

# Mendocino LAFCo September 2025



## Annual Report 2024-2025

### MISSION

01 INTRODUCTION

The Local Agency Formation Commission (LAFCo) is a state mandated local agency established to oversee the boundaries of cities and special districts.

02 CHANGES IN  
COMMISSION

The mission of LAFCo is to promote sustainable growth and good governance in Mendocino County by being proactive in raising awareness and building partnerships to accomplish the following:

03 WORK PROGRAM  
HIGHLIGHTS

- Consider the present and future needs of the community
- Oversee the logical formation and development of cities and special districts
- Coordinate the efficient and rational delivery of municipal services
- Preserve agricultural and open space resources
- Discourage urban sprawl

04 BUDGET SUMMARY

## Commissioners

Maureen Mulheren, Chair  
County

Gerald Ward, Vice-Chair/Treasurer  
Public

Madeline Cline  
County

Gerardo Gonzalez  
City

Candace Horsley  
Special District

Susan Mahoney  
Special District

Mari Rodin  
City

## Alternate Commissioners

Douglas Crane  
Alternate City

John Haschak  
Alternate County

Raghda Zacharia  
Alternate Public

Vacant  
Alternate Special District

## Staff

Uma Hinman  
Executive Officer

Larkyn Feiler  
Senior Analyst

Jennifer Crump  
Clerk/Analyst

Marsha Burch  
Legal Counsel

## Principles and Priorities

The following **Principles** guide Commissioners and staff in carrying out their duties:

- *LAFCo is dedicated to hearing and responding to community needs through an open and engaged process;*
- *LAFCo looks beyond individual agencies and seeks the greater good for citizens;*
- *LAFCo is committed to delivering an excellent level of service and emphasizes transparency, efficiency, integrity and fairness in its operations;*
- *LAFCo strives to optimize its independent cross-boundary perspective to advance goals of the Cortese-Knox-Hertzberg Local Government Act; and*
- *LAFCo's desired result is the efficient delivery of services by local entities including the County, cities, special districts, and service delivery companies throughout Mendocino County.*

The following **Priorities** guide and focus staff work programs and plans, outreach and regional planning efforts.

1. *Complete Municipal Service Reviews in accordance with the schedule approved by the Commission.*
2. *Outreach to special districts, educate the public, and train Commissioners.*
3. *Facilitate district consolidations.*
4. *Enhance LAFCo's communication and credibility.*
5. *LAFCo's internal practices are structured to be efficient and to provide for an annual work plan, regularly updated policies and procedures, Commissioner orientation, staff succession planning, and streamlined office management.*
6. *Update LAFCo's policies and procedures on a regular basis.*
7. *Facilitate agency problem solving.*
8. *Revenue sharing: LAFCo will encourage a facilitated revenue sharing agreement by providing comments and other support.*
9. *Participate in conservation efforts.*

# Introduction

This first annual report is intended to demonstrate accountability and increase transparency to the Commission and local government agencies in Mendocino County. The report includes highlights of LAFCo's accomplishments and a year-end budget summary.

## Changes in Commission

This year saw several changes in Commission composition. Commissioners serve four-year terms beginning January 1 and ending December 31.

In January 2025 the Mendocino County Board of Supervisors appointed Madeline Cline (District 1 Supervisor) as Commissioner to replace outgoing Supervisor Glenn McGourty; term ending 2028. Commissioner Maureen Mulheren (District 2 Supervisor) and Alternate Commissioner John Haschak (District 3 Supervisor) continue to serve with terms ending 2026 and 2027, respectively.

In February 2025, the City Selection Committee reappointed Gerardo Gonzalez (City of Willits) and Mari Rodin (City of Ukiah) as Commissioners; terms ending 2026 and 2025, respectively. Additionally, Douglas Crane (City of Ukiah) was reappointed as Alternate, term ending 2025.

The Executive Officer conducted the nomination and election process on behalf of the Special District Selection Committee for appointment of a Commissioner and Alternate Commissioner. Susan Mahoney (Board member, Brooktrails Township Community Services District) was appointed Commissioner; term ending 2028. The Alternate Commissioner seat was vacated in December 2024 when Francois Christen's Anderson Valley Community Services board term ended. The Executive Officer initiated the special district election process for the alternate commissioner seat in January 2025.

On November 4, 2024, Raghda Zacharia (Willits resident) was sworn in as the Alternate Public Member, term ending 2027.

