

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 | Web: www.mendolaafco.org

COMMISSIONERS

Tony Orth, Chair

Special District Member

Scott Ignacio, Vice-Chair

City Member

Gerald Ward, Treasurer

Public Member

Matthew Froneberger

Special District Member

Glenn McGourty

County Member

Maureen Mulheren

County Member

Mari Rodin

City Member

Jenifer Bazzani, Alternate

Special District Member

Gerardo Gonzales, Alternate

City Alternate Member

John Haschak, Alternate

County Alternate Member

Richard Weinkle, Alternate

Public Alternate Member

STAFF

Executive Officer

Uma Hinman

Analyst

Larkyn Feiler

Commission Clerk

Kristen Meadows

Counsel

Scott Browne

REGULAR MEETINGS

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

A G E N D A

Regular Meeting of **Monday, April 4, 2022 at 9:00 AM**

Special Notice

On September 16, 2021, Governor Newsom signed AB 361, which modified the Brown Act to allow for teleconferencing participation at local legislative body public meetings during a proclaimed state of emergency. As urgency legislation, this law took effect immediately. Pursuant to Government Code §54953(e)(1)(B), the Commission will conduct its March 7, 2022 meeting by Zoom. Therefore, Commissioners, staff and members of the public will attend this meeting via teleconference, as provided below.

Instructions for Meeting Participation

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/87028952435>

2. Telephone option (audio only):

Dial: **(669) 900-9128** (Please note that this is not a toll-free number)

Meeting ID: **870 2895 2435**

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 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.

The Commission appreciates the public's flexibility and patience during this health crisis.

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: <https://www.mendolaafco.org/commission-meetings>

1. CALL TO ORDER and ROLL CALL

2. AB 361 REMOTE TELECONFERENCING ACTION

Pursuant to AB 361, the Commission will consider the status of the ongoing emergency and facts related to health and safety of meeting attendees due to COVID-19 and consider Resolution No. 2021-22-10 making further findings related to holding this Commission meeting by teleconference pursuant to the provisions of Government Code Section 54953(e).

3. PUBLIC EXPRESSION

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

4. CONSENT CALENDAR

The following consent items are expected to be routine and non-controversial, and will be acted on by the Commission in a single action without discussion, unless a request is made by a Commissioner or a member of the public for discussion or separate action.

4a) March 7, 2022 Regular Meeting Summary

4b) March 2022 Claims & Financial Report

4c) Ratification of AB 2957 CALAFCO Omnibus Bill Support Letter

5. PUBLIC HEARING ITEMS

5a) Proposed Service Rates and Fee Schedule Update

The Commission will hold a public hearing to consider establishment of proposed service rates and update to the Mendocino LAFCo Fee Schedule, which was last updated in 2016. The proposed service rates will allow for partial recovery of overhead and long-term planning costs for services subject to the Fee Schedule.

6. WORKSHOP ITEMS

6a) County Service Area No. 3 Municipal Service Review and Sphere of Influence Study

The Commission will hold a Workshop on the Draft County Service Area (CSA) No. 3 Municipal Service Review (MSR) and Sphere of Influence (SOI) establishment study. The Commission will review and discuss the Draft study and welcomes public comment on the document. No formal action on the MSR/SOI will be taken at this meeting; a public hearing will be scheduled for formal consideration by the Commission.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

7a) Progress Report on Development of City of Ukiah and Ukiah Valley Sanitation District MSR/SOI Updates

The Executive Officer will provide an informational progress report on the development of Municipal Service Reviews and Sphere of Influence Updates for the City of Ukiah and the Ukiah Valley Sanitation District.

8. INFORMATION AND REPORT ITEMS

The following informational items are reports on current LAFCo activities, communications, studies, legislation, and special projects. General direction to staff for future action may be provided by the Commission. No immediate action will be taken on any of the following items.

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

8b) Correspondence (Copies provided upon request)

8c) CALAFCO Business and Legislative Report

8d) Executive Officer's Report (Verbal)

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

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

ADJOURNMENT

The next Regular Commission Meeting is tentatively scheduled for Monday, **May 2, 2022** at 9:00 AM.
Meeting may be held remotely only due to current State and local mandates related to the COVID-19 pandemic.

Notice: This agenda has been posted at least 72 hours prior to the meeting and in accordance with the temporary Brown Act Guidelines instated by State Executive Order N-29-20 and AB 361.

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

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

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

MENDOCINO
Local Agency Formation Commission
Staff Report

MEETING April 4, 2022
TO Mendocino Local Agency Formation Commission
FROM Uma Hinman, Executive Officer
SUBJECT **Authorizing Continued Remote Meetings per Assembly Bill 361**

RECOMMENDATION

Commission adopt Resolution No. 2021-22-11 making continued findings pursuant to Assembly Bill 361 to conduct public meetings remotely for the Commission and its standing committees during the proclaimed State of Emergency due to the COVID-19 pandemic.

BACKGROUND

Pursuant to Assembly Bill 361 (AB 361), which was signed into order on September 21, 2021, in order for the Commission to continue to conduct its meetings remotely, it must adopt a resolution confirming that a Gubernatorial State of Emergency continues to exist and the Commission has determined, by majority vote, that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, Commissioners or staff.

AB 361 provides local agencies with the ability to continue to meet remotely under modified Brown Act requirements during proclaimed state emergencies with the adoption of resolution finding that either:

- 1) Open physical meetings present imminent risks to the health or safety of attendees; *or*
- 2) State/local officials recommend/require measures to promote social distancing.

These criteria permit a local agency to schedule a remote meeting to determine whether meeting in-person during the state of emergency would pose imminent risk to the health or safety of attendees. At that remote meeting, a local agency may determine by majority vote that sufficient risks exist to the health or safety of attendees as a result of the emergency and pass a resolution to that effect. These criteria also permit a local agency to meet remotely in the event that there is a state of emergency declaration while state or local officials have recommended or required measures to promote social distancing.

Attachment: Draft Resolution 2021-22-12

Resolution No. 2021-22-12
of the Mendocino Local Agency Formation Commission

Making Continued Findings Pursuant to Assembly Bill 361 to Conduct Remote Public Meetings for the Commission and its Standing Committees During a Proclaimed State of Emergency Due to the COVID-19 Pandemic

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, is committed to preserving and nurturing public access and participation in meetings of the Commission; and

WHEREAS, all the meetings of the Commission are open and public, as required by the Ralph M. Brown Act (“Brown Act”) (California Government Code 54950 -54963), so that any member of the public may attend, participate, and watch the Commission conduct business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the boundaries of Mendocino County, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, if the legislative body meeting in person would present imminent risks to the health and safety of attendees, Commissioners and staff; and

WHEREAS, the Commission previously adopted a Resolution, Number 2021-22-06 on November 1, 2021, finding that the requisite conditions continue to exist for the legislative bodies of Mendocino Local Agency Formation Commission to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of Section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in Section 54953(e), the Commission must reconsider the circumstances of the state of emergency that exists in the County, and the Commission has done so; and

WHEREAS, such conditions now exist in the County of Mendocino, specifically, the State of Emergency proclaimed by Governor Newsom on March 4, 2020, due to the COVID 19 pandemic; and

WHEREAS, the California Department of Public Health and the Mendocino County Public Health Department continues to recommend requiring face coverings in all public indoor settings attributable to the rise in SARS-CoV-2 Delta Variant and the Commission cannot be certain that all persons in attendance at meetings will follow the guidelines or be fully vaccinated; and

WHEREAS, the Commission does hereby find that the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of persons within the County that are likely to be beyond the control of the Commission or its staff, and desires to proclaim a local emergency exists and ratify the proclamation of emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Commission does hereby find that the legislative bodies of the Mendocino Local Agency Formation Commission shall continue to conduct their meetings without compliance with Government Code Section 54953(b)(3), as authorized by Section 54953(e), and that such legislative bodies shall comply with the requirements to provide the public with access to meetings as prescribed in Section 54953(e)(2); and

WHEREAS, the Commission provides written agenda that fully describes the process for the public to fully participate in the Commission's virtual meetings to include viewing, listening and commenting in real time on all agenda items; and

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

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Commission hereby proclaims that a local emergency now exists throughout the Commission's jurisdictional boundaries, and the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of all persons participating in the Commission's meetings that are likely to be beyond the control of the Commission or its staff, equipment, and facilities of the Commission.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Commission hereby ratifies the Governor of the State of California's Proclamation of State of Emergency for COVID 19, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The Executive Officer and the Mendocino Local Agency Formation Commission are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the next regular meeting of the Commission when the Commission shall consider renewing its findings by subsequent resolution, in accordance with AB 361 and in accordance with Government Code section 54953(e)(3).

PASSED and ADOPTED by the Local Agency Formation Commission of Mendocino County this 4th day of April, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CHARLES A. ORTH, Commission
Chair

ATTEST:

UMA HINMAN, Executive Officer

DRAFT

MENDOCINO

Local Agency Formation Commission

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

COMMISSIONERS

Tony Orth, Chair
Brooktrails Township CSD

Scott Ignacio, Vice Chair
Point Arena City Council

Gerald Ward, Treasurer
Public Member

Matthew Froneberger
Special District Member

Glenn McGourty
County Board of Supervisors

Maureen Mulheren
County Board of Supervisors

Mari Rodin
City Member

Jenifer Bazzani, Alternate
Ukiah Valley Fire District

Gerardo Gonzalez, Alternate
Willits City Council

John Haschak, Alternate
County Board of Supervisors

Richard Weinkle, Alternate
Public Member

STAFF

Executive Officer
Uma Hinman

Analyst
Larkyn Feiler

Commission Clerk
Kristen Meadows

Counsel
Scott Browne

REGULAR MEETINGS

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

Agenda Item No. 4a

DRAFT MINUTES

Local Agency Formation Commission of Mendocino County Regular Meeting of Monday, March 7, 2022

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

1. CALL TO ORDER and ROLL CALL (Video Time 2:34)

Chair Orth called the meeting to order at 9:00 a.m.

Regular Commissioners Present: Tony Orth, Scott Ignacio, Gerald Ward, Mari Rodin, Matthew Froneberger, Maureen Mulheren, and Glenn McGourty (9:02)

Regular Commissioners Absent: None

Alternate Commissioners Present: Gerardo Gonzalez and Richard Weinkle

Alternate Commissioners Absent: John Haschak and Jenifer Bazzani

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

2. AB 361 REMOTE TELECONFERENCING ACTION (Video Time 3:34)

The Commission adopted Resolution No. 2021-22-11 making continued findings pursuant to Assembly Bill 361 to conduct public meetings remotely due to the COVID-19 pandemic.

Commissioner Ward asked for an update on returning to in person meetings. Commissioner Mulheren answered that there are some technological renovations that are taking place this month in the Board Chambers. Once finalized, she suggested that EO Hinman reach out to the Clerk of the Board for more information.

Motion by Commissioner Ignacio to adopt Resolution No. 2021-22-11.

Second by Commissioner Mulheren.

Approved by roll call vote: unanimous.

Ayes: (7) Froneberger, Rodin, Ignacio, McGourty, Mulheren, Ward, Orth

3. PUBLIC EXPRESSION None

4. CONSENT CALENDAR (Video Time 6:59)

4a) February 7, 2022 Regular Meeting Summary

There were no comments from the Commission regarding the meeting summary

4b) February 2022 Claims & Financial Report

February 2022 Claims totaling:		\$19,333.57
Hinman & Associates Consulting		17,742.38
P. Scott Browne		900.00
Comcast		109.07
Streamline		50.00
Ukiah Valley Conference Center		532.12

Treasurer Ward asked for clarification regarding the charge for bookkeeping on the Hinman & Associates Consulting Invoice. EO Hinman responded that additional reports from QuickBooks were necessary for this year's budget process and to answer questions from the auditor.

4c) Report out of February 7, 2022 Closed Session – Contract Staff Evaluation

Chair Orth reported that the Commission conducted the annual Contract Staff Evaluation in closed session during the last meeting.

Motion by Commissioner Mulheren to approve the Consent Calendar.

Second by Commissioner McGourty.

Approved by roll call vote: unanimous.

Ayes: (7) Ward, Froneberger, Mulheren, McGourty, Ignacio, Rodin, Orth

5. PUBLIC HEARING ITEMS None

In consideration of the public's time and interest, the Commission addressed item 7 before the Workshop Item 6.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION (Video Time: 9:50)

7a) Proposed Revised Approach for the City of Ukiah and Ukiah Valley Sanitation District Studies

EO Hinman gave the report. In 2020, the Commission directed staff to solicit proposals for consultant prepared MSR/SOI studies for the City of Ukiah (City) and Ukiah Valley Sanitation District (UVSD or District). Due to significant costs related to the studies, alternative payment arrangements were discussed, but agreements were not reached.

In the meantime, LAFCo, UVSD, and City staff have been supporting each other through regular collaboration meetings, and UVSD and City staff have developed an Ad Hoc Committee that meets regularly to facilitate efficient provision of services. This arrangement will ultimately result in better planning for the community overall. In addition, the City's General Plan Update is in progress and on a schedule that supports the completion of LAFCo's studies. Much of the data collected for the General Plan Update is applicable to the MSR/SOI Updates for both the City and the District. Both agencies have committed staff to work with LAFCo on the process and ongoing communications will facilitate a coordinated approach that will build relationships. Therefore, Staff recommends shifting from consultant-prepared reports to in-house developed MSR/SOI Studies for the agencies that are projected to be completed this calendar year, assuming General Plan Update and CEQA studies progress as anticipated.

Comments from the Commission and the Public

Commissioners McGourty and Rodin expressed support for the new approach.

Commissioner Ward expressed frustration with delays in completing the Work Plan studies. He asked for projected costs associated with the change.

Chair Orth commented that collaboration at the local level facilitates the provision of multiple services across the county and is far preferable to a study conducted by an outside party. In addition, he believes the Commission's ability to consider UVSD's request for out-of-agency services would not be possible without this coordinated activity. The cost for CEQA studies was never budgeted for, however by coordinating with the City's General Plan Update, the cost to LAFCo and its member agencies will be significantly reduced.

EO Hinman gave the following specific budget amounts for the City's study:

Approved for 2021-22: \$12,500

Proposed for 2022-23: \$15,000

Total: \$27,000

Commissioner Rodin asked for the proposed budget for a consultant-prepared study by Planwest & Associates. EO Hinman answered approximately \$80,000 - \$60,000 for the study, plus \$20,000 (initially) for a CEQA Initial Study. Commissioner Rodin commented that this is the first time in her 15-year history with LAFCo that it has had leadership capable of providing local knowledge and facilitating this vital collaboration.

Commissioner McGourty was sympathetic to Commissioner Ward's concerns while acknowledging staff's limited resources.

Commissioner Ward asked for more detailed Work Plan updates.

Commissioner Froneberger asked what prohibited reaching agreements for consultant-prepared studies. He noted that it can be beneficial to hire a consultant especially when relationships are strained.

EO Hinman summarized the agreement efforts. The Commission directed staff to negotiate a funding agreement with the City, then contract with Planwest Partners; however, contract negotiations were unsuccessful. Since then, Staff has been regularly collaborating with City and District Staff and laying the groundwork for completing the studies. Despite the appearance of inactivity, the UVSD MSR is in progress.

Commissioner Ignacio expressed understanding of the Commissioners frustration. Following an executive meeting with Wing-See Fox, UVSD General Manager and Craig Schlatter, City Community Development Director, he was encouraged by the cooperative process that is coming together and the promise of positive outcomes. These studies are very complex and involve overlapping services and competing interests. In addition, agencies throughout the state of California are completing more work in-house and reducing the use of outside consultants.

Chair Orth invited Sage Sangiacomo, City Manager and Wing-See Fox, UVSD General Manager to comment, and both expressed support for the revised approach.

Mr. Sangiacomo highlighted the successful collaboration between City and LAFCo staff on the recent Ukiah Valley Fire District's annexation of the City of Ukiah stating that the project helped foster positive working relationships and laid the foundation for current and future collaborations. Regarding cost, he commented that the new approach is a course correction that prevents unnecessary excessive expense.

Ms. Fox commented, although difficult to quantify, the hard work over the past year has repaired decades of mistrust. She applauded the work of staff and their dedication to establishing the best provisions of services for the Ukiah Valley.

Craig Schlatter encouraged a regional approach to planning with horizontal collaboration where everyone is working together to reach a common goal. This approach has proven to work effectively and efficiently, as experienced with the Fire District annexation, and he looks forward to continued collaboration with LAFCo staff.

EO Hinman commented the new approach will build important relationships between the agencies and LAFCo and all parties working together will prove to be beneficial in the long run.

Motion by Commissioner Rodin to approve Staff's proposal to shift the approach to development of the MSR/SOI Updates for the City of Ukiah and Ukiah Valley Sanitation District to in-house preparation by staff with agency support.

Second by Commissioner Mulheren.

Approved by roll call vote: 5 to 2.

Ayes: (5) Ignacio, Rodin, McGourty, Mulheren, Orth

Noes: (2) Ward, Froneberger

Following the vote, Commissioner Ward asked for regular detailed reports on the progress of the MSR/SOI studies for both agencies. EO Hinman agreed to do so.

Commissioner Ignacio suggested that the next report include a flowchart with progress milestone dates.

7b) Ukiah Valley Sanitation District Sphere of Influence Review and Out-of-Agency Services Request

(Video Time: 39:46)

Analyst Feiler presented the item regarding an informational report on the Ukiah Valley Sanitation District request for clarification on Sphere of Influence status and coordination efforts to address an out-of-agency services request. The following local agency representatives participated in the discussion: Ernie Wipf, Chair of the Ukiah Valley Sanitation District (UVSD or District) Board of Directors, Candace Horsley, UVSD Board of Directors Member, Wing-See Fox, UVSD Interim General Manager, and Sage Sangiacomo, City Manager for the City of Ukiah (City).

Following are summary discussion points for this item:

- The difference between steps 1 and 2 of the Sewer Service to Ford Road/Masonite Properties Area Potential Approach on page 25 of the packet is that step 1 involves the City making application to LAFCo for an Out-of-Agency Service Agreement (OASA) to provide sewer services to the Ford Road/Masonite Properties Area and step 2 involves the District and City developing an agreement for direct District provision of services to the area.
- The District and City Ad Hoc Committee is still working through the draft proposal for extending sewer services to the Ford Road/Masonite Properties Area as an interim step before annexation.
- The next step is the District and City developing the terms of agreement for future City annexations that are not piecemeal in nature, do not create financial hardship for the District, and are based on District support.
- The draft OASA framework would ensure that this area is served by public sewer instead of on-site septic.
- The District and City want to continue to develop the OASA framework unless there is no Commission support to proceed until the Sphere of Influence (SOI) for the District and City is updated.
- The draft OASA proposal is the best framework to address the immediate need to provide public services in this area and does not preclude moving forward with the MSR/SOI studies for the District and City.
- The OASA framework entails creating agreements between the District and City and the City and County to work out the details on how this area will be served and to support a future annexation proposal instead of fighting over jurisdictional control through the annexation process before the Commission.
- This approach will allow for interim public services to this area in support of orderly development.
- In addition to the Ford Road/Masonite Area, there are other areas with adjacent District infrastructure needing public sewer and are located far away from City limits such that the City likely will not annex them soon or ever.
- The District and City are working together to come up with the best plan to hopefully allow for regional sewer and water systems and that do not create financial hardship for any special districts involved.
- The area in between the City limits and the Masonite area is currently in the UVSD boundary.
- The Brush Street triangle area should likely also be considered for this type of arrangement at some point.
- The City would be the applicant to LAFCo for the OASA because the existing District SOI is unclear and the goal is to provide sewer to properties proposed for imminent development in a reasonable amount of time.
- The purpose of the 1995 Ukiah Valley Task Force was to bring the special districts and city together to provide smooth, stable, and long-term services, and after 27 years of disagreements, lawsuits, and issues, the agencies are finally at a point of working together and making agreements to keep small agencies intact until there is a wholesale change, like through consolidation, and to provide the best customer service now and in the future.
- The District and City are working together to parallel track the OASA framework and the MSR/SOI Update to be as efficient as possible and to address the bigger picture but also have a quicker path for addressing the Ford Road/Masonite Area which is under high development pressures.
- The District applying directly for the OASA is not in line with the larger conversation between the agencies regarding the City eventually annexing the entire UVSD service area.
- The OASA framework facilitates interagency coordination as opposed to fighting which has led to years of stagnation and limited LAFCo's ability to promote quality community services and prevent urban sprawl and piecemeal development in the Ukiah Valley.
- The District and City are seeking Commission support to continue the process and bring forward a more fully developed solution for Commission consideration.
- Septic systems are not the most efficient way of dealing with the byproducts of business, and so sewer service in the Ford Road/Masonite Area is the best way to support commercial development.
- The relationship building process between the District and City is delicate and there is no guarantee of the outcome, but the agencies are working together to resolve these complex, contentious, and long-standing issues and ultimately have an area of success that can be replicated in other parts of the valley.
- Similar to the prior item 7a, it will be important to receive concise progress updates and keep timelines short on this process since some of these properties have been in a state of limbo for a very long time.

The Commission directed staff to work with the parties involved and continue the process which will lead to an item for Commission consideration and action at a future meeting.

7c) Proposed Amendment No. 2 to the Executive Officer Services Agreement (Video Time: 1:07:12)

Mendocino LAFCo contracted Hinman & Associates Consulting, Inc. for staff services in 2016. One rate increase was approved in 2018. The requested amendment, supported by the Executive Committee, was approved by the Commission without discussion.

Motion by Commissioner Mulheren to approve and authorize Chair signature on Amendment 2 of the Executive Officer Services Agreement.

Second by Commissioner Froneberger.

Approved by roll call vote: unanimous.

Ayes: (7) Froneberger, Ignacio, Rodin, McGourty, Mulheren, Ward, Orth

7d) Proposal to Establish Service Rates (Video Time: 1:09:28)

Currently Mendocino LAFCo relies solely on apportionment fees to fund operations and statutory responsibilities. Application processing is currently zero sum. To offset overhead and long-term planning expenses staff proposed establishing weighted service rates to application processing. The proposed methodology for determining the rates is based on various other LAFCOs processes and on the 2022-23 Budget.

Step 1: Calculate Hourly staff rates = Sum of EO, Analyst, Clerk/Assistant Planner, and Legal Counsel.

Hourly Overhead Cost = Overhead expenses (sum of Operations plus half of Work Plan expenses) divided by hourly staff rates.

Commissioner Rodin asked the reasoning behind calculating half of the Work Plan expenses. Chair Orth answered that LAFCo recuperates a portion of the Work Plan Costs through apportionment fees. This proposal is intended to supplement LAFCo revenues, therefore half of the costs are calculated.

Step 2: Calculate Hourly Service Rates Per Budgeted Position = Sum of the staff rate and hourly overhead cost.

The methodology results in the in the following hourly service rates based on the proposed FY 2022-23 staff rates and preliminary budget.

Proposed Hourly Service Rates for FY 2022-23		
Contract Staff	Staff Rate	Proposed Service Rates
Executive Officer	\$110.00*	\$160.00
Analyst	\$75.00*	\$125.00
Clerk/Assistant Planner	\$40.00	\$90.00
Legal Counsel	\$225.00	\$275.00
*Rate proposed for FY 2022-23		

The estimated potential revenue would be \$20,000 to offset operations and long-term planning costs.

Commissioner Ward asked how staff proposes to bill for Legal Counsel’s time. EO Hinman responded that Legal Counsel would receive \$225/hour for services and the calculated hourly overhead cost of \$50.47 could be used to reduce apportionment fees or expand LAFCo’s services.

Motion by Commissioner Froneberger to approve the establishment of weighted service rates to be applied to services subject to the LAFCo Fee Schedule and direct staff to schedule a public hearing on April 4, 2022 to adopt service rates and update the Fee Schedule accordingly.

Second by Commissioner McGourty.

Approved by roll call vote: unanimous.

Ayes: (7) Ignacio, Froneberger, Ward, Rodin, Mulheren, McGourty, Orth

7e) Senate Bill 938 (Video Time: 1:18:36)

CALAFCO is sponsoring SB 938, introduced by Senator Hertzberg on February 8, 2022, which seeks to amend the protest provisions by changing the protest threshold for a Commission-initiated dissolution of a special district, from the current ten percent (10%) to twenty-five percent (25%). As drafted, the bill will consolidate various sections of the CKH into one section of the Act, make conforming changes, and remove obsolete provisions. The bill will likely

be set for hearing on March 31 in Senate Governance & Finance. CALAFCO is requesting the LAFCo Chair to sign a letter of support to be submitted to the legislative bodies for consideration.

Commissioner Ward asked how the bill would change LAFCo processes. EO Hinman responded that currently LAFCo initiated dissolutions require a 10% protest threshold, and the bill would increase the threshold to 25% making it consistent with other current protest provisions.

Commissioner Rodin referenced the Little Hoover Commission Report as SB 938 is based on one of its recommendations. She encouraged the Commissioners to read it.

Motion by Commissioner Rodin for the Commission to take a supportive position on SB 938 and authorize the Chair to sign the draft letter of support for submittal.

Second by Commissioner Ignacio.

Approved by roll call vote: unanimous.

Ayes: (7) Froneberger, Ignacio, Rodin, McGourty, Mulheren, Ward, Orth

6. WORKSHOP ITEMS (Video Time: 1:22:52)

6a) Preliminary Fiscal Year 2022-23 Budget and Work Program

EO Hinman presented the Preliminary Budget and Work Program. The CKH requires the budget be equal to or greater than the previous fiscal year's budget with the exception that the reduction will not affect the Commission's ability to fulfill its purpose.

