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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

AGENDA

Executive Committee Meeting

Thursday, January 9, 2025 at 2:30 p.m.

Location

**Ukiah Valley Conference Center – Chardonnay Room
200 South School Street, Ukiah, CA 95482**

Hybrid Meeting

The Mendocino LAFCo 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/85095209105>
2. Telephone option (audio only):
Dial: **(669) 900-9128** (*Please note that this is not a toll-free number*)
Meeting ID: **850 9520 9105**

Public Participation is encouraged and public comments are accepted:

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

Meeting Participation

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

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

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

Live web streaming and recordings of Regular Commission meetings are available via the [Mendocino County YouTube Channel](#). Links to recordings, approved minutes, and meeting documents are available on the [LAFCo website](#).

1. CALL TO ORDER and ROLL CALL

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

2. PUBLIC EXPRESSION

The Committee welcomes participation in the Executive Committee meeting. Any person may address the Committee 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. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

3a) Approval of August 21, 2024 Executive Committee Minutes

3b) Mid-Year Review of Budget and Work Plan Implementation

The Executive Committee will receive a mid-year review of the status of the FY 2024-25 Budget and Work Plan studies, consider reprioritization of studies, and provide direction to staff including potential recommended modification of the Work Plan for Commission consideration.

3c) Mendocino Coast Recreation and Park District Request for Municipal Service Review

The Committee will consider a request from the Mendocino Coast Recreation and Park District for an MSR update and consider recommendation to the Commission and/or direction to staff.

3d) Options for Alternative Schedule of Regular Commission Meetings

The Executive Committee will receive staff research on options for an alternative schedule for regular Commission meetings and consider recommendation to the Commission and/or direction to staff.

4. INFORMATION AND REPORT ITEMS

4a) Executive Officer Report

ADJOURNMENT

The next Regular Commission Meeting is scheduled for Monday, **February 3, 2025** at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah.

Notice: This agenda has been posted at least 72 hours prior to the meeting and in accordance with the Brown Act Guidelines and GOV 54953, including rules for teleconferencing.

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.



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Special District Member

Glenn McGourty
County Member

Mari Rodin
City Member

Vacant
Special District Member

Francois Christen
Alternate Special District Member

Douglas Crane
Alternate City Member

John Haschak
Alternate County Member

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

Agenda Item 3a

DRAFT

Executive Committee Meeting Minutes

Hybrid Meeting of Wednesday, August 21, 2024, 11:00 a.m.
Ukiah Valley Conference Center, Chardonnay Room
200 South School Street, Ukiah, California 95482

4. CALL TO ORDER and ROLL CALL

Chair Mulheren called the meeting to order at 11:04 a.m.

Members Present: Chair Mulheren, Vice Chair/Treasurer Ward, Commissioner Rodin

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

5. PUBLIC EXPRESSION

None

6. MATTERS FOR DISCUSSION & POSSIBLE ACTION

3a) Approval of March 4, 2024 Executive Committee Minutes

Upon motion by Commissioner Ward and second by Commissioner Rodin, the March 4, 2024 Executive Committee Meeting Minutes were approved unanimously.

3b) Draft Response to the Grand Jury Report: Mendocino Coast Health Care District – Sick, but Returning to Health

Chair Mulheren introduced the item regarding the Fiscal Year (FY) 2023-24 Grand Jury Report titled *Mendocino Coast Health Care District – Sick, but Returning to Health*, to review a draft response to the Grand Jury and provide direction to staff. The Committee discussed the Grand Jury Report recommendation for Mendocino LAFCo (LAFCo) to prepare a Municipal Service Review and Sphere of Influence (MSR/SOI) update for the District.

The Committee discussed that LAFCo hasn't received apportionment fees from the Mendocino Coast Health Care District (MCHCD) in at least ten years. Executive Officer (EO) Hinman clarified that the Cortese Knox Hertzberg Local Government Act of 2000 has a provision for health care districts that exempts them from apportionment fees if operational revenues are negative (GOV 56381(b)(1)(D)(ii)), and that LAFCo is still required to prepare the MSR/SOI update.

EO Hinman further clarified that preparation of the MSR/SOI update is estimated to be \$15,000 to \$30,000; LAFCo does not have the funding to complete the study under the current Work Plan budget.

