
MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center ◊ 200 South School Street ◊ Ukiah, California 95482

Telephone: 707-463-4470 Fax: 707-462-2088 E-mail: eo@mendolafco.org Web: www.mendolafco.org

CHAIR

Richard Shoemaker
Russian River Flood Control
And Water Conservation
Improvement District

VICE-CHAIR

John McCowen
County Board
Of Supervisors

MEMBERS

Dan Hamburg
County Board
Of Supervisors

Doug Hammerstrom
Fort Bragg City Council

Holly Madrigal
Willits City Council

Theresa McNerlin
Ukiah Valley Sanitation District

Jerry Ward
Public Member

ALTERNATE MEMBERS

Carre Brown
County Board
Of Supervisors

Kevin Doble
Ukiah City Council

Carol Rosenberg
Public Member

Angela Silver
Calpella County Water District

Executive Officer
George Williamson

Counsel
Scott Browne

Analyst
Colette Metz

Commission Clerk
Elizabeth Salomone

Regular Meetings

Frist Monday
of each month
at 9:00 AM
at the Mendocino
County Board
Of Supervisors Chambers
501 Low Gap Road

A G E N D A

Regular Meeting of Monday, May 4, 2015 9:00 AM
County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

Call to Order and Roll Call

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.

1. Approval of the April 6, 2015 Regular Meeting Summary Minutes
2. Approval April 2015 claims
3. Acceptance of the Monthly Financial Report

PUBLIC EXPRESSION

4. 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.

MATTERS SET FOR HEARING

5. **CONTINUATION of the Mendocino County Fire Protection Districts (Part 2, 4 Districts) Municipal Service Review (LAFCo File M-2012-06)**

Presentation of the Annotated Final MSR for the fire protection districts listed below.

The documents are available for review at www.mendolafco.org, click on 'Studies.'

Recommended Action: Approve Final MSR (Part 2, 4 Districts).

Potter Valley Community Services District
Redwood Valley-Calpella Fire Protection District
Mendocino Fire Protection District
Albion-Little River Fire Protection District

6. **FY 2015/16 Budget**

Presentation of the FY 2015/16 Budget for Commission approval and distribution.

(OVER)

OTHER MATTERS FOR DISCUSSION & POSSIBLE ACTION

7. Consultant Selection, Certified Public Accounting Firm to conduct FY 13/14 and FY 14/15 Audits
8. Status of Current and Future Projects

OTHER ITEMS

9. Correspondence
 - UC Davis Extension Catalogs (copies available at meeting)
 - CSDA Mar-April 2015 Magazine (copies available at meeting)
10. Executive Officer's Report
 - Policies and Procedures Update: Planning Committee Meeting, Thursday May 7, 2015 9:00 am in the Chardonnay Room at the Ukiah Conference Center, 200 School Street, Ukiah, CA 95482
 - Ukiah Valley Fire Services Merger
11. Commissioner Reports, Comments or Questions
12. Legislation Report

ADJOURNMENT

The next Regular Commission Meeting is scheduled for
Monday, June 1 at 9:00 AM
in the County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, California

Notes:

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: If you are a disabled person and need a disability-related modification or accommodation to participate in a meeting, please contact the LAFCo office at 707-463-4470, by e-mail to eo@mendolafco.org, or by FAX to 707-462-2088. Requests must be made as early as possible, and at least two full business days prior to the meeting.

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 of more than \$250 to any Commissioner in the past 12-months, must disclose the contribution. If you are affected, please notify the Commission prior to the agenda item

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CHAIR

Richard Shoemaker
Russian River Flood Control
And Water Conservation
Improvement District

Agenda Item No. 1

VICE CHAIR

John McCowen
County Board
Of Supervisors

SUMMARY MINUTES LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, April 6, 2015

County Board of Supervisors Chambers
501 Low Gap Road, Ukiah, California

MEMBERS

Dan Hamburg
County Board
Of Supervisors

Call to Order

Chair Shoemaker called the meeting to order at 9:03am.