Budget Terms and Definitions:

Work Program: A narrative of expected work products to be delivered within a fiscal year.

Includes basic services, services and supplies, the work plan, and special projects.

Work Plan: A guideline for the completion of state mandated MSRs and SOI Updates.

Apportionment Fees: LAFCo's main source of revenue, based on a State regulated 1/3 division of contributions from the Cities, County, and Special Districts.

MSR/SOIs are required to be completed every 5 years for every agency that provides municipal services, specifically water, sewer, fire, and police, per Mendocino LAFCo policy. The study's scope ranges from abbreviated – meets mandates, to comprehensive – promotes good planning.

The first round of SOI updates, beginning in 2012 through 2018, were abbreviated due to time and budget constraints. In 2018 a rolling work plan was developed and prioritized based on budget, scope and approach.

Currently, Mendocino LAFCo is processing its second round of SOI updates while the County is facing significant issues including: drought, fire, and water/housing shortages. Determinations by the Commission, based on the studies, are used by state and local agencies to address issues and guide planning, making a comprehensive study more valuable and beneficial than an abbreviated study.

Recognizing the current issues facing the County, staff recommended a comprehensive approach for the upcoming fiscal year Work Plan and proposed focusing on the water districts, split into two categories – inland and coastal, the City of Ukiah, and UVSD.

No CEQA expenses are included in the proposed work plan budget, therefore staff recommended consideration of a Work Plan Contingency – an accumulation of unused work plan budget that rolls into subsequent fiscal years with the goal of providing flexibility and accommodations for delays in study development, studies that extend over multiple years, shifts in approach, and some CEQA document preparation.

EO Hinman presented tables summarizing the preliminary budget with an increase in operations from \$200,675 to \$263,800, and the proposed work plan contingency of \$30,815.

Commissioner Ward asked about the contribution of funds to reserves. EO Hinman responded that because expenses are projected to be under budget, target reserves will be met while allowing for a \$38,715 contingency. Cost savings were due to remote meetings, cancellation of the staff workshop, and unused work plan budget.

In comparison to other LAFCos serving a similar population size, Mendocino LAFCo has the smallest budget.

In closing, EO Hinman reviewed the Budget development schedule according to LAFCo Policy.

Chair Orth suggested setting the public hearing for May 2 to give affected agencies the opportunity to address the Commission.

Commissioner Ward commented that he had questions that he will reserve for a later date. Chair Orth encouraged Commissioner Ward to direct questions to staff prior to the meeting.

Craig Schlatter commented that ten years ago, community planners left local agencies to join consulting agencies and currently they are returning to local agencies and provide a good service that is more efficient and effective.

Commissioners McGourty and Orth expressed support for the proposed budget.

Commissioner Ward suggested adding additional staff or increasing existing staff hours and ultimately increasing the budget to meet demands.

Commissioner Rodin suggested that the current workload is temporary and will reduce once the complex projects are progressing smoothly and asked staff to comment. EO Hinman agreed stating that the agencies included in the proposed Work Plan all require comprehensive studies. LAFCo would benefit from a budget that supports the collaboration, coordination, and relationship building that is necessary to effectively complete them. In the future, staff plans to build on the comprehensive reviews and does not anticipate that subsequent reviews will necessitate as much budget and time to complete.

Commissioner Ward asked if staff is considering recommendation to consolidate the water agencies. EO Hinman responded that consolidation was recommended for the water agencies in the Ukiah Valley. Staff is coordinating with the State Water Board regarding the provision of water services in the County and will present recommendations to the Commission. Comprehensive studies will support the effort of LAFCo as well as other local and state agencies.

Commissioner McGourty commented that the County is conducting a study to consider re-establishing the Mendocino County Water Agency to coordinate efforts for grant funding to support sustainable infrastructure.

Motion by Commissioner Mulheren to direct staff to schedule a public hearing on May 2, 2022 for the Proposed Budget and Work Plan.

Second by Commissioner Rodin.

Approved by roll call vote: unanimous.

Ayes: (7) Ward, Mulheren, Rodin, Froneberger, Ignacio, McGourty, Orth

8. INFORMATION AND REPORT ITEMS

8a) Work Plan, Current, and Future Proposals (Video Time: 1:54:39)

EO Hinman summarized staff's workload, providing an update on current and potential future proposals and the status of Fiscal Year 2021-22 Work Plan tasks. The City of Ukiah has submitted a revised application for the annexation of City-owned properties initially submitted last year. The revision address information needs following review of the initial referral. Staff has distributed the revised application and is awaiting agency comment.

Commissioner Ward asked if progress on the City's study is contingent on the completion of the General Plan Update and if staff can work on other projects if there are delays. EO Hinman responded that the timeline is dependent on the CEQA document for the General Plan. City staff anticipates completing the process by December 2022. In the meantime, staff will continue to work on the UVSD and water district studies.

Commissioner Ward asked that staff revisit the SOI policy and provide monthly updates including CSA 3 discussions.

Commissioner Rodin asked how the annexation of Masonite properties impacts efforts to complete the City's SOI and the order in which the applications and Work Plan will be completed. EO Hinman highlighted the importance of a comprehensive study that will provide a solid foundation from which the Commission can make decisions and recommendations.

Chair Orth suggested working with Commissioner McGourty for activation of CSA 3 latent water powers and that activation could aid in the engagement of the Mendocino County Water Agency.

Commissioner McGourty thanked Chair Orth for the new information.

Mr. Schlatter assured the Commission that the MSR and General Plan (GP) Update are happening simultaneously and much of the MSR data has already been collected eliminating the need for waiting. He informed the Commission about a Joint City Council and Planning Commission Workshop scheduled in April for the GP Land Use Alternatives.

8b) Correspondence (Video Time: 2:06:40)

The Board of Supervisors agenzized discussion of implementing a CSA 3 pilot project for the Sherwood Road Firewise Community. The item included a recommendation directing County staff to initiate a ballot process. LAFCo staff sent a letter requesting a delay to allow application processing to activate the power before initiating an election process.

Char Orth commented that he requested the letter be included on the agenda as information for the Commission. He asked if LAFCo has a continued roll following the activation of CSA 3's latent powers. EO Hinman responded that staff is working through the legalities and details of establishing SOIs for the service areas and determining where the powers would be most applicable.

Commissioner Froneberger asked for clarification regarding the history of CSA 3. EO Hinman responded that CSA 3 was initially created to provide ambulance services to Point Arena and invited Commissioner Ignacio to provide additional comment.

Commissioner Ignacio summarized that Point Arena's remote location results in the longest ground transport time to a trauma center in the state - over 2.5 hours. In mid-1980, a tax-based district was created through CSA 3 to establish an ambulance service for the city. In mid-1990, the Coast Life Support District was established eliminating the need for a special district and it has been dormant ever since.

Chair Orth commented that he is looking forward to learning more through the activation of latent powers process.

Commissioner McGourty asked if the emergency access project for the East Hills needs to coordinate with LAFCo to utilize CSA 3's latent powers. EO Hinman responded that more information is needed to make that determination.

Legal Counsel Marsh Burch commented supporting LAFCo's letter to the County requesting time to sort through the issues so that the activation of CSA 3's powers is done in a way the achieves the best outcomes for the County.

8c) CALAFCO Business and Legislation Report (Video Time: 2:17:13)

Rene LaRoche, CALAFCO's new Executive Director, began her new roll at the beginning of March.

The Assembly Local Government Committee 2021 Legislative Summary was included in the agenda packet.

8d) Executive Officer's Report (Video Time: 2:18:29)

EO Hinman summarized the current requests for information received recently from the public:

- Mendocino County Water Works District #2 (aka Anchor Bay Sewer District). Staff has been gathering information, learning about the agency, and will update the Commission at a future meeting.
- Staff has been working with Pont Arena City staff regarding the Point Arena Waterworks Company.
- Staff has also been fielding calls from concerned members of the public regarding the Mendocino Coast Health Care District and the management of its Board of Directors.

Commissioner Ward asked about the financial stability of the Mendocino Coast HCD. EO Hinman responded that it is still operating in the red and following the budget distribution, she will discuss the status with the County Auditor-Controller related to the allocation of LAFCo apportionment fees.

Commissioner Ward asked, for the benefit of the new Commissioners, why the Mendocino Coast HCD does not pay apportionment fees. EO Hinman responded that the CKH includes a provision that Health Care Districts operating in the red are exempted from paying apportionment fees.

8e) Committee Reports (Executive Committee/Policies & Procedures) (Video Time: 2:22:44)

Commissioner Ignacio gave a report on the March 3, 2022 Executive Committee (EC) meeting. Members of the public in attendance were Wing See Fox, UVSD General Manager and Craig Schlatter, Community Development Director for the City of Ukiah. Matters addressed at the EC meeting were agenda items for this Commission meeting.

8f) Commissioners Reports, Comments or Questions (Video Time: 2:24:11)

Commissioner Ward asked for an update on the status of electronic signatures. EO Hinman clarified that the electronic signatures policy has been approved, however staff has yet to determine if electronic signatures is possible for checks. A report will be provided next month.

Commissioner Froneberger noted that he provided a water conditions report to EO Hinman for dissemination to the Commission and he reminded the Commission that we are entering year 3 of a severe drought and encouraged continued proactive conservation activities.

Chair Orth reported the following:

- Fort Bragg has installed a desalination plant that works with brackish water rather than ocean water.
- The Brooktrails Township CSD has a 440-day supply of water.
- The CSD is also working on two ordinances that will identify high water volume consumers and financially encourage them to conserve.
- The State is supporting the CSD's research on collecting dry sewage and reconstituting it for domestic water use.

Commissioner McGourty reported suspension of water usage restrictions along the Russian River by the State Water Resources Control Board, however the emergency regulations are to be reinstated on March 15. Lakes Mendocino and Pillsbury are in better shape, however the Eel River Water situation has not improved.

ADJOURNMENT (Video Time: 2:29:58)

There being no further business, the meeting adjourned at 11:28 a.m. The next regular meeting of the Commission will be held on Monday, April 4, 2022 at 9:00 a.m. and will be conducted remotely due to the continued state of emergency, guidelines adopted by the Mendocino County Public Health Officer, and Executive Orders regarding the COVID-19 pandemic.

Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. [March 7, 2022, YouTube meeting recording](#). Links to recordings and approved minutes are also available on the [LAFCo website](#).

MENDOCINO Local Agency Formation Commission Staff Report

DATE: April 4, 2022
 TO: Mendocino Local Agency Formation Commission
 FROM: Uma Hinman, Executive Officer
 SUBJECT: **Claims and Financial Report for March 2022**

RECOMMENDED ACTION

Approve the March 2022 claims and financial report.

Name	Account Description	Amount	Total
Hinman & Associates Consulting, Inc.	5300 Basics Services	\$ 9,945.00	\$ 14,646.25
	5300 Public Records Act Requests	\$ 557.50	
	5601 Office Supplies (QB)	\$ 80.00	
	6200 Bookkeeping	\$ 320.00	
	7000 Work Plan (Ukiah City, UVSD, CSA 3,)	\$ 3,063.75	
	8025 City of Ukiah Annex City Properties	\$ 680.00	
P. Scott Browne	6300 Legal Counsel - General Services	\$ 900.00	\$ 900.00
Banners and Signs	5600 Door Sign for Office	\$ 120.16	\$ 120.16
Pehling & Pehling, CPA	6100 Audit Services	\$ 1,760.00	\$ 1,760.00
County of Mendocino	6000 Televising Meetings (Dec & Feb)	\$ 306.80	\$ 306.80
Comcast	5700 Internet	\$ 97.30	\$ 97.30
Streamline	5700 Website Hosting	\$ 50.00	\$ 50.00
Ukiah Valley Conf. Center	5502 Office Space	\$ 530.00	\$ 544.31
	5600 Postage	14.31	
Weinkle	Commissioner Stipends (Feb & March)	\$ 100.00	\$ 100.00
Total:			\$ 18,524.82

Deposits: SALC Grant - \$1,725

Attachments:

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

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

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

Acct #	Task	FY 21-22 Adopted Budget	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	Year to Date	Remaining Budget	% of Budget Expended
EXPENSES											
5300	Basic Services - EO/Analyst/Clerk	\$108,000	\$25,936.00	\$22,359.00	\$12,127.50	\$9,707.50	\$9,945.00	\$31,780.00	\$81,584.50	\$26,415.50	76%
	Unfunded Mandates (Public Records Requests)	\$0	\$952.00	\$0.00			\$557.50	\$557.50			
5500	Rent	\$5,775	\$1,392.00	\$1,414.00	\$502.92	\$530.00	\$530.00	\$1,562.92	\$4,368.92	\$1,406.08	76%
5600	Office Expenses	\$3,300	\$797.26	\$430.89	\$405.34	\$262.00	\$214.47	\$881.81	\$2,109.96	\$1,190.04	64%
5700	Internet & Website Costs	\$2,500	\$622.97	\$420.12	\$140.04	\$159.07	\$147.30	\$446.41	\$1,489.50	\$1,010.50	60%
5900	Publication & Legal Notices	\$2,000	\$275.71	\$0.00				\$0.00	\$275.71	\$1,724.29	14%
6000	Televising Meetings	\$2,000	\$180.69	\$896.91			\$306.80	\$306.80	\$1,384.40	\$615.60	69%
6100	Audit Services	\$3,500	\$1,760.00	\$0.00			\$1,760.00	\$1,760.00	\$3,520.00	\$-20.00	101%
6200	Bookkeeping	\$4,500	\$690.00	\$930.00	\$385.00	\$1,000.00	\$320.00	\$1,705.00	\$3,325.00	\$1,175.00	74%
6300	Legal Counsel (S Browne)	\$19,000	\$3,565.50	\$2,430.00	\$900.00	\$900.00	\$900.00	\$2,700.00	\$8,695.50	\$10,304.50	46%
6400	A-87 Costs County Services	\$2,100	\$0.00	\$0.00				\$0.00	\$0.00	\$2,100.00	0%
6500	Insurance - General Liability	\$2,450	\$2,600.87	\$0.00				\$0.00	\$2,600.87	\$-150.87	106%
6600	Memberships (CALAFCO/CSDA)	\$3,525	\$2,220.00	\$1,250.00				\$0.00	\$3,470.00	\$55.00	98%
6670	GIS Contract with County	\$2,500	\$0.00	\$620.12				\$0.00	\$620.12	\$1,879.88	25%
6740	In-County Travel & Stipends	\$4,000	\$126.45	\$150.00	\$50.00		\$100.00	\$150.00	\$426.45	\$3,573.55	11%
6750	Travel & Lodging Expenses	\$6,250	\$0.00	\$0.00				\$0.00	\$0.00	\$6,250.00	0%
6800	Conferences (Registrations)	\$4,100	\$0.00	\$0.00				\$0.00	\$0.00	\$4,100.00	0%
7000	Work Plan (MSRs and SOIs)	\$51,500	\$0.00	\$5,152.00	\$1,302.50	\$4,630.00	\$3,063.75	\$8,996.25	\$23,006.25	\$28,493.75	45%
Monthly/ Year to Date Totals		\$227,000.00	\$49,977.45	\$36,053.04	\$15,813.30	\$17,188.57	\$17,844.82	\$50,846.69	\$136,877.18	\$90,122.82	60%

APPLICATIONS		DEPOSIT (total by application)	1st Qtr Subtotals	2nd Qtr Subtotal	January	February	March	3rd Qtr Subtotal	Project Total to Date	Remaining Budget	Notes
D-2014-8010	City of Ukiah Detachment of UVSD lands	\$19,032.75	\$0.00	\$0.00				\$0.00	\$14,518.25	\$4,514.50	
P-2020-01 (8022)	City of Ukiah North Annexation Pre-Application	\$1,500.00	\$0.00	\$0.00				\$0.00	\$1,122.00	\$378.00	
P-2020-04 (8024)	Millview CWD Annexation Pre-Application	\$3,500.00	\$0.00	\$748.00	\$140.00			\$140.00	\$3,609.50	\$-109.50	
A-2021-01 (8025)	City of Ukiah Annexation of City-Owned Properties	\$5,000.00	\$34.00	\$0.00		\$420.00	\$680.00	\$1,100.00	\$2,915.00	\$2,085.00	
A-2021-02 (8026)	UVFD Annexation of City of Ukiah	\$24,570.86	\$5,335.00	\$19,120.36				\$0.00	\$24,863.36	\$0.00	
O-2021-03 (8027)	Fort Bragg Extension of Water Service to Minnesota Ave	\$500.00	\$500.00	\$0.00				\$0.00	\$500.00	\$0.00	
8601	Sustainable Ag Lands Committee Grant Project	\$5,100.00	\$850.00	\$75.00		\$1,725.00		\$1,725.00	\$3,225.00	\$1,875.00	
Application Totals		\$59,203.61	\$6,719.00	\$19,943.36	\$140.00	\$2,145.00	\$680.00	\$2,965.00			
EXPENSES AND APPLICATION TOTALS		\$286,203.61	\$56,696.45	\$55,996.40	\$15,953.30	\$19,333.57	\$18,524.82	\$53,811.69			

DEPOSITS

3/4/2022 Mendocino County Resource Conservation District (SALC Grant) \$ 1,725.00

ACCOUNT BALANCES

County of Mendocino Account Balance	\$ 65,188	MUNIS Balance as of	2/28/2022
Operations (Checking) Account Balance	\$ 101,467	Bank Statement as of	2/28/2022
Legal Reserve Balance	\$ 50,000	Bank Statement as of	2/28/2022
Operations Reserve Balance	\$ 31,045	Bank Statement as of	2/28/2022
Total	\$ 247,700		

Mendocino LAFCo
FY 2021-22 Estimated Work Plan Implementation Schedule and Cost Tracking
 March 2022

Subject to Change: The estimated schedule and costs for the Fiscal Year 2021-22 Work Plan are subject to change based on agency responsiveness, timely provision of requested information, complexity of issues, level of public and affected agency controversy, and changing needs and priorities.

CEQA: Based on LAFCo practice, the work plan assumes minimal costs for CEQA compliance related to preparing a Notice of Exemption, unless an agency proposes a non-coterminous SOI and pays for any necessary studies and preparation of a Negative Declaration or Environmental Impact Report.

Rolling Work Plan: It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of a study may roll over to the next fiscal year. This estimated work plan implementation schedule and cost tracking table is intended to enhance communication and transparency.

Agency	Coordination/ Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Cost Estimate ¹	FY 2021-22 Budget	FY 2021-22 Expenses	Cost to Date ²
Ukiah Valley Sanitation District	Ongoing	Pending	TBD	TBD	TBD	\$40,000	\$20,000	\$4,526	\$8,267
City of Ukiah	Ongoing	Pending	TBD	TBD	TBD	\$25,000	\$12,500	\$1,464	\$3,833
County Service Area 3	Ongoing	In progress	4/4/22	Tentative 5/2/22	Tentative 5/31/22	\$10,000	\$6,000	\$9,697	\$13,794
Ukiah Valley Fire District	Complete	Complete	9/13/21	10/4/21	10/8/21	\$7,000	\$6,000	\$5,991	\$9,068
Covelo CSD	Complete	Complete	7/12/21	9/13/21	9/24/21	\$8,000	\$3,000	\$1,329	\$8,769
Estimated Total						\$90,000	\$51,500	\$23,007	\$43,731

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

² Column indicates a running total for actual expenses incurred to date for each study in process and is not limited to a specific fiscal year.



Hinman & Associates Consulting

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

Date March 28, 2022
To Mendocino LAFCo
Project Executive Officer Services
Work Period March 1 - March 27, 2022

Invoice No. 652
Invoice Total \$ 14,646.25

Account Description	Staff/Hours			Assist Planner	Other (At Cost)	Totals
	Executive Officer	Analyst	Clerk			
5300 Basic Services	75.75	17.00	29.50			\$ 9,945.00
Public Records Act Requests	3.50	1.25	3.00			\$ 557.50
5601 Office Supplies						
Quickbooks Online Fee					\$ 80.00	\$ 80.00
6200 Bookkeeping	2.00		3.00			\$ 320.00
7000 Work Plan (MSR/SOI/Special Studies)						
City of Ukiah	7.25	2.00		2.75		\$ 988.75
Ukiah Valley Sanitation District	13.75	4.00				\$ 1,655.00
UVSD						\$ -
CSA 3		6.00				\$ 420.00
8010 City of Ukiah Detachment Application						\$ -
8022 City of Ukiah North Annex Pre-App						\$ -
8024 Millview CWD Annex Pre-App						\$ -
8025 City of Ukiah Annex City Properties	1.00	7.00	2.25			\$ 680.00
8601 SALC Project (grant reimbursed)						\$ -
Totals	\$ 10,325.00	\$ 2,607.50	\$ 1,510.00	\$ 123.75	\$ 80.00	\$ 14,646.25

5300 Basic Services

Administrative tasks and Clerk duties. File research and maintenance. February claims. Communications with Commissioners, public inquiries, etc. Agenda packet development for March 7th and April 4th Commission meeting. Respond to public information requests. Research Mendocino County Water Works District 2 and contact district; add to Work Plan list of districts. Respond to numerous public requests. Provide application materials and instruction to agencies and members of the public (Realtor for Mendocino County Water Works District 2; Elk County Water District). FY 2022-23 proposed budget and work program distribution. Review and finalize FY 2020-21 Audit with Pehling.

6200 Bookkeeping

Prepared and coordinated with Treasurer regarding claims. Entered claims into Quickbooks and prepared checks. Reconciled Quickbooks. Bookkeeping related to FY 2020-21 Audit.

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

Finalizing Administrative Draft and Workshop Draft of the CSA 3 MSR/SOI and regular coordination meetings with County staff. Development of Administrative Draft UVSD MSR/SOI Update. Develop outline and start Administrative Draft Ukiah MSR/SOI Update. Prepare timelines and coordinate with UVSD and City staff on the Update approaches and a White Paper on Sewer and Water Services in Ukiah Valley. The White Paper will be a existing conditions report that will be used for the Ukiah, UVSD and upcoming water district MSR/SOI Updates.

8025 City of Ukiah Annexation of City-owned Properties

Coordination meetings with City staff and review of application submittals. Preparation, distribution and coordination of agency referral materials. Correspondence with agencies and preparation of incomplete letter to City.

8601 Sustainable Agricultural Lands Committee Grant Project

From: Intuit QuickBooks Team <intuit@notifications.intuit.com>
Sent: Saturday, March 19, 2022 5:37 AM
To: eo@mendolafco.org
Subject: We received your QuickBooks subscription payment!

Flag Status: Flagged



Payment success

Executive Officer, thank you for your payment.

Invoice number:
10001148845040
Invoice date: 03/19/2022
Total: \$80.00
Payment method: VISA ending in

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

[View billing history](#)

Account details

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

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

Law Office of P. Scott Browne
131 South Auburn Street
Grass Valley, CA 95945
5302724250
Tax ID: 68-0348904

March 15, 2022

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

Invoice Number: 1091
Invoice Period: 02-16-2022 - 03-15-2022

Payment due by the 15th of next month.

RE: Mendocino LAFCo - General
Mendocino LAFCo - General

Mendocino LAFCo - General

Time Details

Date	Staff Member	Description	Hours
02-16-2022	PSB	Monthly flat rate, as agreed upon in Legal Representation Agreement	
02-16-2022	MB	Meeting with LAFCo staff re CSA3; mtg. with EO re sanitation district/city extension of service	1.50
02-17-2022	MB	Meeting with LAFCo staff and Steve Lucas re CSA3; meeting with County and staff re CSA3	2.50
02-28-2022	MB	Review questions from CSA BOS agenda item; msg. to staff; telephone conference with John Benoit	0.60
03-02-2022	MB	Executive committee meeting	1.80
03-07-2022	MB	Attend LAFCo meeting; review office lease re internet services	2.20
03-08-2022	MB	Telephone conference with EO re out of area service proposal and lease with City for office space	0.40
03-15-2022	WJC	Prepare and submit Form 700	0.50

We appreciate your business.

Page 1 of 3

Date	Staff Member	Description	Hours
			Total 900.00
			Total for this Invoice 900.00
			Total Amount to Pay 900.00

We appreciate your business.

Project Statement of Account

As of 03-15-2022

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

Mendocino LAFCo - General

Transactions

Date	Transaction	Applied	Invoice	Amount
02-15-2022	Previous Balance			1,800.00
03-15-2022	Payment Received - Reference ck# 1747			(900.00)
03-15-2022	Payment Applied	270.00	1010	
03-15-2022	Payment Applied	630.00	1072	
03-15-2022	Payment Received - Reference Check # 1732			(900.00)
03-15-2022	Payment Applied	900.00	1077	
03-15-2022	Invoice 1091			900.00
			Balance	900.00

MENDOCINO

Local Agency Formation Commission

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

COMMISSIONERS

Tony Orth, Chair
Special District Member

Scott Ignacio, Vice-Chair
City Member

Gerald Ward, Treasurer
Public Member

Matthew Froneberger
Special District Member

Glenn McGourty
County Member

Maureen Mulheren
County Member

Mari Rodin
City Member

Jenifer Bazzani, Alternate
Alternate Special District

Gerardo Gonzalez, Alternate
Alternate City Member

John Haschak, Alternate
Alternate County Member

Richard Weinkle, Alternate
Alternate Public Member

STAFF

Executive Officer
Uma Hinman

Analyst
Larkyn Feiler

Commission Clerk
Kristen Meadows

Counsel
Scott Browne

REGULAR MEETINGS

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

March 18, 2022

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
1021 O Street, Room Suite 6350
Sacramento, CA 95814

RE: **SUPPORT of AB 2957: Local Government Committee Omnibus Bill**

Dear Chair Aguiar-Curry:

The Mendocino Local Agency Formation Commission (LAFCo) is pleased to support the Assembly Local Government Committee Bill AB 2957, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCos. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 2957 makes minor technical corrections to language used in the Act. Mendocino LAFCo is grateful to your Committee members and staff, and CALAFCO, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCos.