Commissioner Rodin recommended revisions to the draft Board letter response; strike the sentence regarding apportionment fees in the fourth paragraph on page 38, expand the discussion on how LAFCo is funded, and clarify that health care districts in the negative are not expected to pay apportionment fees

EO Hinman noted that LAFCo policy specifies that municipal service providers should be prioritized, and that health care districts are specifically excluded from the definition of municipal service provider. Further, staff have been directed to prioritize studies for water agencies due to the severe drought situation in 2022 compared to some older reports. The last time the water district MSRs were updated was in 2014.

Chair Mulheren added that the COVID-19 Pandemic created challenges towards Work Plan implementation and acknowledge that the current focus is on mandated orders.

The MCHCD Agency Administrator Kathy Wylie attended the meeting and shared that many of the Grand Jury Report recommendations have been implemented or are in process; in process items will likely occur by the end of FY 2024-25. The MCHCD agrees with most of the findings made in the Grand Jury Report.

Ms. Wylie offered to investigate with the County why the District wasn't paying apportionment fees, noting that the District still receives tax payments several times a year.

Commissioner Ward inquired whether the District would be able to fund an outside consultant to prepare the MSR/SOI update in lieu of payment of the apportionment fees as the cost for both are comparably similar. Kathy Wylie responded that the District went through a budget process and approved \$35,000 for consulting services for other work that hasn't been earmarked yet. Some or all of that could be absorbed by the District. Commissioner Rodin suggested that the Grand Jury may be able to share all their documents to save time and money on the MSR and thanked the District for its cooperation and willingness to support the findings and help LAFCo fulfill its obligations.

Ms. Wylie inquired about the anticipated long-term benefits and impacts of the MSR for the MCHCD. She explained that the hospital went from an operations standpoint to a landlord role and is held responsible for the facility. There are some funds set aside for expanding outpatient services or other care services. Adventist Health (Adventist) is a partner and tenant of the District who operates the hospital. Wylie noted that the original taxation was for the facility and operations of the hospital, and suggested it is undetermined if delegating the obligations of the hospital to Adventist, the tenant, changes this.

Commissioner Rodin inquired how the Board incorporates the District's expenses into the rent charged to Adventist, beyond what it collects from taxes. Wylie responded that the district receives payment from the County two times a year in total amount of \$1.2 million and the District provides \$400,000 per year so it can give back to the hospital. The rent payments cover the maintenance of the hospital facility.

Commissioner Rodin further inquired if the District provides funds to Adventist out of what it collects to maintain the hospital facility. Wylie responds that the District is not a money-making operation and is essentially a pass through. The District collects funds from the taxpayers and lease payments from Adventist and puts it into the hospital facility through the Measure C process. The taxpayer funds are sent to Adventist twice a year where it is maintained in a Wells Fargo account. The Measure C committee, which expires in 2030, ensures that the funds conform to seven categories encompassing staff retention, facility maintenance, increasing access to care, and more. The District is in negotiations with Adventist about the upcoming increment of its lease agreement and building cost of living increases into the lease with the option for either agency to leave the agreement every five years. Wylie clarifies that there is no intention by the District or any indication from Adventist that at this point it would happen. Wylie shared that the reimbursement rates are lower with the District's rural hospital status and have funds to put into either facility repair or exploring the option of constructing an outpatient service center facility. The lease payments provided by Adventist Health are graduated and increase based on profits made by Adventist. Adventist brings in higher profits than the coastal hospital.

The Committee recommended staff coordinate with the MCHCD to work out the details of having the district fund the MSR/SOI update.

3c) Work Plan Implementation

EO Hinman introduced the item regarding inclusion of the Mendocino Coast Health Care District (MCHCD) into the Work Plan for FY 2024-25.

The Committee discussed the possibility of contracting a consultant to prepare the MCHCD MSR/SOI update per the Grand Jury Report findings and to prioritize staff time and capacity towards the current Work Plan implementation goals. The MCHCD would not be added to the Work Plan program if an outside consultant is utilized. Commissioner Ward asked if a consultant could complete the MSR/SOI update by December 31, 2024. EO Hinman responded that an extended deadline would allow more time to obtain information from the district; August 2025. In addition, it was suggested that the MCHCD MSR/SOI update could be funded by MCHCD in lieu of providing back pay for the apportionment fees. The Committee suggested that the Grand Jury Report findings and recommendations can support the development of the MSR/SOI update, therefore saving time and funding.

4. INFORMATION AND REPORT ITEMS

4a) Executive Officer Report

EO Hinman provided an update on the Master Tax Share Agreement between the cities and County. There is ongoing coordination between the County, cities and LAFCo regarding the process for implementing the tax share agreement for purposes of processing LAFCo applications.

