

# MENDOCINO

## Local Agency Formation Commission

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

### COMMISSIONERS

**Maureen Mulheren, Chair**  
County Member

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

**Katharine Cole**  
Special District Member

**Gerardo Gonzalez**  
City Member

**Candace Horsley**  
Special District Member

**Glenn McGourty**  
County Member

**Mari Rodin**  
City Member

**Francois Christen, Alternate**  
Special District Member

**Douglas Crane, Alternate**  
City Member

**John Haschak, Alternate**  
County Member

**Vacant, Alternate**  
Public Member

### STAFF

**Executive Officer**  
Uma Hinman

**Clerk/Analyst**  
Larkyn Feiler

**Counsel**  
Marsha Burch

### 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

### Executive Committee Meeting

**Monday, March 4, 2024 at 10:30 am**  
or immediately following the regular meeting of the Commission

#### Location

**Mendocino County Administrative Building, Conference Room B**  
**501 Low Gap Road, Ukiah, California**

#### Special Notice – Hybrid Meeting

The Executive Committee will conduct this meeting in a **hybrid** format to accommodate both in-person and remote (video or telephone) participation by the public and staff pursuant to GOV 54953. Unless approved under the provisions of AB 2449, Commissioners will attend in-person at the meeting location identified above. The **hybrid** meeting can be accessed by the public in person, or remotely as described in the Instructions for Remote Participation Option, below.

#### Instructions for Remote Participation Option

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

1. Zoom meeting link: <https://mendocinocounty.zoom.us/j/87685339902>
2. Telephone option (audio only):  
Dial: **(669) 900-9128** (*Please note that this is not a toll-free number*)  
Meeting ID: **876 8533 9902**

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

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

#### **Meeting Participation**

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

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

All comments received will be conveyed to the Committee for consideration during the meeting.

**1. CALL TO ORDER & ROLL CALL**

Chair Maureen Mulheren, Vice Chair/Treasurer Gerald Ward, Commissioner Rodin

**2. PUBLIC EXPRESSION**

**3. MATTERS FOR DISCUSSION & POSSIBLE ACTION**

**3a) Approval of the April 18, 2023 Executive Committee Minutes**

**3b) Ukiah Valley Conference Center Office Lease**

The Committee will consider the new lease options for the office space in the Ukiah Valley Conference Center and provide direction to staff.

**3c) Contract for Preparation of FY 2023-24 Audit**

The Committee will discuss contracting for preparation of the FY 2023-24 financial audit and provide direction to staff.

**3d) Proposed Preliminary Budget and Work Program for Fiscal Year 2024-25**

The Executive Officer will present the Fiscal Year 2024-25 preliminary budget and work program for discussion, direction, and recommendation to the Commission.

**4. INFORMATION AND REPORT ITEMS**

**4a) Executive Officer Report**

**ADJOURNMENT**

The next Regular Commission Meeting is scheduled for  
Monday, April 1, 2024  
in the County Board of Supervisors Chambers

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

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

Americans with Disabilities Act (ADA) Compliance: Commission meetings are held via a hybrid model – the in-person option held in a wheelchair accessible facility and also by teleconference. Individuals requiring special accommodations to participate in this meeting are requested to contact the LAFCo office at (707) 463-4470 or by e-mail to eo@mendolafco.org. Notification 48 hours prior to the meeting will enable the Commission to make reasonable arrangements to ensure accessibility to this meeting. If attending by teleconference, if you are hearing impaired or otherwise would have difficulty participating, please contact the LAFCo office as soon as possible so that special arrangements can be made for participation, if reasonably feasible.

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

# MENDOCINO

## Local Agency Formation Commission

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### Agenda Item 3a

## DRAFT Executive Committee Meeting Minutes

Meeting (Hybrid) of April 18, 2023, 11:00 a.m.

Zinfandel Room, Ukiah Valley Conference Center, 200 S School St, Ukiah, California

### COMMISSIONERS

**Maureen Mulheren, Chair**  
County Member

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

**Gerardo Gonzalez**  
City Member

**Katharine Cole**  
Special District Member

**Candace Horsley**  
Special District Member

**Glenn McGourty**  
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**Mari Rodin**  
City Member

**Francois Christen, Alternate**  
Special District Member

**Douglas Crane, Alternate**  
City Member

**John Haschak, Alternate**  
County Member

**Richard Weinkle, Alternate**  
Public Member

### STAFF

**Executive Officer**  
Uma Hinman

**Clerk/Analyst**  
Larkyn Feiler

**Counsel**  
Scott Browne

### REGULAR MEETINGS

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

### 1. CALL TO ORDER & ROLL CALL

Chair Mulheren called the meeting to order at 11:01 a.m.

Members Present: Chair Mulheren, Vice Chair/Treasurer Ward, Commissioner Rodin  
Staff Present: Executive Officer Uma Hinman and Clerk/Analyst Larkyn Feiler

### 2. PUBLIC EXPRESSION

None

### 3. MATTERS FOR DISCUSSION & POSSIBLE ACTION

#### 3a) Approval of the March 22, 2023 Executive Committee Minutes

Upon motion by Commissioner Ward and second by Commissioner Rodin, the March 22, 2023 Executive Committee Meeting Minutes were approved unanimously.

Craig Schlatter, Community Development Director for the City of Ukiah requested clarification on why the January Executive Committee meeting video is no longer available online. EO Hinman responded that committee videos are not on the YouTube channel. Chair Mulheren noted that it may have been the City Selection Committee meeting in January that was available online.

#### 3b) Review Proposals for Legal Counsel Services

Executive Officer (EO) Hinman introduced the item related to reviewing the proposals received in response to the Request for Proposals (RFP) for Legal Counsel Services and recommending an individual or firm to the Commission for consideration at the May regular meeting.

Alternate Commissioner Douglas Crane, Commissioner Horsley, and Craig Schlatter, Community Development Director for the City of Ukiah, participated in the item.

Commissioner Rodin commented that the staff report did not explain the personnel committee members and expressed concerns on the process and not being included in the personnel committee. EO Hinman explained that the personnel committee was comprised of LAFCo Officers and staff. Chair Mulheren noted the process was streamlined and did not include optional interviews for example.

