the provisions set forth below. All development of Visitor Serving Facilities shall be designed in scale, architecture and materials to maintain existing character of the town consistent with the special community designation.

(1) The Mendocino Town Plan designates existing Visitor Serving Facilities providing overnight accommodations for these uses on a parcel by parcel basis by placing the appropriate designation on the Town Plan Map. Any additional Visitor Serving Facilities for overnight accommodations above and beyond these designations shall require a plan amendment. Any legally existing Visitor Serving Facility inadvertently omitted from the Town map shall be corrected as a mapping error. Bed and Breakfast rooms are identified with an asterisk "B" and all others with an asterisk. A listing of these rooms appear on Table 4.13-1.

(2) No Inn, Hotel or Motel operated as one business entity shall exceed 25 overnight units.

(3) All visitor serving facilities shall be designed in scale, architecture and materials to maintain existing character of the town consistent with the special community designation.

Any expansion of visitor accommodation units to the number allowable on a parcel by parcel basis identified on Table 4.13-1, but not yet existing, shall require a conditional use permit.

The designation of new visitor serving facilities not listed on Table 4.13-1 shall require a General Plan Amendment. Existing visitor serving facilities listed on Table 4.13-1 that propose to expand beyond the maximum number of units listed on Table 4.13-1 shall require a General Plan Amendment.

The total number of units allowable (234) on Table 4.13-1 shall remain fixed until the plan is further reviewed and a plan amendment is approved and certified by the California Coastal Commission.

(4) All existing locations approved for inns, hotels, motels, hostels, Bed and Breakfast rooms and Student/Instructor housing are specifically designated on the Town Plan Map. All new Visitor Serving Facilities providing overnight accommodations, over and above those designated in Table 4.13-1, not specifically designated on the Town Plan Map shall only be allowed in the Mixed Use or Commercial Zoning Districts and shall be deemed commercial development and subject to the development limitations of the applicable zoning district. In the Mixed Use Zone, the 50 percent commercial/50 percent residential requirement for long term residential dwelling housing shall apply.

(5) In addition to the visitor accommodations listed on Table 4.13-1, the plan allows for two other categories of visitor serving uses.

Table 4.13-2 is a listing of Single Unit Rentals (attached or detached) operated as a short term rental in conjunction with an existing residential dwelling unit or commercial use.

Table 4.13-3 is a listing of Vacation Home Rentals (a dwelling unit that is the only use on the property which may be rented short term for transient occupancy).

Table 4.13-2 currently lists 23 such units and Table 4.13-3 currently lists 23 such units.

Single Unit Rentals and Vacation Home Rentals shall be subject to Chapter 520 (Uniform Transient Occupancy Tax) and Chapter 6.04 (Business License Tax) of the Mendocino County Code.

Tables 4.13-2 and 4.13-3 shall remain flexible as to location and the County of Mendocino shall have the authority to adjust locations on these two tables from time to time without a plan amendment process, but not to add to the tables numbers of units that would exceed the following criteria:

To preserve town character and maintain the town as a residential community with limited commercial services, the County shall maintain, at all times, for new Vacation Home Rentals or Single Unit Rentals approved subsequent to certification of this amendment, a ratio of thirteen long term residential dwelling units to either one Single Unit Rental or Vacation Home Rental, but shall not require any reduction in the number of Vacation Home Rentals or Single Unit Rentals in existence on the date of certification by the Coastal Commission of this amendment.

Single Unit Rentals (Table 4.13-2) shall be exempted from the above limitations in the Commercial Zone.

Business licenses for Single Unit Rentals (Table 4.13-2) and Vacation Home Rentals (Table 4.13-3) shall not be transferable.

Applications for new locations to be listed on Tables 4.13-2 and 4.13-3 shall be subject to a conditional use permit and an additional nonrefundable fee of \$100.00 shall be required of such applicants and applications shall be considered in chronological order from date of application, with first priority given to Single Unit Rentals.

(6) Any visitor serving facility listed on Table 4.13-1 that is operating without a coastal development permit where one is necessary must file an application for a coastal development permit within one year of the adoption of the revised table, or the option to continue providing visitor serving accommodations shall be deemed forfeited and such locations eliminated from the table.

(7) The reservation of specific sites for visitor serving facilities providing overnight accommodations shall not be preempted by conversion to other permanent uses excepting residential uses.

(8) Existing Student/Instructor Temporary Housing is identified in Table 4.13-1. Any new sites other than those identified on Table 4.13-1 shall require a plan amendment.

(9) Student/Instructor, temporary and intermittent, housing facilities provided by the Mendocino Art Center on site are recognized in Table 4.13-1. This use shall require a County Business License and adequate record keeping to ensure payment of bed tax on monies grossed from transient occupancy (less than 30 days stay, per occupant).

**Policy 4.13-5: NONCONFORMING USES:** A nonconforming use is a use of a structure or land which was lawfully established and maintained prior to the adoption of this amended plan, but which does not conform with the use for the land use category in which it is located.

(A) All existing legal uses shall be deemed consistent with the town plan.

(B) A nonconforming use that is discontinued for a period of one (1) year, or is changed or replaced by a conforming use, shall be deemed abandoned and shall not be resumed, and subsequent use of the site shall be in conformance with all provisions of this plan.

(C) A nonconforming use may be continued and structures used therefore may be maintained, provided that:

(1) Structural alterations shall be limited to the interior of a building, with no change in the exterior dimensions of a building or portions thereof used for a nonconforming use.

(2) Structural alterations shall be made only in compliance with applicable building code requirements and, where applicable, with the requirements of the Mendocino Historical Review Board.

(3) There shall be no expansion of the nonconforming use.

**NONCONFORMING LOTS:** All legally created lots shall be deemed potential building sites, subject to the same controls as lots 12,000 square feet or larger.

Policy 4.13-6: All persons operating Visitor Serving Facilities or Student/Instructor temporary housing as herein defined are subject to the provisions of Chapter 5.20 (Uniform Transient Occupancy Tax) and Chapter 6.04 (Business License Chapter) of the Mendocino County Code.

Policy 4.13-7: Residential dwelling units in the town shall not be converted to any nonresidential use except in the Commercial "C" zone, or as provided for by the permitted ratio referenced in Policy 4.13-4(5).

### **Design Guidelines**

Policy 4.13-8: The Historical Preservation District Zoning Ordinance, as amended, shall be made a part of the implementing ordinances of the Mendocino Town Plan and the Mendocino Historical Review Board shall continue to exercise those charges as specified by the ordinance.

Policy 4.13-9: Design review guidelines shall set criteria which will be utilized to ensure preservation, protection, enhancement, rehabilitation, reconstruction and perpetuation of existing structures of historic significance in a manner consistent with the character of the Town.

New buildings, rehabilitations and renovations to existing structures will be consistent with the character of the town and they shall not degrade the setting of buildings of landmark stature (as described in the Inventory of Historic Building, Appendix, Historic Structures). Regulations shall be consistent with the historic ordinance and guidelines as accepted by the County Board of Supervisors. Such criteria shall include, but not be limited to architectural design, size, height, dormers, windows, structures, appurtenances, proportion and placement of improvements on the parcel, and landscaping, including planting or removal of vegetation, must be reviewed in the application process.

Policy 4.13-10: No building permit shall be finalized or occupancy permit issued until all aspects and conditions of the permit approval have been met.

Policy 4.13-11: Review of applications for all new development shall include consideration of requiring dedicated scenic easements to protect views from Highway 1, as well as public views to the sea and landmark structures as described in the Inventory of Historic Structures (Appendix).

Policy 4.13-12: Any proposed private use of the Middle School site or changed public use that would remove existing permanent buildings or would intensify development of the site shall require amendment of the Town Plan.

Policy 4.13-13: In addition to any design review related to protection of the character of the town, all development shall conform to Section 30251 of the Coastal Act, and any specifically designated scenic and view areas as adopted on the map. Provisions of open space and siting of structures to retain public views shall be considered as part of all new development proposals.

### **Circulation and Parking**

Policy 4.13-14: The County technical staff shall be directed to review the submittal by the appointed Mendocino Citizens Advisory Committee outlining the eleven (11) priorities for safety improvements (dated October 17, 1989) and implement improvements at the earliest possible funding date(s).

Policy 4.13-15: Installation of a traffic signal at the intersection of Highway 1 and Little Lake Road (1989) should alleviate safety problems at that intersection. The California Department of Transportation should continue to monitor traffic safety at the intersection of Highway 1 and Main Street and make improvements as necessary for optimal safety.

Policy 4.13-16: The County shall implement a requirement for off-street parking on all new development and use permit applicants consistent with requirements of the applicable zoning district. Where no off-street parking is feasible, then the County shall require in-lieu fees, such fees to be placed in an encumbered account to be used solely in the Town of Mendocino for street and parking improvements.

Policy 4.13-17: The County shall make every effort to develop a plan for optimal circulation and parking of heavy weight tourist vehicles (large recreational vehicles, tour busses, pickup campers, etc.) on designated County or State lands.

Policy 4.13-18: Consistent with the Town designation as a Special Community with historic significance, and recognizing that historically Main Street, east to Highway 1, was "Main" Street in the early years of this century, the Board of Supervisors shall direct that Main Street be so designated and the incorrect Lansing Street naming shall be abandoned.

Policy 4.13-19: Consistent with the Town designation as a Special Community, and with the reality of the continued use of the old three and four digit street numbers, the County Board of Supervisors shall restore the old numbering system and abandon the County's five digit numbering system, with the restoration of the three and four digit numbers being based on the street the structures face, within the Town boundaries.

### **Affordable Housing**

Policy 4.13-20: Consistent with the Affordable Housing criteria cited on Page 7 of this plan, residential dwelling units in the town shall not be converted to any nonresidential use except in the Commercial "C" zone, or as provided for by the permitted ratio referenced in Policy 4.13-4(5).

Policy 4.13-21: Second residential dwelling units are allowable in the R+ Zoning District on parcels larger than 9,000 square feet; and, in the RR-2 Zoning District on parcels larger than 40,000 square feet, subject to the following criteria and standards. Second dwelling units are intended to provide long term housing. Deed restrictions, as a part of the permit process, shall ensure maintenance of the housing inventory and consistency with the balance cited in Policy 4.13-1.

- (1) The parcel contains an existing single family dwelling unit.
- (2) The second dwelling unit does not exceed 900 square feet.
- (3) An adequate water system as approved by the County Division of Environmental Health and the Mendocino City Community Services District is available to serve the second dwelling unit.
- (4) The second dwelling unit shall conform to height, setback, lot coverage, architectural review, site plan review, off street parking and other zoning district requirements applicable to the zone in which the second dwelling unit is located.
- (5) Second dwelling units are intended for long term occupancy, by family members or tenants, and are not intended for sale.
- (6) A second dwelling unit shall not have a negative impact on the designated land use and second dwelling units shall not be permitted if identified impacts are contrary to the goals and policies of this plan.
- (7) Second dwelling units shall not be permitted in Planned Unit Development Combining Districts.