Commissioner Ward asked for an update on the MSR/SOI update for Anderson Valley Community Services District. Chair Mulheren noted that they are in the process of obtaining information from the County Auditor's Office to include in the tax share analysis.

Commissioner Ward asked for an update on implementation for the Work Plan for the water/wastewater district studies. EO Hinman noted that there have been discussions with Redwood Valley County Water District and the Russian River Flood Control District to submit an annexation application while simultaneously completing the MSR/SOI updates.

ADJOURNMENT

There being no further business, the meeting was adjourned at 11:44 a.m.



STAFF REPORT

| Agenda Item No. 3b | |
|---------------------|---|
| MEETING DATE | January 9, 2025 |
| MEETING BODY | Mendocino Local Agency Formation Commission Executive Committee |
| FROM | Uma Hinman, Executive Officer |
| SUBJECT | Mid-Year Review of FY 2024-25 Budget and Work Plan Implementation |

RECOMMENDED ACTION

The Executive Committee will receive a mid-year review of the status of the FY 2024-25 Budget and Work Plan studies, consider reprioritization of studies, and provide direction to staff including potential recommended modification of the Work Plan for Commission consideration.

BACKGROUND

Mid-Year Budget Review

The Commission adopted a FY 2024-25 budget of \$308,000 (Attachment 1). Table 1 summarizes the adopted budget, the current expenditure totals and the percent of the budget expended as of January 1, 2025 (see Attachment 2 for additional detail). The adopted Work Plan includes nine inland water agency MSR/SOI studies. Staff also continue to work on completion of coastal water and wastewater MSR/SOI studies that began in FY 2023-24.

The following notes summarize the overview:

1. Revenues for this fiscal year include apportionment fees totaling \$275,000, split equally among the categories of cities/county/special districts. Additional revenues include service fees and bank interest, which at mid-year are a combined total of approximately \$2,763.
2. Expenses approved as of December 3, 2025, reflect 40% of the budget (Table 1).

| Table 1. Mid-Year Summary of Expenses | | | |
|---------------------------------------|----------------|---------------------|------------|
| Mid-Year Expense Summary | Adopted (\$) | Mid-Year Total (\$) | % of total |
| Basic Services (Staffing) | 155,000 | 58,465 | 38 |
| Services and Supplies | 78,000 | 33,388 | 43 |
| Work Plan | 75,000 | 30,365 | 40 |
| Expenses Total | 308,000 | 122,218 | 40 |

3. Applications are processed and billed to the applicant per the adopted services rates. Table 2 shows a summary of application expenses. "Contract Staff" is the costs incurred by LAFCo's contract staff to process applications. The "Revenue" is the portion of service fees retained by LAFCo and used to offset operational and work plan costs during the next budget cycle.

| Table 2. Mid-Year Summary of Application Expenses | | |
|---|----------------|---------|
| Service Fees | Contract Staff | Revenue |
| \$5,340 | \$3,660 | \$1,680 |

Application processing has been focused on the Anderson Valley Community Services District’s Annexation of its Sphere of Influence (A-2023-01) and the City of Ukiah Annexation of the Western Hills (A-2022-02).

4. Reserves are slightly over target at \$132,884; policy and Commission direction dictates \$127,000 for the current budget, broken down as follows.
 - \$50,000 for legal reserves; as directed by Commission
 - \$77,000 for operational reserves; policy specifies 25% of operational budget
5. Contingencies for Work Plan implementation is approximately \$30,000. The contingencies are intended to cover unanticipated work plan costs such as overages on MSR/SOI and special study development (e.g., consultant contracts, adjusting the work plan to include additional agencies or complicated subjects, etc.). Additionally, the contingencies may be used to cover CEQA related costs for SOI updates that are not included in the Work Plan budget, which normally assumes Exemptions.

Mid-Year Work Plan Review

With each year’s budget and work program, the Commission adopts a Work Plan scheduling prioritized agencies under LAFCo’s jurisdiction for Municipal Service Review and Sphere of Influence (MSR/SOI) updates. Because there are numerous factors that impact implementation of the Work Plan in any given year, studies often roll into the following fiscal year (FY).

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.