Commissioner Rodin asked for clarification on the method used for point reductions in staff scoring. EO Hinman referred to the assumptions in attachment 1.

Commissioner Rodin commented that conflicts of interest can be managed and do not disqualify a firm and believed Ms. Burch was the least qualified. EO Hinman noted that Ms. Burch has 10 years of LAFCo experience, serving as backup General Counsel for Scott

Browne's eight LAFCo clients, and serving as primary counsel to Mendocino LAFCo for more than a year, and has many years of experience in the California Environmental Quality Act (CEQA).

Commissioner Rodin noted that additional clarification is needed and suggested that firms with conflicts should be asked how they would handle such situations.

Commissioner Ward commented that he reviewed all the proposals, agreed with the scoring prepared by staff and reviewed by the personnel committee, and supported a smaller firm with lower costs for General Counsel and to hire special counsel for special issues.

Commissioner Rodin expressed concern regarding the criteria weighting, suggested qualifications should represent 75% of the scoring, noted that we need someone more experienced, and it is worth paying more for experience.

Commissioner Ward commented that the existing billing method of a monthly retainer and quarterly true-up provides consistency for budgeting. He further suggested that, as a cost savings, it may not be necessary for Counsel to attend all meetings.

Commissioner Rodin commented that there is no refund for unused retainer. EO Hinman responded that the monthly retainer method keeps the hourly rate low at \$225/hour instead of the standard \$275/hour.

Commissioner Rodin commented that Nancy Miller with the Sloan Sakai firm has LAFCo specialization and has made good CALAFCO presentations in the past.

Craig Schlatter, Community Development Director for the City of Ukiah, provided public comments regarding Ms. Burch qualifications, noting that she has only been full-time LAFCo Counsel in Scott Browne's absence; an RFP review is based on the information presented in the proposal not personal experience; Ms. Burch is not on par with other firm's qualifications; Ms. Burch's references are related to other LAFCo clients of Scott Browne and are not completely independent; there should not be point reductions for firm's with a conflict of interest if the conflict is addressed per the criteria weighting; and while Ms. Burch referenced that Scott Browne would serve as back-up Counsel in her absence, Mr. Browne's qualifications were not provided in the proposal.

Chair Mulheren asked Mr. Schlatter for a firm selection recommendation. Mr. Schlatter responded that his comments were related to errors in how the evaluation was completed, he did not agree with the scoring, and suggested that more discussion is needed to re-evaluate the firms.

Commissioner Horsley commented that she supported the proposed budget increase for Legal Counsel Services, an agency's attorney is critical, and paying more for higher qualifications makes sense.

Commissioner Rodin commented that higher qualifications may be cheaper in the long-run regarding research time.

Chair Mulheren asked Mr. Schlatter if there is concern related to Mr. Browne as back-up counsel. Mr. Schlatter responded that there have been concerns regarding legal stances from LAFCo Legal Counsel over the past few years.

Mr. Schlatter noted that the slowdown in moving LAFCo projects forward could be helped with faster legal advice. Commissioner Ward commented that the slowdown is related to staff capacity not legal advice.

EO Hinman commented that it is not uncommon for LAFCos to have a General Counsel and Special Counsel. BBK and CHW are the premier LAFCo firms across the state, and Ms. Burch is very accessible and responsive, which may not be the case with a larger firm. Mr. Schlatter noted that firm responsiveness is a contract management issue.

Commissioner Rodin commented that the process, evaluation, and scoring should be revisited and be objective.

Commissioner Ward commented that the biggest concern is staff preference since they work together closely.

Chair Mulheren commented that avoiding conflicts of interest are critical and staff preference is important; Ms. Burch is a good fit for a smaller County like Mendocino, and using Special Counsel for specific areas of expertise makes sense.

Commissioner Ward provided support for continuing with Ms. Burch as LAFCo Legal Counsel.

Commissioner Rodin suggested making changes to the evaluation criteria and EO Hinman noted that the criteria were listed in the RFP and cannot be changed without restarting the RFP process.

Commissioner Rodin commented that she is still reviewing the RFPs, suggested identifying specific questions and requesting clarification from firms, and asked for clarification about awarding full points on conflict of interest.

Commissioner Rodin made a motion to hold an Executive Committee meeting the following week for each Committee member to review and score the RFP proposals and develop an Executive Committee scoring and recommendation for firm selection for Commission consideration. The motion died on the floor for lack of a second.

Upon motion by Commissioner Ward and second by Chair Mulheren, the personnel committee recommendation of Marsha A. Burch Law Office for individual/firm selection for Legal Counsel Services was recommended for Commission consideration at the May regular meeting, was approved with one dissenting vote.

#### **4. INFORMATION AND REPORT ITEMS**

##### **4a) Executive Officer Report**

EO Hinman noted that the CALAFCO Staff Workshop is next Wednesday through Friday and Ms. Burch will be presenting at one of the sessions.

Chair Mulheren and Commissioner Rodin commented that the Policies and Procedures should be updated especially related to the past item. Discussion ensued regarding the scheduled Policies and Procedures update and staff's typical approach to build from policies of other LAFCo's and provide a draft to Counsel for review.

EO Hinman noted that LAFCo has no role in the tax share process, but questions can arise from a LAFCo perspective.

##### **ADJOURNMENT**

There being no further business, the meeting was adjourned at 12:12 p.m.

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: March 4, 2024  
TO: Mendocino Local Agency Formation Commission Executive Committee  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Ukiah Valley Conference Center Office Space Lease**

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**RECOMMENDATION**

Executive Committee discuss the Ukiah Valley Conference Center office suite lease options and provide direction to staff.

**INTRODUCTION**

Since 2012, Mendocino LAFCo’s office has been located in the Ukiah Valley Conference Center in downtown Ukiah. While we have changed suites within the building several times, our current location has been a good fit for our needs. Other tenants in the building include, but are not limited to, the City of Ukiah’s conference facilities, field offices for two state representatives, Mendocino Bounty, Visit Ukiah, and it is also now an official California Visitor Center.