Yours sincerely,

Tony Orth
Commission Chair

cc: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
René LaRoche, Executive Director, California Association of Local Agency Formation Commissions

March 18, 2022

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: April 4, 2022
TO: Mendocino Local Agency Formation Commission
FROM: Uma Hinman, Executive Officer
SUBJECT: **PUBLIC HEARING Proposed Service Rates and Fee Schedule Update**

RECOMMENDATION

The Commission adopt Resolution 2021-22-13 establishing weighted service rates that capture a portion of overhead and long-term planning costs for services subject to the Fee Schedule and that will go into effect July 1, 2022; and direct staff to update and post the Mendocino LAFCo Fee Schedule accordingly.

BACKGROUND

Pursuant to Government Code (GC) [Section 56383](#), the Commission is authorized to establish a schedule of fees and a schedule of service charges provided the fees charged do not exceed the estimated reasonable cost for providing the service. The code also identifies services as including, but not limited to, the following:

- Filing and processing applications filed with the commission.
- Proceedings undertaken by the commission and any reorganization committee.
- Amending or updating a sphere of influence.
- Reconsidering a resolution making determinations.

Consistent with GC, Mendocino LAFCo maintains a [Fee Schedule](#) that was last updated in 2018 and that specifies all LAFCo services identified in the Fee Schedule are billed at staff hourly charge-out rates. To date, staff charge-out rates have been defined as the current hourly rates for contract staff without any overhead costs included. Overhead costs refer to the indirect operating costs not attributable to a specific service.

To offset ongoing operations expenses, many agencies and business utilize weighted or burdened billing rates that include a portion of overhead costs. Mendocino LAFCo currently relies entirely on apportionment fees to fund its operations, which are established annually with adoption of the following year's budget. In establishing weighted service rates, LAFCo may recoup some of the overhead costs thereby reducing the burden on member agencies.

Further, weighted service rates were anticipated by the Commission and are consistent with Mendocino LAFCo [Policy 11.4.5 Billing Procedure](#), which states the following:

Staff's work on applications, which includes overhead costs, is tracked on an hourly basis. LAFCo will provide monthly invoices to the applicant. If actual costs exceed the deposit amount, LAFCo will invoice the applicant for the additional costs. Processing of the application may be suspended until payment is received. All final invoices must be paid by the applicant prior to filing the Certificate of Completion. Any portion of the deposit not used for processing is refunded. (Emphasis added)

To capture a portion of the overhead and long-term planning costs associated with maintaining Commission operations and implementing its mandates, staff developed a methodology for weighted service rates to be applied to services subject to LAFCo's Fee Schedule.

In developing the methodology below, staff researched other LAFCo fee structures, billing rates, and methodologies, with a focus on Northern California counties and including examples of both contract staff and employee models. The following comparison of Northern California LAFCos includes those that have adopted weighted service rates including a portion of overhead costs and long-range planning costs (Figure 1). Of the following Northern California LAFCos, Lake and Sutter utilize contract staff; the remaining have an employee model. It should be noted that nearly all of the LAFCos contacted indicated they would be updating their billing rates within the next year, especially in light of the current inflation rates of around 6.5%.

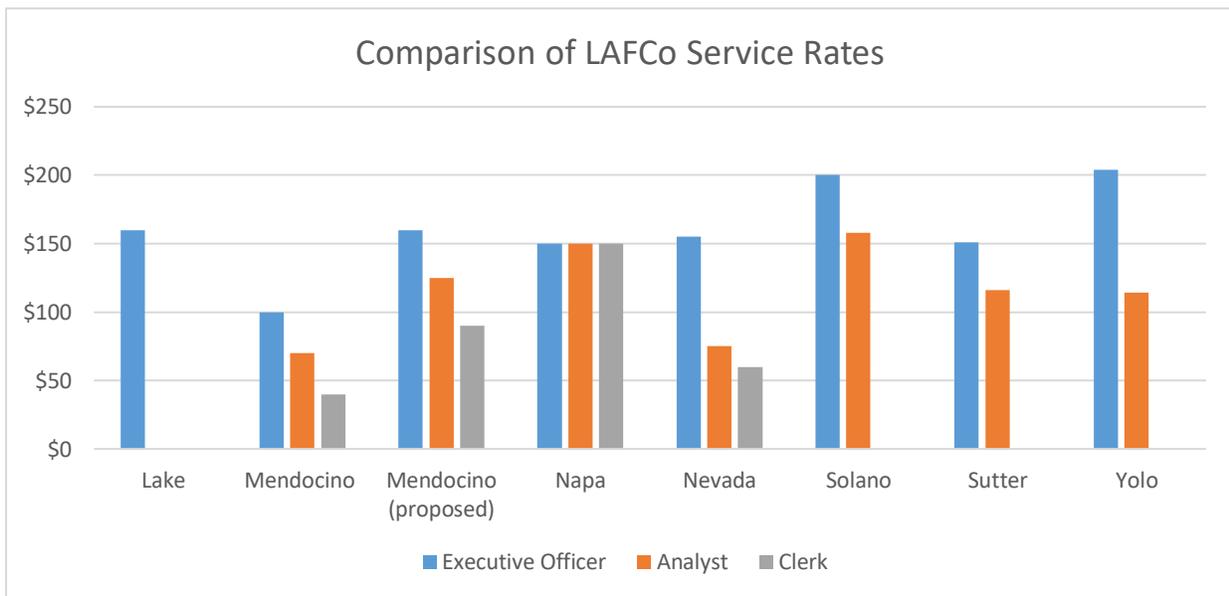


Figure 1 Comparison of Northern California LAFCos' Service Rates

The following methodology was presented at the Commission's March 7, 2022 regular meeting for discussion and staff was directed to notice the matter for a public hearing.

Methodology

Whether an employee or contract staff model is utilized, the majority of LAFCos have established fully burdened or weighted service rates to capture a portion of costs related to overhead (OH) or long-term planning (MSRs/SOIs) or both. The methodology used in developing the proposed service rates for Mendocino LAFCo captures a portion of OH and a portion of half of the long-term planning costs (Attachment 1).

The methodology includes our Basic Services staff: Executive Officer, Analyst and Clerk. Not included in the calculations is Legal Counsel, which our Policy 11.4.7 specifically states will be billed at the actual cost of fees associated with legal consultation or review.

The calculations are based on the FY 2022-23 proposed budget.

Step 1: Calculate hourly input rates

Input 1: Hourly staff rates

Estimated hours for Basic Services staff is 1,505 in FY 2022-23.



Input 2: Hourly overhead cost

The weighted overhead cost is the sum of the budgeted operations expenses and half of the Work Plan costs divided by the total estimated hours budgeted for Basic Services staffing.



Step 2: Calculated Hourly Service Rates Per Budgeted Position

The hourly service rates per budgeted position is the sum of the staff rate and hourly overhead cost.



Calculations are based on the proposed FY 2022-23 budget and result in hourly service rates (Attachment 1) that are similar with other Northern California LAFCos (Figure 1). Table 1 summarizes the proposed services rates, which have been rounded and therefore are slightly lower than the calculated rates.

Table 1. Proposed Service Rates for FY 2022-23		
Contract Staff	Staff Rate (\$/hr)	Proposed Service Rates (\$/hr)
Executive Officer	\$110.00*	\$160.00
Analyst	\$75.00*	\$125.00
Clerk/Assistant Planner	\$40.00	\$90.00
*Rates become effective July 1, 2022.		

Next Steps

GC Sections 66016-66019 guide the process for establishing fees and require a publicly noticed meeting (Attachment 4) to consider oral and written comments before taking action by resolution. Further, pursuant to GC Section 66017(a), the changes in fee structure do not take effect until 60 days after adoption. Because the calculations are based on staff hourly rates that will go into effect July 1, 2022, staff is recommending that the effective date of the service fees be the same.

Upon Commission adoption of the weighted service rates, the Fee Schedule will be updated accordingly and posted on the website on the effective date. The Draft Fee Schedule (Attachment 2) identifies changes with strikethroughs (deletions) and underlining (additions). The Draft Resolution is included as Attachment 3.

- Attachment
- (1) Proposed Weighted Rate Methodology and Calculations
 - (2) Draft Fee Schedule Updates
 - (3) Draft Resolution
 - (4) Proof of Public Notice

Attachment 1

Weighted Service Rate Calculation for FY 22-23

Step One: Calculate Hourly Input Rates

Input One: Hourly Staff Rates

Year	Executive Officer	Analyst	Clerk/ Assistant Planner
2022-23 (effective 7/1/2022)	\$ 110.00	\$ 75.00	\$ 40.00
Estimated Hours	800	255	450

Input Two: Hourly Overhead Costs

Category	Budget	OH Costs/Hr
Rent	\$ 6,500.00	\$ 4.32
Office Expenses	\$ 3,300.00	\$ 2.19
Internet & Website Costs	\$ 2,500.00	\$ 1.66
Publication and Legal Notices	\$ 2,000.00	\$ 1.33
Televising Meetings	\$ 2,000.00	\$ 1.33
Audit Services	\$ 3,800.00	\$ 2.52
A-87 Costs County Services	\$ 2,100.00	\$ 1.40
Insurance-General Liability	\$ 3,200.00	\$ 2.13
Memberships (CALAFCO/CSDA)	\$ 3,700.00	\$ 2.46
GIS Contract with County (Counsel training,	\$ 2,000.00	\$ 1.33
In-County Travel & Stipends	\$ 4,000.00	\$ 2.66
Travel & Lodging Expense	\$ 6,000.00	\$ 3.99
Conferences (Registrations)	\$ 4,100.00	\$ 2.72
Work Plan (1/2 long term planning costs)	\$ 35,000.00	\$ 23.26
Total	\$ 80,200.00	\$ 53.29

Step Two: Calculate Hourly Service Rates Per Budgeted Position

Input	Executive Officer	Analyst	Clerk/ Assistant Planner
Hourly Staff Rates	\$ 110.00	\$ 75.00	\$ 40.00
Hourly Overhead Costs	\$ 53.29	\$ 53.29	\$ 53.29
Calculated Hourly Service Rate	\$ 163.29	\$ 128.29	\$ 93.29
Proposed Hourly Service Rate	\$ 160.00	\$ 125.00	\$ 90.00

Attachment 2

MENDOCINO LAFCO FEE SCHEDULE

(All fees are deposits, unless otherwise noted)

Boundary Changes – City or District Annexation, Detachment or Combination	
With 100% landowner consent - all owners within the affected territory have provided written consent to the proposed action	\$5,000 + CEQA fees + BOE fees
Without 100% landowner consent - all owners within the affected territory have not provided written consent to the proposed action	\$6,000 + CEQA fees + BOE fees
Complex proposal, as determined by EO, including but not limited to, the potential for substantial development (50 or more residential units or 10,000 square feet of non-residential development), significant effect on the community, and/or sphere of influence amendment	\$7,000 + CEQA fees + BOE fees

Sphere of Influence Amendments or Updates	
Sphere Amendment concurrent with annexation, detachment, or reorganization	+\$500
Sphere Update (not initiated by LAFCo)	\$2,500
Municipal Service Review Preparation	Actual cost

Other Changes of Organization or Reorganization	
District Formations, Dissolutions, or Consolidations	\$10,000
District Merger or Establishment of Subsidiary District(s)	\$5,000
District Activation or Deactivation of Latent Powers	\$2,500
City Incorporation or Disincorporation	\$15,000

Outside Agency Service Agreements	
Extension of Services by Contract or Agreement	\$2,500
Request for Exemption from G.C. Section 56133	\$500

Environmental Document (CEQA) Fees – LAFCo as Lead Agency	
Statutory/Categorical Exemption	\$100
Negative Declaration/Mitigated Negative Declaration	\$5,000
Environmental Impact Report (initial deposit in conjunction with payment schedule)	\$20,000
California Department of Fish and Wildlife Environmental Document Filing Fees	CDFW Filing Fees

State Board of Equalization Fees	
State Board of Equalization Change of Jurisdictional Boundary filing (<i>necessary for agencies that are funded by property taxes and/or use the assessment roll for the collection of its revenue by reference to tax rate areas</i>)	BOE Filing Fees

Other Application Fees	
Pre-Application Fees	No charge limited to one hour of staff time, then actual cost
Petition Signature Verification by Registrar of Voters	Actual cost
Request for Reconsideration	\$1,000
Request for Time Extension to Complete Proceedings	\$500
Special Meeting or Hearing	\$1,000
Special or Supplemental Studies	Actual cost

Miscellaneous Service/Duplication Fees	
Copies of documents	\$.10 per page (after 10 pages)
Copies of Audio Recording	\$10 per CD
Staff Research/Archive Retrieval	No charge limited to one half-hour of staff time, then actual cost

Mendocino LAFCo Service Contract Staff Billing Rates
Effective DATE

Services subject to the LAFCo Fee Schedule are processed at cost and billing is calculated based on current service rates. LAFCo service rates include overhead costs and are reviewed annually, or as needed.

The weighted hourly service rates are as follows:

Contract Staff Position	Hourly Service Rate
Executive Officer	\$ 100.00 \$ <u>160.00</u>
LAFCo Analyst	\$ 70.00 \$ <u>125.00</u>
LAFCo Clerk	\$ 40.00 \$ <u>90.00</u>
Legal Counsel	\$ 275.00
GIS Coordinator	\$ <u>101.36</u>
GIS Technician	\$ 66.56

FEE POLICIES

Deposits: Where indicated in the Fee Schedule, deposits toward the actual cost of processing proposals must be paid at the time an application is submitted. All deposits are initial payments toward the actual costs of processing proposals, including staff time and materials (e.g., noticing, postage, copying). Applicants must sign a [Fee Agreement and Voluntary Indemnification](#), consenting to reimburse LAFCo for all costs incurred in processing, including pre-application assistance.

Billing Procedure: Staff's work on applications, which includes overhead costs, is tracked on an hourly basis. LAFCo will provide monthly invoices to the applicant. If actual costs exceed the deposit amount, LAFCo will invoice the applicant for the additional costs. Processing of the application may be suspended until payment is received. All final invoices must be paid by the applicant prior to filing the Certificate of Completion. Any portion of the deposit not used for processing is refunded.

Outside Assistance Fees: The Commission may, at its sole discretion, contract for outside assistance in processing and review of an application. The types of assistance include, but are not limited to, legal, engineering, environmental, and planning. The estimated or actual costs, as determined by the Commission for such assistance shall be deposited with the Executive Officer before an application will be processed further.

Legal Counsel Fees: Applicants will be charged the actual costs of fees associated with legal consultation or review. While most applications do not require legal review, occasionally a proposal will develop significant legal issues that require considerable legal counsel involvement. Legal fees must be paid in full prior the final processing of an application.

Voluntary Indemnification:

As part of the application, applicant shall be asked to sign and submit a [voluntary indemnification agreement](#) for all reasonable expenses and attorney fees incurred from proceedings brought by a third party in connection with the application. While LAFCo retains the discretion in all cases to decide whether to defend an action, the Applicant's voluntary agreement to indemnify LAFCo will have a significant bearing on LAFCo's decision whether to defend its decision. (*Resolution No. 2020-21-05*)

Refunds of Fees: Except for unused portions of deposits, all fees paid to LAFCo are non-refundable. If an application is withdrawn by the applicant prior to the time that the application has been publicly noticed for hearing by the Commission, all unexpended funds shall be returned to the applicant. Otherwise, payment of fees is not a guarantee of approval of the submitted proposal.

Waiver of Fees: The Commission may waive a fee in special circumstances or if it finds that payment would be detrimental or contrary to the public interest. Fees may be waived or reduced for applications filed in response to a condition imposed by or a recommendation made by the Commission. A request for waiver, including an explanation for the request, must be submitted in writing to the Commission. Staff will present the request to the Commission, along with analysis and recommendation, for its determination.

Staff Rates: ~~The following billing rates apply to processing of pre-applications, applications, and special projects designated by the Commission. Staff rates are reviewed annually, or as needed.~~

Attachment 3
Resolution No. 2021-22-13
of the Mendocino Local Agency Formation Commission

Establishing Service Rates and Updating the LAFCo Fee Schedule

WHEREAS, the Mendocino Local Agency Formation Commission, hereinafter referred to as the “Commission”, has the authority to establish a schedule of fees for the cost of proceedings pursuant to California Government Code Section 56383; and

WHEREAS, Policy 11.4.5 of the Mendocino Local Agency Formation Commission Policies and Procedures Manual provides that Staff’s work on applications will be billed on an hourly basis and will include overhead costs; and

WHEREAS, the Commission adopted an updated fee schedule on May 12, 2016, and services subject to the fee schedule have been billed at staff hourly rates with no cost recovery for overhead or indirect costs; and

WHEREAS, at its March 7, 2022 regular meeting, the Commission discussed the proposed establishment of weighted service rates that will allow for partial recovery of overhead and long-term planning costs for services subject to the fee schedule, and directed staff to notice the matter for a public hearing; and

WHEREAS, the Executive Officer gave notice of this matter in the manner required by law; and

WHEREAS, the Commission discussed and considered all oral and written testimony for and against this matter including, but not limited to, the Executive Officer’s Report and recommendation; and

WHEREAS, the Commission duly considered the matter on April 4, 2022.

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

- (1) The fee schedule with weighted service rates identified as “Mendocino LAFCo Service Rates,” set forth in Exhibit A attached hereto, is hereby adopted; and
- (2) The service rates set forth in Exhibit A attached hereto do not exceed the estimated reasonable costs of providing the services for which the fees are charged, and are necessary to pay the costs of operation of Mendocino Local Agency Formation Commission; and
- (3) In compliance with Government Code Section 66017(a), the service rates will become effective July 1, 2022; and
- (4) The Executive Officer is directed to notify all cities and all special districts in Mendocino County of this action by July 1, 2022.

PASSED and ADOPTED by the Mendocino Local Agency Formation Commission this 4th day of April, 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

CHARLES A. ORTH, Commission
Chair

ATTEST:

UMA HINMAN, Executive Officer

DRAFT

Exhibit A

MENDOCINO LAFCO FEE SCHEDULE

(All fees are deposits, unless otherwise noted)

Boundary Changes – City or District Annexation, Detachment or Combination	
With 100% landowner consent - all owners within the affected territory have provided written consent to the proposed action	\$5,000 + CEQA fees + BOE fees
Without 100% landowner consent - all owners within the affected territory have not provided written consent to the proposed action	\$6,000 + CEQA fees + BOE fees
Complex proposal, as determined by EO, including but not limited to, the potential for substantial development (50 or more residential units or 10,000 square feet of non-residential development), significant effect on the community, and/or sphere of influence amendment	\$7,000 + CEQA fees + BOE fees

Sphere of Influence Amendments or Updates	
Sphere Amendment concurrent with annexation, detachment, or reorganization	+\$500
Sphere Update (not initiated by LAFCo)	\$2,500
Municipal Service Review Preparation	Actual cost

Other Changes of Organization or Reorganization	
District Formations, Dissolutions, or Consolidations	\$10,000
District Merger or Establishment of Subsidiary District(s)	\$5,000
District Activation or Deactivation of Latent Powers	\$2,500
City Incorporation or Disincorporation	\$15,000

Outside Agency Service Agreements	
Extension of Services by Contract or Agreement	\$2,500
Request for Exemption from G.C. Section 56133	\$500

Environmental Document (CEQA) Fees – LAFCo as Lead Agency	
Statutory/Categorical Exemption	\$100
Negative Declaration/Mitigated Negative Declaration	\$5,000
Environmental Impact Report (initial deposit in conjunction with payment schedule)	\$20,000
California Department of Fish and Wildlife Environmental Document Filing Fees	CDFW Filing Fees

State Board of Equalization Fees	
State Board of Equalization Change of Jurisdictional Boundary filing <i>(necessary for agencies that are funded by property taxes and/or use the assessment roll for the collection of its revenue by reference to tax rate areas)</i>	BOE Filing Fees

Other Application Fees	
Pre-Application Fees	No charge limited to one hour of staff time, then actual cost
Petition Signature Verification by Registrar of Voters	Actual cost
Request for Reconsideration	\$1,000
Request for Time Extension to Complete Proceedings	\$500
Special Meeting or Hearing	\$1,000
Special or Supplemental Studies	Actual cost

Miscellaneous Service/Duplication Fees	
Copies of documents	\$.10 per page (after 10 pages)
Copies of Audio Recording	\$10 per CD
Staff Research/Archive Retrieval	No charge limited to one half-hour of staff time, then actual cost

Mendocino LAFCo Service Rates

Effective July 1, 2022

Services subject to the LAFCo Fee Schedule are processed at cost and billing is calculated based on current service rates. LAFCo service rates include overhead costs and are reviewed annually, or as needed.

The weighted hourly service rates are as follows:

Contract Staff Position	Hourly Service Rate
Executive Officer	\$ 160.00
LAFCo Analyst	\$ 125.00
LAFCo Clerk	\$ 90.00
Legal Counsel	\$ 275.00

FEE POLICIES

Deposits: Where indicated in the Fee Schedule, deposits toward the actual cost of processing proposals must be paid at the time an application is submitted. All deposits are initial payments toward the actual costs of processing proposals, including staff time and materials (e.g., noticing, postage, copying). Applicants must sign a [Fee Agreement and Voluntary Indemnification](#), consenting to reimburse LAFCo for all costs incurred in processing, including pre-application assistance.

Billing Procedure: Staff's work on applications, which includes overhead costs, is tracked on an hourly basis. LAFCo will provide monthly invoices to the applicant. If actual costs exceed the deposit amount, LAFCo will invoice the applicant for the additional costs. Processing of the application may be suspended until payment is received. All final invoices must be paid by the applicant prior to filing the Certificate of Completion. Any portion of the deposit not used for processing is refunded.

Outside Assistance Fees: The Commission may, at its sole discretion, contract for outside assistance in processing and review of an application. The types of assistance include, but are not limited to, legal, engineering, environmental, and planning. The estimated or actual costs, as determined by the Commission for such assistance shall be deposited with the Executive Officer before an application will be processed further.

Legal Counsel Fees: Applicants will be charged the actual costs of fees associated with legal consultation or review. While most applications do not require legal review, occasionally a proposal will develop significant legal issues that require considerable legal counsel involvement. Legal fees must be paid in full prior the final processing of an application.

Voluntary Indemnification:

As part of the application, applicant shall be asked to sign and submit a [voluntary indemnification agreement](#) for all reasonable expenses and attorney fees incurred from proceedings brought by a third party in connection with the application. While LAFCo retains the discretion in all cases to decide whether to defend an action, the Applicant's voluntary agreement to indemnify LAFCo will have a significant bearing on LAFCo's decision whether to defend its decision. (*Resolution No. 2020-21-05*)

Refunds of Fees: Except for unused portions of deposits, all fees paid to LAFCo are non-refundable. If an application is withdrawn by the applicant prior to the time that the application has been publicly noticed for hearing by the Commission, all unexpended funds shall be returned to the applicant. Otherwise, payment of fees is not a guarantee of approval of the submitted proposal.

Waiver of Fees: The Commission may waive a fee in special circumstances or if it finds that payment would be detrimental or contrary to the public interest. Fees may be waived or reduced for applications filed in response to a condition imposed by or a recommendation made by the Commission. A request for waiver, including an explanation for the request, must be submitted in writing to the Commission. Staff will present the request to the Commission, along with analysis and recommendation, for its determination.