Additionally, in any given year, it may be beneficial or necessary to reprioritize the Work Plan studies to address unforeseen circumstances. In response to the Grand Jury’s 2024 report, *Mendocino County Health Care District – Sick, but Returning to Health*, the Commission committed to initiating an MSR/SOI for the Mendocino Coast Health Care District (MCHCD), provided funding for the study can be allocated.

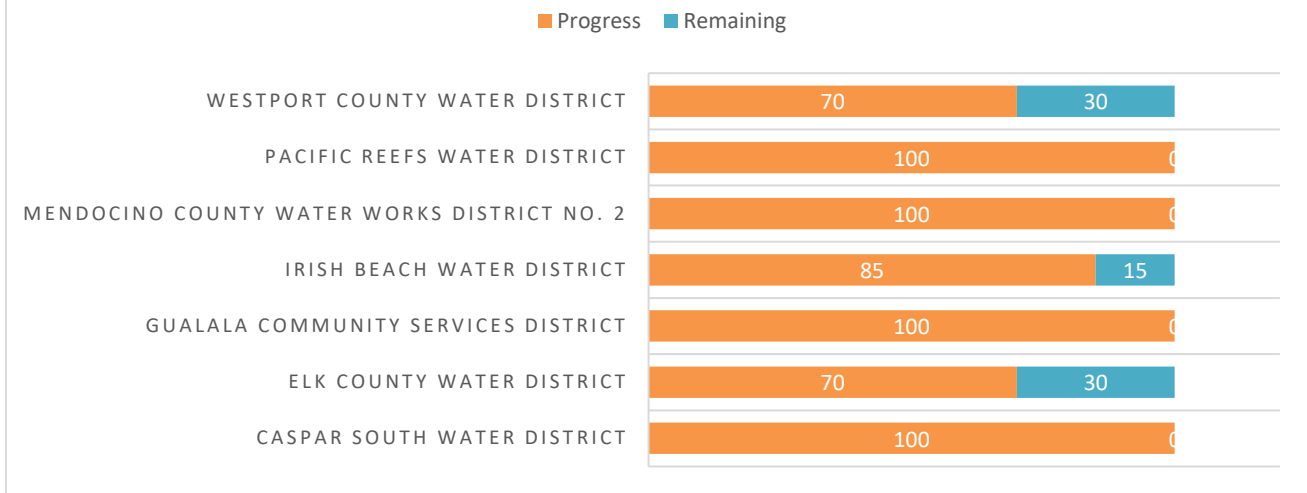
Further, the Mendocino Coast Recreation and Park District (MCRPD) has requested an update to its MSR and its board has authorized funding to contribute to the preparation of the study. This request is included in the agenda packet as Item 3c.

Work Plan Schedule

The schedule for each study identified in the Work Plan is an estimate and is subject to change based on overall staff workload, agency responsiveness and timely provision of requested information, complexity of issues, and public controversy. Each study is assumed to consist of a combined MSR and SOI Update and be exempt from CEQA. The Work Plan may be reviewed mid-year, or sooner as needed, and revised to account for a more refined level of detail related to the anticipated scope of work for specific studies and is an opportunity to reprioritize studies, as needed.

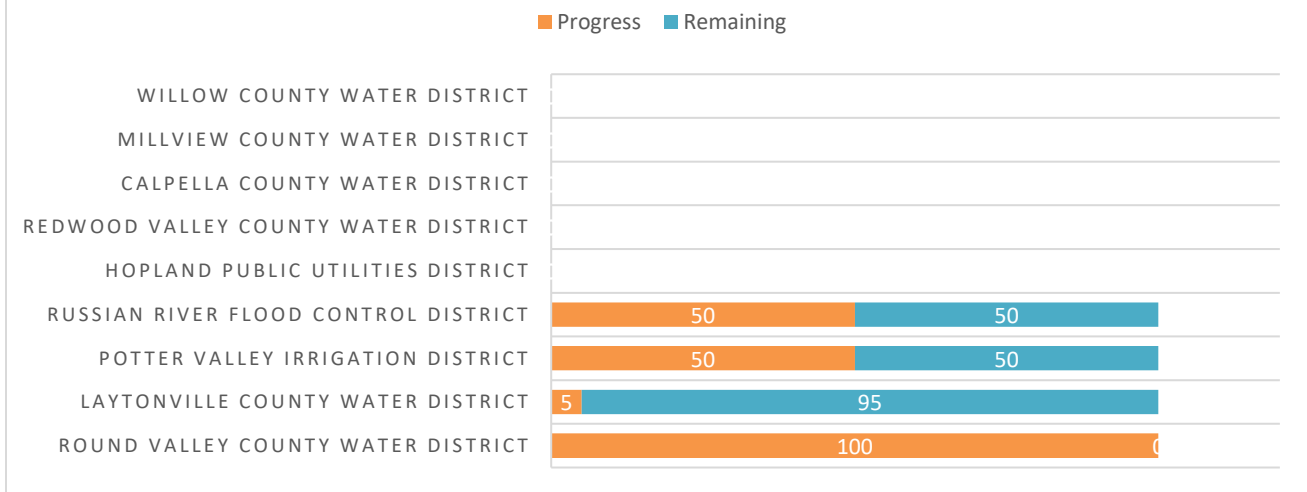
Tasks for the current year include finishing the remaining coastal water/wastewater district studies from FY 2023-24, as well as initiating the MSR/SOI studies for inland water districts. Staff have completed three of the seven coastal studies and the remaining four are approximately 70-85 percent complete (Figure 1). Delays in completing the studies are primarily related to substantial delays in obtaining information from the districts.