Our current annual lease of Suite K started in February 2022 at a cost of \$500 per month. In accordance with the lease, the rate was increased by 5% to \$525 in 2023.

The lease expired in February 2024 and the City of Ukiah has offered a few options for new lease term(s):

<b>Term</b>	<b>Office Space (\$)</b>	<b>Total with Workroom Space (\$)</b>	<b>Notes</b>
Month to month	551.25	581.25	Annual 5% increases in January
1 Year	551.25	581.25	Annual 5% increases in January
2 Year	551.25	581.25	Annual 5% increases in January
5 Year	Year 1 = 551.25 Year 2 = 567.78 Year 3 = 584.81 Year 4 = 602.35 Year 5 = 620.42	Year 1 = 581.25 Year 2 = 597.78 Year 3 = 614.81 Year 4 = 632.35 Year 5 = 650.42	Annual 3% CPI increase in January

In addition to the office lease is a \$30 flat fee for use of the work room with limited additional storage, and use of the postage machine and commercial copier/printer (billed at cost).

Upon receiving Committee direction, staff will coordinate with the City of Ukiah to draft a lease for Commission consideration.

Attachment(s): None

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: March 4, 2024  
TO: Mendocino Local Agency Formation Commission Executive Committee  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Contracting the Preparation of FY 2023-24 Financial Audit**

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**RECOMMENDATION**

Executive Committee discuss contracting for the preparation of the FY 2023-24 financial audit and provide direction to staff.

**INTRODUCTION**

Mendocino LAFCo has used Pehling & Pehling CPAs (PnPCPA) to prepare annual financial audits since 2015-16. Our last solicitation for financial audit proposals was implemented in 2019 and resulted in a contract with PnPCPA for preparing the annual audit for up to five years. The award letter included a clause that future years (beyond the five) would be considered annually.

“...Mendocino Local Agency Formation Commission (LAFCo) has selected your certified public accounting firm to perform an audit on the agency’s financial statements for fiscal year 2018-19, with options for extensions to include up to four additional years. Future years will be considered annually.”

The FY 2022-23 financial audit, which is currently underway, is the fifth year. Per our award letter LAFCo may consider future audits with PnPCPA annually, or we can initiate and execute a new RFP to establish a contract for the next audit cycle.

Staff is requesting discussion and direction to staff regarding contracting for preparation of the FY 2023-24 financial audit.

Attachment(s): None

**MENDOCINO  
Local Agency Formation Commission**

**Staff Report**

DATE: March 4, 2024  
TO: Mendocino Local Agency Formation Commission Executive Committee  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Preliminary Budget and Work Program for FY 2024-25**

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**RECOMMENDATION**

Executive Committee consider the Preliminary FY 2024-25 Budget and Work Program, provide direction to staff and schedule for consideration with the Commission.

**DISCUSSION**

The Executive Officer prepares a Preliminary Budget and Work Program for the upcoming fiscal year, which is submitted to the Executive Committee in March for review, input and comment. The Preliminary Budget describes anticipated revenues and expected expenditures by line item in sufficient detail to allow for Commission, member agency, and public review. The Work Program provides a narrative of the expected work products to be accomplished during the fiscal year.

**Budget Development and Trends**

As staff it is our responsibility to understand LAFCo's historical role in the County and also to look at current and emerging trends in development pressures, legislative changes, and local conditions to support the Commission in meeting its obligations and responsibilities.

Mendocino LAFCo has continued to evolve and expand its focus in response to the need for organizational improvements and efficiencies, customer services (i.e., responding to public inquiries and processing applications), coordination and relationship building with agencies, and a more dynamic work plan that responds to the most pressing issues.

In developing the FY 2024-25 budget and work program, and in response to evolving trends for LAFCOs, staff proposes continuing to build on the strategies initiated in the current FY for a successful, proactive, and responsive organization and work plan implementation.

**Organization**

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

During the current fiscal year, LAFCo staff have dedicated time and resources to improving the core services of the organization through enhancing transparency, outreach to member agencies, and updates and improvements to forms and templates. Additionally, we have developed and implemented strategies for streamlining processes and records accessibility that creates efficiencies for staff, member agencies and the public.



Staff intends to continue building on improving operations and flexibility in an effort for more productivity and efficiencies.

#### Staffing and Efficiencies

Consistent with Commission direction, staff has prioritized applications and responsiveness to inquiries and organizational duties. During 2023, Hinman & Associates Consulting added a planner/analyst to its team who has been focused solely on implementing the Work Plan. Also in 2023, an administrative assistant was contracted from a local temp employment agency to assist with creating office efficiencies and furthering efforts that increase transparency, primarily through ready public access to historic documents. Administrative support may be utilized in the future; however, at this time it is more efficient for the Analyst to continue to cover the Clerk duties, with the EO providing office hours as needed.

A master tax share agreement negotiated between the cities and County is expected to be considered by the Board of Supervisors in the first half of 2024, which will pave the way for long-delayed boundary changes. Application interest and inquiries from Ukiah, Willits and Fort Bragg have already been made to LAFCo staff in anticipation of the new agreement.

As a result, staff anticipates a significant increase in application processing once the master tax share agreement is adopted. Because the Commission prioritizes customer service and application processing ahead of the Work Plan, it may be necessary to outsource some tasks in order to increase capacity to meet staffing demands.

In response to Commission requests, staff proposes to develop a continuity plan for tracking and managing follow-up items identified in LAFCo studies and application approvals.

Particularly with remote working environments, and also to more readily respond to requests for information and records, it is becoming increasingly important to tackle a number of long-standing, non-essential, office needs such as scanning files (historic meeting materials, applications, budgets, etc.). In the current FY, staff utilized a temp administrative assistant to implement a scanning project for all Commission resolutions, which are now available on our website. Per Commission recommendation, staff will continue this effort of adding historic records to our website as time and budget allows. Ultimately, these efforts will promote a more efficient work environment, records archive, and increase overall agency transparency.

#### Policies and Procedures

The last comprehensive update of the Policies and Procedures Manual was in early 2016, with a subsequent formatting update in 2018. In the current FY, staff has initiated review and updates to local policies and procedures in response to legislative changes and local conditions. Staff will continue to review the Manual and work with the Policies & Procedures Committee to update policies in the next FY.