### **Water**

Policy 4.13-22: All new development shall be contingent upon proof of an adequate water supply during dry summer months which will accommodate the proposed development and will not deplete the ground water table of contiguous or surrounding uses. The findings of the Coastal Ground Water Study of June 1982 shall be incorporated in the Mendocino Town Plan.

### **Public Facilities**

Policy 4.13-23: Previous Policy 4.13-17(1) (November 5, 1985) requested that the centrally located vacant parcel known then as the "Heider Lot" now known as "Heider Field", be acquired by a public agency or nonprofit agency. This acquisition has been accomplished (1987) through special legislation that allowed a trade of parcels between State Parks and Recreation and the Mendocino Presbyterian Church. A rezoning of the Heider Field to Open Space and a rezoning of the exchange parcel south of the Presbyterian Church have been effected, subject to the following criteria:

- (1) Construction of any structure upon that portion of Assessor's Parcel Number 119-250-24, conveyed by State Parks to the Mendocino Presbyterian Church, shall be compatible with the character and use of Mendocino Headlands State Park in consultation with the State Historic Preservation Officer. Any improvements made, including landscape screening, shall not obscure visibility of any portion of the Church sanctuary from State Highway One or Brewery Gulch Drive. Any improvements made shall also be in conformance with all local ordinances pertaining to the Historic District.
- (2) Public pedestrian access via the end of Church Street, shall be provided at all times to the Mendocino Headlands State Park and the mouth of Big River on that part of Assessor's Parcel Number 119-250-24, conveyed by State Parks and Recreation to the Mendocino Presbyterian Church and designated PF by Mendocino Coastal Plan Amendment 2-87. An alternative access way will be identified at the time of development and should that development include a parking area, vehicular access and parking by the public shall be granted upon the property, except during regular church services and after dusk.

Policy 4.13-24: A public agency or private nonprofit agency, in that order, shall be requested to acquire the former Middle School (44800 Pine Street), owned by the Mendocino Unified School District and currently leased to the Community Center of Mendocino non-profit, for permanent community use.

Policy 4.13-25: To ensure preservation, in perpetuity, of the Memorial Triangle, privately owned and a portion of Assessor's Parcel Number 119-250-07, the County, other public agency or private nonprofit association should acquire, through outright purchase or an easement given in perpetuity, this small area and preserve it as Open Space, Memorial Site, in perpetuity.

Policy 4.13-26: The plan amendment now defines Vacation Home Rental as a Visitor Serving Accommodation and limits the number to a ratio of one Vacation Home Rental (or Single Unit Rental) to thirteen residential units.

Policy 4.13-27: Because Mendocino is a registered historic district, categorical exemptions within the California Environmental Quality Act shall not apply unless it can be clearly demonstrated that there is no potential for adverse impact. The County shall amend the County's California Environmental Quality Act (CEQA) Guidelines to provide specificity for the Town of Mendocino.

(County, 2017)

## 8.4 APPENDIX D – GROUNDWATER SPECIAL LEGISLATION

### PART 2.7. GROUNDWATER RESOURCES [10700 - 10717]

(Part 2.7 added by Stats. 1987, Ch. 472, Sec. 1)

**10700.** This part applies only to the area within the existing boundaries of the Mendocino City Community Services District.

**10701.** (a) As used in this part, “local agency” means any city, county, district, agency, or other political subdivision of the state for the local performance of governmental or proprietary functions within limited boundaries.

(b) As used in this part, “groundwater” and “groundwater resources” do not include those subsurface waters incidentally produced in connection with or as a result of natural resource extraction activities when the disposal of those subsurface waters is regulated by state or federal law.

**10702.** Any local agency which is authorized by law to provide water services may, by ordinance, or by resolution if the local agency is not authorized to act by ordinance, establish programs for the management of groundwater resources.

**10703.** Prior to the adoption of a groundwater management program, the governing board of the local agency shall hold a public hearing, after publication of notice pursuant to Section 6066 of the Government Code, on the proposed groundwater management program. At the hearing, the board may alter the program or require further study on the program and continue the hearing. At the conclusion of the hearing, the board may adopt a resolution of intention to adopt and implement the program.

**10704.** After the conclusion of the hearing, and if the governing board adopts a resolution of intention, copies of the groundwater management program shall be published in a newspaper of general circulation. Upon written request, any interested person shall be provided with a copy of the program.

**10705.** After the adoption of a resolution of intention, the governing board shall hold a second hearing and consider protests to the implementation of the program. Any interested person may appear to be heard concerning any matter set forth in the resolution or matters material thereto. Any time prior to the conclusion of the hearing, any eligible registered voter of the local agency may file a written protest or withdraw a protest previously filed.

**10706.** A majority protest shall be determined to exist if the governing board finds that the protests filed and not withdrawn prior to the conclusion of the second hearing represent more than 50 percent of the eligible registered voters residing within the boundaries of the local agency.

If the governing board finds that a majority protest exists, the groundwater management program shall be abandoned and no new program shall be considered by the board for a period of one year following the date of the second hearing. If a majority protest has not been filed, the board, within 35 days after the conclusion of the second hearing, may adopt an ordinance or resolution to implement the program.

**10707.** A local agency authorized to establish programs for the management of groundwater resources pursuant to this part may for that purpose enter into a joint powers agreement pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

**10708.** A local agency which establishes a program for the management of groundwater resources pursuant to this part may fix and collect rates for the extraction of groundwater to pay expenses incurred by the local agency for purposes of groundwater management.

**10709.** For purposes of groundwater management, a local agency authorized to establish programs for the management of groundwater resources pursuant to this part may, in addition to the powers set forth in this act, exercise any of the powers of a water replenishment district under Part 4 (commencing with Section 60220) of Division 18 and may levy a water replenishment assessment in accordance with Part 6 (commencing with Section 60300) of Division 18.

**10710.** Before a local agency may levy a water replenishment assessment as authorized in Section 10709 or may otherwise fix and collect rates for the extraction of groundwater pursuant to this part, the local agency shall hold an election on the proposition of whether or not the local agency shall be authorized to levy a water replenishment assessment or to fix and collect rates for the extraction of groundwater, and a majority of the votes cast at the election shall be in favor of the proposition. The election shall be conducted in the manner prescribed by the principal act of the local agency.

**10711.** No local agency shall exercise the powers authorized by this part within the boundaries of another local agency authorized by law to provide water service to any or all of the lands within its boundaries, without the prior agreement of the governing body of that other local agency.

**10712.** No local agency shall exercise the powers authorized by this part within the boundaries of another local agency providing water service to any or all of the lands within its boundaries, without the prior agreement of the governing body of that other local agency.

**10713.** If a local agency annexes land subject to a groundwater management program of another local agency, the local agency annexing the land shall continue to comply with the groundwater management program for the annexed property.

**10714.** This part neither preempts, negates, affects, nor infers the existence of any powers of a local agency in other groundwater basins of the state to establish programs for the management of groundwater resources.

**10715.** This part is in addition to, and not a limitation on, any powers of a local agency otherwise granted by law.

**10716.** This part does not exempt any local agency formed under any act requiring the approval of its leases, contracts, or issuance of securities by the Treasurer from obtaining the report, investigation, and approval of the Treasurer as required by that act or by the District Securities Investigation Law of 1965.

**10717.** A local agency shall no longer be authorized to exercise the powers conferred by this part upon the completion and implementation of a municipal central water system supplying water to the inhabitants within the boundaries of the local agency.



# The Mendocino Beacon

690 S. Main Street  
Fort Bragg, California 95437  
707-964-5642

2117504

MENDOCINO COUNTY LAFCO  
200 SOUTH SCHOOL ST  
UKIAH, CA 95482

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

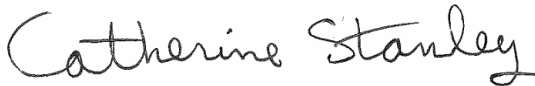
### STATE OF CALIFORNIA COUNTY OF MENDOCINO

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 Office Clerk of the The Mendocino Beacon, a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California under the date of May 9, 1952 - Case Number 9151, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been printed in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates:

**07/09/2020**

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

Dated at Fort Bragg, California,  
July 9th, 2020



Catherine Stanley, LEGAL CLERK

Legal No. **0006500309**

#### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Monday, August 3, 2020, at 9:00 AM (or as soon thereafter as the matter may be heard) in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, or conducted remotely pursuant to State Executive Order N-29-20 in response to the COVID-19 pandemic if necessary with public participation via teleconference as detailed in the agenda 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:

#### **Mendocino City Community Services District Municipal Service Review and Sphere of Influence Update**

Copies of all related documents may be reviewed once available at the LAFCo website ([www.mendocinolaafco.org](http://www.mendocinolaafco.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@mendocinofco.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  
S/ UMA  
HINMAN,  
Executive  
Officer  
Publish:  
07/09/2020

# Fort Bragg Advocate-News

690 S. Main Street  
Fort Bragg, California 95437  
707-964-5642

2117504

MENDOCINO COUNTY LAFCO  
200 SOUTH SCHOOL ST  
UKIAH, CA 95482

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

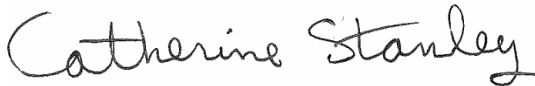
### STATE OF CALIFORNIA COUNTY OF MENDOCINO

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 Office Clerk of the Fort Bragg Advocate-News, a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California under the date of May 9, 1952 - Case Number 9151, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been printed in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates:

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All interested persons are invited to attend, be heard, and participate in the hearings.

BY ORDER OF THE

MENDOCINO  
LOCAL AGENCY  
FORMATION  
COMMISSION

S/ UMA

HINMAN,

Executive

Officer

Publish:

07/09/2020

# Notice of Exemption

## 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: Mendocino City CSD MSR/SOI Update 2020

Project Applicant: N/A

Project Location - Specific:

The Town of Mendocino, an unincorporated area and coastal community of Mendocino County, located 9.5-miles south of City of Fort Bragg on the Mendocino Headlands between Slaughterhouse Gulch and Big River.

Project Location - City: Mendocino Project Location - County: Mendocino

Description of Nature, Purpose and Beneficiaries of Project:

This is a LAFCo initiated Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for the Mendocino City Community Services District prepared in accordance with California Government Code §56430 and §56425.

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: §15306 and §15061(b)(3)
- Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:

§15306 (Information Collection): the MSR is a service evaluation study and any future actions will be subject to additional environmental review. §15061(b)(3) (General Rule): the SOI Update does not grant new municipal service powers or areas and no physical changes to the environment are anticipated, planned, or reasonably foreseeable as a result of the SOI Update.