Ukiah Daily Journal

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

2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST
UKIAH, CA 95482

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

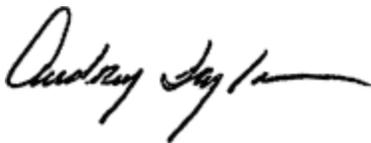
**STATE OF CALIFORNIA
COUNTY OF MENDOCINO**

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

03/10/2022

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

Dated at Ukiah, California,
March 19th, 2022



Audrey Taylor, LEGAL CLERK

Attachment 4

Legal No. **0006651799**

5628-22

3/10/2022

Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING. NOTICE IS HEREBY GIVEN that on Monday, April 4, 2022, at 9:00 AM, or as soon thereafter as the matter may be heard, the Mendocino Local Agency Formation Commission (LAFCo) will conduct a Public Hearing via teleconference, pursuant to State Executive Order N-29-20 and in response to the COVID-19 pandemic. Instructions for public participation via teleconference will be detailed in the agenda posted at least five (5) days in advance of the meeting, and livestreamed at www.youtube.com/MendocinoCountyVideo. The Commission will hold the Public Hearing to consider establishment of proposed service rates and update to the Mendocino LAFCo Fee Schedule, which was last updated in 2016. The proposed service rates will allow for partial recovery of overhead and long-term planning costs for services subject to the Fee Schedule. Copies of the Executive Officer's Report and Agenda, including the proposed service rates and Fee Schedule, will be available at the LAFCo website (www.mendolafco.org) or at the LAFCo office at least five (5) days prior to the hearing date. If you cannot attend the Public Hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendolafco.org; phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION UMA HINMAN, Executive Officer

Fort Bragg Advocate-News

690 S. Main Street
Fort Bragg, California 95437
707-964-5642

2117504

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST
UKIAH, CA 95482

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

STATE OF CALIFORNIA COUNTY OF MENDOCINO

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the Office Clerk of the Fort Bragg Advocate-News, a newspaper of general circulation by the Superior Court of the County of Mendocino, State of California under the date of May 9, 1952 - Case Number 9151, that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been printed in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates:

03/10/2022

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

Dated at Fort Bragg, California,
March 19th, 2022



Audrey Taylor, LEGAL CLERK

Legal No. **0006651793**

A22-045

Mendocino Local Agency Formation Commission NOTICE OF PUBLIC HEARING. NOTICE IS HEREBY GIVEN that on Monday, April 4, 2022, at 9:00 AM, or as soon thereafter as the matter may be heard, the Mendocino Local Agency Formation Commission (LAFCo) will conduct a Public Hearing via teleconference, pursuant to State Executive Order N-29-20 and in response to the COVID-19 pandemic. Instructions for public participation via teleconference will be detailed in the agenda posted at least five (5) days in advance of the meeting, and livestreamed at www.youtube.com/MendocinoCountyVideo. The Commission will hold the Public Hearing to consider establishment of proposed service rates and update to the Mendocino LAFCo Fee Schedule, which was last updated in 2016. The proposed service rates will allow for partial recovery of overhead and long-term planning costs for services subject to the Fee Schedule. Copies of the Executive Officer's Report and Agenda, including the proposed service rates and Fee Schedule, will be available at the LAFCo website (www.mendolafco.org) or at the LAFCo office at least five (5) days prior to the hearing date. If you cannot attend the Public Hearing described in this notice, you may submit written comments prior to the hearing. Please direct comments, questions, and requests to review documents to LAFCo, 200 South School Street, Ukiah, CA 95482; e-mail: eo@mendolafco.org; phone: (707) 463-4470. All interested persons are invited to attend, be heard, and participate in the hearings. BY ORDER OF THE MENDOCINO LOCAL AGENCY FORMATION COMMISSION UMA HINMAN, Executive Officer
3/10/2022

MENDOCINO

Local Agency Formation Commission

Staff Report

MEETING April 4, 2022
TO Mendocino Local Agency Formation Commission
FROM Uma Hinman, Executive Officer
SUBJECT **Workshop** for County Service Area No. 3 Municipal Service Review and Sphere of Influence Study

RECOMMENDATIONS

Hold a Workshop on the Draft County Service Area (CSA) No. 3 Municipal Service Review (MSR) and Sphere of Influence (SOI) establishment study, provide comments and requested revisions, and direct staff to notice the matter for Public Hearing at the June 6th Commission Meeting.

INTRODUCTION

This is a Workshop to introduce the Draft Municipal Service Review (MSR) and Sphere of Influence (SOI) establishment study for County Service Area (CSA) No. 3 (CSA 3 or District). CSA 3 has been a longstanding inactive district and there is no record of prior LAFCo efforts to establish an MSR or SOI for this County-dependent district. Therefore, this is the first MSR/SOI study prepared for CSA 3.

The Workshop Draft CSA 3 MSR/SOI study includes the following information related to the District: history, government structure and accountability, operational efficiency, finances, projected growth, disadvantaged unincorporated communities, service capacity and needs, and proposed sphere. County staff, on behalf of the District, reviewed and provided feedback on an Administrative Draft of the study and requested changes have been incorporated into this Workshop Draft as appropriate.

As background, the District was formed in 1974 to provide ambulance services to the City of Point Arena and adjacent areas, and was subsequently served by the Coast Life Support District in 1986. In 1985 the District's boundaries were expanded from the original South Coast area to cover the unincorporated areas of Mendocino County. In 1991, the Mendocino County Board of Supervisors created a CSA 3 Zone of Benefit and Benefit Assessment for the Sanel Valley Fire Protection Area for fire protection and prevention services, and this area was subsequently served by the Hopland Fire Protection District in 1997.

CSA 3 does not provide any services and has no facilities, equipment, infrastructure, personnel, or reoccurring revenue. Mendocino County is currently considering adding powers or services to CSA 3, through an activation of latent powers LAFCo application, that would allow for the establishment of Zones of Benefit as a funding mechanism to provide extended services to various areas of the County.

There is no record of an existing CSA 3 SOI. Therefore, this study is intended to establish an SOI for CSA 3. Based on the Workshop Draft CSA 3 MSR/SOI, it is recommended that the Commission establish a Service Specific Sphere of Influence for the District that is limited to the future Sherwood Firewise Community Zone of Benefit for road maintenance of emergency access routes and designate an Area of Interest for Ukiah Eastern Hills Study Area. Please note that Figure 4.1 will be prepared for the June Public Hearing.

Attachments: Workshop Draft CSA 3 MSR/SOI Study
Figure 1.1
Figure 3.1

WORKSHOP DRAFT



(CFPC, 2020)

COUNTY SERVICE AREA NO. 3

Municipal Service Review and Sphere of Influence Update

Prepared for:

MENDOCINO LAFCO

200 South School Street
Ukiah, California 95482

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

Workshop: April 4, 2022

Public Hearing:

Adopted:

LAFCo Resolution No:

[This page intentionally left blank]

DRAFT

TABLE OF CONTENTS

- 1 INTRODUCTION 1-1**

 - 1.1 LOCAL AGENCY FORMATION COMMISSION 1-1
 - 1.2 MENDOCINO LAFCO 1-1
 - 1.3 SPHERE OF INFLUENCE 1-1
 - 1.4 MUNICIPAL SERVICE REVIEW 1-2
 - 1.5 MENDOCINO LAFCO POLICIES 1-2
 - 1.6 SENATE BILL 215 1-5

- 2 AGENCY OVERVIEW 2-1**

 - 2.1 HISTORY 2-1

 - 2.1.1 FORMATION 2-1
 - 2.1.2 BOUNDARY 2-1
 - 2.1.3 SERVICES 2-1
 - 2.1.4 SUMMARY OF EVENTS 2-2

 - 2.2 GOVERNMENT STRUCTURE 2-4

 - 2.2.1 GOVERNING BODY 2-4
 - 2.2.2 PUBLIC MEETINGS 2-4
 - 2.2.3 STANDING COMMITTEES 2-5
 - 2.2.4 PUBLIC OUTREACH 2-5
 - 2.2.5 COMPLAINTS 2-5
 - 2.2.6 TRANSPARENCY AND ACCOUNTABILITY 2-6

 - 2.3 OPERATIONAL EFFICIENCY 2-6

 - 2.3.1 MANAGEMENT AND STAFFING 2-6
 - 2.3.2 AGENCY PERFORMANCE 2-6
 - 2.3.3 REGIONAL AND SERVICE-SPECIFIC PARTICIPATION 2-6
 - 2.3.4 INTERAGENCY COLLABORATION 2-7
 - 2.3.5 CONTRACT OR JPA SERVICES 2-7
 - 2.3.6 SHARED SERVICES AND FACILITIES 2-7
 - 2.3.7 DUPLICATION OF SERVICES 2-7
 - 2.3.8 ENHANCED SERVICE DELIVERY OPTIONS 2-7
 - 2.3.9 GOVERNMENT RESTRUCTURE OPTIONS 2-7
 - 2.3.10 REACTIVATED CSA OPTIONS 2-7

 - 2.4 FINANCES 2-8

 - 2.4.1 CURRENT FISCAL HEALTH 2-8
 - 2.4.2 LONG TERM FINANCIAL CONSIDERATIONS 2-9

 - 2.5 GROWTH 2-9

 - 2.5.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT 2-9
 - 2.5.2 EXISTING POPULATION AND PROJECTED GROWTH 2-18

 - 2.6 DISADVANTAGED UNINCORPORATED COMMUNITIES 2-18

- 3 MUNICIPAL SERVICES 3-1**

 - 3.1 SERVICE OVERVIEW 3-1

 - 3.1.1 SERVICES AND FACILITIES 3-1
 - 3.1.2 OUT-OF-AGENCY SERVICES 3-1
 - 3.1.3 SHERWOOD FWC ZOB PILOT PROGRAM 3-1

 - 3.2 DETERMINATIONS 3-4

 - 3.2.1 MSR REVIEW FACTORS 3-4

- 4 SPHERE OF INFLUENCE 4-1**
 - 4.1 SOI ESTABLISHMENT 4-1
 - 4.1.1 EXISTING SPHERE OF INFLUENCE..... 4-1
 - 4.1.2 EXISTING SERVICES 4-1
 - 4.1.3 STUDY AREAS..... 4-1
 - 4.1.4 AREA OF INTEREST DESIGNATION 4-2
 - 4.1.5 PROPOSED SOI..... 4-2
 - 4.1.6 CONSISTENCY WITH LAFCO POLICIES 4-2
 - 4.1.7 DETERMINATIONS 4-2
- 5 REFERENCES 5-1**
- 6 ACRONYMS 6-1**
- 7 ACKNOWLEDGEMENTS..... 7-1**
 - 7.1 REPORT PREPARATION 7-1
 - 7.2 ASSISTANCE AND SUPPORT 7-1
- 8 APPENDICES 8-1**
 - 8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES 8-1
 - 8.2 APPENDIX B – WEBSITE COMPLIANCE HANDOUT 8-2
 - 8.3 APPENDIX C – APPLICABLE POLICIES..... 8-3

DRAFT

1 INTRODUCTION

1.1 LOCAL AGENCY FORMATION COMMISSION

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

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

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

1.2 MENDOCINO LAFCO

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

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

1.3 SPHERE OF INFLUENCE

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

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

1. The present and planned land uses in the area, including agricultural and open space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

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

1.4 MUNICIPAL SERVICE REVIEW

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

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

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

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

1.5 MENDOCINO LAFCO POLICIES

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

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

10.1.1 Legislative Authority and Intent

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

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

10.1.2 Definitions

The Commission incorporates the following definitions:

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

10.1.3 Sphere Updates

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

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

10.1.4 Reduced Spheres

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

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

10.1.5 Zero Spheres

LAFCo may adopt a “zero” sphere of influence encompassing no territory for an agency. This occurs if LAFCo determines that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other agency (e.g., mergers, consolidations). The local agency which has been assigned a zero sphere should ultimately be dissolved.

10.1.6 Service Specific Spheres

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

10.1.7 Agriculture and Open Space Lands

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

10.1.8 Annexations Are Not Mandatory

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

10.1.9 Islands or Corridors

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

10.1.10 Overlapping Spheres

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

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

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

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

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

10.1.12 Areas of Interest

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

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

(LAFCo, 2018)

1.6 SENATE BILL 215

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

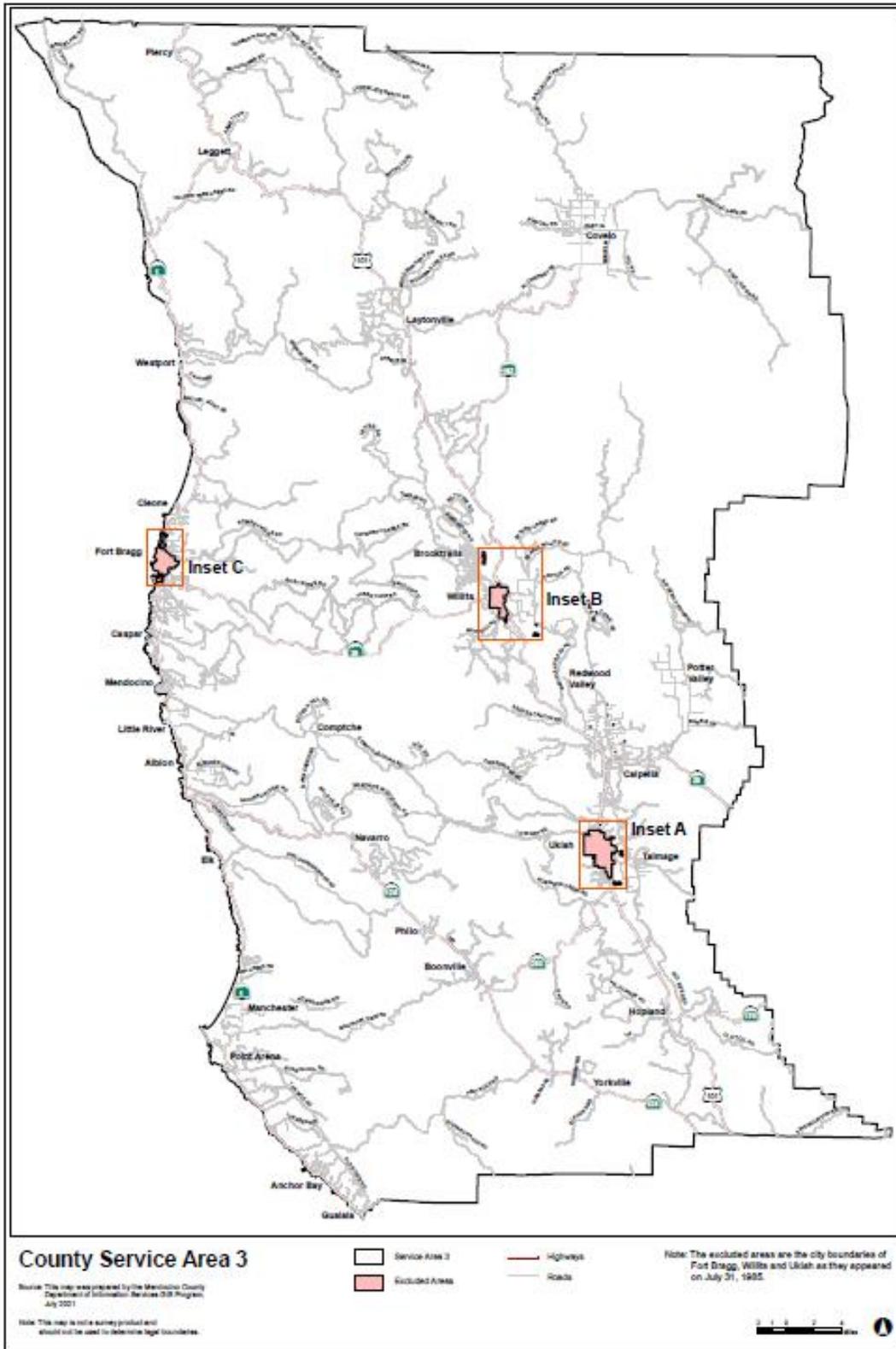
Mendocino County is not located within an MPO boundary and therefore is not subject to the provisions of SB 375. However, the Mendocino Council of Governments (MCOG) supports and coordinates the local planning efforts of Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits to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

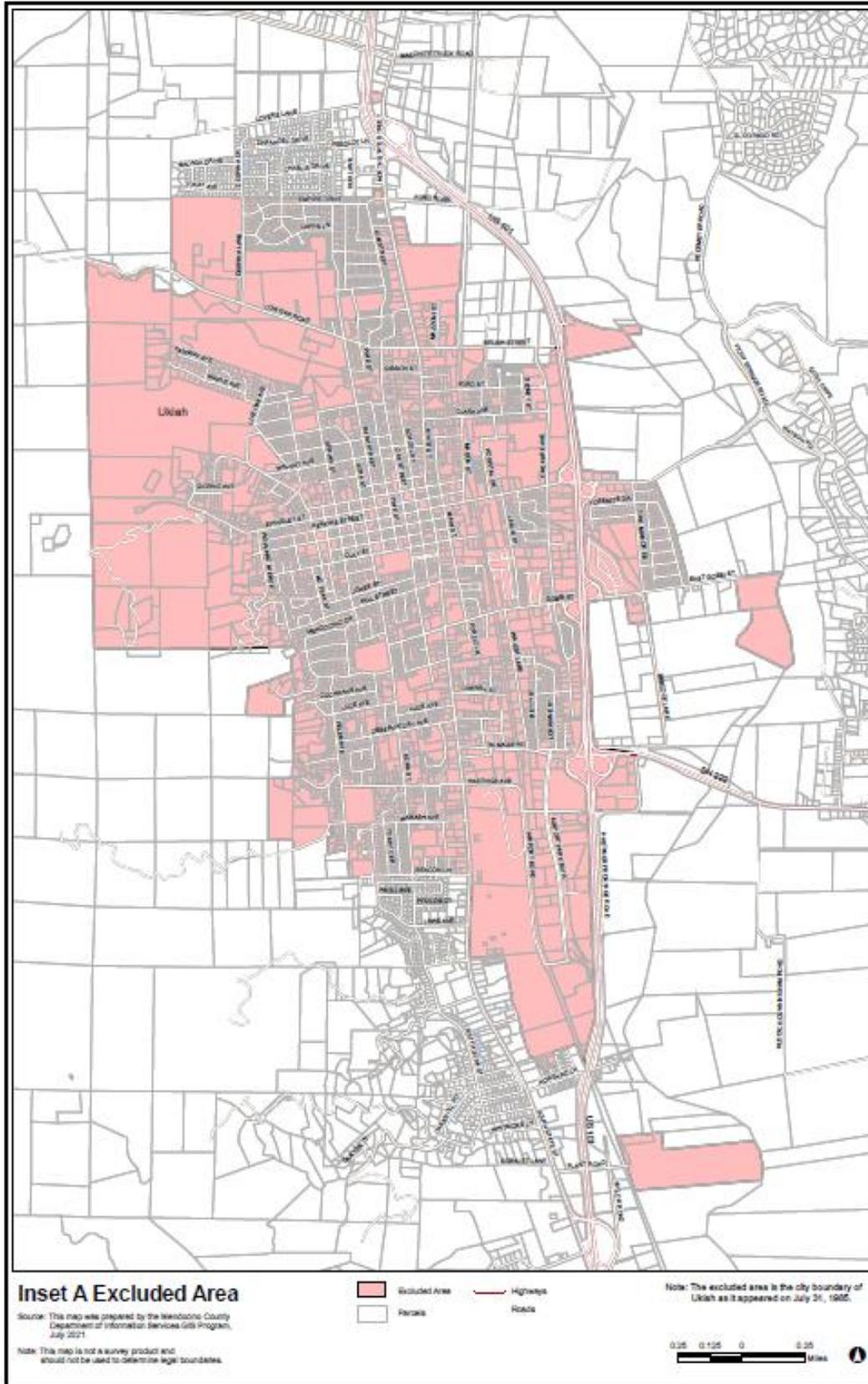
transportation funding to transportation improvement projects consistent with the 2017 RTP for Mendocino County.

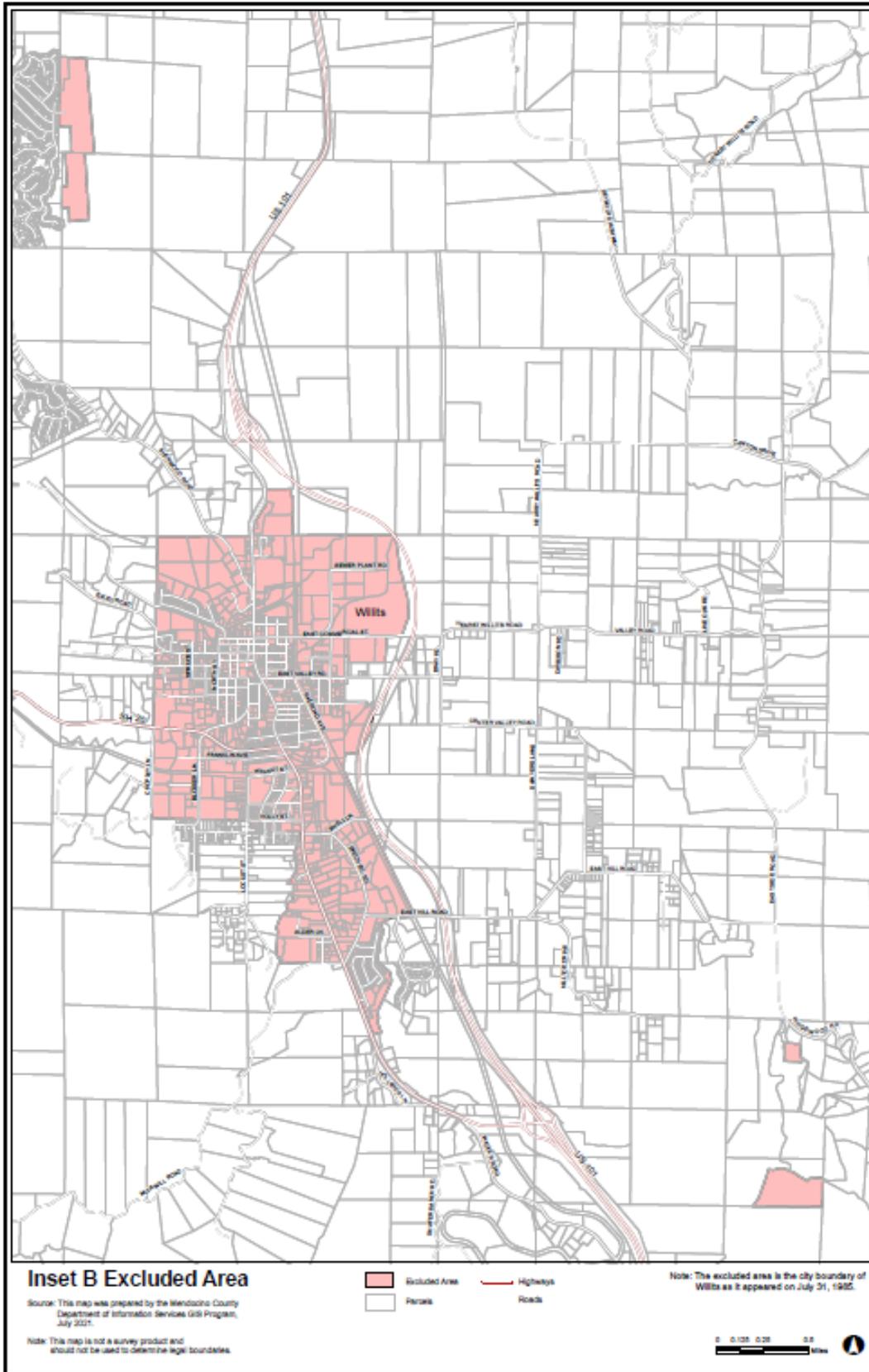
Mendocino County and the Cities of Fort Bragg, Point Arena, Ukiah, and Willits are the local agencies primarily responsible for planning regional growth patterns through adoption and implementation of general plan and zoning regulations. While Mendocino County is not subject to the provisions of SB 375,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

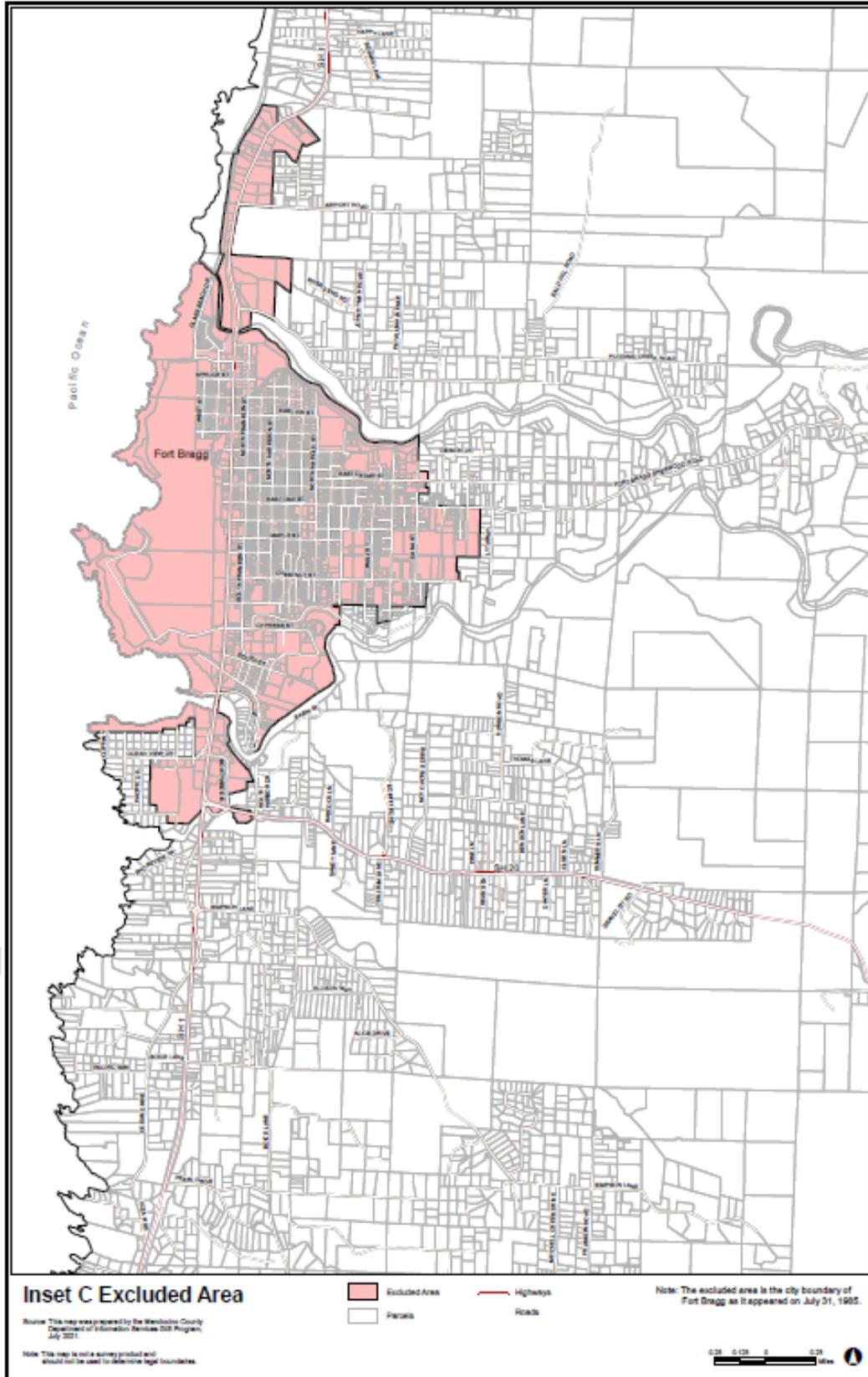
DRAFT

Figure 1.1 CSA 3 Boundary Maps









2 AGENCY OVERVIEW

Table 2.1 CSA 3 Profile

Agency Name:	County Service Area No. 3
Administering Agency:	County Departments as appointed by the CSA 3 Board of Directors
Phone Number:	(707) 234-2820
Fax Number:	(707) 463-5474
Mailing Address:	501 Low Gap Road, Room 1010, Ukiah, CA 95482
County Office:	501 Low Gap Road, Room 1010, Ukiah, CA 95482
Website:	https://www.mendocinocounty.org/government/transportation/csa-3
General Email:	csa3@mendocinocounty.org
Date of Formation:	October 8, 1974
Agency Type:	Dependent Special District
Enabling Legislation:	County Service Areas Law: Government Code §25210 - §25217.4
Board Meeting Schedule:	As needed during Mendocino County Board of Supervisors Meetings

Source: Mendocino, 2021; Mendocino, 2022.