Additionally, a comprehensive update of application forms and guides to help streamline processes was initiated in the current FY. Staff has conducted substantial outreach with the Board of Equalization, the County Surveyor, and various County departments regarding mapping requirements for LAFCo applications, which is a critical component of the application form updates. A common understanding of mapping requirements must be developed in order to streamline the agency referral and tax share negotiation process for applications. The updates to forms will likely extend into the next FY.

#### **Work Plan**

Developing in-house MSR/SOI studies for the 50 special districts and 4 cities on a 5-year schedule is an unrealistic goal with priorities focused on applications and organizational tasks. Thirty-one (57%) of the 54 agencies' studies are five years old or more; of those, 19 (39%) are municipal service providers (locally defined as water, wastewater, police, and fire protection) and should be reviewed every 5 years, as necessary, per local policy.

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

- Consider outsourcing the MSR/SOI work plan and related CEQA reviews when it makes sense
- Continue to budget work plan contingencies to support flexibility in developing MSR/SOI updates and related CEQA processes above exemptions
- Implement the recently approved streamlined review procedure to apply on a 5-year schedule for agencies with little to no changes, and to identify agencies that need updated SOIs

Outsourcing studies and associated CEQA reviews tend to incur higher contractor rates but can provide a valuable option for implementation of the Work Plan on a reasonable timeline. Maintaining a work plan contingency allows for flexibility in utilizing this option, especially in response to shifting agency needs.

The Commission recently blessed a streamlined review process of agencies’ MSRs and SOIs for those agencies that have experienced little change since the last review, allowing LAFCo to focus staffing and budget on in-depth comprehensive studies for agencies with greater needs.

### Proposed Operating Expenses

The proposed operating expenses for Fiscal Year (FY) 2024-25 are \$298,000 and reflect inflationary increases to accommodate a Consumer Price Index (CPI) of 3.1%, the anticipated staffing for day-to-day operations, and a considerable Work Plan effort. The following table provides a summary of the adopted FY 2023-24 budget and the Preliminary Budget for FY 2024-25.

Table 1. Summary of FY 2023-24 and Proposed Preliminary FY 2024-25 Operating Expenditures				
Estimated Budget Summary	FY 2023-24		FY 2023-24 Proposed Preliminary Budget (\$)	Increase (Decrease)
	Adopted (\$)	Projected (\$)		
Basic Services (Staffing)	133,000	133,000	145,000	9%
Services and Supplies	87,000	55,700	78,000	(10%)
Work Plan	100,000	75,000	75,000	(25%)
<b>Estimated Operations Total</b>	<b>320,000</b>	<b>263,700</b>	<b>298,000</b>	<b>(7%)</b>

As of February 2024, approximately 48% of the budget remains. The budget expenses through the remainder of FY 2023-24 are estimated at \$97,000 for a projected year-end total of \$263,700.

The underutilized budget is primarily in the work plan, conference registration and expenses, and Commissioner stipend and mileage accounts. Commissioner attendance at the 2023 Annual CALAFCO Conference was very low due to schedule conflicts. See the Work Plan section below for more discussion.

### Basic Services

The proposed FY 2024-25 Basic Services budget supports a 0.72 FTE shared between the Executive Officer and Analyst.

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

Clerk duties continue to be covered by the EO and Analyst. Administrative support may be utilized in the future; however, at this time it is more efficient for the Analyst to continue to cover the Clerk duties, with the EO providing office hours as needed.

The 9% increase in the Basic Services budget is primarily related to the inclusion of development of a continuity plan to track follow-up items from MSR and SOI studies and application approvals. See Attachment 3 for a summary of Basic Services tasks.

### ***Services and Supplies***

Services and supplies include office operating expenses, membership fees, insurance, contracted Legal Counsel, Commissioner and staff trainings and conferences, and Commissioner stipends and travel expenses. The 10% decrease is primarily related to a reduction in the Legal Services budget to reflect the new legal services contract. See Attachment 5 for an explanation of budget changes by account.

### ***Work Plan***

Development of studies for the coastal region water and wastewater districts and mutual water companies were initiated in the final quarter of FY 2022-23 and continued through FY 2023-24. The studies will roll into FY 2024-25 and are expected to be completed by the end of calendar year 2024. The remaining work plan budget from the current FY will follow the coastal studies into the next FY and is accounted for in the Work Plan Contingency.

Additionally, the inland water districts and agencies that rely on water supply through the existing Potter Valley Project have been identified for prioritized MSR/SOI updates in the second half of FY 2024-25, and include: Redwood Valley County Water District, Calpella County Water District, Millview County Water District, Willow County Water District, Hopland Public Utilities District, Russian River Flood Control District, and Potter Valley Irrigation District. Other inland water districts included in the FY 2024-25 work plan are Laytonville County Water District and Round Valley County Water District and will be initiated in the first half of the FY. A budget of \$75,000 has been proposed in the FY 2024-25 Preliminary Budget to initiate preparation of the studies for the inland water districts. It is expected that the majority of the studies will roll into FY 2025-26.

It is notable that while mutual water companies are not under the jurisdiction of LAFCo, they are required to respond to LAFCo requests for information. Because they play a significant role in the overall provision of water services in the region, it is important to include their service information in these studies. Further, the State Water Board has the authority to mandate consolidation of mutual water companies with other agencies, including special districts, and so warrants consideration in the water district MSRs. This is particularly true in the Ukiah Valley, as mutual water companies rely on the same water source and have been included in discussions of regionalization and consolidation of water services.

See Attachments 3-5 for more information on the work plan.

### ***Summary of Changes***

The proposed FY 2024-25 overall expenses are a decrease of 7% below the previous fiscal year (Table 1; Attachment 2). See Attachment 5 for a detailed description of changes by budget account.

Per the [Cortese-Knox-Hertzberg Local Government Act of 2000 \(CKH\)](#) (Section 56381(a)), at a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs.

### ***Revenue and Reserves***

#### ***Apportionment Fees***

The CKH mandates operating costs for LAFCos shall be annually funded by the affected counties, cities, and independent special districts on a one-third apportionment process (Section 56381(b)).