Lead Agency

Contact Person: Uma Hinman 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: 8/3/2020 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. 2020-21-01**  
**of the Local Agency Formation Commission of Mendocino County**

**Approving Adoption of the**  
**Mendocino City Community Services District**  
**Municipal Service Review and Sphere of Influence Update**

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, is authorized to conduct municipal service reviews and establish, amend, and update spheres of influence for local governmental agencies whose jurisdictions are within Mendocino County; and

WHEREAS, the Commission conducted a municipal service review to evaluate the Mendocino City Community Services District, hereinafter referred to as the “District”, pursuant to California Government Code Section 56430; and

WHEREAS, the Commission conducted a sphere of influence update for the District pursuant to California Government Code Section 56425; and

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

WHEREAS, the Executive Officer’s report and recommendations on the municipal service review and sphere of influence update were presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all the evidence presented at a public hearing held on the municipal service review and sphere of influence update on August 3, 2020; and

WHEREAS, the Commission considered all the factors required under California Government Code Sections 56430 and 56425.

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

1. The Commission, as Lead Agency, finds the municipal service review is exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations §15306. This finding is based on the use of the municipal service review as a data collection and service evaluation study. The information contained within the municipal service review may be used to consider future actions that will be subject to additional environmental review.
2. The Commission, as Lead Agency, finds the sphere of influence update is exempt from further review under the California Environmental Quality Act pursuant to Title 14 of the California Code of Regulations §15319(a). This finding is based on the Commission determining with certainty that the sphere of influence update will have no possibility of significantly effecting the environment given that this update does not grant new municipal service powers or areas and no physical changes to the environment are anticipated, planned, or reasonably foreseeable as a result of the SOI Update.

3. This municipal service review and sphere of influence update is assigned the following distinctive short-term designation: "Mendocino City CSD MSR/SOI Update 2020".
4. Pursuant to Government Code Section 56430(a), the Commission makes the written statement of determinations included in the municipal service review, hereby incorporated by reference.
5. Pursuant to Government Code Section 56425(e), the Commission makes the written statement of determinations included in the sphere of influence update, hereby incorporated by reference.
6. The Executive Officer shall revise the official records of the Commission to reflect this update of the sphere of influence for the District.

BE IT FURTHER RESOLVED that the Mendocino City CSD MSR/SOI Update 2020 is hereby approved and incorporated herein by reference and that the District's existing 2008 Sphere of Influence is reduced to a coterminous sphere as depicted in Exhibit "A", attached hereto .

PASSED and ADOPTED by the Local Agency Formation Commission of Mendocino County this 3rd day of August 2020 by the following vote:

AYES:

NOES:

ABSTAIN:

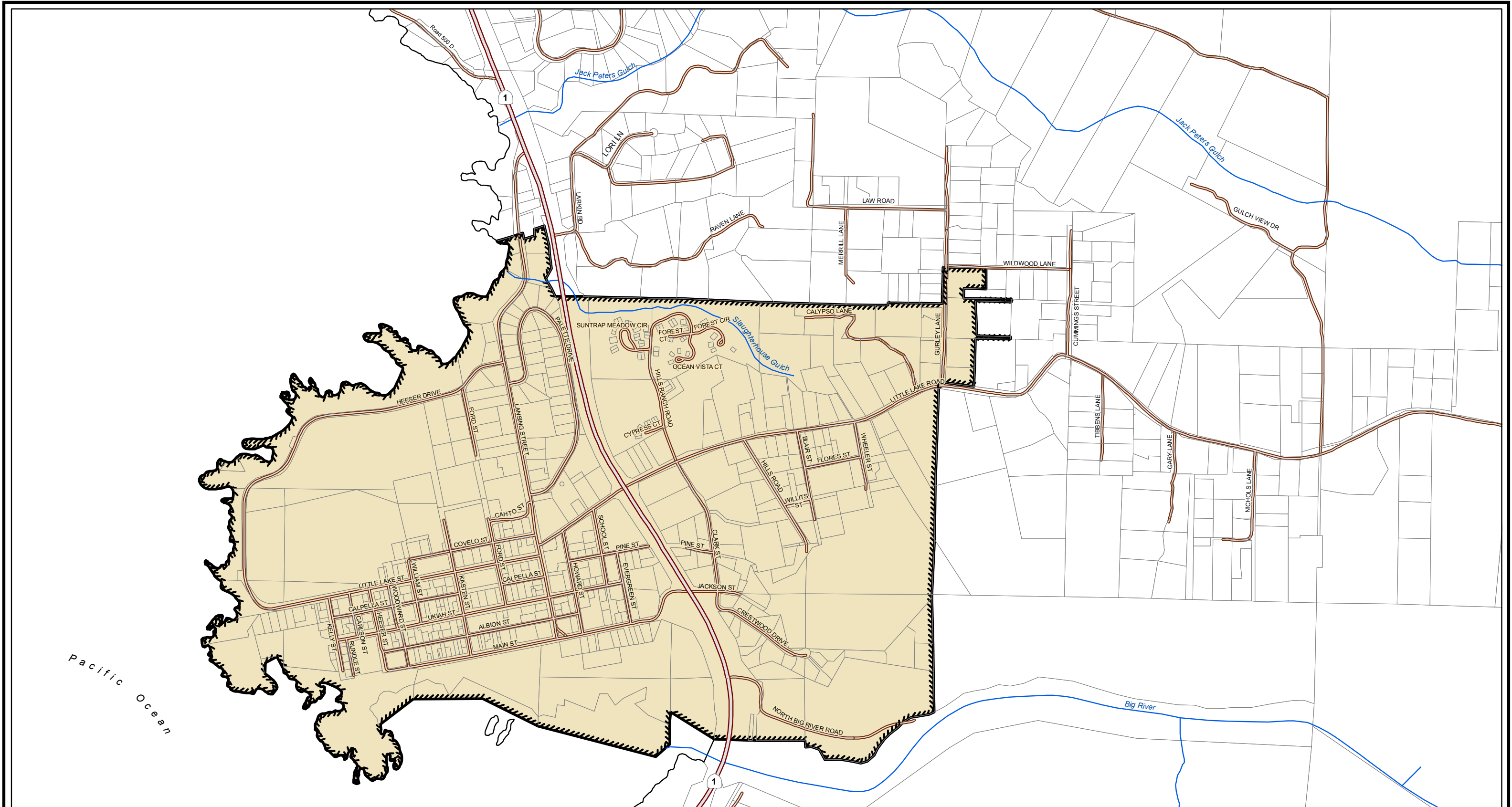
ABSENT:

\_\_\_\_\_  
CARRE BROWN, Commission Chair

ATTEST:

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

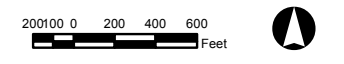
# Exhibit "A"



## Mendocino City Community Services District

Source: This map was created by the Mendocino County Division of Information Services GIS Program, July 2020.  
 Note: This map is not a survey product.

- Mendocino City CSD
- Highways
- Sphere of Influence
- Streams
- Parcels
- Roads





**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: August 3, 2020  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Proposed Amended Legal Representation Agreement

---

**RECOMMENDATION**

It is recommended the Commission approve the proposed Amended Legal Representation Agreement with the Law Office of P. Scott Browne. The Amended Agreement increases the general services average to four hours per month. The agreement also clarifies billing procedures and rates for work on applications and special projects. The amendment will allow legal counsel to receive reimbursement from applicants for time spent on their projects, thereby reducing billings to general services and staying within budget.

**DISCUSSION**

The Law Office of P. Scott Browne began providing the Commission with legal services by Service Agreement in 2014 following a competitive request for proposals process. The contract was amended in 2018 and early 2020 to clarify billable expenses and to add a provision for special projects. There has been one rate increase since the initial contract, which was approved in 2017. There is no sunset clause in the Agreement; it continues until termination by either party.

Under the existing Agreement, the Law Office of P. Scott Browne provides the Commission with all aspects of legal representation and legal services, including but not limited to legal advice, document and contract review, and representation of the Commission. The contract specifies an average of 3 hours per month at a rate of \$600/month. Legal services for applications and special projects are additional billings. Over the past six to nine months, the three-hour average has been exceeded routinely. The trend is anticipated to continue into the foreseeable future due to increased activity and increasingly complex service-related issues coming to the forefront in the Ukiah Valley.

The proposed Amended Agreement provides for an average of 4 hours of general legal services per month at a rate of \$900/month. Legal services spent on applications and special projects will be billed separately. The Fiscal Year 2020-21 Final Budget, which was adopted at the June 1, 2020 regular meeting of the Commission, includes budget sufficient to accommodate the proposed increase in legal services to an average of four hours per month and an increase in attorney rates.

The proposed contract also includes clarifying language for consistency with Mendocino LAFCo's standard Fee Agreement and Indemnification related to applicant reimbursement of legal counsel fees incurred on specific applications. LAFCo staff, including legal counsel, processing costs are charged and reimbursed on a time and expenses basis. The legal services billing rate applied to application processing and special projects will be \$250/hour. This will hopefully allow legal counsel to reduce the billing payable by LAFCo to help keep it within the four hours per month for general services allowed under the amended contract.

Attachment: Proposed Amended Legal Representation Agreement

## LAW OFFICES OF P. SCOTT BROWNE

The Old Post Office  
131 South Auburn Street  
Grass Valley, California 95945-6501  
[scott@scottbrowne.com](mailto:scott@scottbrowne.com)  
(530) 272-4250  
Fax (530) 272-1684

**MARSHA A. BURCH**  
*Of Counsel*  
(530) 272-8411  
[mburchlaw@gmail.com](mailto:mburchlaw@gmail.com)

### AMENDED LEGAL REPRESENTATION AGREEMENT

July 1, 2020

**Client:** LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

This Agreement for the Provision of Legal Services (hereinafter, the "Agreement") is effective July 1, 2020, by and between the Local Agency Formation Commission of Mendocino County (hereinafter "LAFCo" or the "Commission" or the "Client") and the Law Office of P. Scott Browne, (hereinafter, "Attorney").

#### PURPOSE OF REPRESENTATION:

The purpose of the representation is to provide general legal advice to the Client and to represent Client in connection with litigation and administrative proceedings.

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#### 1) **COMPENSATION.**

THE HOURLY RATES SET FORTH BELOW REFLECT A SUBSTANTIAL DISCOUNT OFF ATTORNEY'S NORMAL HOURLY RATE.

- a) General Services. Client agrees to pay Attorney at the rate of \$900.00 monthly for general legal services advising the Commission and staff that are not chargeable to a Project applicant. This amount shall cover **4 attorney hours per month, averaged over 12 months, reviewed annually for adjustment.**<sup>1</sup>
- b) CALAFCO Activities. The monthly General Services payment shall include a proportional share of the substantial Attorney investment of time working with CALAFCO, the Legislative Committee of CALAFCO, CALAFCO University, and attending and presenting at the CALAFCO conferences. It will also include a proportionate share of Attorney out-of-pocket expenses incurred participating in CALAFCO activities, not to exceed \$450 per year. All of this benefits Mendocino LAFCo by assuring that LAFCo staff and Commissioners are provided with the latest updated information on legislation and that CONTRACTOR can provide Mendocino LAFCo with a broad knowledge base on LAFCo legal issues and solutions from around the State. Attorney shall split such time and expenses with Attorney's other flat rate LAFCo clients (currently 7, but subject to change).