Doug Hammerstrom
Fort Bragg City Council

Roll Call

Holly Madrigal
Willits City Council

Members Present:

Commissioners Dan Hamburg, Doug Hammerstrom, Holly Madrigal (arrived at 9:07am), John McCowen (departed 11:45am), Theresa McNerlin, Richard Shoemaker and Gerald Ward

Theresa McNerlin
Ukiah Valley Sanitation District

Jerry Ward
Public Member

ALTERNATE MEMBERS

Carre Brown
County Board
Of Supervisors

Members Absent:

None

Kevin Doble
Ukiah City Council

Alternate Members Present:

Commissioners Carre Brown and Carol Rosenberg

Carol Rosenberg
Public Member

Alternate Members Absent:

Kevin Doble and Angela Silver, both by prearrangement

Angela Silver
Calpella County Water District

Staff Present:

George Williamson, Executive Officer
Elizabeth Salomone, Clerk

Executive Officer
George Williamson

Report Out of Closed Session Held March 18, 2015

Counsel
Scott Browne

George Williamson noted there was nothing to report.

Analyst
Colette Metz

Consent Calendar

Commission Clerk
Elizabeth Salomone

1. Approval of the March 2, 2015 Regular Meeting Summary Minutes
2. Approval of the March 18, 2015 Special Meeting Summary Minutes
3. Approval of February 24, to March 31, 2015 Claims
4. Acceptance of the March Monthly Financial Report

Regular Meetings

Frist Monday
of each month
At 9:00 AM
At the Mendocino
County Board
Of Supervisors Chambers
501 Low Gap Road

Commissioner McCowen noted a correction to the March 2, 2015 Regular Meeting Summary Minutes. Clerk to verify in Item #2 each vote as either voice vote or roll call vote.

Upon motion by Commissioner McCowen and second by Commissioner Hammerstrom, the Consent Calendar was approved as corrected by roll call vote:

Ayes: Commissioners Hamburg, Hammerstrom, McCowen, McNerlin, Silver and Ward
Absent: Commissioner Madrigal (arrived at 9:07am)

Public Expression

5. There was no one from the public who indicated an interest in speaking.

Presentation

6. Presentation of Countywide Ambulance Service

George Williamson presented, noting a document included in the Packet produced by Chief James E. Little addressing the topic. Commissioner Madrigal noted that she shared this document with permission from Chief Little, believing that it was relevant County-wide. Discussion was held regarding the various zones within the County and the individual needs within them and how LAFCo will be involved in the proposed Exclusive Operating Area. Comments and questions were offered by Commissioners Hammerstrom, McCowen, Madrigal, Ward, Shoemaker, Hamburg, Rosenberg, McNerlin and Mr. Williamson.

Stacey Cryer, Director of the Department of Health and Human Services of Mendocino County, addressed the Commission regarding the development of an Exclusive Operating Area for ambulance services. Ms. Cryer offered to send the Commission Clerk a summary of her presentation and updates for distribution to the Commission.

Public Hearing

7. Mendocino County Fire Protection Districts (Part 2, 4 Districts) Municipal Service Review (MSR) (LAFCo File M-2012-06)

**Potter Valley Community Services District
Redwood Valley-Calpella Fire Protection District**

**Mendocino Fire Protection District
Albion-Little River Fire Protection District**

Bruce Baracco requested a continuation of the Public Hearing to the May 4, 2015 Regular Commission Meeting, which the Chair accepted. Comments and questions were offered by Commissioners Madrigal, Shoemaker, Ward, Hammerstrom and Mr. Barraco.

Mr. Baracco noted the AVCS and Noyo Harbor MSRs are ready for final publishing; Point Arena, Willits and the Water and Wastewater MSRs will be ready for final publishing soon.

Workshop

8. Preliminary FY 2015-16 Budget for Commission Review

George Williamson presented the Preliminary FY 2015-16 Budget workshop held in accordance with Mendocino LAFCo Policies and Procedures Chapter III, Section N. Comments and questions were offered by Commissioners Shoemaker, Ward, McCowen, Rosenberg, Hammerstrom, Madrigal, McNerlin, Brown and Mr. Williamson.