Apportionments for cities and independent special districts are further divided and proportional to each agency's total revenues as a percentage of the overall revenue amount collected in the county.

The Preliminary Budget (Attachment 2) recommends the apportionments decrease slightly (3.6%) to \$265,000 for FY 2024-25. The collection of service fees from applications and savings in the legal services budget from the current fiscal year support the reduction in apportionment fees for next fiscal year, while still allowing the Commission to fulfill its statutory purposes and programs.

### ***Service Rate Revenue***

The adopted service fees billed to applicants for application processing accommodates contract staff rates and a portion that is retained by LAFCo as revenue and applied towards operations and long-term planning (Work Plan) costs in the following FY. It is projected that approximately \$5,000 in service fee revenue will be collected in the current FY.

With the likely adoption of master tax share agreements between the County and cities, it is expected that there will be an increase in application activity for changes of organizations and reorganizations. The service fee revenue retained by LAFCo in the next FY is estimated to increase to approximately \$9,000.

### ***Reserves***

Mendocino LAFCo Policy 5.1.5 directs maintenance of reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of a minimum operating reserve of 25% of the annual operating budget and a legal reserve of \$50,000 as directed by the Commission.

The current reserves meet the target operating and legal reserves per policy and Commission direction; no change in reserves is proposed for FY 2024-25.

### ***Work Plan Contingency***

Since FY 2022-23, the budget has included a work plan contingency funded by cash balance from the previous FY (currently approximately \$37,760). The Work Plan contingency is intended to allow for flexibility in implementing the Work Plan, such as unanticipated or higher than estimated expenses associated with issues arising during the preparation of MSR and SOI updates and for associated environmental reviews required under the California Environmental Quality Act (CEQA). The contingency also allows for a buffer to support Work Plan efforts that are by nature not limited to a single fiscal year.

Unanticipated costs may include the need for outside consultant-prepared MSR/SOI studies that generally incur much higher costs than in-house staff prepared studies due primarily to higher consultant billing and production rates. It may also include modifications of the Work Plan mid-year for reasons such as rescheduling agency studies based on emerging needs and/or unresponsive agencies.

Sphere of Influence updates are subject to CEQA and can run from a Notice of Exemption (approximately \$500) to an Environmental Impact Report (EIR) that can be upwards of \$100,000 or more depending on the complexity of the agency and sphere. To date, Mendocino LAFCo has had insufficient funds to prepare CEQA documents above Exemptions for LAFCo-initiated SOI updates. By budgeting for CEQA-related costs associated with SOI updates, the Commission will be better prepared to focus the Work Plan efforts on good planning principles rather than establishing SOIs based on the costs of CEQA analysis.

The end of FY 2023-24 projections indicate an anticipated cash balance of approximately \$52,000, 23,000 of which will be applied towards next year's budget, with the remaining portion allocated to the work plan contingency (Table 2; Attachments 1 and 2). The following table summarizes options for apportionment fees to ensure proposed expenditures are met, reserves are maintained per policy and Commission direction, and to maintain the work plan contingency funds.

Table 2. Summary of FY 2024-25 apportionment options and impacts to reserves				
	Projected FY 2023-24 (\$)	Preliminary FY 2024-25 (\$)		
<b>Expenditures</b>	<b>263,700</b>	<b>298,000</b>		
<b>Revenue/Funds</b>				
<i>Anticipated Cash Balance</i>	35,000	23,000	23,000	23,000
Apportionment fees	275,000	255,000	265,000	275,000
Service Fees and Interest <sup>1</sup>	6,000	10,000	10,000	10,000
Total Revenue/Funds	316,000	288,000	298,000	308,000
<i>Difference</i>	52,300	(10,000)	0	10,000
<b>Reserves</b>				
Funds balance at beginning of FY <sup>2</sup>	196,900	182,660	182,660	182,660
Target Reserves balance per policy	130,500	131,500	131,500	131,500
Work Plan contingency	37,760	41,160	51,160	51,160
Estimated cash balance at FY end	52,000	0	0	10,000
<sup>1</sup> Overhead portion of service fees; bank interest.				
<sup>2</sup> Balance from FY 2022-23 (year-end) draft financial statements.				

**Next Steps**

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

Table 3. Budget development schedule	
Budget Phase	Schedule
Preliminary Budget and Proposed Work Plan – Workshop (Optional)	April 1
Proposed Budget and Work Plan – Public Hearing	May 6
Final Budget and Work Plan – Public Hearing	June 3

- Attachments: (1) Projected Financial Summary for FY 2023-24  
 (2) Preliminary FY 2024-25 Budget  
 (3) Preliminary FY 2024-25 Work Program  
 (4) Rolling Work Plan for MSR/SOI Studies  
 (5) Preliminary Budget Development Guide for FY 2024-25 (Description by Account)

# Attachment 1

## FY 2023-24 Projected Financial Summary

March 1, 2024

Reserves	\$	131,500
Cash in SBMC (after Feb claims)	\$	62,000
Treasury	\$	94,000
	Total Cash	\$ 156,000
	Total Funds	\$ 287,500
Accounts Receivable	\$	-
Total Available Funds	\$	156,000
Accounts payable (by June 30)	\$	97,319
Application deposits held in SBMC	\$	7,517
Estimated Net funds available 6-30-24	\$	51,164
	Subtotal FYE Funds	\$ 182,664
2023-2024 Projected Budget Deficit	\$	52,337
2023-2024 Proposed additions	\$	-
Reserve Operations at FYE	\$	81,700
Reserve Legal at FYE	\$	50,000
		\$ 131,700
	Total Estimated Net Funds Available at FYE	\$ 50,964
	Cash Balance to apply to FY 2024-25	\$ 13,204
	Work Plan Contingency at FYE	\$ 37,760