## Work Program Highlights

The annual Work Program include Basic Services and the Work Plan (MSR/SOI studies and updates) adopted with the annual budget. The Work Program identifies tasks and goals for staff to implement and a list of prioritized agencies for MSR/SOI updates and any special studies.

### Basic Services

During FY 2024-25, LAFCo staff dedicated time and resources to improving the core services of the organization through enhancing transparency, outreach to member agencies, and updates and improvements to forms and templates. Additionally, staff developed and implemented strategies for streamlining processes and records accessibility that creates efficiencies for staff, member agencies and the public. Staff will continue to identify and implement ways to improve operational efficiencies, productivity and flexibility.

The following tasks were identified in the FY 2024-25 Work Program:



Update of Application forms and guides.



Development of an annual report to track Commission direction, MSR/SOI and application follow up items.



Policy and procedures development, as needed.



Transparency improvements to the website.

### STAFFING AND EFFICIENCIES

Consistent with Commission direction, staff prioritized applications and responsiveness to inquiries and organizational tasks efficiencies identified in the annual Work Program.

To track Commission direction and requests for follow up on MSR/SOI studies and applications, staff is developing a tracking sheet to increase accountability and transparency. Staff will continue to improve upon the report in the next FY.

Particularly with remote working environments, and also to more readily respond to requests for information and records, it is becoming increasingly important to tackle a number of long-standing office needs such as scanning files (historic meeting materials, applications, budgets, etc.). Last FY, staff scanned and catalogued online all of Commission resolutions, which are now available on our website. This FY we have continued to build our online repository by continuing to add prior years' agendas and meeting minutes. Per Commission recommendation, staff will continue this effort of adding historic records to our website as time and budget allows. Ultimately, these efforts will promote a more efficient work environment, records archive for public access, and increase overall agency transparency.

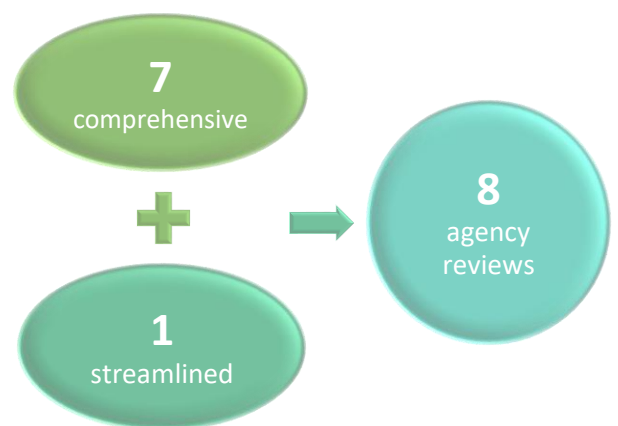
### POLICIES AND PROCEDURES

In the current FY, staff has initiated review and updates to local policies and procedures in response to legislative changes and local conditions. New legislation signed by the Governor necessitated LAFCo update its indemnification policies and application forms in December 2024. Staff will continue to review the Manual and work with the Policies & Procedures Committee to update policies in the next FY.

Additionally, a comprehensive update of application forms and guides to include current information requirements, new policies and procedures, and to streamline processes for consistency was completed. Staff conducted substantial outreach with the Board of Equalization, the County Surveyor, and various County departments regarding mapping requirements for LAFCo applications, which is a critical component of the application form updates. The updated forms were published in May 2025.

### Work Plan



















The annual Work Plan consists of municipal service reviews and sphere of influence updates (MSR/SOI) of agencies prioritized for the year. The MSR/SOIs identified for FY 2024-



25 included (1) completing the FY 2023-24 coastal water and wastewater agencies (remaining five of seven agencies), and (2) initiating the nine inland water and wastewater agencies. In the third quarter of the FY, the annual Work Plan was revised to delay the four Ukiah Valley water and wastewater agencies and add three other prioritized agencies.








In all, during FY 2024-25 LAFCo completed a total of eight agency MSR/SOI reviews: seven comprehensive MSR/SOI Updates and one streamlined review. Five additional agency reviews remain in progress.