Extensive discussion was held regarding the following areas:

- Current and future status of financial reserves. Commission consensus is to operate one reserve for legal and general reserves, with designated amounts to be decided.
- Lowering of Special District, City and County contributions
- Increasing the operations budget, specifically the Contract Services with Planwest
- Commissioner stipends and travel reimbursement

The Executive Committee will meet and review Commission comments and suggestions for the final draft which will be presented at the first public hearing on the Proposed FY 2015-16 Budget in May 2015 with the final budget hearing and adoption in June 2015. Policies will be drafted for the Policies and Procedures revision, as appropriate.

Chair Shoemaker called a recess from 11:01 to 11:12am.

Other Matters for Discussion & Possible Action

9. Status of Current and Future Projects

George Williamson presented the Staff Report. Comments and questions were offered by Commissioners Hammerstrom, Ward, McCowen and Mr. Williamson.

Staff is still awaiting response from the State Board of Equalization in regards to the Fort Bragg annexation refund. An invoice will be sent to Russian River Flood Control and Redwood Valley County Water District in regards to the annexation/dissolution project proposal work completed to date.

Alternate Commissioner Carre Brown was seated at 11:45am when Commissioner McCowen departed.

10. FY 2012-13 Financial Statements Audit Report

George Williamson and Commissioner Ward presented. Comments and questions were offered by Commissioners Madrigal, Shoemaker, Ward, McNerlin, Brown, Hammerstrom and Mr. Williamson. Special thanks was offered to Commissioner Ward for his service above and beyond expectations in this process.

Chair Shoemaker directed staff to include a response in the management letter regarding the deficiencies noted in the report.

Upon motion by Commissioner Madrigal and second by Commissioner McNerlin, the FY 2012-13 Financial Statements Audit Report was accepted as corrected by roll call vote:

Ayes: Commissioners Brown, Hamburg, Hammerstrom, Madrigal, McNerlin, Silver and Ward

Other Items

11. Correspondence - None

12. Executive Officer's Report

Policies and Procedures Update: A Planning Committee meeting will be coordinated by George Williamson.

13. Commissioners Reports, Comments or Questions

Commissioner Madrigal: The City of Willits and Brooktrails CSD have reached a preliminary settlement.

14. Legislation Report

George Williamson gave a verbal report on recent legislative issues, indicating he would forward the information to Commissioners electronically.

Adjournment

There being no further business, at 12:04pm the meeting was adjourned to the next regular meeting on Monday, May 4, 2015 at 9:00 AM in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

Respectfully Submitted,

Beth Salomone
Clerk

**MENDOCINO
Local Agency Formation Commission
Staff Report**

DATE: May 4, 2015
 TO: Mendocino Local Agency Formation Commission
 FROM: George Williamson, Executive Officer
 SUBJECT: Claims for the Period April, 2015

 The following claims are recommended for payment authorization:

Name	Description	Amount
Planwest Partners	Act. #5500 Basics Services – EO/Analyst, SOI Updates & Applications (\$2,546.00) Act. #5302 Basic Services – Clerk (\$1,478.75)	\$ 7,665.75
Ukiah Valley Conf. Center	Acct #: 5502 Office space: \$375.00 5503 Work room: \$30.00 5603 Photocopy (Estimate): \$100.00 5605 Postage (Estimate): \$100.00	\$ 605.00*
P. Scott Brown	Acct #: 6300 Legal Counsel April flat fee: \$500.00 Ukiah SOI Update: \$1,359.75	\$ 1,859.75
Ukiah Daily Journal	Act #5900 Public Hearing Fire MSR Pt 2, 4 Districts	\$ 358.27
Holly Madrigal	Act. #6740 Commissioner in-county travel	\$ 255.30

*subject to adjustment upon receipt of invoice/ petty cash record

Please note that copies of all invoices, bank statements, and petty cash register were forwarded to Commission Treasurer, Jerry Ward for review at time of Agenda Packet distribution.