2.1 HISTORY

2.1.1 FORMATION

County Service Area No. 3 (CSA 3 or District) was formed in 1974 to provide ambulance services to the City of Point Arena and adjacent unincorporated areas. The formation of CSA 3 was a joint process involving the Local Agency Formation Commission (LAFCo) as the decision-making body for formation and the Mendocino County Board of Supervisors (BOS) as the applicant and authority for conducting protest proceedings upon LAFCo approval, consistent with the applicable laws at the time.

2.1.2 BOUNDARY

The jurisdictional boundary of CSA 3 encompasses the City of Point Arena and the entire unincorporated area of Mendocino County, as shown in Figure 1.1. The District boundary is not countywide.

The Cities of Fort Bragg, Willits, and Ukiah are excluded from the District boundary based on the city boundaries as they appeared in County records dated July 31, 1985. The city limits of these three agencies have expanded since 1985; however, concurrent detachments from CSA 3 were not included during the annexation process. Therefore, there are areas of overlap between CSA 3 and the current boundaries of these cities.

2.1.2.1 Boundary Changes

There have been no boundary changes to CSA 3 since 1985 when the District’s boundaries were expanded from the original South Coast area to cover the unincorporated areas of Mendocino County.

2.1.3 SERVICES

CSA 3 has been inactive for decades and does not provide any municipal services or have any facilities. Refer to Chapter 3 for more information.

In order to provide services authorized under the District’s Principal Act (GOV §25213), CSA 3 must receive LAFCo approval through an activation of latent powers application, which generally follows the normal Commission Proceedings for a Change of Organization or Reorganization (GOV §56650 et seq.).

2.1.3.1 Zone of Benefit

A Zone of Benefit (ZOB) is a defined geographic area within an existing County Service Area (CSA) formed by residents choosing to pay for special or enhanced County services through a direct assessment or property-related fee on the annual property tax bill.

LAFCo does not have authority over the creation of zones of benefit within a CSA pursuant to GOV §25217.3. LAFCo does have authority over the powers, or services, of a CSA pursuant to GOV §25213.5(a). CSA services must first be activated by LAFCo in order for the CSA Board of Directors to establish a valid ZOB and Proposition 218 assessment for those services.

2.1.4 SUMMARY OF EVENTS

Below is a summary of the legislative and service history for CSA 3.

- 1974, August 12: LAFCo adopted Resolution No. 74-5 approving the formation of County Service Area 3, known as South Coast Ambulance Community Services District, with boundaries coterminous with the Point Arena Joint Union School District, excluding areas in Sonoma County, and with powers limited to ambulance service. (LAFCo, 1974)
- 1974, October 8: BOS adopted Resolution No. 74-377 which formed CSA 3, known as South Coast Ambulance Service, and declared establishment of CSA 3 without an election since protests sufficient to terminate the proposal were not filed. (Board, 1974b)
- 1985, June 3: LAFCo adopted Resolution No. 85-6 approving the annexation of all unincorporated areas into CSA 3 and designated Mendocino County to complete conducting authority proceedings. (LAFCo, 1985)
- 1985, July 23: BOS adopted Resolution No. 85-144 which ordered annexation of the remaining unincorporated areas of Mendocino County into CSA 3 and redesignated the former CSA 3 as “CSA 3 – Benefit Zone 1.” (Board, 1985d)
- 1986: the Bi-County Coast Life Support District was established by a special act of the State Legislature to provide emergency ambulance service to remote rural northern Sonoma and southern Mendocino coast communities, including Irish Beach in the north to just south of Sea Ranch in the south, and Manchester, Point Arena, Gualala, and Annapolis. (LAFCo 2, 2004)
- 1991, February 19: BOS adopted Resolution No. 91-042 which created CSA 3 Benefit Zone 1 for the Sanel Valley Fire Protection Area. (Board, 1991b)
- 1991, August 13: BOS adopted Resolution No. 91-174 which established a Benefit Assessment for CSA 3 Benefit Zone 1 for the Sanel Valley Fire Protection Area to assess and collect a fee for fire protection and prevention services effective July 1, 1991, limited the unit of benefit to \$35 per unit, and terminated the Sanel Valley Fire Protection Zone of Benefit upon completion of Fiscal Year 1994-95. (Board, 1991c)

- 1991, September 17: BOS adopted Resolution No. 91-225 to enter into a Joint Powers Agreement with the Hopland Public Utility District to provide fire protection and emergency services to the CSA 3 Sanel Valley Fire Protection Zone of Benefit effective from July 1, 1991 to June 30, 1995. (Board, 1992b)
- 1996, November 6: California Proposition 218 (Prop 218), known as the Right to Vote on Taxes Act, took effect and required local governments to obtain consent of taxpayers for new taxes, fees, or charges that are directly associated with property ownership. Prop 218 changed the way that local agencies could assess taxpayers and now necessitates a majority vote of the property ownership to make changes in charges and taxes.
- 1997 November: the Fire Department of the Hopland Public Utility District became a separate entity known as the Sanel Valley Fire Protection District; this name was changed to the Hopland Fire Protection District in February of 2002. (LAFCo, 2016)
- 2018, November 6: LAFCo received a notice from the State Controller’s Office (SCO) that CSA 3 was identified as an inactive special district and had been identified as a “Non-Revenue District” by the County Auditor-Controller’s Office. According to SB 448, which was chaptered in 2017, this letter triggered a 90-day timeframe for LAFCo to confirm whether the district meets the inactive criteria, and if so, to adopt a resolution initiating dissolution of the district.
- 2019, February 4: the Commission directed LAFCo staff to delay acting on SCO’s letter until the Board of Supervisors (BOS) could convene and consider the matter. (LAFCo, 2019a)
- 2019, February 26: BOS voted unanimously to reactivate CSA 3. (Board, 2019)
- 2019, March 12: BOS approved the transfer of \$15,000 to reactivate CSA 3. (CEO, 2019)
- 2019, April 4: LAFCo notified SCO that CSA 3 did not meet the definition of an inactive district due to the recent funding activity. (LAFCo, 2019b)
- 2021, November 4: LAFCo received a notice from SCO that CSA 3 was identified as an inactive special district.
- 2022, February 8: LAFCo notified SCO that CSA 3 did not meet the definition of an inactive district due to recent financial transactions and current assets. (LAFCo, 2022)
- 2021, January 25: BOS directed County staff to continue working on the CSA 3 Sherwood Firewise Community (FWC) Zone of Benefit (ZOB) Pilot Program. Refer to Section 3.1.3 for more information.

The following table provides a summary of the Mendocino County Board of Supervisors’ actions by resolution to date related to CSA 3.

	Resolution No.	Date
1	74-325	August 27, 1974
2	74-377	October 8, 1974
3	85-048	March 19, 1985
4	85-103	May 21, 1985
5	85-118	June 18, 1985
6	85-144	July 23, 1985

Resolution No.		Date
7	89-097	May 23, 1989
8	91-041	February 19, 1991
9	91-042	February 19, 1991
10	91-174	August 13, 1991
11	91-225	September 17, 1991
12	92-091	June 2, 1992
13	93-098	June 15, 1993
14	94-129	July 19, 1994
15	95-176	September 5, 1995
16	96-226	December 10, 1996
17	97-030	March 4, 1997

2.2 GOVERNMENT STRUCTURE

2.2.1 GOVERNING BODY

The Mendocino County Board of Supervisors is the governing body of county service areas pursuant to PRC §13031 and GOV §25210.2.(a). However, the CSA 3 Board of Directors is technically a separate legal authority from the Board of Supervisors.

When dependent district business is transacted through a Board of Supervisors meeting agenda, as a matter of order, the Chair officially recesses as the Board of Supervisors and convenes as the District Board of Directors. Upon completion of conducting all dependent district business, the Chair officially adjourns as the District Board of Directors and reconvenes as the Board of Supervisors. Following this procedure supports legally defensible actions and enhanced public transparency on the distinction between the separate local government agencies of the County and County-dependent districts.

The current Mendocino County Board of Supervisors is shown in Table 2.3 below.

Name	Office - District	Term Expiration	First Year of Service	Serving Consecutive Terms
Ted Williams	Chair - 5	Jan 2025	2013	Yes
Glenn McGourty	Vice-Chair - 1	Jan 2025	2021	No
Dan Gjerde	Supervisor- 4	Jan 2023	2018	No
Maureen Mulheren	Supervisor - 2	Jan 2025	2021	No
John Haschak	Supervisor - 3	Jan 2023	2018	No

Source: Mendocino, 2021a; Mendocino, 2022.

2.2.2 PUBLIC MEETINGS

Regularly scheduled meetings for the Board of Supervisors are held on two Tuesdays of the month at 9:00 a.m. in the Board Chambers in Room 1070 at the County Administration Center at 501 Low Gap Road in Ukiah. The Board currently conducts its meetings virtually to follow current health order protocols for

COVID-19. The entire annual calendar is published on the County's website, along with in-depth information about the Board of Supervisors meetings and public participation.

The public may participate digitally in meetings by a number of ways: via written comment to bos@mendocinocounty.org, through the County's eComment platform at <https://mendocino.legistar.com/Calendar.aspx>, through voicemail messaging by calling 707-234-6333, or by telephone via telecomment. The County keeps an up-to-date website with detailed information about the latest available options for public participation at the following County website location: <https://www.mendocinocounty.org/government/board-of-supervisors/public-engagement>.

In accordance with the Brown Act, all Board meetings are open to the public and are publicly posted a minimum of 72 hours prior to regular meetings, or a minimum of 24 hours prior to special meetings. Meeting notices are posted at the County Administration Center and on Mendocino County's website.

Public meeting information including upcoming agendas, past agendas and approved meeting minutes, live video streaming, and recorded videos are posted on the Board of Supervisors website and are available at the Board's office upon request.

Minutes are kept for all public Board of Supervisors meetings and are adopted at a subsequent meeting.

(Mendocino, 2021a; Mendocino, 2022)

2.2.3 STANDING COMMITTEES

Committees may be assigned to assist in carrying out various functions of local government. CSA 3 does not currently have any committees.

2.2.4 PUBLIC OUTREACH

The County maintains a robust website for public information purposes. The website is maintained to remain up to date and contains complete governance information about the Board of Supervisors, as well as meeting information, departments, codes, forms, and project documents. (Mendocino, 2021a)

With the passage of Senate Bill 929 in 2018, all special districts are required to maintain a website that includes contact information and all other requirements by January 2020 (a compliance checklist is included in Appendix B).

CSA 3 has a website at <https://www.mendocinocounty.org/government/transportation/csa-3>, which currently contains the District's agendas and minutes from Board meetings related to reactivation. When CSA 3 becomes more active, the website should be updated with additional information, such as meeting dates, agendas, bylaws, procedures, maps, and other relevant documents. The CSA 3 website would benefit from a similar format as the Board of Supervisors' website, which has a searchable database of documents.

2.2.5 COMPLAINTS

The public can submit written or verbal comments or complaints on the Board of Supervisors' website or by phone, as detailed above under Section 2.2.2, or in person or by phone at the Board of Supervisors' office during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m. No complaints have been received in recent years regarding CSA 3 due to the inactive nature of this dependent district.

2.2.6 TRANSPARENCY AND ACCOUNTABILITY

The Board of Supervisors adopted a Rules of Procedure manual at its January 10, 2017 regular BOS meeting. The Rules of Procedure address the meeting conduct and voting procedure, committees, decisions, rules of order, and responsibilities. (Board, 2017) This is in addition to the County's Policy Manual, which covers general operating policies and procedures for the County, financial policies, and personnel policies that define the obligations, rights, privileges, benefits, and prohibitions placed upon all County employees.

The Political Reform Act requires all state and local government agencies to adopt and promulgate a Conflict of Interest Code pursuant to Government Code §81000 et seq. The Political Reform Act also requires persons who hold office to disclose their investments, interests in real property, and incomes by filing a Statement of Economic Interests (Fair Political Practices Commission Form 700) each year pursuant to Government Code §87203. The Board complies with the above requirements with its Conflict of Interest Code that pertains to County employees and contractors. (Mendocino, 2018)

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

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

2.3 OPERATIONAL EFFICIENCY

2.3.1 MANAGEMENT AND STAFFING

CSA 3 does not currently provide any services or have any facilities, and therefore does not have official arrangements for regular staffing.

Management and staffing for County-dependent districts is often provided by County departments, such as the CEO's Office for management and administrative services, the Auditor-Controller's Office for financial services, County Counsel for legal services, and Public Works and/or Planning for project planning, design and implementation, facility operations, public outreach, and grant administration. Sometimes one or all of the above types of staffing services are contracted out to another local government agency or a private contractor.

Current County staff services related to the CSA 3 Sherwood FWC ZOB Pilot Program are being provided by Deputy CEO staff, Deputy County Counsel, and the Department of Transportation Director, to name a few. Refer to Section 3.1.3 for more information.

2.3.2 AGENCY PERFORMANCE

A component of monitoring agency performance is routinely evaluating staff productivity. Given that there is no regular staff for CSA 3, this aspect of agency performance is not measurable at this time. Further, CSA 3 does not currently provide any services to evaluate for agency performance.

2.3.3 REGIONAL AND SERVICE-SPECIFIC PARTICIPATION

CSA 3 does not participate in any regional or service-specific associations and organizations.

2.3.4 INTERAGENCY COLLABORATION

County staff has been coordinating with LAFCo staff related to proposed activation of latent powers and ZOB creation for CSA 3.

County staff collaborates with other local agency staff related to issues of common interest. This collaborative staff activity occurs in the capacity of County staff as County employees, not through CSA 3; although the dependent district benefits from such activities and interagency relationship building.

2.3.5 CONTRACT OR JPA SERVICES

CSA 3 does not currently provide any services, and therefore there is no provision of services by contract, agreement, or Joint Powers Authority (JPA).

2.3.6 SHARED SERVICES AND FACILITIES

CSA 3 does not currently provide any services or have any facilities, and therefore does not share services or facilities.

2.3.7 DUPLICATION OF SERVICES

CSA 3 does not currently provide any services, and therefore there is no overlap, duplication, or redundancy of services between local government agencies at this time.

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

2.3.8 ENHANCED SERVICE DELIVERY OPTIONS

CSA 3 does not currently provide any services or have any facilities to evaluate for enhanced service delivery options.

The County of Mendocino provides law enforcement, code enforcement, and transportation and stormwater collection services, for public roads in the County-maintained road system, within the boundaries of CSA 3. Firefighting and prevention services are provided by various local fire districts, along with CAL FIRE. Ambulance services are provided by Medstar Ambulance, cities, and various local districts as regulated by Coastal Valleys EMS Agency.

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

2.3.9 GOVERNMENT RESTRUCTURE OPTIONS

Government restructure options should be pursued if there are potential benefits in terms of reduced costs, greater efficiency, better accountability or representation, or other advantages to the public.

CSA 3 does not currently provide any services or have any facilities to evaluate for government restructure options.

2.3.10 REACTIVATED CSA OPTIONS

CSA 3 was reactivated recently after many years of inactivity and Mendocino County has been evaluating options to use CSA 3 as a vehicle to address gaps in service and funding to deliver public services in various areas of the County.

There is interest in utilizing CSA 3 as a funding mechanism to address road access and maintenance needs for community emergency access routes. Refer to Section 3.1.3 for more information related to CSA 3 Sherwood FWC ZOB Pilot Program.

There is also community interest, such as the Brooktrails Township Community Services District and the Mendocino County Fire Chiefs Association, in utilizing CSA 3 as a funding mechanism to address countywide fire and water needs of interagency coordination, grant activities, and enhanced services.

There are gaps in between the service areas of existing local fire agencies that have resulted in necessary arrangements for providing fire protection and emergency medical services outside of agency boundaries in response to 911 services calls in unserved areas and during large wildfire incidents.

Also, due to prolonged and extreme drought conditions, in recent years multiple local water agencies have struggled with very limited to critically low local water supply to serve coastal and inland communities resulting in interagency collaboration and mutual aid agreements for emergency short-term shared facilities and water resources.

While the provision of countywide fire and water services is of critical importance, it is unclear whether CSA 3 is an effective government structure option for addressing these widespread community needs.

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

Countywide services might be most expeditiously and feasibly provided by the County directly instead of by a County-dependent district since County services are not regulated by LAFCo. LAFCo applications involve a lengthy and costly process and legal imperatives to prevent the duplication of services, to promote logical and orderly development, and to ensure the efficient provision of public services, among other things.

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

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

2.4 FINANCES

CSA 3 has been a longstanding inactive district without a budget or funding mechanism and has not provided any services or owned and maintained any facilities, equipment, or infrastructure in decades.

2.4.1 CURRENT FISCAL HEALTH

There is no annual budget or audit to evaluate as CSA 3 has been inactive for decades. CSA 3 has never collected ad valorem property taxes and the District has no reoccurring revenues or expenses.

2.4.1.1 One-time Fund Transfers

The Board of Supervisors authorized fund transfers to CSA 3 in 2019 and 2020 to keep the District active.

On March 13, 2019, the County Auditor-Controller transferred \$15,000 from the Miscellaneous Budget Unit 1940, line item 862239 (Special Departmental Expense), to reactivate CSA 3 consistent with direction from the Board of Supervisors on March 12, 2019. (CEO, 2019)

On June 30, 2020, the County Auditor-Controller transferred \$35,000 from the Miscellaneous Budget Unit 1940, line item 862239 (Special Departmental Expense) for a total balance of \$50,000, to CSA 3 consistent with the Fiscal Year (FY) 2019-20 Annual County Budget approved by the Board of Supervisors. (Auditor, 2022)

2.4.1.2 One-time Expenses

On January 25, 2021, the Board of Supervisors supported County staff efforts related to the CSA 3 Sherwood FWC ZOB Pilot Program, designated the Transportation Department – Land Improvement Division as the appropriate department to manage the project, and authorized expenditure of funds in Budget Unit 1910 for contracting up to \$15,000 for the process to create a Zone of Benefit for the Sherwood Road area. (Board, 2022)

In August 2021, the Board of Supervisors acknowledged that the Land Improvement Budget Unit 1910 had expended \$20,000 in staff efforts to date and anticipated further effort required to complete the process to be an additional \$20,000 to \$40,000 for a total estimated cost of \$60,000. This estimated total does not include the costs of the LAFCo activation of latent powers application. (Board, 2022) Refer to Section 3.1.3 for more information.

2.4.2 LONG TERM FINANCIAL CONSIDERATIONS

CSA 3 currently has no reserves, outstanding debt, grants, or capital improvement plans.

2.5 GROWTH

2.5.1 PRESENT AND PLANNED LAND USE AND DEVELOPMENT

The CSA 3 boundaries are almost contiguous with the unincorporated areas of Mendocino County. Mendocino County has land use authority over privately owned lands within the CSA boundary and makes land-use decisions based on the County's General Plan and Zoning Regulations.

2.5.1.1 Land Use

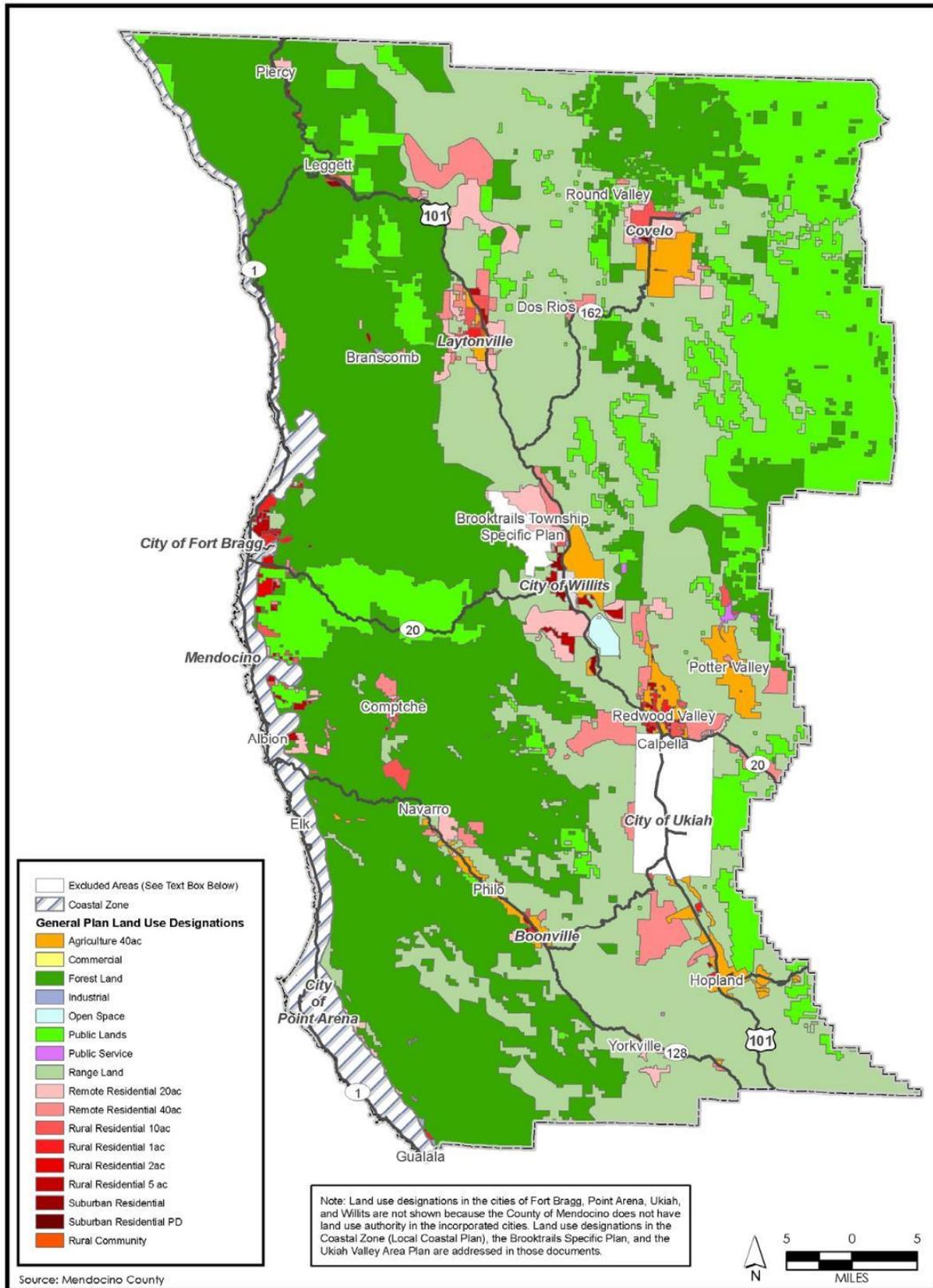
The specific land use designations for Mendocino County are listed below and are based on the Mendocino County General Plan (Figure 2.2):

- Coastal Zone
- Agricultural 40ac
- Commercial
- Forest Land
- Industrial
- Open Space
- Public Lands
- Public Service
- Range Land
- Remote Residential 20ac
- Remote Residential 40ac

- Rural Residential 10ac
- Rural Residential 1ac
- Rural Residential 2ac
- Rural Residential 5a
- Suburban Residential
- Suburban Residential PD
- Rural Community

DRAFT

Figure 2.2 Mendocino County General Plan Land Use Map



The following goals, policies, and action items from the Mendocino County General Plan apply to the provision of public services which CSA 3 could ultimately be used to fund through various Zones of Benefit.

Chapter 3.0 Development Element

Land Use Policies for Clustering, Density Transfer, Density, Nonconformance, and Other Issues

Policy DE-34 Locate development and infrastructure in community areas planned for growth.

Policy DE-35 Encourage compact development patterns, infill, redevelopment and reuse in community areas to protect natural resources and maximize the efficient use of infrastructure and services.