The following summarizes the status of the annual Work Plan tasks assigned during FY 2024-25:

STATUS	AGENCY	LEVEL OF REVIEW
	Caspar South Water District	Comprehensive
	Elk County Water District	Comprehensive
	Gualala Community Services District	Comprehensive
	Irish Beach Water District	Comprehensive
	Mendocino County Waterworks District No. 2	Comprehensive
	Round Valley County Water District	Streamlined
	Russian River Flood Control District	Comprehensive
	Potter Valley Irrigation District	Comprehensive
	Hopland Public Utilities District	Streamlined
	Laytonville County Water District	Comprehensive
	Mendocino Coast Recreation and Park District (added)	Comprehensive
	City of Willits MSR (added)	Comprehensive
	City of Point Arena MSR/SOI (added)	Comprehensive
	Mendocino Coast Health Care District MSR (added)	Comprehensive
	Calpella County Water District	TBD
	Millview County Water District	TBD
	Redwood Valley County Water District	TBD
	Willow County Water District	TBD

## Applications

The number of applications LAFCo processes varies each year. In FY 2024-25, staff processed seven applications: the Commission approved two and five remain open.

APPLICATIONS		
	City of Ukiah	Western Hills Annexation
	City of Fort Bragg	Outside Agency Services – Internet
	Anderson Valley CSD	Annexation of Sphere of Influence
	Elk CSD	Activation of Powers for wastewater
PRE-APPLICATIONS		
	City of Fort Bragg	Pre-Application Review for Annexation
	City of Ukiah	Pre-Application Review for Reorganization
	Russian River Flood Control District	Pre-Application Review for annexation of Redwood Valley CWD

### *CITY OF UKIAH ANNEXATION OF WESTERN HILLS (COMPLETED)*

LAFCo staff processed an application of the City of Ukiah annexing the Western Hills properties, including 27 assessor parcels of approximately 791 acres, and a sphere amendment to add 40 acres of City-owned property. The majority of the properties will be utilized for open space preservation, public-access, with some limited residential development adjacent to existing development. The annexation was approved by the Commission on November 4, 2024. The Certificate of Completion was filed on December 6, 2024.

### *CITY OF FORT BRAGG OUTSIDE AGENCY SERVICES AGREEMENT FOR INTERNET SERVICES (COMPLETED)*

In June 2025, the City of Fort Bragg submitted an application for an Outside Agency Services Agreement to provide uninterrupted internet connectivity to existing customers of Mendocino Community Network (MCN) upon acquisition of the company from the Mendocino Unified School District. Approximately one-third of the MCN customer base is located outside the City's boundaries and SOI, and ranged up and down the coast from Westport to Comptche. The application was administratively approved by the Executive Officer on July 2, 2025 and ratified by the Commission on July 7, 2025.

### *ANDERSON VALLEY COMMUNITY SERVICES DISTRICT ANNEXATION OF SPHERE OF INFLUENCE (OPEN)*

The Anderson Valley Community Services District (AVCSD) proposes to annex the District's Sphere of Influence (SOI) for fire and ambulance services. The application is incomplete pending a tax share agreement. The application remains open.

### *ELK COMMUNITY SERVICES DISTRICT ACTIVATION OF LATENT POWERS FOR WASTEWATER SERVICES (OPEN)*

The Elk Community Services District (ECSD) has applied to LAFCo to activate latent powers for the provision of wastewater services. The district proposes to assume ownership and operation of a community leach field on two open parcels serving a portion of downtown Elk. The application remains open and requires additional information and a tax share agreement to continue processing.

*CITY OF FORT BRAGG PRE-APPLICATION REVIEW FOR ANNEXATION OF RESERVOIR PROPERTIES (OPEN)*

The City of Fort Bragg’s Pre-Application Review was submitted in the second quarter of 2023 to coordinate with LAFCo staff on application needs and processing. The Pre-Application Review remains open.

*CITY OF UKIAH PRE-APPLICATION REVIEW FOR REORGANIZATION (OPEN)*

The City of Ukiah’s Pre-Application Review was submitted in the first quarter of 2025 to coordinate with LAFCo staff on application needs and approaches to processing the proposed project components. The Pre-Application Review remains open.

*RUSSIAN RIVER FLOOD CONTROL AND WATER CONSERVATION IMPROVEMENT DISTRICT PRE-APPLICATION REVIEW FOR ANNEXATION OF REDWOOD VALLEY COUNTY WATER DISTRICT (OPEN)*