INVOICE

DATE: April 27, 2015 **INVOICE #:** 15-218-04
TO: Mendocino LAFCo
PROJECT: LAFCo Planning/Staffing Services & Expense – March 28 to April 27 2015

March 28 to April 27, 2015 COSTS SUMMARY

Basic Services (includes Clerk Services)	\$4,024.75
Application City of Ukiah SOI Reduction	\$862.00
Application City of Ukiah UVSD Detach	\$728.00
Application Irish Beach WD Detach	\$271.00
Sphere of Influence Updates	\$948.00
Other Services	\$832.00
TOTAL AMOUNT DUE	\$7,665.75

Basic Services

Executive Officer, George Williamson	10 hours at \$104 per hour	\$1,040.00
Analyst, Colette Metz	11.5 hours at \$78 per hour	\$897.00
Clerk, Elizabeth Salomone	42.25 hours at \$35 per hour	\$1,478.75
GIS Analyst	1 hour at \$58 per hour	\$58.00
Assistant Planner	9.5 hours at \$58 per hour	\$551.00

Application - City of Ukiah SOI Reduction

Executive Officer, George Williamson	5.5 hours at \$104 per hour	\$572.00
Assistant Planner	5 hours at \$58 per hour	\$290.00

Application - City of Ukiah UVSD Detachment

Executive Officer, George Williamson	7 hours at \$104 per hour	\$728.00
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Application - Irish Beach Water District Detachment (Deruiter)

Analyst, Colette Metz	0.5 hours at \$78 per hour	\$39.00
Assistant Planner	4 hours at \$58 per hour	\$232.00

SOI Updates

Executive Officer, George Williamson	8 hours at \$104 per hour	\$832.00
GIS Analyst	2 hours at \$58 per hour	\$116.00

Other Services

Executive Officer, George Williamson	8 hours at \$104 per hour	\$832.00
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Basic Services/Administration

Prepared and posted Agenda updated website, coordinated meeting preparations, and staffed April 4 meeting. Transcribed and reviewed draft April meeting minutes. Prepared and submitted public hearing notices for May meeting. Reported on March 18 special meeting closed session with commission and legal counsel at April meeting. Prepared May meeting agenda and staff reports, including proposed FY 2015-16 budget for May 4 public hearing. Updated report on pending and filed applications. Provided Executive Committee with preliminary budget and participated in April 22 meeting for budget review and staffed LAFCo office that day. Provided Anderson Valley CSD with information on latent powers activation for water/wastewater services as requested. Met with CSDA staff at CALAFCo workshop on ways to provide training to special districts. Followed up with CSDA staff on membership and training to potentially be offered in FY 2015-16. Reviewed audit proposals for FY 2013-14 & 2015-16 audits. Prepared staff report for commission selection of CPA firm at May 4 meeting. Reviewed pending legislation potentially affecting LAFCos including annual omnibus cleanup bill. Researched media report on merging Ukiah Valleys fire services, based on commission comments at April meeting. Contacted Citygate associates for information on financial issues associated with the City special district fire services merger. Report to be provided to commission at May meeting.

Applications

City of Ukiah SOI Reduction.

Scoped environmental analysis needed for City of Ukiah SOI Reduction based on letter received from UVSD Received bids for subsequent CEQA work. Conferred with legal counsel on scope and cost of bid received. Discussed bid with executive committee at April 22 meeting. Received direction to work with City staff on potential redistribution of requests for proposal.

Irish Beach Water District – Proposed Detachment (Deruiter)

Draft Initial Study Preparation for detachment and accompanying SOI Update

City of Ukiah Detachment of UVSD lands within City Boundary Application

Reviewed received from John Sharp on behalf of UVSD commenting on proposed detachment of UVSD parcels within City limits. Conferred with legal counsel on responses to letter received. Discussed responses with legal counsel and executive committee at April 22 meeting. Received direction to work with City staff on potential re-noticing of proposal when plan for services completed.

Sphere of Influence Updates/ Municipal Service Reviews

Continued with Draft SOI Updates preparations for Round Valley, Irish Beach, ELK CSD and CWDs; Laytonville, Willow and Calpella WD's. Met with Willits City Manager on April 6 to review SOI Update questionnaire and discuss update issues. Provided City of Willits land use information for unincorporated lands adjacent to the north and south Hwy 101 bypass. Presented at April 22 Willits City Council meeting where SOI Update was on council agenda.

Other Services

Compiled claims for commissioner review and approval at May meeting. Prepared proposed FY 2015-16 budget for review by executive committee on April 22 and for action by Commission on May 4. Updated FY 2014-15 year to date amounts to project year end amounts relative to adopted budget. Prepared FY 2014-15 budget amendment to cover shortfalls in certain line items, including publications and notices. Continued budget tracking and QuickBooks accounting/checks for claims to be considered at May 2015 meeting.