## Attachment 2

### Mendocino Local Agency Formation Commission Preliminary Budget for FY 2024-2025

March 4, 2024

ACCOUNT #	DESCRIPTION	FY 2023-24			FY 2024-25
		Adopted	YTD - February	Projected	Preliminary
<b>REVENUE</b>					
	<i>Anticipated Cash Balance</i>	\$ 56,000	\$ 56,000	\$ 56,000	\$ 23,000
4000	LAFCo Apportionment Fees	\$ 275,000	\$ 272,000	\$ 275,000	\$ 265,000
4100	Fees and Reimbursements (Includes Service Fees)	\$ 9,500	\$ 2,350	\$ 5,000	\$ 9,000
4800	Miscellaneous				
4910	Interest Income	\$ 500	\$ 770	\$ 1,000	\$ 1,000
	<b>REVENUE TOTAL</b>	<b>\$ 341,000</b>	<b>\$ 331,120</b>	<b>\$ 337,000</b>	<b>\$ 298,000</b>
<b>EXPENSES</b>					
5300	Basic Services (EO, Analyst, Clerk)	\$ 133,000	\$ 82,447	\$ 133,000	\$ 145,000
5500	Rent	\$ 7,000	\$ 5,190	\$ 6,660	\$ 8,000
5600	Office Expenses	\$ 4,500	\$ 2,590	\$ 4,500	\$ 4,000
5700	Internet & Website Costs	\$ 3,000	\$ 1,275	\$ 2,500	\$ 3,000
5900	Publication and Legal Notices	\$ 3,000	\$ 1,224	\$ 3,000	\$ 3,000
6000	Televising Meetings	\$ 2,400	\$ 870	\$ 1,400	\$ 2,400
6100	Audit Services	\$ 4,000	\$ 2,000	\$ 4,000	\$ 4,500
6200	Bookkeeping	\$ 5,500	\$ 3,685	\$ 5,500	\$ 5,500
6300	Legal Counsel	\$ 30,000	\$ 6,165	\$ 12,000	\$ 19,000
6400	A-87 Costs County Services	\$ 2,500	\$ 3,440	\$ 2,500	\$ 3,500
6500	Insurance-General Liability	\$ 3,000	\$ 2,858	\$ 2,858	\$ 3,000
6600	Memberships (CALAFCO/CSDA)	\$ 4,000	\$ 3,802	\$ 3,802	\$ 4,000
6670	GIS Contract with County	\$ 3,000	\$ 57	\$ 1,500	\$ 3,000
6740	In-County Travel & Stipends	\$ 4,000	\$ 585	\$ 1,000	\$ 3,000
6750	Travel & Lodging Expense	\$ 6,500	\$ 842	\$ 843	\$ 7,000
6800	Conferences (Registrations)	\$ 4,500	\$ 1,950	\$ 3,500	\$ 5,000
7000	Work Plan (MSRs and SOIs)	\$ 100,000	\$ 47,300	\$ 75,000	\$ 75,000
9000	Misc Exp (Special District Training Support, bank charges)	\$ 100	\$ 64	\$ 100	\$ 100
	<b>OPERATING EXPENSE TOTAL</b>	<b>\$ 320,000</b>	<b>\$ 166,344</b>	<b>\$ 263,663</b>	<b>\$ 298,000</b>
	<b>REVENUE/EXPENSE DIFFERENCE</b>	\$ -		\$ 52,337	\$ -
	<i>(Negative balance indicates use of fund balance and/or reserves)</i>				
<b>RESERVES / CONTINGENCIES</b>					
	Legal Reserves	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	Operations Reserves @ min. 25% Annual Operating Budget	\$ 80,000	\$ 80,497	\$ 81,500	\$ 81,500
	<b>Total Reserves</b>	<b>\$ 130,000</b>	<b>\$ 130,497</b>	<b>\$ 131,500</b>	<b>\$ 131,500</b>
	Work Plan Contingency	\$ 37,760	\$ 37,760	\$ 37,760	\$ 51,164

## Attachment 3

### Preliminary Work Program (Basic Services and Work Plan)

FY 2024-25

March 4, 2024

Tasks	Description & Assumptions	Estimated Budget
<b>Basic Services</b>		
Office Hours & Administrative Duties	Clerk duties not related to projects; office hours; public assistance; PRA requests; budget development, tracking, amendments; accounts payable, QuickBooks; annual audit; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review, etc.; carrying out Commission direction.	\$ 75,000
Commission & Committee Meetings	Commission & Committee meeting attendance (12 Regular and 8 Committee); agenda packet development, staff reports, presentations, minutes.	\$ 37,000
Work Plan Support	Prepare and distribute Public Notices, development of staff reports specifically related to MSR/SOI studies, presentation at Commission meetings for Public Workshops and Public Hearings.	\$ 6,000
Consult Legal Counsel	Contract is on an hourly basis.	Per Contract
Application Forms	Update application forms; map research and process clarification	\$ 5,000
Application Processing	Process change of organization or reorganization applications initiated by landowner petition or resolution of application from Cities and Special Districts to modify existing powers, annex and/or detach territory from agency boundaries, and create, dissolve, or consolidate/merge local agencies.	Paid by applicant
Work Plan Follow	Create a Continuity Plan and managing follow-up items identified in MSR/SOI studies and application approvals.	\$ 10,000
Policy Development	Prepare policy amendment and development as needed (overhaul)	\$ 10,000
Transparency Improvements to Website	Assess/implement website improvements (JPAs, maps, etc.)	\$ 2,000
<b>Total</b>		<b>\$ 145,000</b>
<b>Work Plan</b>		
MSR/SOI Update	Prepare and adopt combined Municipal Service Review and Sphere of Influence (MSR/SOI) Update studies pursuant to GOV \$56425 and \$56430, either in-house or by contract.	\$ 75,000
<p>The agencies listed below have priority for preparation of a LAFCo-initiated MSR/SOI Update in Fiscal Year 2024-25.</p> <p><b>The actual completion of a specific study may span multiple fiscal years. The budget allocation for each agency is based on estimated costs. Actual costs for study completion may be higher or lower than estimated below.</b></p> <p>Work Plan implementation is subject to change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.</p> <p>The Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).</p>		
<p><b>The total Work Plan Budget is not limited to the following designations. These budget allocations may shift to other agencies as needed during the year.</b></p>	<p>Inland Water/Wastewater Districts (9 special districts, 10 mutual water companies)</p> <p>Partially Outsourced/Consultant Contract</p>	\$ 75,000
<b>Total</b>		<b>\$ 75,000</b>