- Land use and development standards shall encourage intensive uses, infill and reuse projects within community areas.
- Encourage and facilitate mixed-use development in appropriate zoning designations.
- Maintain compact development patterns and limit sprawl by directing commercial, residential, and community use into community areas.

Policy DE-37 Work with LAFCO and other agencies to reduce suburban sprawl, promote efficient service delivery, and protect agricultural, timber and open space areas from unintended conversion to urban uses.

Policy DE-38 Create defined boundaries for each community area, separating suburban or urban land uses from adjoining resource and rural landscapes.

Policy DE-39 Development limits and long-term phased growth boundaries may be established for the various community areas taking into account community objectives. Phased growth boundaries shall not result in the premature expansion of community areas or infrastructure.

Community Character Policies

Policy DE-94 Promote infill, reuse, redevelopment and brownfield redevelopment supported by existing or improved infrastructure.

Infrastructure (Facilities and Services) Policies

Policy DE-117 Deliver programs and services to communities in an integrated, coordinated and equitable manner, reflective of local conditions.

Policy DE-118 The County shall discourage the extension of sewer and water service outside of areas designated by this General Plan or any city's General Plan for urban uses.

Action Item DE-118.1 Work with the Local Agency Formation Commission and service providers to coordinate service capabilities with this General Plan's land use designations.

Policy DE-119 Consider infrastructure capabilities, spheres of influence and master service elements adopted by the Local Agency Formation Commission, and city rezoning when adopting or revising General Plan elements.

- Policy DE-120 General Plan changes to increase density or intensity should not be granted when basic infrastructure deficiencies are identified unless there is a program in place for timely resolution of the problem.
- Policy DE-121 New discretionary development will be required to demonstrate that basic infrastructure is available and has adequate capacity to serve the project (including fire flow capacity) without degrading the existing level of service standards.
- Policy DE-122 When committing to serve new development, the County will encourage service providers to grant priority to allocation of available and future water resources to lower-income housing developments that help meet the regional housing need.
- Policy DE-123 Plans for completion of basic infrastructure should be made concurrent with discretionary development entitlement actions.
- Policy DE-124 Plan for the expansion of commercial and industrial uses and sites for affordable housing when planning and designing community spaces and infrastructure.
- Policy DE-125 The County supports the extension of affordable broadband internet access to all areas of the county, particularly rural areas, which currently (2009) do not have broadband access.

Transportation Policies

- Policy DE-126 Provide for multiple transportation modes and functions within transportation corridors and rights-of-way constructed by project developers or using appropriate grants funding.
- Policy DE-127 The County's transportation policies and funding priorities shall emphasize use of multiple transportation modes with the acknowledgment that general transportation operation and maintenance funding is barely adequate for existing roadway safety maintenance. Emphasis should be placed on securing additional grant funds to support multimodal improvements in the right-of-way.
- Policy DE-128 Ensure that transportation infrastructure accommodates the safety and mobility of motorists, pedestrians, bicyclists, and persons in wheelchairs.
- Action Item DE-128.1 Establish public works standards to implement policy DE-128.
- Action Item DE-128.3: Collaborate with Mendocino Transit Authority and School Districts to allow for emergency use of buses and drivers for evacuation purposes for carless populations, skilled nursing facilities, correctional facilities, and hospitals.
- Policy DE-131 Development impact fees, assessments, and other secured funding sources may be required to fund transportation improvements to provide an adequate transportation system or offset transportation impacts.
- Action Item DE-131.1 Maintain short and long-term capital improvements programs for transportation facilities, consistent with adopted plans.
- Policy DE-133 Consider community objectives and emergency evacuation constraints in prioritizing transportation improvements funding.

Policy DE-139 Support the construction or improvement of secondary neighborhood routes to alleviate congestion of the arterials and ensure effective evacuation access.

Policy DE-151 Land divisions and other discretionary projects shall not be approved until access and road improvements adequate for the intended uses, density or intensity are identified and constructed, or funding mechanisms are in place.

Water Supply and Sewer (Wastewater Treatment) Services Policies

Policy DE-186 Coordinate community water and sewer services with General Plan land use densities and intensities.

Policy DE-193 The County supports efficient and adequate public water and sewer services through combined service agencies, shared facilities, or other inter-agency agreements.

Action Item DE-193.1 Work aggressively with water and sewer service providers to overcome the current and projected system and supply deficiencies necessary to serve planned community growth and emergency response needs.

Action Item DE-193.2 Support funding applications to improve and expand water and sewer service capabilities in areas planned for future growth or to resolve existing deficiencies.

Action Item DE-193.3 Work with communities and public water and sewer service entities to monitor, manage and/or maintain community-wide or decentralized water or sewer systems.

Policy DE-194 Encourage water and sewer service providers to incorporate water conservation, reclamation, and reuse. Encourage the development and use of innovative systems and technologies that promote water conservation, reclamation, and reuse.

- Encourage the development of systems that capture and use methane emissions from their operation.
- Encourage the development and use of innovative systems and technologies for the treatment of wastewater.

Policy DE-195 Oppose extension of water or sewer services to rural non-community areas when such extensions are inconsistent with the General Plan's land use and resource objectives, except where the extension is needed to address a clear public health hazard.

Policy DE-196 Development of residential, commercial, or industrial uses shall be supported by water supply and wastewater treatment systems adequate to serve the long-term needs of the intended density, intensity, and use.

Policy DE-197 Land use plans and development shall minimize impacts to the quality or quantity of drinking water supplies.

Drainage and Flooding Policies

Policy DE-200 Emphasize land use compatibility and onsite floodwater retention to prevent or manage flooding.

Policy DE-201 To the maximum extent practical, avoid constructing critical facilities within the designated 500-year flood plain areas or areas potentially subject to dam inundation (or other water impoundment facilities) or seiches. If construction has to occur within these areas, implement floodproofing strategies to reduce impacts associated with flood inundation.

Solid Waste and Hazardous Waste and Materials Management Policies

Policy DE-210 The County will maintain a comprehensive integrated waste management plan consistent with General Plan, environmental, and public health objectives. The County's waste management plan shall include programs to increase recycling and reuse of materials to reduce landfilled waste.

Action Item DE-210.1 Work with local and regional agencies and enterprises to maintain and enhance integrated waste management programs.

Policy DE-211 Promote materials recovery programs and facilities, focusing on wastes generated in the Mendocino County region.

Other Utility Systems Policies

Policy DE-214 The County will seek to reduce the impacts of above-ground utilities. Standards and policies to reduce impacts include:

- Promoting the underground installation of utilities to reduce visual impacts to significant scenic resources.
- Locating utility systems in established corridors where possible.
- Ensuring that above-ground utilities are located and designed to minimize visual impact and clutter.
- Avoiding vegetation removal, new road construction, and silhouettes against the sky.
- Pursuing the undergrounding of utility lines in new development, and in the downtown core of community areas.

Policy DE-215 The County shall work with communication providers to install redundant facilities in isolated areas, reducing the chance of service degradation or outages, emphasizing communication facilities that provide essential services to support social and economic needs, including wired, wireless and satellite communications.

Policy DE-216 The County will facilitate investment in telecommunications infrastructure by providing clear guidelines for utility systems.

Hazard Reduction and Emergency Response Policies

Policy DE-219 Locate and design critical infrastructure to withstand and operate during hazard events and subsequent recovery phases. Standards and policies include:

- Generally prohibit the construction of public or private structures designed for emergency services or public safety in areas of unacceptable risk, which shall be

defined as any location at which an incident capable of either causing the facility to become inoperable has a likelihood of more than 1/1,000,000 per year.

- Facilities and structures owned or used by public entities should be designed or retrofitted, used, and occupied consistent with Uniform Building Code and County Code requirements to protect life and property from hazards.
- Noncompliant structures should be upgraded, abated, or occupancy changed, prioritizing critical facilities and hazard risk.
- Encourage federal, state, and tribal authorities to evaluate facilities and structures not under County jurisdiction and to implement corrective safety measures as needed.
- Promote design elements that allow for greater social distancing and protective measures (ventilation, physical barriers, space for staff) to accommodate County and community needs during health-related incidents.

Action Item DE-219.1 Maintain emergency response plan(s) designed to reduce risk and exposure to hazardous conditions and events, respond to emergencies, and facilitate recovery.

Action Item DE-219.2 Update the emergency response plan regularly to keep pace with the growing population and emergency service capabilities.

Action Item DE-219.3a Identify routes and sites necessary for evacuation, emergency operations and recovery during hazard events.

Action Item DE-219.3b Identify new evacuation routes consistent with the Mendocino County Evacuation Plan, ensuring effective ingress/egress from isolated communities.

Action Item DE-219.3c Develop evacuation route alternatives for hazards and communities to ensure effective evacuation activities.

Action Item DE-219.4 Upgrade critical County services to employ onsite renewable energy systems to provide a basic level of operation, and encourage other agencies in Mendocino County to do the same.

Action Item DE-219.5 Increase the County's fuel storage capacities so as to withstand an extended, but temporary disruption of deliveries.

Policy DE-220 Development shall not hinder the maintenance and use of routes and sites critical to evacuation, emergency operations, and recovery.

Action Item DE-220.1 Establish and coordinate capital improvement programs and priorities to avoid or mitigate high-risk events.

Action Item DE-220.2 Through the County Office of Emergency Services, the County, and relevant agencies, promote public education and safety programs to reduce risk from geologic, fire, flood, inundation, and other hazards related to growth and development.

Fire Protection Policies

Policy DE-235 Developments shall be approved only if sufficient fire-fighting resources, such as fire stations, equipment, personnel, hydrants, and water supplies, will be available to serve all phases of development and include ongoing operations and maintenance.

Action Item DE-235.1 Work with fire protection organizations to achieve funding stability necessary to maintain adequate staffing, facilities and equipment.

Action Item DE-235.2 Collaborate with fire protection authorities, land managers, private landowners, and others to improve fire management strategies for reducing the impacts of wildfires on forest and watershed ecosystems.

Action Item DE-235.3 Work with fire protection providers (i.e., CalFire, U.S. Forest Service, local fire protection districts, and cities) to ensure development is compatible with fire protection capabilities.

Policy DE-236 The County will support viable emergency response and transport services such as emergency medical services.

Policy DE-238 New development not located in a fire protection district should mitigate impacts on first responders to emergency calls, and should be required to contribute its fair share cost of providing emergency services.

Action Item DE-238.1 No later than July 2022, the County shall develop a plan for short- and long-term funding to offset service delivery costs to local fire and emergency response districts for serving areas not within their district boundaries. This may include bonding, assessments, and/or direct fee for service. It is specifically recognized that some funding mechanisms may require voter approval in order to be implemented.

Action Item DE-238.2 Acknowledgement of the lack of fire and emergency services (or the limited availability of such services) shall be recorded with the County Recorder for all developed parcels located outside of a fire protection district. This acknowledgement shall be made available to all subsequent purchasers of the property. Proof of recordation shall be a condition of approval of all discretionary permits for projects located outside of a fire protection district.

(Mendocino, June 2021)

2.5.1.2 Development

As described under Section 2.5.2 below, population in Mendocino County has fallen over the last decade— even while the County faces development pressures from its more urban neighboring counties. Other economic changes in the County include changes in the timber and agricultural industries and global climate change. The long-term availability of energy and water resources is also a factor as the County plans for new growth.

Both timber and agriculture are a continued and vital part of the County’s economy. They have both been protected by longstanding County policies which seek to concentrate development into existing cities, towns and villages, and to retain large areas of the County in timber and farmland. However, timber and agriculture face challenges. The timber industry faces increasing competition from worldwide sources of lumber that have made it difficult for local mills to remain competitive, resulting in the reduction of the former 200-plus lumber mills to only a handful. Many industrial jobs have been lost.

Agriculture, unlike timber, is not in decline, although it has changed with the addition of vast areas of viticulture, and attendant tourism. The change from historic crops such as pears, apples, prunes, and livestock to grapes and wine-making has also resulted the loss of the fruit orchards, sheep ranches, forests, and other historic uses that defined their regions in the past.

A limited water supply combined with uncertainty about the availability of future supplies, has served to limit development in most of the county. More recent challenges include changes in agriculture from low-intensity farming to more water-intensive crops like wine grapes, reductions in rainfall and river flows resulting from global climate change, and changes in upstream use of water that could limit flows in the rivers. There are also growing concerns about the impacts of development on water quality.

The reliability of energy resources is also particularly important in Mendocino County because the county's widely separated cities and towns make it necessary for many residents to travel long distances to work, shop and recreate. Fuel costs are therefore a major concern to residents and businesses. Most of the county's current energy resources originate outside of the county.

Climate change and its relationship to development is also of increasing concern. Directing new growth into the incorporated cities and established communities and increasing bike, pedestrian and transit systems will help lower transportation related GHG emissions, while improving building energy efficiency standards and promoting the use of renewable sources (wind, solar, hydro, and geothermal, among others) will lower emissions as well as consumption of fossil fuels in the county as a whole.

(Mendocino, 2009a)

2.5.2 EXISTING POPULATION AND PROJECTED GROWTH

CSA 3 does not have a service population as it does not currently provide any services. However, the CSA covers almost the entirety of Mendocino County, which has a population of 86,749 as of 2019. (UCSB, 2021c) The average population for Mendocino County is 24.16 persons per square mile.

The rate of growth in Mendocino County from 2010 (87,850 residents) to 2019 (86,749) was -1.3%, as shown in the table below.

	1980	1990	2000	2010	2019
Mendocino County	66,738	80,345	86,265	87,841	86,749
Percent Change	30%	20%	7%	2%	-1%

Source: USCB, 2021a.

As shown in Table 2.3, if the last ten years is an indication of average growth for the next ten years, the County will see very little growth, and possibly a reduction in overall population. Growth projections published by Caltrans indicate a very slow overall County population growth of approximately 0.15%. (Caltrans, 2019)

2.6 DISADVANTAGED UNINCORPORATED COMMUNITIES

Senate Bill (SB) 244, which became effective in January 2012, requires LAFCo to evaluate any Disadvantaged Unincorporated Communities (DUCs), including the location and characteristics of any

such communities, when preparing an MSR that addresses agencies that provide water, wastewater, or structural fire protection services. A DUC is an unincorporated geographic area with 12 or more registered voters with a median household income (MHI) that is less than 80% of the State MHI of \$75,235, or \$60,188 (USCB, 2021b). This State legislation is intended to ensure that the needs of these communities are met when considering service extensions and/or annexations in unincorporated areas.

Mendocino County has an MHI of \$51,416 (USCB, 2021c) and qualifies as a DUC. Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

DRAFT

3 MUNICIPAL SERVICES

A Municipal Service Review (MSR) is a comprehensive analysis of the services provided by a local government agency to evaluate the capabilities of that agency to meet the public service needs of their current and future service area. The MSR determinations inform the SOI Update process and assist LAFCo in considering the appropriateness of a public service provider's existing and future service area boundary. The information and analysis presented in Chapters 2 and 3 of this document form the basis for the MSR determinations provided under Section 3.2.

3.1 SERVICE OVERVIEW

3.1.1 SERVICES AND FACILITIES

CSA 3 does not currently provide any services or have any facilities, and therefore does not have any customers or capital improvement plans to address service deficiencies or expansions.

CSA 3 has been a longstanding inactive district and Mendocino County is currently considering adding powers or services to CSA 3 that would allow for the establishment of ZOB as a funding vehicle to provide extended services to various areas of the County.

3.1.2 OUT-OF-AGENCY SERVICES

CSA 3 does not currently provide any services, and there are no pending or anticipated requests for or commitments to provide out-of-agency services.

3.1.3 SHERWOOD FWC ZOB PILOT PROGRAM

On January 8, 2019, the Board of Supervisors formed an Ad Hoc Committee to discuss issues related to second access roads within the County and issues related to emergency access and/or evacuation routes. (Mendocino, 2021d) This Ad Hoc Committee for one-way-in, one-way-out communities has been working with the Sherwood Firewise Community (FWC) for several years to address emergency access needs for communities along the Sherwood Road corridor located northeast of the City of Willits in the Brooktrails Township Community Services District and adjacent areas as depicted in Figure 3.1.

The Sherwood FWC has obtained grants from the Community Foundation of Mendocino County and pro bono work from Kronick Moskovitz Tiedemann & Girard law firm in Sacramento to develop the framework for a CSA 3 Zone of Benefit (ZOB) to be funded by a benefit assessment through the Benefit Assessment Act of 1982 and Proposition 218.

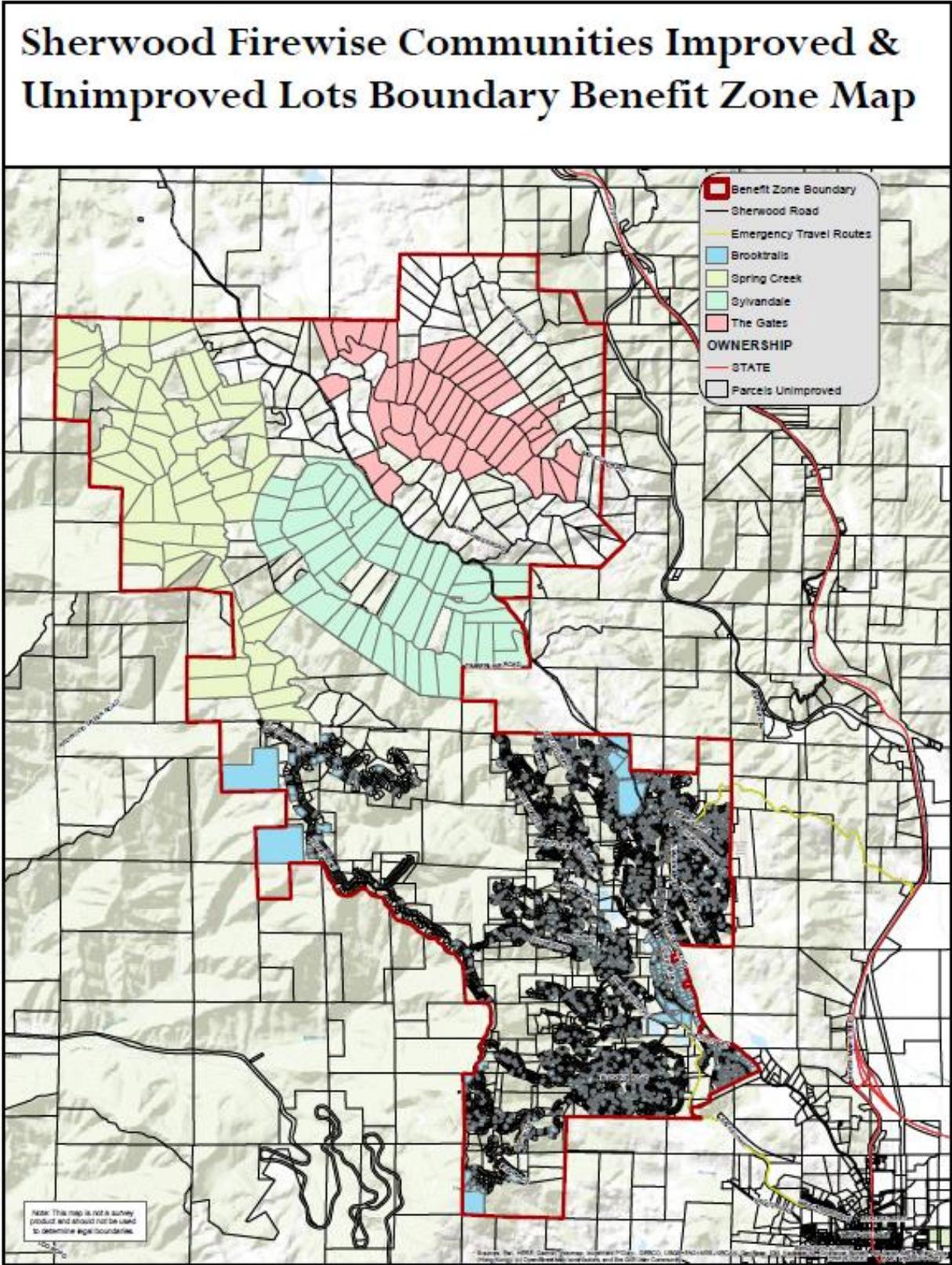
On January 25, 2021, the Board of Supervisors considered a plan to implement the CSA 3 Sherwood FWC ZOB Pilot Program and directed County staff to continue working on necessary steps for implementation. County staff provided an update to the Board of Supervisors on August 3, 2021, which was continued to August 17, 2021. County staff scheduled a vote-by-mail ballot election process for ZOB creation and assessment on March 15 and 17, 2022, which was postponed at the March 1, 2022 Board of Supervisors meeting at LAFCo's request in order to proceed with the activation of latent powers application first. The activation of latent powers would address emergency access road maintenance services.

The following is a brief project scope for the Sherwood FWC ZOB Pilot Program:

- Reduce the need for two-way traffic along Sherwood Road during wildfire incidents and allow unimpeded two-lanes of travel for improved evacuation safety of residents, businesses, and visitors.
- During wildfire incidents, dedicate the 3.5-miles of Sherwood Road from the intersection at Poppy Drive to North Main Street in the City of Willits to one-way evacuation traffic only.
- Provide two alternate dry weather access routes for emergency equipment over private roads commonly referred to as the "FirCo Haul Road" and the "Willits Creek Trail Road".
- Collect funding from property owners in the Brooktrails, Spring Creek, Sylvandale, and Gates Subdivisions for road maintenance of the Willits Creek and Firco Emergency Equipment Access Routes.
- Based on an Engineer's Report, there would be an estimated \$30 annual benefit assessment charged to property owners of developed or improved parcels occupied for residential or business uses.
- Assessment funds would be used for on-going routine private road maintenance service including vegetation clearance, road drainage ditches, conduit cleaning and replacement, and road surface gravel and grading treatments.
- CSA 3 Sherwood FWC ZOB would serve as a funding mechanism only, and County staff appointed by the CSA 3 Board of Directors would collect and administer the assessment funding and implement the road maintenance activities either directly or by contract.
- The assessment would be collected annually until the CSA 3 Board of Directors determines it is no longer needed.
- The proposed road maintenance work will compliment hazardous fuel reduction efforts already completed during the Oak Fire by CAL FIRE for critical firefighter access.

(Board, 2021b) (Board, 2021a) (Board, 2021b) (Board, 2022) (CSA 3, 2022) (Mendocino, 2022)

Figure 3.1 Sherwood FWC ZOB Map



3.2 DETERMINATIONS

This section presents the required MSR determinations pursuant to California Government Code §56430(a) for County Service Area No. 3.

3.2.1 MSR REVIEW FACTORS

3.2.1.1 Growth

Growth and population projections for the affected area

1. The jurisdictional boundary of CSA 3 encompasses the entire unincorporated area of Mendocino County. The District boundary is not countywide.
2. The 2010 Census estimated a population of 87,850 residents and is estimated to grow very slowly.
3. The District does not currently provide any services and therefore has no service population.
4. Population growth is expected to increase at an annual rate of approximately 0.15% for the County. Based on this growth rate, CSA 3 can expect a small population increase of approximately 400 people in the next three years.
5. Mendocino County has land use authority over privately-owned lands within the CSA 3 boundary and makes land-use decisions based on the County's General Plan and Zoning Regulations.

3.2.1.2 Disadvantaged Unincorporated Communities

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

6. Mendocino County has an MHI of \$51,416 and qualifies as a disadvantaged unincorporated community (DUC) with less than 80% of the States Median Household Income (MHI). Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

3.2.1.3 Capacity of Facilities and Adequacy of Services

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

7. CSA 3 does not provide any services and has no facilities, equipment, infrastructure, personnel, or reoccurring revenue.
8. The District does not provide any out-of-agency services.
9. CSA 3 has been a longstanding inactive district and Mendocino County is currently considering adding powers or services to CSA 3 that would allow for the establishment of Zones of Benefit as a funding vehicle to provide extended services to various areas of the County.
10. The creation of a CSA 3 Zone of Benefit and Benefit Assessment for the Sherwood Firewise Community area as a funding mechanism to provide on-going routine road maintenance on two alternate dry weather emergency equipment access routes is intended to improve wildfire evacuation safety for residents, businesses, and visitors and requires a LAFCo activation of latent powers application first.

3.2.1.4 Financial Ability of Agency

Financial ability of agencies to provide services

11. There is no annual budget or audit to evaluate as CSA 3 has been inactive for decades. CSA 3 has never collected ad valorem property taxes and the District has no reoccurring revenues or expenses.
12. The Board of Supervisors authorized one-time fund transfers to CSA 3 in 2019 and 2020 for a total of \$50,000 to keep the District active.
13. CSA 3 currently has no reserves, outstanding debt, grants, or capital improvement plans.
14. Once the District provides services, it will be required to prepare an annual budget and have annual financial audits prepared by a qualified Certified Public Accountant likely through Mendocino County. The District shall provide LAFCo a complete copy of all future financial audit reports prepared by a Certified Public Accountant within 12 months of the end of the fiscal year or years under examination consistent with the timeframes established by Government Code Section 26909(a)(2)(b)(ii) as amended by SB 448. Audits should also be posted on the District's webpage for public access.
15. In order for the District to provide services in the future, a funding mechanism would be needed to ensure that the District would operate in a financially sound manner. If property tax assessments are to be used to fund any future services, a Proposition 218 election would need to be held and a majority of voting taxpayers would need to approve the assessments. An Engineer's Report would be required prior to any Proposition 218 election. The Report would provide the cost of long-term operations, maintenance, and capital costs, including staffing, equipment, and facilities needed.
16. Future benefit assessments for future Zones of Benefit should include an annual inflationary cost adjustment mechanism aligned with the Construction Cost Index in order to ensure that long-term funding remains commensurate with any rising or falling costs in construction.