To: Planwest Partners on behalf of Mendocino LAFCo

Invoice

Invoice Detail for Elizabeth Salomone

<u>Date</u>	<u>Item</u>	<u>Hours</u>		<u>Total Hours</u>
		5302 Contract Services	Other Services	
2/19/2015	Basic Service Office Duties	4.75		4.75
3/27/2015	Basic Service Office Duties	1.75		1.75
3/31/2015	Basic Service Office Duties	4.00		4.00
4/1/2015	Basic Service Office Duties	2.25		2.25
4/2/2015	Basic Service Office Duties	4.00		4.00
4/6/2015	Basic Service Regular Meeting	3.50		3.50
4/7/2015	Basic Service Office Duties	4.00		4.00
4/9/2015	Basic Service Office Duties	0.50		0.50
4/13/2015	Basic Service Office Duties	0.50		0.50
4/14/2015	Basic Service Office Duties	4.00		4.00
4/16/2015	Basic Service Office Duties	4.50		4.50
4/20/2015	Basic Service Office Duties	0.50		0.50
4/21/2015	Basic Service Office Duties	4.00		4.00
4/23/2015	Basic Service Office Duties	4.00		4.00
Subtotal Hours		42.25	0.00	42.25
Costs at \$35 per hour		\$ 1,478.75	\$ -	\$ 1,478.75
Total Amount Due				\$ 1,478.75

Law Offices of P. Scott Browne
131 South Auburn Street
Grass Valley, CA 95945



Marsha A. Burch
Of Counsel

(530) 272-4250
(530) 272-1684 Fax

Mendocino Lafco
200 South School Street, Suite F
Ukiah, CA 95482

Period Ending:

4/15/2015

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-01

Professional Services

	<u>Hours</u>
3/17/2015 PSB Telephone call from George; Prepare presentation.	1.00
3/18/2015 WJC Prepare & file Form 700;	0.50
PSB Travel to Ukiah; Meeting with commission workshop.	4.00
3/19/2015 PSB Travel back from Ukiah.	1.00
4/1/2015 PSB Review and respond to emails re: report out of closed session.	0.25
4/7/2015 PSB Meeting with Department of Conservation (cost divided among LAFCo clients)	1.00
4/8/2015 PSB Review and respond to email re: alternate members.	0.50
4/15/2015 PSB CALAFCO Conference (time dividing amongst LAFCo clients)	1.00
SUBTOTAL:	[9.25]
<u>Ukiah Sphere Update - File #8008</u>	
4/14/2015 PSB Review proposal fro EIR; Email to client.	0.70
SUBTOTAL:	[0.70]

CLIENT CODE: MENDO-01

	<u>Hours</u>	<u>Amount</u>
Total Professional Hours Per Representation Agreement, flat fee of \$500/month.	9.95	\$500.00
Previous balance		\$500.00
 <u>Payments and Credit Activity</u>		
4/15/2015 Payment - Thank You. Check No. 1043		(\$500.00)
Total payments and adjustments		(\$500.00)
TOTAL BALANCE NOW DUE		<u><u>\$500.00</u></u>

Please make your check for this bill payable to P. SCOTT BROWNE, ATTORNEY. Please write the CLIENT CODE shown on this statement on your check to insure proper credit. Thank you!

Law Offices of P. Scott Browne

131 South Auburn Street
Grass Valley, CA 95945

(530) 272-4250
(530) 272-1684 Fax

Marsha A. Burch
Of Counsel

Mendocino Lafco
200 South School Street, Suite F
Ukiah, CA 95482

Period Ending:

4/15/2015

Payment due by the 15th of next month

In Reference To: CLIENT CODE: MENDO-02, File #8008 Ukiah SOI update

Professional Services

	<u>Hours</u>	<u>Amount</u>
3/17/2015 PSB Telephone call from counsel for special district.	0.50	92.50
3/18/2015 PSB Review MND and letter from UVSD to prepare for meeting with city while driving to Ukiah; Meeting with city; Closed session; Meeting with commission re Ukiah SOI & MND.	4.00	740.00
3/26/2015 PSB Review and respond to scope of work for supplemental EIR; Respond to George Williamson with report of closed session.	2.50	462.50
3/27/2015 PSB Review and finalize comments; Email to George Williamson	0.35	64.75
SUBTOTAL:	[7.35	1,359.75]
Total Professional Hours	<u>7.35</u>	<u>\$1,359.75</u>
TOTAL BALANCE NOW DUE		<u><u>\$1,359.75</u></u>

Please make your check for this bill payable to P. SCOTT BROWNE, ATTORNEY. Please write the CLIENT CODE shown on this statement on your check to insure proper credit. Thank you!