FIGURE 1. STATUS OF COASTAL WATER DISTRICT STUDIES (%)



The Work Plan for FY 2024-25 prioritizes the inland water districts and includes a total of nine water districts (Figure 2). Outreach and requests for information have been initiated for four of the districts; one district review has been completed under the streamlined review process.

FIGURE 2. STATUS OF INLAND WATER DISTRICT STUDIES (%)



Staff Capacity

Should the MCHCD MSR/SOI be included in the Work Plan this FY, staff anticipates out-sourcing the study, which would minimize the impact on staff capacity. However, staff anticipates preparing the majority of the MCRPD MSR/SOI in-house.

Work Plan Budget

Approximately \$44,635 remains in the FY 2024-25 Work Plan budget. Additionally, there is approximately \$30,000 in the Work Plan contingency, which is intended to cover costs incurred by completing the remaining coastal studies rolled over from FY 2023-24 and to address unanticipated Work Plan expenses (i.e., modifications to the Work Plan, CEQA analyses, etc.).

An MSR/SOI study for the MCHCD is estimated at approximately \$25,000. The MCHCD board has not yet authorized funding for the preparation of the study.

A portion of the contingency will be needed to finish the coastal water and wastewater district studies that have rolled into the current fiscal year; however, the remainder could be applied to the MCHCD MSR/SOI study. Should there be insufficient contingency funds to cover the full cost of an MSR/SOI study for the MCHCD, additional funds would need to be pulled from reserves or allocated in the next FY budget cycle.

Mid-Year Work Plan Modifications

Staff is requesting discussion and feedback from the Executive Committee on the following proposed modifications to the Work Plan:

1. Add the MCRPD MSR/SOI study to the current Work Plan and authorize staff to develop an MOU with the MCRPD for funding preparation of an MSR/SOI update. Since the district board has already authorized funding for the study, the next step is development of MOU for District and Commission consideration. The study would be prepared mostly in-house, with subconsultant assistance for specific sections of the MSR.
2. Add the MCHCD MSR/SOI study to the current Work Plan. The study would be out-sourced and the estimated budget for the study is approximately \$25,000, which would be pulled from Work Plan contingency and reserves, if necessary.