3.2.1.5 Shared Services and Facilities

Status of, and opportunities for, shared facilities

17. CSA 3 does not currently provide any services or have any facilities, equipment, or infrastructure and therefore does not share services or facilities with other local government agencies.

3.2.1.6 Accountability, Structure, and Operational Efficiencies

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

18. The CSA 3 Board of Directors is governed by the Mendocino County Board of Supervisors comprised of five seats and elected to serve staggered 4-year terms.
19. Regularly scheduled meetings for the Board of Supervisors are held on two Tuesdays of the month at 9:00 a.m. at the County Administration Center located at 501 Low Gap Road in Ukiah. All meetings are open to the public and are publicly posted a minimum of 72 hours prior to the meeting in accordance with the Brown Act.
20. The Board of Supervisors conducts business and takes action by approving motions and adopting resolutions and ordinances by a majority vote of a sufficient quorum. The Board of Supervisors have adopted policies and procedures related to elected officials including conflict of interest and reimbursement, finances, and personnel. The Board of Supervisors receive two hours of training on public service ethics laws and principles at least once every two years pursuant to AB 1234. Board of Supervisors must consider proposed increases to rates and fees at properly noticed Public Hearings

and subject to mailing a Notice of Hearing for Protests to all property owners pursuant to Proposition 218. The Board of Supervisors complies with local government ethics laws and regulations and operates with accountability and transparency.

21. As a matter of order, the Board of Supervisors should convene as the CSA Board of Directors in transacting County-dependent district business during Board of Supervisors public meetings.
22. The CSA has a website at <https://www.mendocinocounty.org/government/transportation/csa-3>, which currently contains the District’s agendas and minutes from Board meetings related to reactivation. When CSA 3 becomes more active, the website should be updated with additional information, such as meeting dates, agendas, bylaws, procedures, maps, and other relevant documents. The CSA 3 website would benefit from a similar format as the Board of Supervisors website, which has a searchable database of documents.
23. The District has no personnel and relies on the County for staffing services.
24. The public can submit written or provide verbal comments or complaints in person or by phone at the Board office during business hours, Monday through Friday from 8:00 a.m. to 5:00 p.m., or at the Board of Supervisors meetings during the general public comment period.
25. In consideration of SB 448 and the long history of CSA 3 inactivity, if the District does not activate latent powers within five-years of adoption of this study, the Commission could consider initiating dissolution proceedings.
26. There are no government restructure options for the District to achieve organizational or operational efficiencies identified during the preparation of this MSR.

3.2.1.7 Other Service Delivery Matters

Any other matter related to effective or efficient service delivery, as required by commission policy

27. There are no other matters related to service delivery required by Mendocino LAFCo Policy.

4 SPHERE OF INFLUENCE

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

4.1 SOI ESTABLISHMENT

4.1.1 EXISTING SPHERE OF INFLUENCE

CSA 3 has been inactive for decades and there is no record of prior LAFCo efforts to establish a Sphere of Influence (SOI) for this County-dependent district. Therefore, this study is intended to establish an SOI for CSA 3.

4.1.2 EXISTING SERVICES

CSA 3 has been inactive for decades and does not currently provide any services or have any facilities, equipment, infrastructure, personnel, or reoccurring revenue.

Therefore, there are no existing services to note or describe related to the nature, location, and extent of any functions or classes of services provided by CSA 3 per GOV §56425(i).

An activation of latent powers application will be needed to proceed with provision of CSA 3 services.

4.1.3 STUDY AREAS

There are two primary study areas for CSA 3 evaluated in this report.

4.1.3.1 Sherwood Road Study Area

The Sherwood Road Study Area, known as the CSA 3 Sherwood FWC ZOB Pilot Program discussed in Section 3.1.3, is well defined and based on years of collaboration between the Sherwood Firewise Community (FWC) and the County of Mendocino related to addressing community needs for multiple emergency access routes.

4.1.3.2 Ukiah Eastern Hills Study Area

The Ukiah Eastern Hills Study Area is in early stages of conception and is not currently geographically well-defined, but generally involves existing residential subdivisions in the Eastern Hills of the Ukiah Valley area along Redemeyer Road.

4.1.3.3 Other Communities

In addition to the study areas described above, there are multiple other one-way-in, one-way-out communities in the County with fire vulnerability and evacuation concerns that need a secondary emergency access route.

The 2021 Mendocino County Safety Element Update and the 2020 Mendocino County Evacuation Plan identify areas with evacuation limitations. Please note that the areas identified in the Safety Element and Evacuation Plan are not based on an exhaustive or prioritized list of community needs.

4.1.4 AREA OF INTEREST DESIGNATION

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

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

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

The Ukiah Eastern Hills Study Area described above is an Area of Interest as depicted on Figure 4.1.

4.1.5 PROPOSED SOI

The Sherwood Road Study Area describe above is proposed for a Service Specific Sphere, per LAFCo Policy 10.1.6, for road maintenance of emergency access routes.

There is no further SOI boundary (Figure 4.1) proposed for CSA 3 at this time since the District does not currently provide any services or have any facilities, equipment, infrastructure, personnel, or reoccurring revenue.

Once specific services are proposed for well-defined service areas within the District, a LAFCo application to activate latent powers accompanied by a sphere amendment will be needed to proceed with such provision of District services.

Figure 4.1 CSA 3 Sphere of Influence Map

PLACEHOLDER

4.1.6 CONSISTENCY WITH LAFCO POLICIES

The proposed District SOI is consistent with Mendocino LAFCo Policies (refer to Section 1.5 for the specific SOI policies).

4.1.7 DETERMINATIONS

It is recommended that the Commission establish a Service Specific Sphere of Influence for CSA 3 that is limited to the future Sherwood Firewise Community Zone of Benefit, as depicted on Figure 4.1, for road maintenance of emergency access routes. The following statements have been prepared in support of this recommendation.

4.1.7.1 Land Uses

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

CSA 3 includes all the land uses presently in effect in Mendocino County, including those listed as land use designations in the General Plan: Coastal Zone, Agricultural, Commercial, Forest Land, Industrial, Open Space, Public Lands, Public Service, Range Land, Remote Residential, Rural Residential, Suburban Residential, and Rural Community. Mendocino County has land use authority over privately-owned lands within the District boundary and makes land-use decisions based on the County's General Plan and Zoning Regulations.

4.1.7.2 Need for Facilities and Services

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

CSA 3 has been a longstanding inactive district and Mendocino County is currently considering adding powers or services to CSA 3 that would allow for the establishment of Zones of Benefit as a funding vehicle to provide extended services to various areas of the County. The most recent and active discussions have centered around the creation of a Zone of Benefit to enable the County to provide maintenance of emergency access roads in the Sherwood Firewise Community area for improved wildfire evacuation safety purposes.

4.1.7.3 Capacity of Facilities and Adequacy of Services

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

CSA 3 does not currently provide any services or have any facilities, personnel, or reoccurring revenue. Therefore, CSA 3 currently has no facility capacity or deficiencies and no service delivery adequacy issues.

4.1.7.4 Communities of Interest

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

The jurisdictional boundary of CSA 3 encompasses the entire unincorporated area of Mendocino County, therefore, there are no additional communities of interest in the study area.

4.1.7.5 Disadvantaged Unincorporated Communities

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

Mendocino County has an MHI of \$51,416 and qualifies as a disadvantaged unincorporated community (DUC) with less than 80% of the States Median Household Income (MHI). Special consideration will be given to any DUCs affected by future annexation proposals consistent with GC §56375(8)(A) and LAFCo Policy.

5 REFERENCES

- California Department of Transportation (Caltrans). 2019 County-Level Economic Forecast: Mendocino County Economic Forecast. [Online]. Available at: [Mendocino County Economic Forecast](#). Accessed October 15, 2021.
- Category Five Professional Consultants, Inc. (CFPC). July 2020. Mendocino County Evacuation Plan, Includes Repopulation, An Annex to the Mendocino County Emergency Operations Plan. [Online]. Available at: <https://www.mendocinocog.org/files/cbb6532a3/%2307c+EvacuationPlan071520.pdf>.
- County Service Area 3 (CSA 3). 2022. Sample Zone of Benefit Sherwood Firewise Communities County Service Area 3 Proposition 218 Notice Benefit Assessment Ballot. [Online]. Available at: <https://www.mendocinocounty.org/government/transportation/csa-3>.
- LAFCo, County of Mendocino. August 12, 1974. Resolution 74-5: Resolution Approving Formation of a County Service Area Designated as County Service Area 3.
- LAFCo, County of Mendocino. June 3, 1985. Resolution 85-6: Resolution Making Determinations on the Proposal Designated as Unincorporated Area of Mendocino County Annexation to County Service Area #3.
- LAFCo, County of Mendocino. April 4, 2016. Multi-District Fire Protection Services Municipal Service Review. [Online]. Available at: <https://www.mendolafco.org/files/a6813f761/Mult+Fire+District+MSR+Adopted+4-4-16+w+Reso.pdf>
- LAFCo, County of Mendocino. November 5, 2018. Policies & Procedures Manual. [Online]. Available at: <http://mendolafco.org/wp-content/uploads/2018/11/FINAL-Adopted-Mendo-LAFCo-PP-Manual-2018-1.pdf>
- LAFCo, County of Mendocino. 2019a. February 4, 2019. Regular Commission Meeting. Video recording available online at: <https://www.youtube.com/watch?v=OofY2kTUvoY&list=PLraKTU7AyZLQSWrivynWsfVnleKBpgK-f&index=1>.
- LAFCo, County of Mendocino. 2019b. April 4, 2019. Letter to Derek Miller, California State Controller's Office Re: Determination of District Status – County Service Area No. 3.
- LAFCo, County of Mendocino. 2022. February 8, 2022. Letter to Derek Miller, California State Controller's Office Re: Determination of District Status – County Service Area No. 3.
- LAFCo, County of Sonoma (LAFCo 2). September 2004. Municipal Service Review for Coast Life Support District. [Online]. Available at: <http://sonomalafco.org/Cities-and-Districts/Municipal-Service-Reviews/>

- Mendocino County (Mendocino). August 2009a. Mendocino County General Plan: Chapter 1.0 Introduction. [Online]. Available at: <https://www.mendocinocounty.org/home/showpublisheddocument/5228/636242309517830000>. Accessed October 26, 2021.
- Mendocino County (Mendocino). June 5, 2018. Mendocino County Conflict of Interest Code. [Online]. Available at: <https://www.mendocinocounty.org/home/showpublisheddocument/21925/636681278944170000>. Accessed October 24, 2021.
- Mendocino County (Mendocino). June 22, 2021. Mendocino County General Plan: Chapter 3.0 Development Element. [Online]. Available at: <https://www.mendocinocounty.org/home/showpublisheddocument/43488/637587674672130000>.
- Mendocino County (Mendocino). 2021a. Board of Supervisors. [Online]. Available at: <https://www.mendocinocounty.org/government/board-of-supervisors>. Accessed October 23, 2021.
- Mendocino County (Mendocino). 2021b. Boards and Commissions. [Online]. Available at: [Boards and Commissions | Mendocino County, CA](#). Accessed October 24, 2021.
- Mendocino County (Mendocino). 2021c. Mendocino County Board of Supervisors 2021 Special Assignments Roster. [Online]. Available at: <https://www.mendocinocounty.org/home/showpublisheddocument/39856/637456985813470000> Accessed October 24, 2021.
- Mendocino County (Mendocino). 2021d. Mendocino County Board of Supervisors Ad Hoc Committee-Topic Index. [Online]. Available at: <https://www.mendocinocounty.org/home/showpublisheddocument/45487/637661733946400000>. Accessed October 24, 2021.
- Mendocino County (Mendocino). March 2022. Response to Request for Information.
- Mendocino County Auditor-Controller (Auditor). March 23, 2017. Letter to George Lolas, Chief Operating Officer, California State Controller’s Office, Re: County Service Area #3.
- Mendocino County Auditor-Controller (Auditor). 2022. January 3, 2022. County Service Area 3 Ledger Balance munis Report.
- Mendocino County Board of Supervisors (Board). 1974a. August 27, 1974. Resolution 74-325: Resolution of Intent to Form County Service Area 3.
- Mendocino County Board of Supervisors (Board). 1974b. October 8, 1974. Resolution 74-377: Resolution Formation of County Service Area 3 (South Coast Ambulance Service).
- Mendocino County Board of Supervisors (Board). 1985a. March 19, 1985. Resolution 85-048: Resolution of the Mendocino County Board of Supervisors of Application to Annex the Unincorporated Areas of Mendocino County Lying Without County Service Area #3 to County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1985b. May 21, 1985. Resolution 85-103: Resolution of the Mendocino County Board of Supervisors of Application to Annex the Unincorporated Areas of Mendocino County Lying Without County Service Area #3 to County Service Area #3.

- Mendocino County Board of Supervisors (Board). 1985c. June 18, 1985. Resolution 85-118: Resolution of the Mendocino County Board of Supervisors Initiating Proceedings to Annex the Unincorporated Areas of Mendocino County Outside of County Service Area #3 to County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1985d. July 23, 1985. Resolution 85-144: Resolution Ordering Annexation of the Unincorporated Areas of Mendocino County Lying Without County Service Area #3 to County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1989. May 23, 1989. Resolution 89-097: Resolution of the Mendocino County Board of Supervisors Amending Resolution #85-118 Initiating Proceedings to Annex the Unincorporated Areas of Mendocino County Outside of County Service Area #3 to County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1991a. February 19, 1991. Resolution 91-041: Resolution of the Mendocino County Board of Supervisors Amending Resolution #85-118 Initiating Proceedings to Annex the Unincorporated Areas of Mendocino County Outside of County Service Area #3 to County Service Area #3
- Mendocino County Board of Supervisors (Board). 1991b. February 19, 1991. Resolution 91-042: Resolution of the Mendocino County Board of Supervisors Establishing Special Zone of Benefit # ___ for Fire Protection Services Known as Sanel Valley Fire Protection Zone Under County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1991c. August 13, 1991. Resolution 91-174: Resolution of the Mendocino County Board of Supervisors Establishing a Benefit Assessment for the Sanel Valley Fire Protection Area Zone of Benefit #1, County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1992. June 2, 1992. Resolution 92-091: Resolution of the Mendocino County Board of Supervisors Establishing the Annual Benefit Assessment for the Sanel Valley Fire Protection Area Zone of Benefit #1, County Service Area #3.
- Mendocino County Board of Supervisors (Board). 1992b. June 2, 1992. General Services Agenda Item No. 12 Agenda Summary for Sanel Valley Fire Protection Zone of Benefit Rate Resolution.
- Mendocino County Board of Supervisors (Board). January 10, 2017. Policy Manual. Mendocino County [Online]. Available at: <https://www.mendocinocounty.org/government/executive-office/policy-manual>. Accessed October 24, 2021.
- Mendocino County Board of Supervisors (Board). February 26, 2019. [Online]. Mendocino County Board of Supervisors Action Minutes, Agenda Item No. 6a. Available at: <https://mendocino.legistar.com/Calendar.aspx>. Accessed October 23, 2021.
- Mendocino County Board of Supervisors (Board). 2021a. January 25, 2021. [Online]. Mendocino County Board of Supervisors Action Minutes, Agenda Item No. 2. Available at: <https://mendocino.legistar.com/Calendar.aspx>. Accessed October 23, 2021.
- Mendocino County Board of Supervisors (Board). 2021b. August 3, 2021. [Online]. Mendocino County Board of Supervisors Agenda Item No. 6b Agenda Summary. Available at: <https://www.mendocinocounty.org/government/transportation/csa-3>. Accessed October 23, 2021.

Mendocino County Board of Supervisors (Board). 2022. March 1, 2022. [Online]. Mendocino County Board of Supervisors Agenda Item No. 4e Agenda Summary. Available at: <https://www.mendocinocounty.org/government/transportation/csa-3>. Accessed March 15, 2022.

Mendocino County County Executive Officer (CEO). 2019. March 21, 2019. Memorandum to Mendocino Local Agency Formation Commission Re: Funding of County Service Area No. 3 (CSA 3).

United States Census Bureau (UCSB). 2021a. Annual Estimates of the Resident Population: April 1, 2010-July 1, 2019. American Community Survey. Table PEPANNRES: Mendocino. [Online]. Available at: <https://data.census.gov/cedsci/table?q=population&t=Populations%20and%20People&g=0500000US06045&tid=PEPPOP2019.PEPANNRES>. Accessed October 25, 2021.

United States Census Bureau (UCSB). 2021b. Quick Facts: California. [Online]. Available at: <https://www.census.gov/quickfacts/fact/table/CA/INC110219>. Accessed October 25, 2021.

United States Census Bureau (UCSB). 2021c. Quick Facts: Mendocino County. [Online]. Available at: <https://www.census.gov/quickfacts/fact/table/mendocinocountycalifornia/BZA010219>. Accessed October 25, 2021.

6 ACRONYMS

AOI	Area of Interest
CSA	County Service Area
CDP	Census Designated Place
CEQA	California Environmental Quality Act
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
DUC	Disadvantaged Community
FY	Fiscal Year
FWC	Firewise Community
JPA	Joint Powers Authority or Agreement
LAFCo	Local Agency Formation Commission
MHI	Median Household Income
MOU	Memorandum of Understanding
MSR	Municipal Service Review
SB	Senate Bill
SOI	Sphere of Influence
ZOB	Zone of Benefit



7 ACKNOWLEDGEMENTS

7.1 REPORT PREPARATION

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

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

7.2 ASSISTANCE AND SUPPORT

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

Mendocino County	Steve Dunicliff, Deputy CEO Judy Morris, Deputy CEO Nathaniel Raff, Deputy County Counsel Howard Dashiell, Department of Transportation Director
------------------	---

8 APPENDICES

8.1 APPENDIX A – OPEN GOVERNMENT RESOURCES

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

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

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

Appendix B

California Website Compliance Checklist

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

Public Records Act

SB 929

Our district has created and maintains a website

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

SB 272

Our Enterprise System Catalog is posted on our website

All local agencies must publish a catalog listing all software that meets specific requirements—free tool at getstreamline.com/sb272

AB 2853 (optional):

We post public records to our website

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

The Brown Act

AB 392:

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

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

AB 2257:

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

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

State Controller Reports

Financial Transaction Report:

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

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

Compensation Report:

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

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

Healthcare District Websites

AB 2019:

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

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

Open Data

AB 169:

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

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

Section 508 ADA Compliance

CA gov code 7405:

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

Requirements were updated in 2018—if you aren't sure, you can test your site for accessibility at achecker.ca



California Special Districts Association
CSDA
Districts Stronger Together



STREAMLINE
Website compliance made easy

The Brown Act: new agenda requirements

Tips for complying with AB 2257 by January, 2019

Placement:

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

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

Exception:

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

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

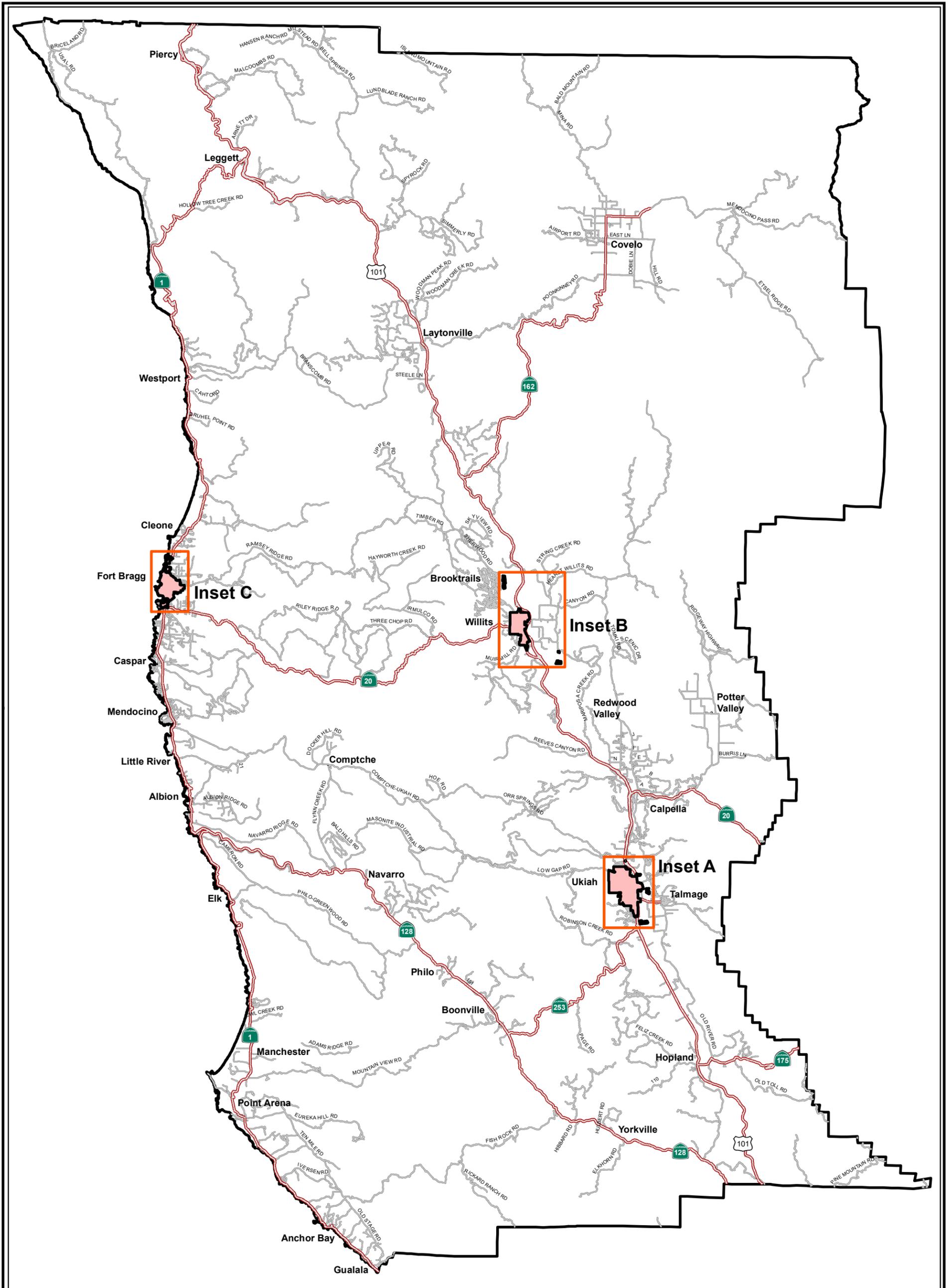
Format:

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

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

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

Questions? Contact sloane@getstreamline.com or dillong@csga.net



County Service Area 3

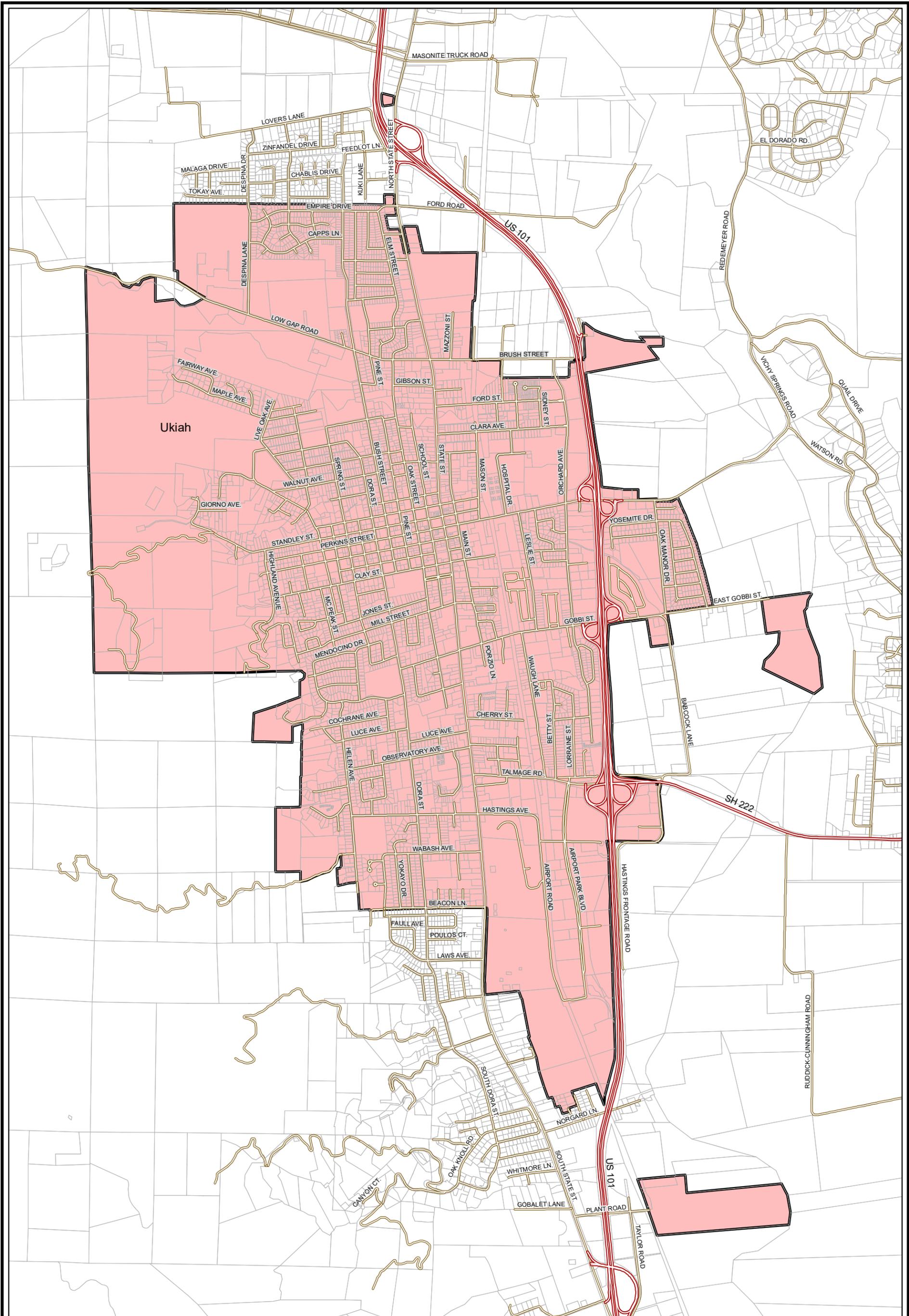
Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, July 2021

Note: This map is not a survey product and should not be used to determine legal boundaries.