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center ◊ 200 South School Street ◊ Ukiah, California 95482
Telephone: 707-463-4470 Fax: 707-462-2088 E-mail: eo@mendolafo.org Web: www.mendolafo.org

Claimant: Holly Madrigal City Member – Willits City Council

Address: 178 Pearl Street Willits, CA 95490

Claim Description: Commission Meetings – in county Travel **Account** 6740

Mileage:

Meeting Date	Round trip Miles	per mile rate	Subtotal
July 7, 2014	44.4	.56	\$24.86
August 4, 2014	44.4	.56	\$24.86
October 2, 2014	44.4	.56	\$24.86
November 3, 2014	44.4	.56	\$24.86
December 1, 2014	44.4	.56	\$24.86
January 5, 2015	44.4	.575	\$25.53
February 2, 2015	44.4	.575	\$25.53
March 2, 2015	44.4	.575	\$25.53
March 18, 2015	44.4	.575	\$25.53
April 6, 2015	44.4	.575	\$25.53
			251.95

Other Expenses:

Date	Description	Subtotal

Total Reimbursement Claim: \$251.95

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: May 4, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Monthly Financial Report

Revenues:

No revenues received in the past month.

Expenses:

Attached is the updated budget track form including budget items, account numbers and amounts through April, 2015.

Petty Cash:

Petty cash expenses are listed below. A copy of the petty cash register is provided to Commissioner Ward, Treasurer, at time of Agenda Packet distribution.