ATTACHMENTS

- (1) Adopted FY 2024-25 Budget and Work Program
- (2) Mid-Year Budget Summary

Attachment 1

**Mendocino Local Agency Formation Commission
Final Budget for FY 2024-2025**

June 3, 2024

| ACCOUNT # | DESCRIPTION | FY 2023-24 | FY 2024-25 |
|---------------------------------|---|-------------------|-------------------|
| | | Adopted | Final |
| REVENUE | | | |
| | <i>Anticipated Cash Balance</i> | \$ 56,000 | \$ 23,000 |
| 4000 | LAFCo Apportionment Fees | \$ 275,000 | \$ 275,000 |
| 4100 | Fees and Reimbursements (Includes Service Fees) | \$ 9,500 | \$ 9,000 |
| 4800 | Miscellaneous | | |
| 4910 | Interest Income | \$ 500 | \$ 1,000 |
| | REVENUE TOTAL | \$ 341,000 | \$ 308,000 |
| EXPENSES | | | |
| 5300 | Basic Services (EO, Analyst, Clerk) | \$ 133,000 | \$ 155,000 |
| 5500 | Rent | \$ 7,000 | \$ 8,000 |
| 5600 | Office Expenses | \$ 4,500 | \$ 4,000 |
| 5700 | Internet & Website Costs | \$ 3,000 | \$ 3,000 |
| 5900 | Publication and Legal Notices | \$ 3,000 | \$ 3,000 |
| 6000 | Televising Meetings | \$ 2,400 | \$ 2,400 |
| 6100 | Audit Services | \$ 4,000 | \$ 4,500 |
| 6200 | Bookkeeping | \$ 5,500 | \$ 5,500 |
| 6300 | Legal Counsel | \$ 30,000 | \$ 19,000 |
| 6400 | A-87 Costs County Services | \$ 2,500 | \$ 3,500 |
| 6500 | Insurance-General Liability | \$ 3,000 | \$ 3,000 |
| 6600 | Memberships (CALAFCO/CSDA) | \$ 4,000 | \$ 4,000 |
| 6670 | GIS Contract with County | \$ 3,000 | \$ 3,000 |
| 6740 | In-County Travel & Stipends | \$ 4,000 | \$ 3,000 |
| 6750 | Travel & Lodging Expense | \$ 6,500 | \$ 7,000 |
| 6800 | Conferences (Registrations) | \$ 4,500 | \$ 5,000 |
| 7000 | Work Plan (MSRs and SOIs) | \$ 100,000 | \$ 75,000 |
| 9000 | Misc Exp (Special District Training Support, bank charges) | \$ 100 | \$ 100 |
| | OPERATING EXPENSE TOTAL | \$ 320,000 | \$ 308,000 |
| | Increase to Operational Reserves per Policy | \$ 14,025 | \$ - |
| | Increase to Work Plan Contingency | \$ 6,975 | |
| | | \$ 341,000 | \$ 308,000 |
| 8000 | Application Fees (Revenue) | \$ 37,500 | |
| 8000 | Applications (Expenses) | \$ 30,000 | |
| 8600 | Special Projects | \$ - | |
| | REVENUE/EXPENSE DIFFERENCE | \$ - | \$ - |
| | <i>(Negative balance indicates use of fund balance and/or reserves)</i> | | |
| RESERVES / CONTINGENCIES | | | |
| | Legal Reserves | \$ 50,000 | \$ 50,000 |
| | Operations Reserves @ min. 25% Annual Operating Budget | \$ 80,000 | \$ 81,500 |
| | Total Reserves | \$ 130,000 | \$ 131,500 |

Final Work Program (Basic Services and Work Plan)

FY 2024-25

June 3, 2024

| Tasks | Description & Assumptions | Estimated Budget |
|--|---|-------------------|
| Basic Services | | |
| Office Hours & Administrative Duties | Clerk duties not related to projects; office hours; public assistance; PRA requests; budget development, tracking, amendments; accounts payable, QuickBooks; annual audit; EO correspondence; response to requests for Agency Comments for projects and/or environmental documents routed to LAFCo for review, etc.; carrying out Commission direction. | \$ 85,000 |
| 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 |
| Total | | \$ 155,000 |
| Work Plan | | |
| MSR/SOI Update | Prepare and adopt combined Municipal Service Review and Sphere of Influence (MSR/SOI) Update studies pursuant to GOV \$56425 and \$56430, either in-house or by contract. | \$ 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>The actual completion of a specific study may span multiple fiscal years. The budget allocation for each agency is based on estimated costs. Actual costs for study completion may be higher or lower than estimated below.</p> <p>Work Plan implementation is subject to change due to various factors, such as: (a) agency responsiveness and timely provision of requested information, (b) complexity of issues involved, (c) level of public and affected agency controversy, (d) changing needs and priorities, (e) overall staff workload, and (f) higher than anticipated costs.</p> <p>The Work Plan budget assumes minimal costs for CEQA compliance related to filing a Notice of Exemption (NOE). Agencies requesting a non-coterminous SOI may expedite a potential multi-fiscal year process by contributing to the cost of preparing an Initial Study and associated environmental document (ND/MND, EIR, etc.).</p> | | |
| 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. | Inland Water/Wastewater Districts (9 special districts, 10 mutual water companies) | \$ 75,000 |
| | Partially Outsourced/Consultant Contract | |
| Total | | \$ 75,000 |