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<sup>1</sup> If the cumulative hours for any three month period exceed sixteen (16) hours total, Attorney may bill Client for hours in excess of 16 at hourly rate of \$225/hour

**Amended Legal Representation Agreement-Mendocino County LAFCo**

**Page 2**

- c) Litigation. General Services does not include litigation. Services rendered in connection with any litigation matter will be billed separately at \$275.00/hour.
- d) Reimbursable Services. Attorney time devoted to projects that are subject to reimbursement by the project applicant shall be separately itemized and billed at \$250.00 per hour. LAFCo will pay such bills separately from General Services. Such reimbursement shall include Attorney time incurred prior to this amendment spent on the Weger Detachment project.
- e) Special Projects. Where Attorney time is not otherwise billable to an applicant, but involves complex issues requiring significant investment of Attorney and staff time over that contemplated by the monthly General Services Charge, the Commission may designate it as a “Special Project”. For such special projects, Attorney may bill for his work at the rate of \$250 per hour, and shall be in addition to the regular monthly General Services payment.
- f) Costs. Client further agrees to reimburse all out of pocket costs and expenses advanced by Attorney on behalf of client, such as postage, photocopying, travel, legal research, conference registration fees, etc. When costs are incurred for joint CALAFCO projects and workshops such as those listed above, client will be billed only a proportionate share, i.e., the costs will be shared with Attorney's other flat rate LAFCo clients (currently 7, but subject to change). CONTRACTOR agrees that such reimbursement by Client shall not exceed \$450 per year without Client approval.

Costs/Expenses

Photocopies	\$0.20/page
Faxes (incoming/outgoing)	\$0.50/page
Online Legal Research	Actual Cost

**2) RATES AND BILLING:**

- a) Rates are per hour for all legal services rendered. Client will be billed for time spent waiting for Client matters to be heard and travel time on Client Business from Attorney’s office.
- b) Client further understands that Attorney will often use his legal assistant to provide paralegal services for Client. Client will be billed for those services at paralegal rates (\$100/hour) when working in that capacity. If Client’s needs include projects involving substantial clerical work, or if Attorney’s legal assistant is required to handle financial transactions on behalf of Client, Client will be billed at the Special Clerical RATE (\$30/hour) for such time.
- c) Client understands that Attorney and paralegal rates may be adjusted from time to time with the consent of Client, such consent being evidenced either by an amendment to this contract or by use of the new rates in determining the provision for legal services included in Client’s annual adopted budget
- d) Client will be billed in the latter part of each month for all services performed for the month ending on the 15th of the month. Client agrees to pay all proper amounts shown as due and owing within 30 days (the "payment period"), unless an alternate payment schedule is agreed to by

Attorney in writing. Any amounts not paid within the payment period may be subject to a monthly interest charge of .833% (10% on an annualized basis).

- 3) OBJECTIONS TO BILL. Client agrees that any questions or disagreements client may have concerning the bill or amount due shall be communicated to Attorney prior to the end of the payment period, along with payment of any undisputed portion of the bill.
- 4) RESOLUTION OF BILLING DISAGREEMENT. If there is any dispute between Client and Attorney over the amount billed, which the parties cannot resolve themselves, then Client may require that the matter be submitted to binding arbitration in accordance with the rules of the State Bar Fee Arbitration Program (Sections 6200 - 6206 of the California Business and Professions Code).
- 5) ATTORNEY'S FEES AND COSTS. If there is a fee dispute that is not resolved by arbitration and litigation is required to enforce payments under the terms of this contract, the prevailing party shall be entitled to reasonable attorney's fees and costs.
- 6) INDEPENDENT CONTRACTOR. No employment relationship is created by this Agreement. Attorney and his staff shall for all purposes be independent contractors to the Client.
- 7) INSURANCE. Attorney agrees to at all times maintain the following insurances covering his activities on behalf of the Client:
  - a) Professional Liability Insurance in the amount of \$1,000,000.00 combined single limits
  - b) General Liability Insurance in the amount of \$1,000,000.00 combined single limits
  - c) Automobile Insurance in the amount of \$500,000.00 combined single limits
- 8) CLOSED CASES. Client understands that Attorney assumes no responsibility to keep Client informed of changes in the law or other matters that could affect Client's interest after a case is closed.
- 9) WITHDRAWAL, DISMISSAL OR DISCHARGE OF ATTORNEY.
  - a) Withdrawal of Attorney. Attorney may withdraw at any time as permitted under the Rules of Professional Conduct of the State Bar of California. The circumstances under which the Rules permit such withdrawal include, but are not limited to, the following: (a) The Client consents; (b) the Client's conduct renders it unreasonably difficult for the Attorney to carry out the engagement effectively; and (c) the Client fails to pay Attorney's fees or costs as required by his or her agreement with the Attorney.
  - b) Discharge or Dismissal. The Client may discharge Attorney at any time. If Attorney is Client's attorney of record in any proceeding, Client will execute and return a substitution-of-attorney form immediately on its receipt from Attorney.
  - c) Withdrawal or Termination. Client understands that if Attorney withdraws or is terminated from a case, for any reason, Attorney is still entitled to all attorney's fees and costs due and owing to Attorney to the time of termination, including fees incurred in obtaining court permission for Attorney's withdrawal when required.

**Amended Legal Representation Agreement-Mendocino County LAFCo**

**Page 4**

- 10) COOPERATION. Client agrees to keep in contact with Attorney, cooperate and promptly carry out all reasonable requests of Attorney, in the furtherance of Attorney's representation of client.
  
- 11) DISCLAIMER OF GUARANTEE. Nothing in this Contract and nothing in Attorney's statements to Client will be construed as a promise or guarantee about the outcome of Client's matter. Attorney makes no such promises or guarantees. Attorney's comments about the outcome of Client's matter are expressions of opinion only.
  
- 12) AMENDMENT. This agreement may be amended at any time by mutual consent of the parties, expressed in writing and signed by their duly authorized representatives.
  
- 13) SUPERSEDES ALL PRIOR AGREEMENTS. This amended agreement shall supersede all prior agreements between the parties.

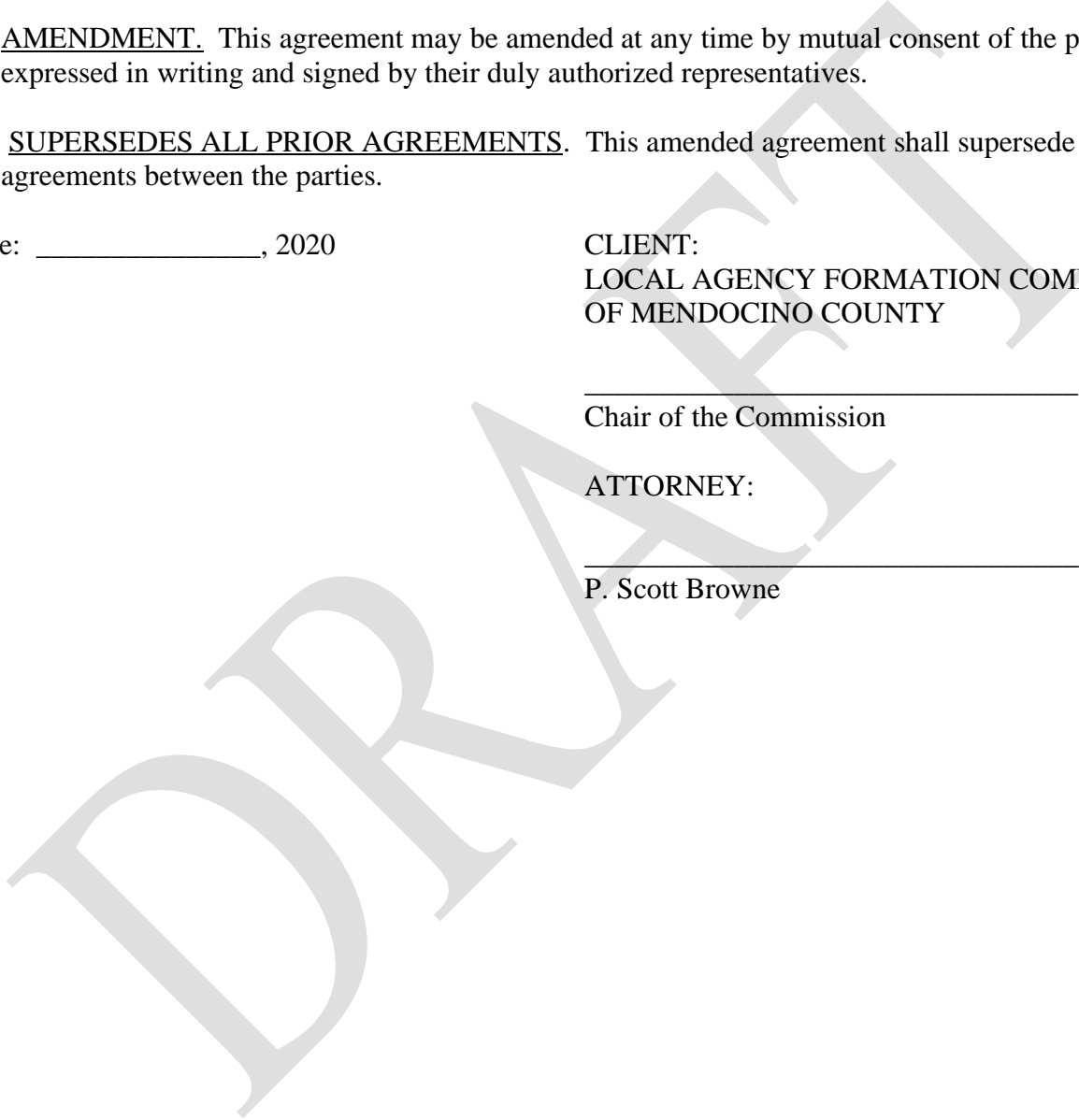
Date: \_\_\_\_\_, 2020

CLIENT:  
LOCAL AGENCY FORMATION COMMISSION  
OF MENDOCINO COUNTY

\_\_\_\_\_  
Chair of the Commission

ATTORNEY:

\_\_\_\_\_  
P. Scott Browne



**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: August 3, 2020  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: CALAFCO Board of Directors Nominations and Voting Delegate

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**RECOMMENDATION**

The Commission discuss the CALAFCO call for nominations to the 2020-21 CALAFCO Board of Directors and consider the following:

1. Consider nomination of a Mendocino County LAFCo City or Public Commissioner, authorizing the Chair to sign the nomination form if nomination made; and
2. Select a voting delegate to participate in the 2020 CALAFCO Board of Directors election.

**BACKGROUND**

CALAFCO is seeking nominations for the fall 2020 elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following Northern Region seats on the CALAFCO Board of Directors: City Member and Public Member. Nomination forms and materials are due September 22, 2020.

Because the in-person 2020 Annual CALAFCO Conference has been cancelled due the COVID-19 pandemic, the 2020 Board of Directors election will be an electronic ballot procedure in October 2020. Election ballots will be emailed directly to an assigned voting delegate for each LAFCo, who will then cast their vote during the 2020 virtual annual business meeting.