Acct #5601 Office Supplies	
4/13/15 Staples	\$36.30

Attachments: Budget Track Spreadsheet

Mendocino LAFCo
FY 2014-15 Budget Track

Task	Account #s	FY 14-15 Budget/Deps	Jan.	Feb.	March	April	Year to Date	Remaining Budget
Contract Services - Basic Services		\$55,000.00	\$5,451.00	\$6,317.25	\$5,765.25	\$4,024.75	\$47,414.25	
Basic Services - EO/Analyst/GIS	5500	\$37,500.00	\$4,156.00	\$4,943.50	\$3,726.50	\$2,546.00	\$33,003.00	\$4,497.00
Basic Services - Clerk	5500	\$17,500.00	\$1,295.00	\$1,373.75	\$2,038.75	\$1,478.75	\$14,411.25	\$3,088.75
Other Expenses		\$46,235.00	\$2,627.00	\$2,263.00	\$1,955.89	\$2,650.57	\$23,022.25	
Rent	5501-5503	\$6,100.00	\$405.00	\$405.00	\$405.00	\$405.00	\$4,545.00	\$1,555.00
Office Expenses	5600-5607	\$3,100.00	\$172.00	\$150.00	\$0.00	\$200.00	\$1,243.71	\$1,856.29
Internet & Website Costs	5700-5703	\$920.00	\$0.00	\$0.00	\$0.00		\$960.00	-\$40.00
Publication & Legal Notices	5900	\$1,950.00	\$0.00	\$0.00	\$241.17	\$358.27	\$2,183.88	-\$233.88
Televising Meetings	6000	\$1,760.00	\$1,030.00	\$250.00	\$100.00	\$100.00	\$1,480.00	\$280.00
Audit Services	6100	\$3,000.00	\$0.00	\$0.00	\$0.00		\$0.00	\$3,000.00
Bookkeeping (Other)	6200-6203	\$4,100.00	\$520.00	\$364.00	\$364.00	\$832.00	\$3,258.50	\$841.50
Legal Counsel (S Browne)	6300	\$6,000.00	\$500.00	\$500.00	\$500.00	\$500.00	\$4,000.00	\$2,000.00
A-87 Insurance Costs	6400	\$6,000.00	\$0.00	\$0.00	\$0.00		\$0.00	\$6,000.00
Insurance General Liability	6500	\$1,050.00	\$0.00	\$0.00	\$0.00		\$974.12	\$75.88
Memberships (CALAFCO/CSDA)	6600	\$1,755.00	\$0.00	\$0.00	\$0.00		\$1,850.00	-\$95.00
In-County Travel	6740	\$1,500.00	\$0.00	\$0.00	\$0.00	\$255.30	\$255.30	\$1,244.70
Travel & Lodging Expenses	6750	\$6,000.00	\$0.00	\$0.00	\$345.72		\$1,250.64	\$4,749.36
Conferences (CALAFCO)	6800	\$3,000.00	\$0.00	\$594.00	\$0.00		\$1,021.10	\$1,978.90
MSR & SOI Updates		\$34,000.00	\$4,978.00	\$5,894.00	\$1,889.00	\$948.00	\$22,648.00	
MSR Reviews - Admin	7001	\$5,000.00	\$0.00	\$0.00	\$0.00		\$60.00	\$4,940.00
SOI Updates	7501	\$29,000.00	\$4,978.00	\$5,894.00	\$1,889.00	\$948.00	\$22,588.00	\$6,412.00
Applications with/needingedeposits		\$25,358.81	\$1,810.00	\$2,236.00	\$2,518.00	\$3,220.75	\$13,993.00	
City of Ukiah SOI Reduction	8008	\$3,000.00	\$208.00	\$156.00	\$312.00	\$2,221.75	\$4,953.50	-\$1,953.50
Irish Beach Moores Annex	8001	\$3,906.44	\$1,342.00	\$1,534.00	\$1,027.00		\$4,517.00	-\$610.56
Irish Beach Detachment	8009	\$4,500.00	\$104.00	\$442.00	\$1,023.00	\$271.00	\$2,581.00	\$1,919.00
City of Ukiah UVSD detach	8010	\$4,000.00	\$156.00	\$0.00	\$156.00	\$728.00	\$1,820.00	\$2,180.00
FY 2013-14 MSR's Finalization		\$14,000 + Expenses						
Barraco & Associates	7000	\$14,000.00	\$0.00	\$5,500.00	\$0.00		\$7,700.00	\$6,300.00
FY 2013-14 Final MSR's Exp.	7000		\$0.00	\$0.00	\$0.00		\$180.00	

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: May 4, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: CONTINUATION of the Public Hearing for the Mendocino County Fire Protection Districts (Part 2, 4 Districts) Municipal Service Review (LAFCo File M-2012-06)

This is a public hearing for which notices were posted and published on March 12, 2015 for the Mendocino County Fire Protection Districts Municipal Service Review (MSR) as required by Mendocino LAFCo Policies and Procedures Chapter IV, Section B. (Public Hearing Notices were provided in April 6, 2015 agenda packet.)

Annotated MSRs specific to the following fire protection districts (Part 2) to be submitted prior to meeting:

**Potter Valley Community Services District
Redwood Valley-Calpella Fire Protection District
Mendocino Fire Protection District
Albion-Little River Fire Protection District**

The purpose of the public hearing today is to: hear further presentation from LAFCo staff; entertain comments and questions; and following completion of the hearing, consider a motion to approve the final MSR for the aforementioned districts.

Copies of the public review draft MSR to be distributed to Commissioners, the Fire Districts, posted on the LAFCo website and available for review at the LAFCo office and the Mendocino County Main Library in Ukiah. Documents were prepared by Baracco & Associates.

A Public Hearing will also be scheduled for Part 3 (Comptche, Elk, Piercy, South Coast and Westport) after part 2 completed.

Commissioners – please bring your copy of the MSRs to the meeting.

MENDOCINO
Local Agency Formation Commission
Staff Report

DATE: May 4, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Public Hearing for Budget, Fiscal Year 2015/16

As per Mendocino LAFCo Policies & Procedures Chapter III, the Executive Committee met on April 22, 2015 to review the Commission comments on the Preliminary Budget and prepare the Proposed Budget for Fiscal Year 2015/16, beginning on July 1, 2015, which is attached.