Attachment 2

Mendocino Local Agency Formation Commission
Mid-Year Budget Review FY 2024-2025

January 1, 2025

| ACCOUNT # | DESCRIPTION | FY 2024-25 | |
|-----------------|---|-------------------|-------------------|
| | | Adopted | Year to Date |
| REVENUE | | | |
| | <i>Anticipated Cash Balance</i> | \$ 23,000 | \$ 23,000 |
| 4000 | LAFCo Apportionment Fees | \$ 275,000 | \$ 275,000 |
| 4100 | Fees and Reimbursements (Includes Service Fees) | \$ 9,000 | \$ 5,000 |
| 4800 | Miscellaneous | | |
| 4910 | Interest Income | \$ 1,000 | \$ 1,000 |
| | REVENUE TOTAL | \$ 308,000 | \$ 304,000 |
| EXPENSES | | | |
| 5300 | Basic Services (EO, Analyst, Clerk) | \$ 155,000 | \$ 58,465 |
| 5500 | Rent | \$ 8,000 | \$ 3,836 |
| 5600 | Office Expenses | \$ 4,000 | \$ 1,758 |
| 5700 | Internet & Website Costs | \$ 3,000 | \$ 1,272 |
| 5900 | Publication and Legal Notices | \$ 3,000 | \$ 723 |
| 6000 | Televising Meetings | \$ 2,400 | \$ 894 |
| 6100 | Audit Services | \$ 4,500 | \$ 2,125 |
| 6200 | Bookkeeping | \$ 5,500 | \$ 3,025 |
| 6300 | Legal Counsel | \$ 19,000 | \$ 4,883 |
| 6400 | A-87 Costs County Services | \$ 3,500 | \$ - |
| 6500 | Insurance-General Liability | \$ 3,000 | \$ 2,845 |
| 6600 | Memberships (CALAFCO/CSDA) | \$ 4,000 | \$ 3,932 |
| 6670 | GIS Contract with County | \$ 3,000 | \$ 752 |
| 6740 | In-County Travel & Stipends | \$ 3,000 | \$ 438 |
| 6750 | Travel & Lodging Expense | \$ 7,000 | \$ 3,400 |
| 6800 | Conferences (Registrations) | \$ 5,000 | \$ 2,800 |
| 7000 | Work Plan (MSRs and SOIs) | \$ 75,000 | \$ 30,365 |
| 9000 | Misc Exp (Special District Training Support, bank charges) | \$ 100 | \$ 30 |
| | OPERATING EXPENSE TOTAL | \$ 308,000 | \$ 121,543 |
| | Increase to Operational Reserves per Policy | | |
| | Increase to Work Plan Contingency | | |
| | | \$ 308,000 | \$ 121,543 |
| 8000 | Application Fees (Revenue) | \$ 10,000 | \$ 5,340 |
| 8000 | Applications (Expenses) | \$ 7,000 | \$ 3,660 |
| 8600 | Special Projects | \$ - | |
| | REVENUE/EXPENSE DIFFERENCE | \$ - | \$ 182,457 |
| | <i>(Negative balance indicates use of fund balance and/or reserves)</i> | | |
| | RESERVES / CONTINGENCIES | | |
| | Legal Reserves | \$ 50,000 | \$ 50,000 |
| | Operations Reserves @ min. 25% Annual Operating Budget | \$ 81,500 | \$ 82,884 |
| | Total Reserves | \$ 131,500 | \$ 132,884 |



STAFF REPORT

| Agenda Item No. 3c | |
|---------------------|---|
| MEETING DATE | January 9, 2025 |
| MEETING BODY | Mendocino Local Agency Formation Commission Executive Committee |
| FROM | Uma Hinman, Executive Officer |
| SUBJECT | Mendocino Coast Recreation and Park District Request for Municipal Service Review |

RECOMMENDED ACTION

The Executive Committee will review a request from the Mendocino Coast Recreation and Park District for an updated Municipal Service Review (MSR) and possible recommendation to the Commission and/or direction to staff.

BACKGROUND

The Mendocino Coast Recreation and Park District’s (MCRPD) last MSR and Sphere of Influence Update was adopted in 2008. Our policies prioritize service reviews for municipal service providers, which are scheduled as close to a five-year rotation as budget and staff capacity allow. Municipal service providers are defined in our policies as those agencies that provide water, wastewater, fire and police services. LAFCo’s rolling Work Plan has the MCRPD tentatively scheduled for an MSR/SOI update in FY 2027-28 (Attachment 2).

In October 2024, the MCRPD board authorized a request to LAFCo for an updated MSR as well as a cost share for preparing the study. Reasons for the request are summarized in the attached letter from the District, dated December 27, 2024 (Attachment 1).