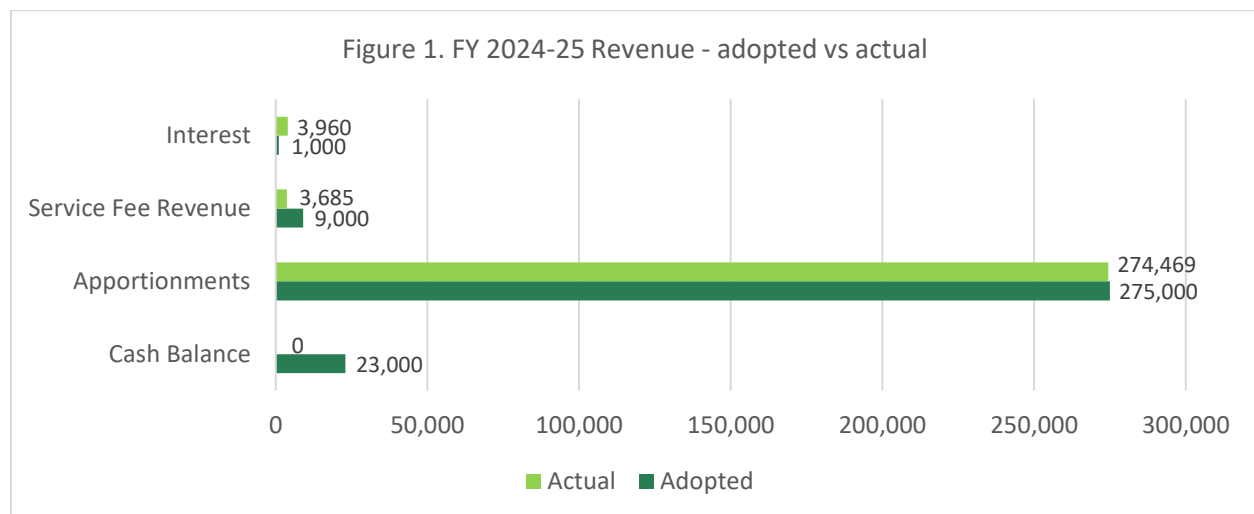
The RRFC’s Pre-Application Review was submitted in June 2025 to coordinate with LAFCo staff regarding application and processing needs for the proposed annexation of the RVCWD. The Pre-Application Review remains open and an application is anticipated in late 2025/early 2026.

## Budget Summary

### Revenue

The adopted FY 2024-25 budget was \$308,000 and included use of \$23,000 in cash balance to meet anticipated budget expenditures. Adopted apportionments remained consistent with the previous year at \$275,000. By FYE, one special district had not paid their apportionment (\$531); the Executive Officer has been coordinating with the County Auditor’s Office to collect the outstanding fees.

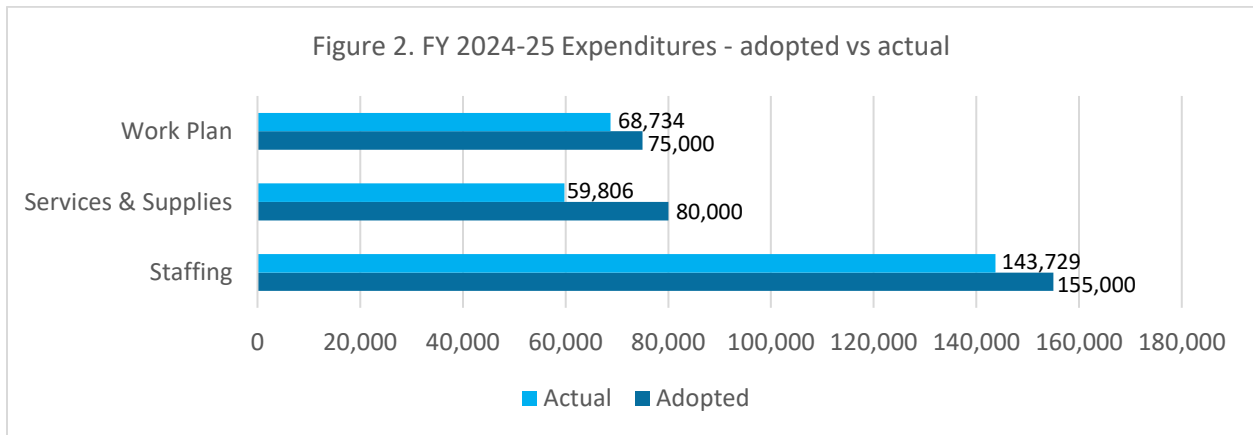
Due to delays in application filings and related tax share agreements, fees for services collected were 44% of what was anticipated for the year. However, interest revenue was 380% due to negotiating a better interest rate for the reserves fund and delaying withdrawal of apportionments from the Mendocino County Treasury for as long as possible.