Mendocino LAFCo Rolling Work Plan for MSR/SOI Updates

Agency	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Mendocino County Water Works District No. 2																					
Mendocino Coast Recreation and Park District																					
Anderson Valley Community Services District																					
Caspar South Water District																					
City of Point Arena																					
Elk County Water District																					
Laytonville County Water District																					
Pacific Reefs Water District																					
Westport County Water District																					
Calpella County Water District																					
Gualala Community Services District																					
Hopland Public Utility District																					
Irish Beach Water District																					
Mendocino Coast Health Care District																					
Mendocino County Resource Conservation District																					
Millview County Water District																					
Noyo Harbor District																					
Potter Valley Irrigation District																					
Redwood Valley County Water District																					
Round Valley County Water District																					
Willow County Water District																					
Anderson Valley Cemetery District																					
Cemetery District of the Redwoods																					
City of Fort Bragg																					
Covelo Public Cemetery District																					
Hopland Cemetery District																					
Mendocino-Little River Cemetery District																					
Potter Valley Cemetery District																					
Russian River Cemetery District																					
Russian River Flood Control District																					
Westport-Ten Mile Cemetery District																					
Albion-Little River Fire Protection District																					
Comptche Community Services District																					
Covelo Fire Protection District																					



## Attachment 5

# MENDOCINO LAFCO

## FY 2024-25 PRELIMINARY BUDGET DEVELOPMENT GUIDE

This Development Guide provides a summary of the assumptions, basis and projections that went into developing the FY 2024-25 Preliminary Budget and Work Program. The Guide includes a description of each budget account and changes in proposed budget from the previous FY.

### Trends

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The Consumer Price Index (CPI) of 3.1% was used in developing the preliminary budget for FY 2024-25, which is consistent with CALAFCO's budgeting assumptions and is intended to capture anticipated increases in costs for supplies and services.

### Operations

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The following notes were accounted for in the development of the FY 2024-25 budget for operations:

- Administrative Assistant, as needed and available
- Split Clerk duties between Analyst and EO
- Applications (including pre-application assistance)
- Legal Counsel assistance on CEQA review and agency referral comments

### Preliminary Budget

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The following table summarizes the adopted and projected budgets for FY 2023-24 and the preliminary budget for FY 2024-25.

	<i>FY 2023-24 Adopted</i> (\$)	<i>FY 2023-24 Projected</i> (\$)	<i>FY 2024-25 Preliminary</i> (\$)
<i>Cash Balance</i>	<b>56,000</b>	<b>31,000</b>	<b>23,000</b>
<i>Apportionments</i>	275,000	275,000	265,000
<i>Misc Revenues</i>	10,000	6,000	6,000
<b><i>Total Revenue</i></b>	<b>285,000</b>	<b>281,000</b>	<b>298,000</b>
<i>Staffing</i>	133,000	133,000	145,000
<i>Services &amp; Supplies</i>	87,000	55,663	78,000
<i>Work Plan</i>	100,000	75,000	75,000
<b><i>Total Expenses</i></b>	<b>320,000</b>	<b>263,660</b>	<b>298,000</b>
<i>Work Plan Contingency</i>	37,760	37,760	51,568
<i>Reserves</i>	130,000	131,500	131,500

# Description of Expenses by Account

The following table provides a description of LAFCo’s budget accounts, the preliminary budget recommendation, and an explanation of any recommended changes from FY 2023-24.

<b>Account 5300</b>		<b>Basic Services</b>	
Description	Contract staffing (Executive Officer, Analyst/Clerk, Clerk/Administrative Assistant)		
Budget Recommendation	\$145,000 (increase of \$12,000)		9.0%
Notes: An increase of \$10,000 is proposed for creating a Continuity Plan and managing follow-up items identified in MSR/SOI studies and application approvals. Slight increase (\$2,000) to accommodate staff rates approved in 2023. Organizational tasks such as policy and procedure development; comprehensive update of application forms and process streamlining; outreach to member agencies; website improvements. General tasks such as office hours & administrative duties; Commission & Committee meetings; Work Plan support.			
<b>Account 5500</b>		<b>Rent</b>	
Description	Office space lease and work room at UVCC		
Budget Recommendation	\$7,000 (increase of \$1,000)		14.3%
Notes: 2024 office space lease will be \$552/month for the 2024; increase to \$568 for 2025. Work room fee of \$30/month for full FY. Also includes \$1,000 for BOS chambers rental, which last FY was included in Office Expenses (Account 5600).			
<b>Account 5600</b>		<b>Office Expenses</b>	
Description	Office supplies, photocopies, postage, office equipment, phone service, software subscriptions, meeting venue fees		
Budget Recommendation	\$4,000 (decrease of \$500)		11.1%
Notes: Decrease due to moving the BOS chambers rental to Account 5500; includes CPI adjustments for services and supplies.			
<b>Account 5700</b>		<b>Internet and Website Costs</b>	
Description	Internet service provider, website subscription, email hosting service, domain registration		
Budget Recommendation	\$3,000 (no change)		
Notes:			
<b>Account 5900</b>		<b>Publication and Legal Notices</b>	
Description	Newspaper publishing of legal notices		
Budget Recommendation	\$3,000 (no change)		
Notes: Legal notices for work plan studies, proposed and final budgets, alternate public member notice of vacancy.			
<b>Account 6000</b>		<b>Televising Meetings</b>	
Description	Live-streaming and recording regular Commission meetings		
Budget Recommendation	\$2,400 (no change)		
Notes: Contract with County Information Services for technical support for live-streaming and recording regular Commission meetings. Budget anticipated to support assumed COLAs for County staff.			