LAFCo’s approach to updating agency studies is to include preparation of SOI updates concurrent with MSRs. Doing the studies concurrently and in the same document is a more efficient approach than individual studies and staff recommends including the SOI update for the MCRPD.

Staff recommends establishing a Memorandum of Understanding with the District for funding development of the MSR/SOI study. They MOU would be developed by our legal counsel in coordination with the District and would be submitted to the Commission for approval. Upon execution of the MOU, staff would work with the District to develop the MSR/SOI update.

ATTACHMENTS

- (1) MCHCD Letter, December 27, 2024
- (2) Rolling Work Plan

Attachment 1



Mendocino Coast Recreation and Park District

401 North Harbor Drive, Fort Bragg, California 95437

Mailing: P.O. Box 532, Fort Bragg, CA 95437

December 27, 2024

To: Uma Hinman, LAFCO

From: Kylie Felicich, Mendocino Coast Recreation and Park District

Re: Municipal Services Review

Hello Uma,

Mendocino Coast Recreation and Park District would like to request a Municipal Services Review by LAFCO. The MCRPD Board of Directors voted unanimously on October 16, 2024, to authorize this request and share the cost of this MSR. The District is anxious to proceed as soon as possible.

The reasons for this request are;

1. The last MSR was completed in March 2008. The District has changed fundamentally since that last review.
2. The two major capital facility changes since the last MSR are the transfer of The C.V. Starr Community Center and the 580-acre property off State Route 20 at Summers Lane, which are now owned, operated and maintained by the City of Fort Bragg.
3. Two of the major administrative changes since the last MSR are the development of up-to-date code compliant budgeting and accounting practices and dramatic growth in recreational programming delivery throughout the 77-mile coastal service area.
4. The District is a funding partner with the County of Mendocino and California Department of Parks and Recreation on the Bower Park Rehabilitation Project. Recognizing County obligations to perpetual maintenance of the park and historic County funding limitations, The District and County are exploring options for the District to operate and maintain Bower Park, estimated to cost at least \$75,000 per year.
(*Mendocino Parks Operations and Management Analysis*; February 2022)
5. While the District has succeeded in resolving many of the concerns identified by the 2016-2017 Mendocino Grand Jury (see <https://www.mendocinocounty.gov/government/grand-jury/2016-2017-reports>), the Board of Directors is aware of continuing taxpayer concerns about effective, equitable, and sustainable delivery of services throughout the 77-mile service area.

The District has NO interest in dissolving, expanding or changing the current service area boundaries, sphere of influence or service responsibilities.

Please let me know what other information you will need from us.

Sincerely,

Kylie Felicich

General Manager

Attachment 2

Sphere of Influence Update Tracking

December 2024

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



STAFF REPORT

| Agenda Item No. 3d | |
|---------------------|---|
| MEETING DATE | January 9, 2025 |
| MEETING BODY | Mendocino Local Agency Formation Commission Executive Committee |
| FROM | Uma Hinman, Executive Officer |
| SUBJECT | Options for Alternative Schedule of Regular Commission Meetings |

RECOMMENDED ACTION

The Executive Committee will receive staff research on options for an alternative schedule for regular Commission meetings, and possible recommendation to the Commission and/or direction to staff.

BACKGROUND

The Commission holds its regular Commission meetings on the first Monday of the month starting at 9:00 a.m. in the County Board of Supervisors Chambers. The annual meeting schedule is adopted by the Commission in December of each year. At its regular meeting on December 2, 2024, the Commission adopted a schedule of meetings for 2025 reflecting the current schedule and requested staff conduct research on potentially moving the regular meetings to a later start time.

Staff coordinated with the County Clerk of the Board to ascertain availability of the Board Chambers, which are summarized in the table below:

| Weekday | Week of the Month | | | |
|-----------|-------------------|-------------------------|-----------|-------------------------|
| | 1st | 2nd | 3rd | 4 th |
| Monday | 8am – 12pm | 1pm – 4pm | 1pm – 4pm | -- |
| Tuesday | -- | -- | -- | -- |
| Wednesday | -- | -- | -- | -- |
| Thursday | -- | 8am – 12pm 1pm – 4pm | -- | 8am – 12pm 1pm – 4pm |
| Friday | -- | -- | -- | -- |

Staff is requesting Committee feedback on the available dates and invites recommendations for Commission consideration.