Attachments: CALAFCO 2020 Board Nomination Packet

July 7, 2020

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Shiva Frentzen, Committee Chair  
CALAFCO Board Election Committee  
CALAFCO Board of Directors



**RE: IMPORTANT UPDATE - Elections for 2020/2021 CALAFCO Board of Directors**

As you know, nominations are now open for the fall elections of the CALAFCO Board of Directors. Please refer to the announcement and nomination packet sent out to you on June 19, 2020 for details on which seats are open and other important information.

In that announcement we advised you that if we are unable to have an in-person annual conference due to the COVID-19 pandemic, the elections will be conducted by all mail ballot. **As the in-person annual conference has been cancelled, the 2020 Board of Directors elections will be an electronic ballot procedure.**

- ✓ We will use the timelines outlined in CALAFCO policies as detailed in the June 19 announcement with some slight modifications as provided below.
- ✓ CALAFCO still needs the name of your voting delegate. Please also provide their title and email address as the ballot will be emailed directly to your voting delegate. The voting delegate will also cast votes on behalf of your LAFCo at whatever virtual annual business meeting we may have.

Since there will be no caucus, there is no ability to nominate a candidate from the floor. All nominations must come from the nomination packets submitted and acknowledged as received by the deadline of September 22, 2020 at 5:00 p.m.

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations until Tuesday, September 22, 2020 at 5:00 p.m. and that this is the only way to get your name on the ballot and be considered for election.**

The election committee and CALAFCO staff will meet virtually the morning of October 22 for purposes of tabulating the results and certifying the election. All election documents will be available for member LAFCo inspection upon request.

- **June 19** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 22** – Completed Nomination packet due
- **September 22** – Voting delegate name and email address due to CALAFCO
- **October 7** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 7** – Distribution of ballots by email to voting delegate
- **October 21** - Ballots due to CALAFCO by 4:00 p.m. – **NO LATE BALLOTS WILL BE ACCEPTED**
- **October 22** – Elections tabulated by the Elections Committee and an announcement made to the membership

Please direct any questions you have about the election process to Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling her at 916-442-6536; or to the Election Committee Chair Shiva Frentzen at [sfrentzen@calafco.org](mailto:sfrentzen@calafco.org) or by calling her at 530-621-5390.



June 19, 2020

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Shiva Frentzen, Committee Chair  
CALAFCO Board Election Committee  
CALAFCO Board of Directors



**RE: Nominations for 2020/2021 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the eight (8) seats noted below on the CALAFCO Board of Directors. There are two (2) open in each region as follows:

<u>Central Region</u>	<u>Southern Region</u>	<u>Northern Region</u>	<u>Coastal Region</u>
County Member	City Member	City Member	County Member
District Member	Public Member	Public Member	District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 22, 2020 at the Hyatt Regency in Monterey, CA. *If we are unable to have an in-person annual conference due to the COVID-19 pandemic, the elections will be conducted by all mail ballot. This means there will be no nominations from the floor as part of the usual caucus procedures.*

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Tuesday, September 22, 2020 at 5:00 p.m.***

Incumbents are eligible to run for another term. Nominations received by September 22 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 7, 2020 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Tuesday, September 22, 2020. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 19, 2020.**

*Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.*

**The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 22, 2020 at 5:00 p.m.** Here is a summary of the deadlines for this year's nomination process:

- **June 23** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 22** – Completed Nomination packet due
- **September 22** – Request for an absentee/electronic ballot due
- **September 22** – Voting delegate name due to CALAFCO
- **October 7** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 7** – Distribution of requested absentee/electronic ballots.
- **October 19** – Absentee ballots due to CALAFCO
- **October 22** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to [info@calafco.org](mailto:info@calafco.org). Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director  
California Association of Local Agency Formation Commissions  
1020 12<sup>th</sup> Street, Suite 222  
Sacramento, California 95814  
FAX: 916-442-6535  
EMAIL: [info@calafco.org](mailto:info@calafco.org)

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at [sfrentzen@calafco.org](mailto:sfrentzen@calafco.org) or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling 916-442-6536.

Members of the 2020/2021 CALAFCO Election Committee are:

Shiva Frentzen, Chair <a href="mailto:sfrentzen@calafco.org">sfrentzen@calafco.org</a>	El Dorado LAFCo (Central Region) 530-621-5390
David Couch <a href="mailto:dcouch@cityofarcata.org">dcouch@cityofarcata.org</a>	Humboldt LAFCo (Northern Region) 530-242-1112
Jo MacKenzie <a href="mailto:jmackenzie@calafco.org">jmackenzie@calafco.org</a>	San Diego LAFCo (Southern Region) 858-614-7755
Tom Murray <a href="mailto:tmurray@calafco.org">tmurray@calafco.org</a>	San Luis Obispo LAFCo (Coastal Region) 805-781-5795

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

*Please consider joining us!*

Enclosures

# Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

**1. APPOINTMENT OF AN ELECTION COMMITTEE:**

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.<sup>8</sup>
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.<sup>8</sup>
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.<sup>8</sup>
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.<sup>8</sup>

**2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:**

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:<sup>8</sup>
  - i. A statement clearly indicating which offices are subject to the election.
  - ii. A regional map including LAFCoS listed by region.
  - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."<sup>8</sup>
  - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - v. The address to send the nominations forms.
  - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:<sup>8</sup>

Key Timeframes for Nominations Process	
Days*	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
  - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."<sup>8</sup>
  - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

### **3. THE ELECTION COMMITTEE:**

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.<sup>8</sup>
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.<sup>8</sup>
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.<sup>8</sup>
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.<sup>8</sup>
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.<sup>8</sup>

**4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING<sup>6</sup>**

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.<sup>8</sup>

**5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:**

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:<sup>8</sup>
  - i. Review the election procedure with the membership.
  - ii. Present the Election Committee Report (previously distributed).
  - iii. Call for nominations from the floor by category for those seats subject to this election:
    1. For city member.
    2. For county member.
    3. For public member.
    4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
  - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
    1. Name the nominees and offices for which they are nominated.
    2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
  - 1. Poll the LAFCoS in good standing by written ballot.
  - 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
  - 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.<sup>8</sup>
  - 4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
  - 1. The nominee receiving the majority<sup>6</sup> of votes cast is elected.
  - 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).<sup>6</sup>
  - 3. In case of tie votes<sup>6</sup>:
    - a. A second run-off election shall be held with the same two nominees.
    - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
  - 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.<sup>6</sup>
    - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
    - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
    - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

## **6. ADDITIONAL PROCEDURES**

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.<sup>8</sup>
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after

election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

### 7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

### 8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

*These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007<sup>1</sup>, 8 February 2008<sup>2</sup>, 13 February 2009<sup>3</sup>, 12 February 2010<sup>4</sup>, 18 February 2011<sup>5</sup>, 29 April 2011<sup>6</sup>, 11 July 2014<sup>7</sup> and 27 October 2017<sup>8</sup>. They supersede all previous versions of the policies.*

## CALAFCO Regions

### FOUR REGIONS



The counties in each of the four regions consist of the following:

**Northern Region**

Butte  
Colusa  
Del Norte  
Glenn  
Humboldt  
Lake  
Lassen  
Mendocino  
Modoc  
Nevada  
Plumas  
Shasta  
Sierra  
Siskiyou  
Sutter  
Tehama  
Trinity  
Yuba

**CONTACT:** Steve Lucas  
Butte LAFCo  
slucas@buttecounty.net

**Southern Region**

Orange  
Los Angeles  
Imperial  
Riverside  
San Bernardino  
San Diego

**CONTACT:** Gary Thompson  
Riverside LAFCo  
gthompson@lafco.org

**Coastal Region**

Alameda  
Contra Costa  
Marin  
Monterey  
Napa  
San Benito  
San Francisco  
San Luis Obispo  
San Mateo  
Santa Barbara  
Santa Clara  
Santa Cruz  
Solano  
Sonoma  
Ventura

**CONTACT:** Martha Poyatos  
San Mateo LAFCo  
mpoyatos@smcgov.org

**Central Region**

Alpine  
Amador  
Calaveras  
El Dorado  
Fresno  
Inyo  
Kern  
Kings  
Madera  
Mariposa  
Merced  
Mono  
Placer  
Sacramento  
San Joaquin  
Stanislaus  
Tulare  
Tuolumne  
Yolo

**CONTACT:** Christine Crawford, Yolo LAFCo  
christine.crawford@yolocounty.org



# Board of Directors 2020/2021 Nominations Form

## ***Nomination to the CALAFCO Board of Directors***

In accordance with the Nominations and Election Procedures of CALAFCO,

\_\_\_\_\_ LAFCo of the \_\_\_\_\_ Region

Nominates \_\_\_\_\_

for the (check one)     City     County     Special District     Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

\_\_\_\_\_  
LAFCo Chair

\_\_\_\_\_  
Date

### **NOTICE OF DEADLINE**

Nominations must be received by **September 22, 2020** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:  
CALAFCO Election Committee  
CALAFCO  
1020 12<sup>th</sup> Street, Suite 222  
Sacramento, CA 95814

## Board of Directors 2020/2021 Candidate Resume Form

Nominated By: \_\_\_\_\_ LAFCo Date: \_\_\_\_\_

Region (please check one):  Northern  Coastal  Central  Southern

Category (please check one):  City  County  Special District  Public

Candidate Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Office \_\_\_\_\_ Mobile \_\_\_\_\_

e-mail \_\_\_\_\_

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

**NOTICE OF DEADLINE**

Nominations must be received by **September 22, 2020** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:  
CALAFCO Election Committee  
CALAFCO  
1020 12<sup>th</sup> Street, Suite 222  
Sacramento, CA 95814

<b>CALAFCO Board Members 2019-20</b> (as of June 19, 2020)		
<b>Board Member Name</b>	<b>LAFCo - Region</b>	<b>Type (Term Expires)</b>
Cheryl Brothers	Orange - <i>Southern</i>	City (2020)
Bill Connelly - <b>Treasurer</b>	Butte - <i>Northern</i>	County (2021)
David Couch	Humboldt - <i>Northern</i>	District (2021)
Shiva Frentzen	El Dorado - <i>Central</i>	County (2020)
Blake Inscore	Del Norte - <i>Northern</i>	City (2020)
Gay Jones	Sacramento - <i>Central</i>	District (2020)
Michael Kelley – <b>Vice Chair</b>	Imperial - <i>Southern</i>	County (2021)
Michael McGill - <b>Chair</b>	Contra Costa - <i>Coastal</i>	District (2020)
Jo MacKenzie	San Diego - <i>Southern</i>	District (2021)
Margie Mohler	Napa - <i>Coastal</i>	City (2021)
Tom Murray	San Luis Obispo - <i>Coastal</i>	Public (2021)
Anita Paque - <b>Secretary</b>	Calaveras - <i>Central</i>	Public (2021)
Jane Parker	Monterey - <i>Coastal</i>	County (2020)
Daniel Parra	Fresno - <i>Central</i>	City (2021)
Josh Susman	Nevada - <i>Northern</i>	Public (2020)
David West	Imperial - <i>Southern</i>	Public (2020)

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: August 3, 2020  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: CALAFCO Call for Legislative Action – SB 414

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**RECOMMENDATION**

The Commission approve the attached letters of opposition to SB 414, authorizing the Chair’s signature and directing staff to submit the letters.