### Expenditures

Actual expenditures for the year totaled 88.4% of budgeted. The cost savings were primarily in the following budget accounts: legal counsel, in-county travel and expenses (Commission stipends and

mileage), travel & lodging, and conference registration. The only account over-budget was the A-87 costs for the County of Mendocino. Additional cost savings were realized upon canceling three regular meetings due to light agendas. The resulting year-end cash balance was applied to the FY 2025-26 budget to keep apportionments unchanged for a third consecutive year.

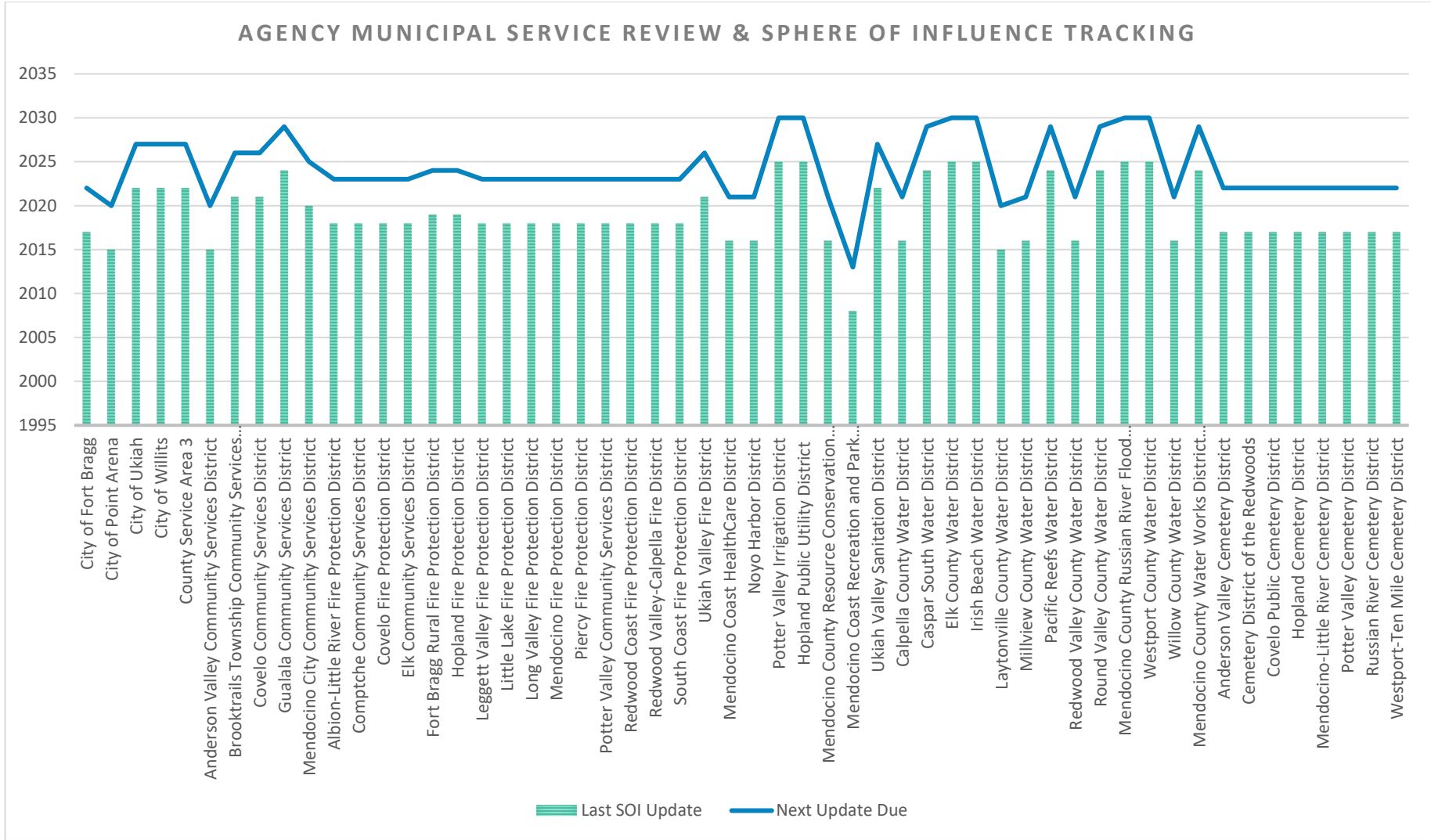


See Appendix B for FY 2024-25 year-end budget summary.