- Service Area 3
- Excluded Areas
- Highways
- Roads

Note: The excluded areas are the city boundaries of Fort Bragg, Willits and Ukiah as they appeared on July 31, 1985.





Inset A Excluded Area

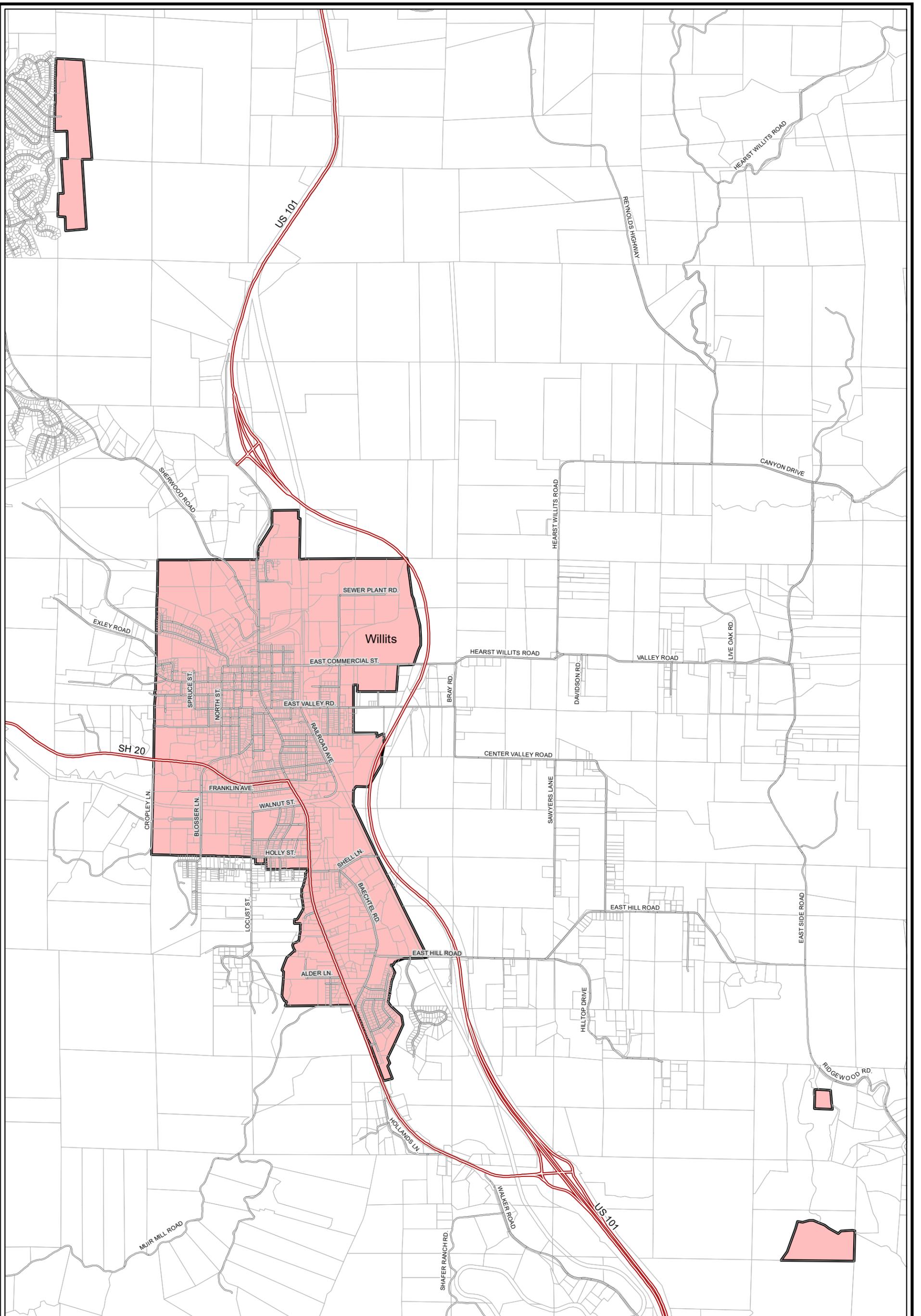
Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, July 2021.

Note: This map is not a survey product and should not be used to determine legal boundaries.

- Excluded Area
- Parcels
- Highways
- Roads

Note: The excluded area is the city boundary of Ukiah as it appeared on July 31, 1985.





Inset B Excluded Area

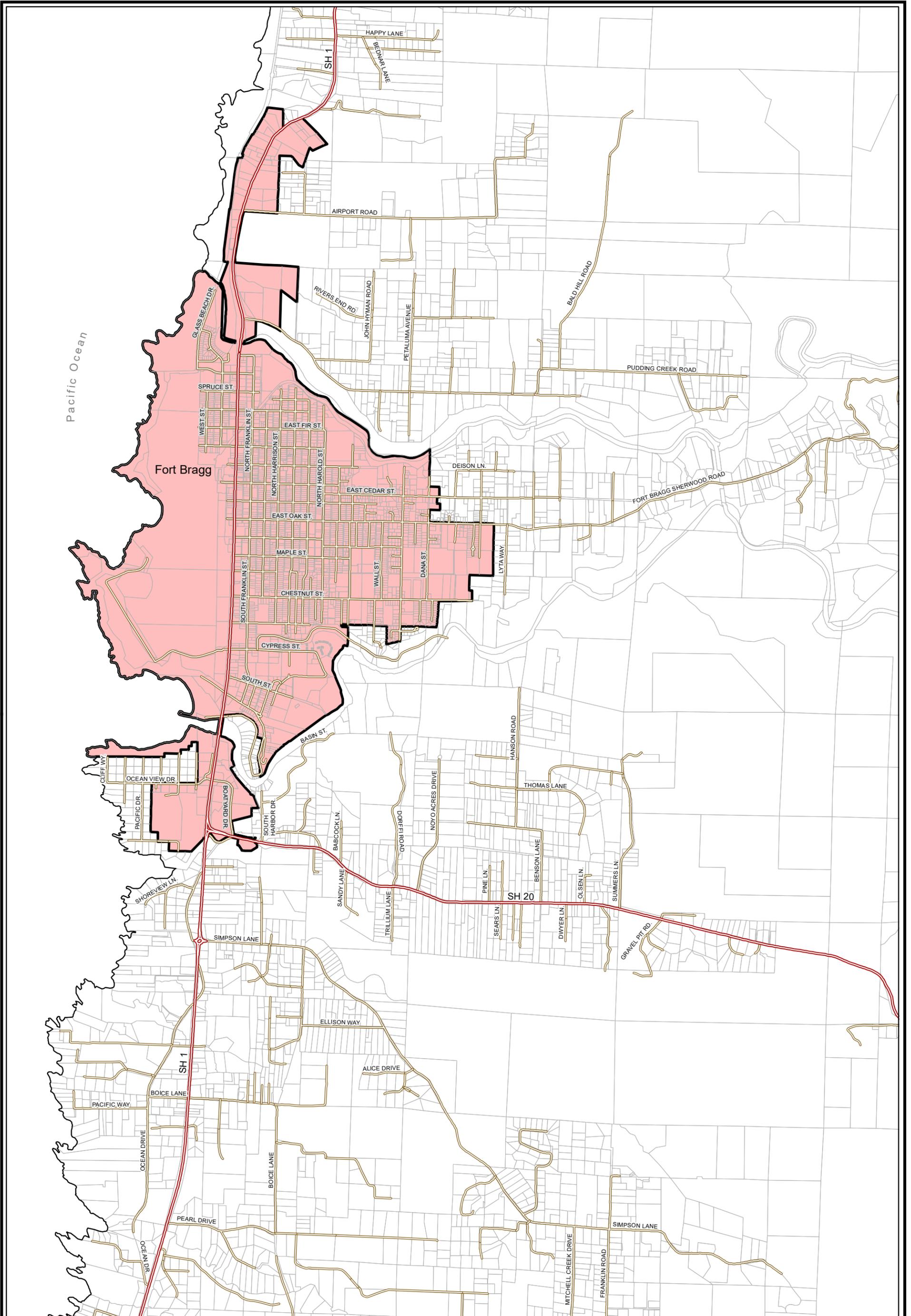
Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, July 2021.

Note: This map is not a survey product and should not be used to determine legal boundaries.

- Excluded Area
- Parcels
- Highways
- Roads

Note: The excluded area is the city boundary of Willits as it appeared on July 31, 1985.





Inset C Excluded Area

- Excluded Area
- Parcels
- Highways
- Roads

Note: The excluded area is the city boundary of Fort Bragg as it appeared on July 31, 1985.

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, July 2021.

Note: This map is not a survey product and should not be used to determine legal boundaries.



MENDOCINO

Local Agency Formation Commission

Staff Report

MEETING April 4, 2022
TO Mendocino Local Agency Formation Commission
FROM Uma Hinman, Executive Officer
SUBJECT **Progress Report on Development of City of Ukiah and Ukiah Valley Sanitation District MSR/SOI Updates**

RECOMMENDATION

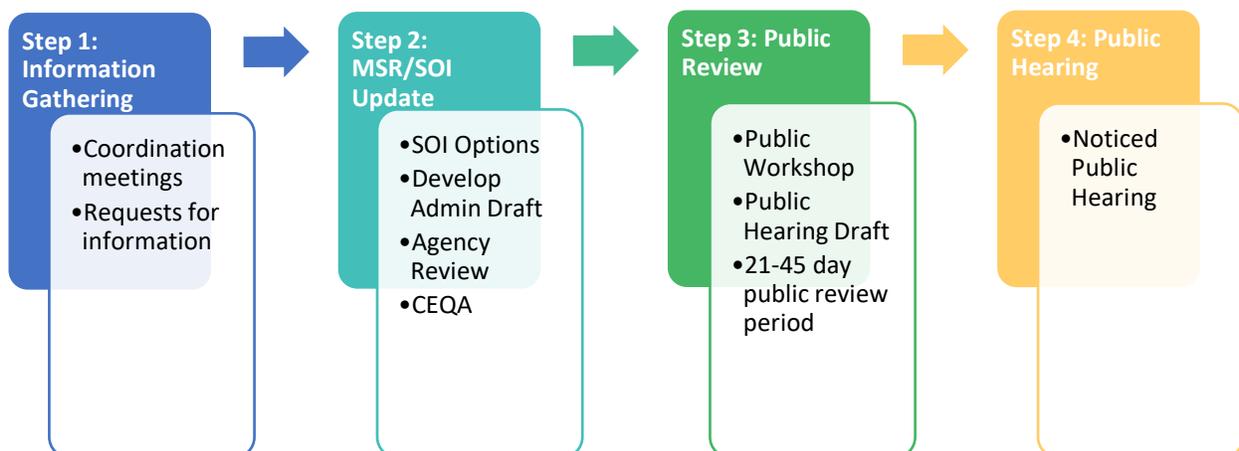
The Commission will receive a progress report on the development of Municipal Service Reviews and Sphere of Influence Updates for the City of Ukiah and the Ukiah Valley Sanitation District.

INTRODUCTION

The City of Ukiah (City) and the Ukiah Valley Sanitation District (UVSD or District) are identified in the FY 2021-22 Work Plan for Municipal Service Review and Sphere of Influence (MSR/SOI) Updates. At its March 7, 2022 regular meeting, the Commission heard a recommendation from staff, with agency support, to prepare the MSR/SOI Updates in-house. The Commission approved the approach and requested an in-depth plan and schedule for development of the MSR/SOI Updates.

The development and service pressures occurring in the Ukiah Valley represent the most complicated and important sphere decisions LAFCo will likely make for the foreseeable future. It is immensely important to undertake these Updates carefully and transparently, with substantial coordination and outreach to the agencies within the Ukiah Valley, and to educate the Commission and public on the issues, LAFCo's role, and the statutes and factors the Commission must consider. The City and UVSD studies will lay the foundation for the upcoming MSR/SOI Updates for the water districts within the Ukiah Valley as well.

The general process for development of an MSR/SOI Update is as follows:



Because of the shared setting and challenges of municipal service providers in the Ukiah Valley, staff are focusing initial efforts on developing a white paper on sewer and water services in the valley. The white paper will serve as a baseline regional conditions document that will describe the interrelated and interconnected provision of services provided by the City of Ukiah, UVSD, and water service providers. Should consolidation efforts proceed for the water districts as has been recommended in previous MSRs and pursued under the [Upper Russian River Water Agency Joint Powers Authority](#), the document could support that effort as well. The white paper will be part of the development of MSR/SOI Updates for both the City and UVSD, and as such will be a shared cost in the Work Plan budget for the agencies.



Concurrently, LAFCo, District, and City staff have been holding regular coordination meetings and have a dedicated team assembled for the collaborative development of both studies that will be important in addressing the coordinated provision of sewer services in the areas surrounding the City. In addition, the District and City hold regular ad hoc committee meetings to vet ideas and develop plans for the efficient provision of sewer services to these areas in both the near and long terms. This process will ultimately result in better planning for the benefit of both the agencies and the customers they serve and deserves the time and space to allow these plans and agreements to mature.

The City MSR/SOI Update will be tracking parallel to the City’s General Plan (GP) Update that is currently underway. Long discussed as the best approach for MSR/SOI Update development, the timing and collaboration is ripe for production of an MSR/SOI Update enhanced by the work already completed and in progress for the GP Update. The City has committed planning staff queued up to support LAFCo staff with preparation of the MSR. Additionally, the City Council has expressed its support of a proposed SOI for LAFCo’s consideration in the SOI Update process.

The process and timeline of the UVSD MSR/SOI Update will generally parallel the City’s MSR/SOI Update so as to ensure consistency in baseline information and growth and population estimates. Additionally, the relationship between the two agencies necessitates coordination of the studies as it is impossible to describe and assess one without the other.

Because of the layers of overlapping service areas and spheres in the Ukiah Valley, the white paper on sewer and water service provision, and the land use and population analysis being conducted for the City’s GP Update, will be useful to both the City and UVSD Updates as well as the future water district studies.

CEQA

The City’s General Plan Update is proceeding on a schedule that supports the MSR/SOI Update schedule in 2022. Coinciding with a General Plan update is clearly supported by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH) as LAFCo is required to know the proposed land uses within an SOI in order to accurately assess the probable service levels of the proposed SOI territory. Additionally, through the GP Update process, much of the information and data required for LAFCo studies has been collected and analyzed by the General Plan consultants and will be applicable for both the City and UVSD MSR/SOI Updates.

LAFCo staff will continue working with City staff to coordinate on the City's GP Update process for efficiency and an overall more comprehensive planning process. Additionally, the coordination of planning processes, including CEQA, will result in significant time, public outreach, and cost efficiencies.

Because the UVSD SOI options have not yet been developed, the level of CEQA analysis cannot be projected this early in the process. As a reminder, LAFCo has not budgeted for CEQA analysis above an Exemption and should a higher level of analysis be necessary, funds to accomplish that task will need to be identified. The draft schedules discussed below estimate two potential CEQA scenarios.

Schedule

In consultation with City and UVSD staff, tentative schedules have been developed for both agency Updates that target completion towards the end of the calendar year. However, it is important to note that long-range schedules cannot anticipate unforeseen events and needs. Therefore, the draft implementation schedules will be revisited regularly and may be modified depending on General Plan Update progress, information needs and agency responsiveness, and CEQA analyses and processes.

While the City's SOI Update will be included in the City's GP Update CEQA review, it is not yet clear what level of CEQA analysis will be necessary for the UVSD SOI Update. Therefore, two draft schedules have been prepared for the UVSD Update: one that assumes CEQA Exemption and one that assumes an Initial Study/Negative Declaration. Timelines for CEQA analysis are difficult to project and will necessitate flexibility in the process.

Attachments

1. City of Ukiah Draft Gannt Schedule
2. Ukiah Valley Sanitation District Draft Gannt Schedules (Options 1 and 2)

MENDOCINO Local Agency Formation Commission

Staff Report

MEETING April 4, 2022
TO Mendocino Local Agency Formation Commission
FROM Uma Hinman, Executive Officer
SUBJECT **Applications and Work Load**

RECOMMENDATION

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

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 delegates Local Agency Formation Commissions (LAFCos) with regulatory and planning duties to coordinate the logical formation and development of local government agencies. This includes approving or disapproving proposals for reorganizations (i.e., annexations, detachments, dissolutions, etc.), activation of latent powers, sphere of influence amendments, and outside service agreements.

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

ACTIVE PROPOSALS

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

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

On February 22, 2021, LAFCo received an application from the City of Ukiah proposing to annex City-owned parcels that are used for government purposes and consisting of approximately 446 acres in total. Parcels include the City's Wastewater Treatment Plant, solid waste transfer station, a portion of the municipal airport and open space. The application referral and notice to the County to initiate the tax share negotiation were routed and comments received. A revised application was submitted to LAFCo on February 25, 2022 and is being referred to affected agencies and County Auditor and Assessor. LAFCo and City staff have established regularly scheduled coordination meetings for the proposal. An incomplete letter has been sent to City staff for the tax share agreement and mapping issues identified by County GIS.

City of Ukiah Detachment of UVSD Served Areas (File No. D-2020-01)

In April 2020, the City of Ukiah submitted a request to restart a 2014 application for detachment of Ukiah Valley Sanitation District (UVSD) served areas from the City that had been deemed incomplete and placed on-hold by the City in 2015. LAFCo staff responded to the City in May, requiring a new application submittal due to the lapse of time and change in conditions, as well as noting the application as premature pending completion of the UVSD SOI Update. The application will be processed concurrently with the City of Ukiah Municipal Service Review and Sphere of Influence Update. The City submitted an Appeal to the Commission of the Executive Officer's determination that the application is incomplete (letter dated April 26, 2021). The Commission continued the item to June 7, 2021 (Item 5d). The Appeal has been temporarily placed on hold by the City. No activity in the past 10 months.

City of Ukiah Pre-Application: Annexation of Areas North of the City (File No. P-2020-02)

Pre-Application request for consultation on the process and potential issues regarding the City's proposal to annex the Brush Street Triangle and Masonite area properties. Staff is coordinating with City staff regarding next steps in the process and timing of application processing. No activity in the past 12 months.

Millview County Water District Pre-Application: Annexation of Masonite Properties (File No. P-2020-04)

Pre-Application request for consultation on process and draft documents associated with the MCWD's proposal to annex the Masonite area properties. LAFCo staff have participated in several conference calls with the District and its consultants regarding the proposal and has provided feedback on draft CEQA and application materials. LAFCo, as a Responsible Agency, submitted comments on the District's Draft Initial Study/Mitigated Negative Declaration on December 6, 2021. No activity in the past four months.

POTENTIAL FUTURE PROPOSALS

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

City of Ukiah Annexation of Western Hills (Hull Properties)

The City has routed a project referral package stating its intent to acquire and annex approximately 695 acres in the Western Hills for open space preservation, while allowing the potential for future low density residential development on the approximately 55 easternmost acres, consistent with existing development in the Western Hills within the City of Ukiah limits. On August 25, 2021, the City of Ukiah Planning Commission considered and recommended to the City Council approval of the Western Hills Open Land Acquisition and Limited Development Agreement Project and adoption of the Draft Initial Study and Mitigated Negative Declaration. The City Council adopted the project's CEQA document at its September 15, 2021. It anticipated that this proposal will be submitted to LAFCo in the next few months.

Elk Community Services District Activation of Latent Powers for Wastewater Services

The ECSD has submitted application materials proposing to activate latent powers for the provision of wastewater services. The District will be assuming ownership and operation of a community leach field within the community of Elk. It is anticipated that the application will be submitted within the next month. Staff is coordinating with District representatives and is reviewing application materials for submittal. It is anticipated that this proposal will be formally submitted to LAFCo in April.

County Services Area 3 Activation of Latent Powers

County and LAFCo staff are coordinating on the proposed services to be offered through CSA 3, which is anticipated to be processed concurrently with the MSR/SOI Study for the district. The initial proposal is expected to be the Sherwood Road Pilot Project, a secondary access for the community of Brooktrails.

WORK PLAN

Local policy directs the Commission to annually adopt a Work Plan for purposes of providing a comprehensive overview of municipal service reviews and sphere of influence updates over the course of the fiscal year. This report provides an update on progress made in terms of accomplishing the activities scheduled in the Work Plan. This report also serves to inform the Commission of any changes in circumstances or priorities. See Attachment 2 Summary Table – Work Plan Tracking and Status.

Attachments

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

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

APPLICATION ACTIVITY								
<i>Project status as of March 30, 2022</i>								
LAFCo File No.¹	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCo Hearing Date	Certificate of Completion	BOE Submittal Date	Additional Comments
A-2021-01	Ukiah	City of Ukiah Annexation of City-Owned Properties	3/1/2021 2/25/2022					Revised application received 2/25/2022; referral distributed and incomplete letter sent
D-2020-01	Ukiah	City of Ukiah Detachment of UVSD Served Areas	2014; 4/29/2020					Incomplete; no activity in 10 months
P-2020-02	Ukiah	City of Ukiah Pre-Application for Annexation of Areas North of the City	8/12/2020	N/A	N/A	N/A	N/A	Incomplete; no activity in 12 months
P-2020-04	MCWD	Millview County Water District Pre-Application for Annexation of Masonite Properties	10/23/2020	N/A	N/A	N/A	N/A	Draft IS/MND comments submitted December 6, 2021; no activity in 4 months
Potential Future Proposals								
N/A	Ukiah	City of Ukiah Annexation of Western Hills (Hull Properties)						City Council adopted CEQA MND in September 2021; anticipate proposal submittal in the next few months
N/A	ECSD	Elk Community Services District Activation of Latent Powers for Wastewater Services						Staff doing an initial review of submission; anticipate proposal submittal in April
N/A	County	County Service Area 3 Activation of Latent Powers						Coordination meetings with County ongoing

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

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

Attachment 2. Summary Table – Work Plan Tracking and Status

FY 2021-22 ESTIMATED WORK PLAN IMPLEMENTATION SCHEDULE AND STATUS						
<i>Work Plan status as of March 30, 2022</i>						
Subject to Change: The estimated schedule and costs for the Fiscal Year 2021-22 Work Plan are subject to change based on agency responsiveness, timely provision of requested information, complexity of issues, level of public and affected agency controversy, and changing needs and priorities.						
CEQA: Based on LAFCo practice, the work plan assumes minimal costs for CEQA compliance related to preparing a Notice of Exemption, unless an agency proposes a non-coterminous SOI and pays for any necessary studies and preparation of a Negative Declaration or Environmental Impact Report.						
Rolling Work Plan: It is difficult to completely contain staff activities in a single fiscal year; therefore, completion of a study may roll over to the next fiscal year. This estimated work plan implementation schedule is intended to enhance communication and transparency.						
Agency	Request for Information	Admin Draft	Public Workshop	Public Hearing	Final Study	Status/Notes
Covelo CSD	Complete	Complete	7/12/21	9/13/21	9/24/21	Study complete and posted to website.
Ukiah Valley Fire District	Complete	Complete	9/13/21	10/4/21	10/8/21	Study complete and posted to website.
County Service Area 3	In progress	In progress	4/4/22	5/2/22 (Tentative)	5/31/22 (Tentative)	This is the first MSR/SOI study for the CSA. Staff is coordinating with County staff on a weekly basis on development of the MSR/SOI Study and on process and policy regarding activating latent powers for the CSA. The County is considering utilizing CSA 3 for a number of local and regional needs including Sherwood Road emergency access routes for the Brooktrails area.
Ukiah Valley Sanitation District	Ongoing	Pending	TBD	TBD	TBD	LAFCo and District staff have been meeting regularly to discuss the development of the MSR/SOI Update. The Administrative Draft is in progress and LAFCo and UVSD staff are working on developing SOI options for consideration in the SOI Update.
City of Ukiah	Pending	Pending	TBD	TBD	TBD	LAFCo and City staff have been meeting regularly to discuss approach and process for development of the MSR/SOI Update. The MSR/SOI Update will be prepared in-house and will parallel with the City's General Plan Update that is proceeding on a schedule that compliments the MSR/SOI Update schedule for 2022. Additionally, the coordination of planning processes will result in both being addressed in the General Plan EIR. The Administrative Draft is in progress.