**BACKGROUND**

CALAFCO has issued a *Call for Legislative Action*, requesting letters of opposition to Senate Bill (SB) 414 – the Small System Water Authority Act of 2020. CALAFCO has been working on this bill for several years and has supported it to date. The bill has been delayed in Assembly Appropriations for about a year. However, proposed pending amendments have a substantive negative impact to LAFcos and set dangerous precedent by giving a state agency quasi-legislative authority for a new water authority. The amendments are currently being negotiated with Appropriations.

CALAFCO is requesting letters of opposition be sent to Appropriations and to Senator Caballero. The attached drafts are provided for consideration.

Attachment: Draft Mendocino LAFCo letter of opposition to Senator Caballero  
Draft Mendocino LAFCo letter of opposition to Appropriations

# MENDOCINO

## Local Agency Formation Commission

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

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The Honorable Anna Caballero  
California State Senate  
State Capitol, Room 5052  
Sacramento, CA 95814

### RE: SB 414 – Small System Water Authority Act of 2020 – OPPOSE PROPOSED AMENDMENTS

Dear Senator Caballero:

The Mendocino Local Agency Formation Commission (LAFCo), joins the California Association of Local Agency Formation Commissions (CALAFCO) in opposing the proposed pending amendments for your bill **SB 414**. It is our understanding you are planning amendments to be done in Assembly Appropriations where the bill is currently being held in Suspense.

We support efforts to ensure all Californians have safe, affordable drinking water. However, the proposed amendments have such a substantive negative impact to LAFCos that we must now oppose them.

It is our understanding these changes are an effort to reduce the cost of the bill, and to closer align processes and State Water Resources Control Board (SWRCB) authority existing in SB 88 (2015, Committee on Budget & Fiscal Review) and AB 2501 (2018, Chu). These laws deal with consolidation of existing water systems, whereas SB 414 creates a new type of public water system and reflects the formation of a new public entity (as well as dissolving existing public and private systems). One simply should not be compared to the other.

The proposed amendments strip LAFCos of their part and authority in the formation of the new water authority – a public agency that would otherwise be formed at the discretion of and by the authority of LAFCo. Additionally, they remove LAFCos' authority to dissolve a public water system as authorized by the SWRCB and as part of the formation process of the new authority. As you know, formation of a new, local public agency has been the authority of LAFCo since 1963 when the Legislature created them. To now turn that authority over to the SWRCB in an effort to “save money” or “streamline the process”, we believe, creates a false perception that the cost will be reduced and sets a dangerous precedent.

SECTION 1 of the bill is being completely stricken and therefore divests LAFCo of all involvement in the formation process and it removes LAFCo from the process of dissolving any public water system identified by the SWRCB as mandated for dissolution and inclusion into the new authority except for holding a public hearing on the matter. Not only does this removal divest LAFCo of their authority and give it to the SWRCB, it eliminates the Plan for Service requirements to be included in the draft conceptual formation plan. All other public agencies are subject to submit a comprehensive Plan for Service when applying to provide services and exempting the authority from doing so sets a precedent.

Code Section 78038(b) proposes to give quasi-legislative authority to the SWRCB in the action to form the new authority. The Legislature created LAFCo as a quasi-legislative body decades ago to do this very thing. While the Legislature has exercised its authority to create new service providers in the past, until now there has been no state agency with that authority. We fail to understand the need to create an entity at the state level to do something LAFCos have been effectively doing for 57 years – forming new districts – that happen at the local level.

LAFCo is being excluded from several critical notification points:

- Code Section 78033(a)(1) excludes LAFCo from the list of entities the SWRCB is to notify of their intent to form the authority. *LAFCo needs to be included in the list of other local agencies receiving such notification* (such as cities, county, water districts, etc.). Further, this section allows the SWRCB to invite other public water suppliers to consider dissolving and join the authority. Without including LAFCo on the notification under this section, we would be in the dark regarding those local districts (both independent and dependent) that may consider dissolving.
- Code Section 78033(a)(2)(A) excludes LAFCo notification from an entity wishing to consolidate into a proposed authority. *LAFCo needs to be included in this notification.*
- Code Section 78033(a)(2)(B) provides that customers of an entity wishing to join a proposed authority petition the SWRCB directly. Not only does this keep LAFCo in the dark, it is a run-around of the current service provider as there appears to be no notification to them.
- Code Section 78033(b) allows the governing board of a county or city dependent special district to notify the formation coordinator they wish to opt into the new authority. Here again, without LAFCo receiving this notification there is no way for us to know of the pending dissolution.

In addition to removing LAFCos' existing authority from the formation process of a public agency service provider, we are concerned about Code Section 78037(a)(3) which requires the LAFCo to hold a public hearing to allow for public comment on the dissolution of the public water system mandated for dissolution by the SWRCB and requires the LAFCo to provide all comments back to the SWRCB for consideration (without the funding to do either). The section also states the dissolution shall be ordered upon completion of the public hearing. We question the purpose of reporting back the public comments to the SWRCB for consideration if the dissolution is ordered immediately upon closure of the public hearing.

If one of the goals of these amendments is to closer align processes with SB 88, then it would stand to reason the SWRCB would be the entity conducting the public hearing (pursuant to Code Section 116682 of the Health and Safety Code), especially given the fact that with these amendments, the LAFCo no longer has any other part in the actual dissolution.

Ordering a dissolution for a service provider who is currently providing service requires a successor agency to assume the delivery of service as well as all the assets and liabilities of the entity being dissolved. Code Section 78037(a)(4) requires the order of dissolution to make appropriate equitable arrangements for the interim operation of the public water system until the formation of the authority is complete, and they are prepared to take over service delivery. While that "interim" service provider may be identified in the draft conceptual formation plan, 78037(a)(4) does not explicitly state to whom the service, assets and liabilities should be transferred. We suggest language be added to explicitly state the interim operator as identified in the approved conceptual formation plan.

#### Proposed amendments to the draft conceptual plan

We have a few concerns relating to the draft conceptual plan as noted below.

- Code Section 78035(c) requires the formation coordinator to submit the draft conceptual formation plan to the SWRCB and any applicable LAFCo for comments within 60 days of its receipt. Further, the formation coordinator shall finalize the plan for public comment no later than 30 days after receiving comments from the SWRCB. What is left out of this section are the comments on the plan from the LAFCo. Undoubtedly, as the local agency who is responsible for the formation of public agencies, LAFCos know what to look for and consider when reviewing formation plans. *The LAFCo comments need to be considered by the SWRCB and the formation coordinator before the document is available for public comment.*
- Code Section 78038 requires LAFCo to hold two public hearings on the draft conceptual formation plan and to subsequently submit a report to the SWRCB summarizing public comment and any recommendations the LAFCo may have for the SWRCB on the plan. *We would like to see amendments requiring the SWRCB to specifically adopt or reject each of our recommendation on the draft plan and explain their response for those decisions.*

Removing funding for LAFCo mandates

The current version of the bill reflects a cost of up to \$10.65 million to LAFCOs for authority formations, which represents only 11.5% of the total cost estimate of \$89.15 million. Using these projections, the costs associated with LAFCo are far below every other entity and related provision (with one exception) of the dissolutions; formations; administration; SWRCB support and support for the authorities once formed. The cost for LAFCOs to perform the dissolution of public water systems and to form the new authority are far likely to be less than having the SWRCB perform these functions. Consequently, we believe this creates a false perception that the overall cost will be reduced by removing LAFCo from the process. Transitioning these processes to a state agency rather than keeping them at the local level does not in fact reduce costs – it simply transfers the cost from the local level to the state level. Further, we would assert the cost is less at the LAFCo level.

Finally, the proposed pending amendments require LAFCOs to (1) review the proposed plan and provide recommendations to the SWRCB; (2) hold a public hearing to allow for public comment on the dissolution of the public water system mandated by the SWRCB for dissolution and provide all comments to the SWRCB; (3) hold two public hearings to receive input on the proposed plan for the new authority, summarize comments received and provide a report to the SWRCB; (4) review a report on the authority's performance for the first three years; and (5) hold a public hearing as directed by the SWRCB if the new authority is failing to comply with the plan to review the authority's performance and provide a report back to the SWRCB on comments received at the hearing.

The proposed pending amendments remove all the funding for LAFCo for all the actions still required by the bill as noted above. Section 78038(a) adds a clause to address funding for only the two public hearings to consider the draft conceptual plan and prepare the required report – and only if – they (LAFCo) *“incur extraordinary costs over and above its normal budgeted operating expenses for conducting the public hearing and preparing the report to the state board”*. All of the LAFCo expenses related to SB 414 are over and above normal operating budget costs and in order to cover them should the state not, it is highly likely we will have to increase fees to the local government agencies that pay into the LAFCo annually (cities, counties, and special districts).

*We strongly believe LAFCOs need to be added to the language in Section 78115 (a)(1).* All other entities, including the Public Utilities Commission, have some level of funding in the proposed pending amendments. To eliminate the funding for the one local agency involved and retain funding for all state agencies involved puts the collection of that funding on the backs of local government.

Please do not hesitate to contact me if you have any questions about our OPPOSE position to the proposed amendments on **SB 414**.

Yours Sincerely,

Carre Brown  
Chair, Mendocino LAFCo

Cc: Assembly Local Government Committee  
Assembly Environmental Safety & Toxic Materials Committee  
Senate Governance and Finance Committee  
Senate Environmental Quality Committee  
Pamela Miller, Executive Director, CALAFCO



# MENDOCINO

## Local Agency Formation Commission

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

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The Honorable Lorena Gonzalez  
Chair, Appropriations Committee  
California State Assembly  
State Capitol, Room 2114  
Sacramento, CA 95814

### RE: SB 414 – Small System Water Authority Act of 2020 – OPPOSE PROPOSED AMENDMENTS

Dear Chair Gonzalez:

The Mendocino Local Agency Formation Commission (LAFCo), joins the California Association of Local Agency Formation Commissions (CALAFCo) to oppose the proposed pending amendments for **SB 414** (Caballero). The bill is currently being held in your committee. While there are vast policy issues with the proposed amendments, this letter will focus our concerns to you and your committee on the fiscal issues of the proposed amendments.

According to the sponsors, in an effort to reduce costs associated with the bill, the role of LAFCos that exist in the current version of the bill (dated June 25, 2019) is being drastically reduced. The proposed amendments strip LAFCos of their authority in the formation of the new water authority – a public agency that would otherwise be formed at the discretion of and by the authority of LAFCo. Additionally, they remove LAFCos' authority to dissolve a public water system as authorized by the State Water Resources Control Board (SWRCB) and as part of the formation process of the new authority.