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Appendix A: Schedule of MSR/SOI Reviews





**Statement of Revenue and Expenses Budget vs. Actual**  
**Fiscal Year: 2025 Through Period: 12**

July 1, 2025

Account	Description	Budget			Actuals	% of Budget
		Adopted	Adjustments	Revised		
<b>REVENUE</b>						
<b>Intergovernmental Revenues</b>						
4000	County of Mendocino	91,666.66	-	91,666.66	91,666.66	100.0%
4000	Cities of Mendocino County	91,666.67	-	91,666.67	91,666.67	100.0%
4000	Independent Special Districts	91,666.67	-	91,666.67	89,967.53	98.1%
<b>Total Intergovernmental Revenues</b>		<b>275,000.00</b>	<b>-</b>	<b>275,000.00</b>	<b>273,300.86</b>	<b>99.4%</b>
<b>Charges for Services (Fees and Reimbursements)</b>						
4100	Charges for Services	9,000.00	-	9,000.00	3,685.25	40.9%
<b>Total Charges for Services</b>		<b>9,000.00</b>	<b>-</b>	<b>9,000.00</b>	<b>3,685.25</b>	<b>40.9%</b>
<b>Miscellaneous Revenue</b>						
4800	Miscellaneous Revenue	-	-	-	-	
4910	Interest	1,000.00	-	1,000.00	3,960.01	396.0%
<b>Total Miscellaneous Revenue</b>		<b>1,000.00</b>	<b>-</b>	<b>1,000.00</b>	<b>3,960.01</b>	<b>396.0%</b>
<b>TOTAL REVENUE</b>		<b>285,000.00</b>	<b>-</b>	<b>285,000.00</b>	<b>280,946.12</b>	<b>98.6%</b>
<b>EXPENDITURES</b>						
<b>Basic Services (Staffing)</b>						
5300	Basic Services	155,000.00	-	155,000.00	143,729.00	92.7%
<b>Total Basic Services</b>		<b>155,000.00</b>	<b>-</b>	<b>155,000.00</b>	<b>143,729.00</b>	<b>92.7%</b>
<b>Services and Supplies</b>						
5500	Rent	8,000.00		8,000.00	6,947.00	86.8%
5500	Rent (Board Chambers)			-	375.00	
5600	Office Expenses	4,000.00		4,000.00	3,317.90	82.9%
5700	Internet & Website	3,000.00		3,000.00	2,664.00	88.8%
5900	Publication and Legal Notices	3,000.00		3,000.00	2,049.68	68.3%
6000	Televising Meetings	2,400.00		2,400.00	1,672.74	69.7%
6100	Audit Services	4,500.00		4,500.00	4,250.00	94.4%
6200	Bookkeeping	5,500.00		5,500.00	5,500.00	100.0%
6300	Legal Counsel	19,000.00		19,000.00	11,385.00	59.9%
6400	A-87 Costs County Services	3,500.00		3,500.00	5,070.00	144.9%
6500	Insurance - General Liability	3,000.00		3,000.00	2,844.86	94.8%
6600	Memberships (CALAFCO/CSDA)	4,000.00		4,000.00	3,932.00	98.3%
6670	GIS Contract (County)	3,000.00		3,000.00	2,604.69	86.8%
6740	In-County Travel & Stipends	3,000.00		3,000.00	932.59	31.1%
6750	Travel & Lodging Expense	7,000.00		7,000.00	3,400.86	48.6%
6800	Conferences (Registrations)	5,000.00		5,000.00	2,800.00	56.0%
7000	Work Plan (MSR/SOI)	75,000.00		75,000.00	68,733.50	91.6%
9000	Misc Expenses (bank fees)	100.00		100.00	60.00	60.0%
<b>Total Services and Supplies</b>		<b>153,000.00</b>	<b>-</b>	<b>153,000.00</b>	<b>128,539.82</b>	<b>84.0%</b>
<b>TOTAL EXPENDITURES</b>		<b>308,000.00</b>	<b>-</b>	<b>308,000.00</b>	<b>272,268.82</b>	<b>88.4%</b>
<b>Beginning Fund Balance</b>					<b>213,278.00</b>	
<b>Total Revenues</b>		<b>285,000.00</b>		<b>285,000.00</b>	<b>280,946.12</b>	<b>98.6%</b>
<b>Total Expenditures</b>		<b>308,000.00</b>	<b>-</b>	<b>308,000.00</b>	<b>272,268.82</b>	<b>88.4%</b>
<b>Net Surplus/(Deficit)</b>		<b>(23,000.00)</b>	<b>-</b>	<b>(23,000.00)</b>	<b>8,677.30</b>	
<b>Current Available Fund Balance</b>					<b>221,955.30</b>	