<b>Account 6100</b>	<b>Audit Services</b>	
Description	Contracted annual audit services	
Budget Recommendation	\$4,500 (increase of \$500)	12.5%
Notes: Increase assumes continuing with Pehling & Pehling, CPAs, and anticipates the 5% increase per current contract clause.		
<b>Account 6200</b>	<b>Bookkeeping</b>	
Description	Bookkeeping including Quickbooks entries, processing claims, and financial reporting	
Budget Recommendation	\$5,500 (no change)	
Notes:		
<b>Account 6300</b>	<b>Legal Counsel</b>	
Description	Contract general legal representation	
Budget Recommendation	\$19,000 (decrease of \$11,000)	36.7%
Notes: Decrease reflects lower contract rates and estimated need for the FY.		
<b>Account 6400</b>	<b>A-87 Costs County Services</b>	
Description	County services costs for treasury account and overhead for other County services	
Budget Recommendation	\$3,500 (increase of \$1,000)	40.0%
Notes: Increase reflects actual invoiced amount for FY 2023-24 (\$3,440) and assumes slightly higher billing for FY 2024-25 to accommodate County staff COLA raises.		
<b>Account 6500</b>	<b>Insurance – General Liability</b>	
Description	General liability insurance through SDRMA	
Budget Recommendation	\$3,000 (no change)	
Notes: Advisory letter from SDRMA estimates \$2,750, a slight decrease. Small cushion included to allow for final adjustments with final billing.		
<b>Account 6600</b>	<b>Memberships</b>	
Description	Membership dues for CALAFCO and CSDA	
Budget Recommendation	\$4,000 (no change)	
Notes: CALAFCO Board adopted dues of \$2,581 for Mendocino LAFCo consistent with the current CPI of 3.1%. CSDA dues are estimated to increase to \$1,300-1,500 with CPI.		
<b>Account 6670</b>	<b>GIS Services</b>	
Description	GIS services under contract with County	
Budget Recommendation	\$3,000 (no change)	
Notes:		
<b>Account 6740</b>	<b>In-County Travel and Stipends</b>	
Description	Commissioner stipends of \$50 and mileage for regular Commission meetings	
Budget Recommendation	\$3,000 (decrease of \$1,000)	25.0%
Notes: Meetings are returning to in-person; IRS mileage rate increased for 2024. However, expenses for this account are historically under budget; budget lowered accordingly.		

<b>Account 6750</b>	<b>Travel and Lodging Expenses</b>	
Description	Travel and lodging expenses associated with conference, workshop and training attendance out of county.	
Budget Recommendation	\$7,000 (increase of \$500)	7.7%
Notes: The 2024 CALAFCO Conference is at Tenaya Lodge/Yosemite; assumes four commissioners and the EO will attend. <a href="#">Mileage</a> (670 miles RT) = \$450; hotel (\$255 pp/night); <a href="#">meals</a> (\$60/day). Per person expenses: \$1,150, for a total of \$5,750. The 2025 CALAFCO Staff Workshop will be held in Temecula; one staff person to attend Staff Workshop, expenses estimated at \$1200/pp.		
<b>Account 6800</b>	<b>Conferences</b>	
Description	Conference registrations	
Budget Recommendation	\$5,000 (increase of \$500)	11.1%
Notes: CALAFCO has provided estimated registration costs for the annual conference (\$800/pp) and the 2024 Staff Workshop (\$660/pp). Assumes four Commissioners and the EO will attend the conference, for a total of \$4,000; one staff person to attend Staff Workshop. Budget allows for a slight cushion.		
<b>Account 7000</b>	<b>Work Plan</b>	
Description	Preparation of Municipal Services Reviews, Sphere of Influence Updates and special studies	
Budget Recommendation	\$75,000 (decrease of \$25,000)	25.0%
Notes: The coastal water and wastewater agency studies will roll over from FY 2023-24 into FY 2024-25 for completion purposes, but will not include additional budget allocation in FY 2024-25. The inland water and wastewater agency studies will be allocated the full \$75,000 in FY 2024-25 work plan budget. Studies for the water agencies that rely on Potter Valley Project water supply will commence in the later half of FY 2024-25 (January 2025), will likely roll into the following year (FY 2025-26) for completion, and may require an additional allocation in the FY 2025-26 work plan budget, such that study costs might be allocated from two budget cycles (FY 2024-25 and 2025-26).		
<b>Account 9000</b>	<b>Miscellaneous Expenses</b>	
Description	Bank service fees, special district training support, etc.	
Budget Recommendation	100 (no change)	
Notes:		

## Work Plan

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### Coastal Water/Wastewater Districts

Continuation of preparing the MSR/SOI updates for the seven coastal water and wastewater districts and nine mutual water companies started in FY 2023-24:

Mendocino County Waterworks District No. 2	Albion Mutual Water Company
Gualala Community Service District	North Gualala Water Company
Pacific Reefs Water District	Big River Vista Mutual Water Company
Caspar South Water District	Caspar South Service Company
Irish Beach Water District	Hills Ranch Mutual Water Company
Elk County Water District	Point Arena Water Works
Westport County Water District	Point of View Mutual Water Company
	Seafair Road and Water Company
	Surfwood Mutual Water Corporation

Workshops for the coastal districts will begin in March 2024 with additional workshops and public hearings to continue monthly through the end of the calendar year.

### Inland Water/Wastewater Districts

The regional MSR/SOI updates will include nine inland water and wastewater districts and eight mutual water companies. The Laytonville County Water District and Round Valley County Water District studies will commence in the first part of FY 2024-25. Studies for the water agencies that rely on Potter Valley Project water supply will commence in the later half of FY 2024-25 (January 2025), will likely roll into the following year (FY 2025-26) for completion, and may require an additional allocation in the FY 2025-26 work plan budget, such that study costs might be allocated from two budget cycles (FY 2024-25 and 2025-26).

Laytonville County Water District	Calpella County Water District
Round Valley County Water District	Millview County Water District
	Redwood Valley County Water District
	Willow County Water District
	Hopland Public Utilities District
	Russian River Flood Control District
	Potter Valley Irrigation District

Additionally, mutual water companies will be included in the MSR/SOI studies for the most proximate special district noted above and include:

Branscomb Mutual Water Company	Pine Mountain Mutual Water Company
Dos Rios Mutual Water Company	River Estates Mutual Water Company
Lakeview Mutual Water Company	Rogina Water Company
Meadow Estates Mutual Water Company	Russian River Estates