The sponsors have also indicated the proposed amendments that change numerous processes in SB 414 are intended to reflect closer alignment with processes and SWRCB authority existing in SB 88 (2015, Committee on Budget & Fiscal Review) and AB 2501 (2018, Chu). These laws deal with consolidation of existing water systems, whereas SB 414 creates a new type of public water system and reflects the formation of a new public entity (as well as dissolving existing public and private systems). One simply should not be compared to the other.

The current version of the bill, as noted in last fiscal analysis on August 21, 2019 in your committee, reflects a cost of up to \$10.65 million to LAFCos for authority formations, which represents only 11.5% of the total cost estimate of \$89.15 million. Using the fiscal projections in the current bill, the costs associated with LAFCo are far below every other entity and related provision (with one exception) of the dissolutions; formations; administration; SWRCB support and support for the authorities once formed. The cost for LAFCos to perform the dissolution of public water systems and to form the new authority are far likely to be less than having the SWRCB perform these functions. Consequently, we believe this creates a false perception that the overall cost will be reduced by removing LAFCo from the process. Transitioning these processes to a state agency rather than keeping them at the local level does not in fact reduce costs – it simply transfers the cost from the local level to the state level. Further, we would assert the cost is less at the LAFCo level.

Finally, the proposed pending amendments require LAFCos to (1) review the proposed plan and provide recommendations to the SWRCB; (2) hold a public hearing to allow for public comment on the dissolution of the public water system mandated by the SWRCB for dissolution and provide all comments to the SWRCB; (3) hold two public hearings to receive input on the proposed plan for the new authority, summarize comments received and provide a report to the SWRCB; (4) review a report on the authority's performance for the first three years; (5) hold a public hearing as directed by the SWRCB if the new authority is failing to comply with the plan to review the authority's performance and provide a report back to the SWRCB on comments received at the hearing.

The proposed pending amendments remove all the funding for LAFCo for all the actions still required by the bill as noted above. Section 78038(a) adds a clause to address funding for only the two public hearings to consider the draft conceptual plan and prepare the required report – and only if – they (LAFCo) “incur extraordinary costs over and above its normal budgeted operating expenses for conducting the public hearing and preparing the report to the state board”. All of the LAFCo expenses related to SB 414 are over and above normal operating budget costs and in order to cover them should the state not, it is likely we will have to increase fees to the local government agencies that pay into the LAFCo annually (cities, counties, and special districts).

*LAFCos need to be added to the language in Section 78115 (a)(1).* All other entities, including the Public Utilities Commission, have some level of funding in the proposed pending amendments. To eliminate the funding for the one local agency involved and retain funding for all state agencies involved is inappropriate and puts the collection of that funding on the backs of local government.

For these fiscal reasons, we oppose the proposed pending amendments to **SB 414** and strongly urge your committee to reject the amendments and hold the bill.

Please do not hesitate to contact me if you have any questions about our OPPOSE position to the proposed amendments on **SB 414**.

Yours Sincerely,

Carre Brown  
Chair, Mendocino LAFCo

Cc: Assembly Local Government Committee  
Assembly Environmental Safety & Toxic Materials Committee  
Senate Governance and Finance Committee  
Senate Environmental Quality Committee  
Pamela Miller, Executive Director, CALAFCO

# MENDOCINO Local Agency Formation Commission

## Staff Report

MEETING August 3, 2020  
TO Mendocino Local Agency Formation Commission  
FROM Uma Hinman, Executive Officer  
SUBJECT **Status of Applications, Proposals, and Work Plan**

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### **RECOMMENDATION**

Informational report.

### **BACKGROUND**

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

### **APPLICATIONS**

Following is a summary of active and future proposals.

#### **Active Proposals**

There are currently three (3) active proposals.

#### Weger Mendocino Coast Health Care District Detachment Application Review

The application was approved by the Commission at its regular meeting on March 2, 2020. The Certificate of Completion has been recorded and the State Board of Equalization packet has been submitted.

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

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

#### **Future Proposals**

Following is a summary of potential future proposals to the Commission:

#### Anderson Valley CSD Proposed Activation of Latent Powers to Provide Water/Sewer Services

The Anderson Valley CSD has obtained two state planning grants to prepare a feasibility study and CEQA review for wastewater and water treatment plants and infrastructure to serve the community area of Boonville. Public workshops and a CEQA document are in process. No updates have been received in some time.

#### Ukiah Valley Fire District Annexation of the City of Ukiah

The Ukiah Valley Fire Authority JPA and City of Ukiah have directed their staff to initiate the process of annexing the City of Ukiah into the Ukiah Valley Fire District.

#### **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 reports 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.

#### Mendocino City Community Services District

The Mendocino City CSD MSR/SOI Update is scheduled for a public hearing on August 3, 2020.

#### Ukiah Valley Sanitation District (UVSD)

The UVSD has provided a response to the Request for Information (RFI) and staff has been collecting available documentation for the MSR/SOI report.

#### City of Ukiah

The City of Ukiah MSR/SOI Update has been scheduled to begin in 2020-21.

#### Covelo Community Services District

The Administrative Draft MSR/SOI is in process.

#### County Service Area (CSA) No. 3

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

July 7, 2020

Dear CALAFCO Membership:

We continue to live in unprecedented times, dealing with the myriad of disruptive changes thrust upon us and our agencies. All of us continue to learn how to best navigate the path forward, both individually and collectively, with resilience and courage.

With the ongoing pandemic and the dialing back by many counties on re-opening, and the significant budget cuts looming for all local government agencies, careful consideration is being given to every decision organizations are making today. The same is true for CALAFCO and our Annual Conference.

Taking all of that into consideration with respect to the October Annual Conference, the CALAFCO Board of Directors and Executive Director believe CALAFCO has an ethical and corporate responsibility to our members, speakers, guests, their families and our collective communities. This responsibility includes mitigating as much as possible the spread of the virus and being responsible in our decisions to aid in the containment and protect the health and safety of our members. Given the fluidity of the situation, there are still no state guidelines as to larger gathering events and it is not likely they can be done safely anytime soon.

**After careful thought and consideration, CALAFCO has decided to cancel this year's in-person Annual Conference which was scheduled for October 21-23 in Monterey.**

So, what's next?

- Staff is researching options for a virtual event of some kind and will report to the Board of Directors during the July 24 meeting what options are reasonable and available. At this time, we do not know what that may look like, but we are hopeful by the end of the month we will know whether there will be a virtual event. As soon as there is information, you will be advised.
- CALAFCO staff may reach out to your LAFCo staff and commissioners and request feedback via a Survey Monkey survey. **Your feedback will be critical so please respond if asked.**
- CALAFCO is working with the Monterey Hyatt to re-book the Conference in 2023.
- The Board of Directors 2020 elections will be held by email ballot. Please watch for an update from the Elections Committee coming this week.
- We are researching options for holding the Annual Business Meeting and will advise you when that decision has been made.

If you have suggestions or questions, please let Executive Director Pamela Miller know. You can reach her at [pmiller@calafco.org](mailto:pmiller@calafco.org).

On behalf of the Board, we thank you for the leadership and the integrity you demonstrate as local government leaders every day, and especially in difficult times such as these.

Yours sincerely,



Mike McGill  
Chair of the Board



Pamela Miller  
Executive Director

CC: CALAFCO Board of Directors

A  
message  
from the  
Executive  
Director

So much has changed in our world since the last Quarterly Report in February of this year. Each of us have dealt personally with changes and health matters related to the COVID-19 pandemic; we've professionally dealt with

keeping LAFCo business going while striving to keep ourselves, each other and our communities healthy and safe; and been faced with understanding and responding to the fiscal fallout of the pandemic and the recent calls for racial and social justice...it can all overwhelm us if we let it.

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

### Welcome New LAFCo Family Members

*We welcome two new babies to the CALAFCO family!*

San Mateo LAFCo Mgmt. Analyst Rob Bartoli and his wife Michelle welcomed (10 days early) **Luca Robert Bartoli** on March 30, 2020. Luca weighed in at 7 lbs., 11 oz. The family is all well, healthy and enjoying the comforts of home.



Not to be outdone, Napa LAFCo Executive Officer Brendon Freeman and family welcomed **Noah Campos Freeman** into the world on April 6, 2020. Noah tipped the scales at 8 lbs., 11 oz. upon his release from quarantine. Mom Isabel, Noah and Dad are all doing fine. Although neither set of parents are getting much sleep right now!

Congratulations to the Freemans and Bartoli's on bringing two future LAFCo EOs into the world!

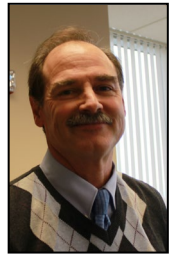
### Congratulations on Upcoming Retirements

We want to congratulate two long-time LAFCo leaders on their upcoming retirements. Their contributions to CALAFCO and to LAFCos statewide are far too numerous to list here. Needless to say, they both leave huge shoes to fill and will be greatly missed. We wish them both all the best in their retirement!

After a distinguished near 20-year career with Sonoma LAFCo, Asst. EO **Carole Cooper** is retiring at the end of June. Carole spent 12 years on the CALAFCO Legislative Committee and was the recipient of the CALAFCO Project of the Year Award as part of the team that revised the definition section of CKH, and received the Outstanding LAFCo Professional Award.



San Luis Obispo LAFCo EO **David Church** is also calling it time to retire. David has been with his LAFCo for almost 19 years and will be retiring in July. David also spent a number of years contributing to CALAFCO on the Legislative Committee and as the Deputy EO representing the coastal region for four years. David received several CALAFCO Achievement Awards including the Mike Gotch Courage & Innovation in Local Government Leadership Award and the Outstanding LAFCo Professional Award.



### LAFCos in the News

#### Tuolumne LAFCo Adds Special Districts

For the first time since 2012, special districts have been added to a LAFCo! CALAFCO acknowledges the hard work of **Tuolumne LAFCo** and congratulates them on adding special districts to their LAFCo. This is no easy feat and their process was a long one. We will learn more about it from EO **Quincy Yaley** in our next edition of *The Sphere*. As of today, 31 of the 58 LAFCos have special district representation. Way to go Tuolumne LAFCo!

#### Santa Clara LAFCo Receives Award for Communication and Outreach Plan

Earlier this month, **Santa Clara LAFCo** received the American Planning Association - California Northern Chapter's "Award of Excellence - Communication Initiative" for their communication and outreach plan. The APA highlighted the plan as one of the outstanding winners for its "fresh ideas that are transferable to other communities and represent guidebooks toward a more inclusive, accessible and equitable planning future."

#### Los Angeles LAFCo Receives Award of Excellence

In May, the Los Angeles Chapter of the American Planning Association awarded its "Award of Excellence: Hard Won Victories" for "Rescuing the Sativa Water System" to **LA LAFCo**, the County of Los Angeles, and the SWRCB for their collaborative work on the Agency.

CALAFCO congratulates **Tuolumne, Santa Clara** and **Los Angeles** LAFCos on their achievements!



# News from the Board of Directors

## CALAFCO QUARTERLY

June 2020

Page 2



### CALAFCO BOARD UPDATE

The CALAFCO Board met February 21 and May 1. Here is a summary of the actions taken by the Board at these respective meetings.



#### February 21

As a follow up to the December 2019 meeting, the Board continued the discussion of transitioning the two primary contractors to employees to comply with AB 5. In executive session, the Board accepted the retirement announcement of Executive Director Pamela Miller, developed a recruitment plan and timeline and discussed the transition.

The Board considered the Tulare LAFCo proposed dues structure. After much discussion, they unanimously approved the convening of an ad hoc committee sometime in the summer to once again look at the dues structure that was adopted by the membership in October 2019. It is likely that this ad hoc committee will also include several member LAFCos outside of the Board.

Other actions the Board took at this meeting included:

- ✓ Reconfirmed no CPI increase (pursuant to Bylaws) for the FY 2020-21 LAFCo dues;
- ✓ Approved a request from Contra Costa LAFCo to prepare and file an amicus brief
- ✓ Conducted the annual dashboard review of the 2019 Strategic Plan objectives; and
- ✓ Accepted a series of reports including the 2020 conflict of interest filings, quarterly financial and investment reports, and the legislative report.

#### May 1

After careful consideration, the Board adopted a balanced budget for FY 2020-21. There are several notable differences in this budget as compared to past budgets, including:

- The Annual Conference revenue and expenses were adjusted for a smaller attendance and for a break-even model due to the pandemic;
- We are now budgeting for employer expenses such as employer's insurance, payroll services and payroll taxes, workers' compensation and overtime for the Administrator which is a non-exempt position; and
- For the first time, the operational costs of the Association are covered by member LAFCo dues, so there is no budget deficit. This is a result of the membership approving the new dues structure at the October 31, 2019 annual business meeting.

The Board also received a report from the Executive Director (ED) Recruitment Committee on the progress of the recruitment. During this report current ED Pamela Miller shared that given the uncertain times we are currently in and will be facing for the unforeseen future, she did not see

this is not a good time for a change in leadership for the Association and offered to stay on as the ED. The Recruitment Committee then took this under advisement.

Other actions taken by the Board at the May 1 meeting included:

- ✓ Received and filed the quarterly financial and investment reports;
- ✓ Received and filed the Legislative Committee report; and
- ✓ Received a verbal update on the Annual Conference from the Conference Chair and Program Chair.

All Board meeting packets are posted on the CALAFCO website.

### **EXECUTIVE DIRECTOR PAMELA MILLER STAYING WITH CALAFCO**

As was announced in early June, Pamela Miller will be staying with the Association as Executive Director. To comply with the requirements of AB 5, both Pamela and Jeni Tickler, CALAFCO's Administrator, will be transitioning to employee status effective September 1. Both will remain as part-time employees.

### **2020 STAFF WORKSHOP AND ANNUAL CONFERENCE**

#### **Staff Workshop**

Due to the COVID-19 pandemic, CALAFCO's Staff Workshop was cancelled. The workshop was scheduled for March 25-27 in Newport Beach. As it turned out, this was the right call, and done ahead of the March 19 stay-at-home order issued by the Governor.

CALAFCO staff was able to negotiate a revision in the facility contract to avoid a cancellation fee of over \$36,000. The workshop for 2020 has been booked at the same facility with only a slight increase in the food and beverage minimum and room rates. Further, all deposits (hotel, bus, boat, and caterer for the mobile workshop) were successfully moved forward to next year without penalty.

We wish to thank our Workshop hosts, *Imperial* and *Orange LAFCos* and their staff who worked so hard to prepare a fabulous workshop, and Program Chair *Gary Thompson*. His team did such an outstanding job that the program as planned will be moved forward to the 2021 Workshop.

#### **Annual Conference**

The Annual Conference is currently scheduled for October 21-23 in Monterey at the Hyatt Regency. Due to the ongoing restrictions on gatherings because of COVID-19, and due to shrinking local agency budgets, CALAFCO staff is currently exploring viable options for the Conference. The Program Planning Committee is already hard at work and planning session topics that are extremely relevant for the times. Details about the Conference will be announced as soon as a decision is made. We want to thank Conference Chair

# News from the Board of Directors

## CALAFCO QUARTERLY

June 2020

Page 3



*Jane Parker* and Program Chair *Christine Crawford*, as well as the entire program planning team for their work thus far.

Your Board's top priority is ensuring the health and safety of all of you, our Association members, your families, and those at the hotel facility. Our decision will be based with that in mind as priority #1.

### **CALAFCO UNIVERSITY**

Under the leadership of *Martha Poyatos*, the format of the CALAFCO University is being revised. For the remainder of the year, we will be offering all CALAFCO U sessions virtually. We are currently planning a series of short online sessions including LAFCo 101 for staff, Clerk 101 (to include Public Records Requests and BOE info), and a LAFCo Primer for Commissioners. This series will be offered at no cost to all member LAFCo staff and commissioners, and will be recorded and placed online for on-demand access to our members. A number of other courses are also being planned, so keep an eye open for announcements coming soon.



### **CALAFCO LEGISLATIVE UPDATE**

This has been a legislative year like no other given the pandemic. As we have been reporting, the Legislature went into recess to comply with the Governor's stay at home orders and was out for several months without bills moving. Upon return, both houses adopted revised calendars and cut

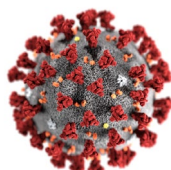
back their bill count significantly.

As you are all aware, the state is now grappling with a \$54 billion deficit and Legislators are having to make difficult decisions on how to close that deficit gap. One thing is certain – even if there is federal funding assistance, local governments throughout the state will be operating in fiscal crisis for several years to come.

As a result, the CALAFCO legislative priorities for the year have all but vanished. The LAFCo funding bill not be moving forward and our work with the Protest Provisions Rewrite Working Group has been put on pause. Staff hopes to reconvene that working group in late summer.

### **CALAFCO'S COVID-19 RESPONSE AND MEMBER SUPPORT**

As all of you were forced to quickly pivot and revise the way you conduct business in March, so was CALAFCO staff. We have been working remotely since mid-March and monitor the office mail and voicemails. Both Pamela and Jeni continue to do everything as usual, just from home.



Seeing a need to support LAFCo staff as they navigated the difficult waters of caring for themselves, their commissions, and the public so that business would be seamless, CALAFCO began hosting weekly meetings for Executive Officers and another for Clerks. These meetings create a space in which LAFCo staff can discuss the unusual issues they are dealing with, share ideas and collectively develop solutions. Over three months later, the meetings are now transitioning to bi-weekly.

CALAFCO staff also issued a number of special bulletins to the full membership over the past several months, sharing critical information and resources as appropriate. In addition, we are sharing a variety of resources and educational opportunities from other resources on things like conducting virtual meetings, fiscal impacts of COVID, etc.

Seeing a need for remote meeting resources for our member LAFCos, CALAFCO offered our toll free conference calling system for you to conduct your meetings and in May purchased several Zoom licenses, one specifically for use by our member LAFCos to conduct your meetings virtually at no cost to you.

We hope you have found these resources useful and we will continue to work in providing you the support you need.

### **CALAFCO ADMINISTRATIVE UPDATE**

We successfully migrated to a new email server at the end of February and are happy to report the transition was seamless and has resolved all of CALAFCO staff's email issues.



The CALAFCO website is being updated to enhance the library archives and member forms sections. So far over the past several months the following updates have occurred:

- ✓ CALAFCO University session archives are fully updated with all prior CALAFCO U session materials online
- ✓ Attorney General Opinions section is fully updated with all AG Opinions posted
- ✓ CALAFCO Directories have all been indexed, reorganized and updated
- ✓ In CALAFCO Publications, The Sphere section has been fully updated with a more usable indexing
- ✓ In the Resources section, all of the Useful Weblinks have been updated.

Future updates (some currently in progress) include a full update and re-indexing of the Forms Library and updating of the LAFCo litigation section.





### CALAFCO BOARD OF DIRECTORS NOMINATION PERIOD OPEN

The nomination period for the 2020 CALAFCO Board of Directors election is open. Nominations are being accepted through 5:00 p.m. September 22, 2020. Nomination packets were emailed to all LAFCo EOs, are placed on the CALAFCO website, and hard copies will be mailed to each LAFCo office.



### CALAFCO Associate Members' Corner

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

*Our last edition featured our Gold Associate Members. In our next several editions we will highlight our Silver Associate Members.*

#### **Berkson Associates** **Berkson Associates**

provides clear, concise analysis for preparation of governance studies including district formation, consolidation and dissolutions. Extensive experience completing incorporation studies. Expertise also includes market analysis, public agency budget forecasting and demographic/housing analysis in support of MSRs. For more information, contact **Richard Berkson** at [richard@berksonassociates.com](mailto:richard@berksonassociates.com). You can also visit their website at [www.berksonassociates.com](http://www.berksonassociates.com).



#### **Santa Ynez Community Services District**



SANTA YNEZ  
COMMUNITY SERVICES DISTRICT

Founded in 1971, **the Santa Ynez Community Services District** provides wastewater collection and transportation and street lighting, serving approximately 688 wastewater connections. Effluent collected by the District is treated at the City of Solvang wastewater treatment plant. For more information about the District, visit their website at [www.sycsd.com](http://www.sycsd.com), or contact the Secretary/Treasurer **Wendy Berry** at [wendy@sycsd.com](mailto:wendy@sycsd.com).

#### **Rosenow Spevacek Group, Inc.**

**RSG** is a creatively charged counterpart to California public agencies. They work with the people responsible for vibrant places and propel them to their goals. Better Communities. Bolder futures. To learn more about them visit their website at [www.webrsg.com](http://www.webrsg.com) or contact **Jim Simon** at [jsimon@webrsg.com](mailto:jsimon@webrsg.com).



#### **City of Fontana**



City of Fontana is responsible for managing the City's annexation program, which includes coordinating annexation meetings, meeting with landowners and developers concerning the benefits of annexation, preparing Plans for Services, overseeing preparation of environmental documents pertaining to rezoning and annexation, and presenting them to the Planning Commission, City Council and LAFCo for review and consideration. In addition, oversee the preparation of out-of-agency service agreements for sewer and other municipal services. Visit them at [www.fontana.org](http://www.fontana.org).

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

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

- ❖ CALAFCO Legislative Committee meeting – July 17, 2020 via conference call
- ❖ CALAFCO Board of Directors meeting – July 24, 2020 – Location TBD



The full revised CALAFCO 2020 Calendar of Events can be found on the CALAFCO website. It is being updated regularly as events and meetings are cancelled or changed.

**All CALAFCO Board and Legislative Committee meeting packets are available online at [www.calafco.org](http://www.calafco.org).**

*Your CALAFCO Board and Staff wish all of you a safe and healthy summer. We continue to face both known and unknown challenges. As we do, keeping ourselves, our families, our work teams, and our communities healthy and safe remains a priority. Please, be well.*