Subsequent to Commission review and approval, the proposed budget will be distributed to the County, the four Cities, and 50 Independent Special Districts. A public hearing to adopt the Final Budget will be held June 1, 2015.

At the April Workshop and subsequent Executive Committee Meeting:

- Contract services were increased for staff to expend additional time in the coming year working with cities and special districts, and respond to a steadily growing number of inquiries.
- Other Expenses had a net reduction due to costs savings on several line items.
- MSR and SOI Update budget amount remains the same.
- A Member Organization Training & Support line item is added to the budget. This would allow LAFCo to provide training and support materials and possibly membership, primarily through California Special Districts Association (CSDA) to member organizations. CSDA offers a District Transparency Certificate of Excellence Program through the Special Districts Leadership Association (SDLF). A copy of the certificate checklist is attached. LAFCo and CSDA staff have been working on developing local training options for the coming fiscal year.
- The Unreserved/ Unrestricted Fund Balance will be adjusted to \$100,000 as advised by LAFCo Legal Counsel. Funds to be transferred to Mendocino Lake Credit Union.

Attachments: Proposed Fiscal Year 2015/16 Budget
Public Hearing Notice
CSDA/SDLF District Transparency Certificate of Excellence Program Information

Mendocino LAFCO					
Proposed FY 2015-16 Budget					
ACCOUNT		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
NUMBER	DESCRIPTION	FINAL	FINAL	FINAL	PROPOSED
REVENUE					
4000	LAFCO Apportionment Fees	\$135,000.00	\$135,000.00	\$135,000.00	\$147,628.00
	Contribution from Reserves			\$14,000.00	\$35,000.00
4800	Miscellaneous	\$0.00	\$100.00	\$100.00	\$0.00
County, Cities & Special Districts Amount		\$135,500.00	\$135,600.00	\$149,100.00	\$112,628.00
4910	Interest Income	\$500.00	\$500.00	\$500.00	\$128.00
4030	Application Filing Fees	\$25,000.00	\$16,500.00	\$12,000.00	\$33,900.00
	Revenue Total	\$160,500.00	\$152,100.00	\$161,100.00	\$181,656.00
EXPENSE					
5500	Basic Services - EO/Analysis/GIS/Clerk	\$61,250.00	\$61,250.00	\$55,000.00	\$59,000.00
5501-5503	Rent	\$6,000.00	\$6,130.00	\$6,100.00	\$4,860.00
5600	Office Expenses		\$3,300.00	\$3,100.00	\$2,800.00
5607	Office Equipment	\$4,000.00	\$0.00	\$0.00	\$0.00
5700-5703	Internet & Website Costs	\$2,000.00	\$920.00	\$920.00	\$1,056.00
5900	Publication and Legal Notices	\$1,000.00	\$2,400.00	\$1,950.00	\$3,100.00
6000	Televising Meetings	\$0.00	\$1,760.00	\$1,760.00	\$2,112.00
6100	Audit Services	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00
6200-6203	Bookkeeping (other)	\$3,000.00	\$3,000.00	\$4,100.00	\$4,100.00
6300	Legal Counsel	\$4,000.00	\$3,000.00	\$6,000.00	\$6,000.00
6400	A-87 Costs County Services	\$5,000.00	\$5,000.00	\$6,000.00	\$0.00
6500	Insurance-General Liability	\$2,200.00	\$1,050.00	\$1,050.00	\$1,200.00
6600	Memberships (CALAFCO/CSDA)	\$1,675.00	\$1,735.00	\$1,755.00	\$2,100.00
6740	In-County Travel & Stipends	\$500.00	\$0.00	\$1,500.00	\$4,300.00
6750	Travel & Lodging Expense	\$3,000.00	\$6,000.00	\$6,000.00	\$5,000.00
6800	Conferences (CALAFCO)	\$3,000.00	\$3,400.00	\$3,000.00	\$3,000.00
7001	MSR Reviews - Admin	\$40,000.00	\$40,000.00	\$5,000.00	\$5,000.00
7501	SOI Updates	\$0.00	\$0.00	\$29,000.00	\$29,000.00
7000	FY 2013-14 MSRs	\$0.00	\$0.00	\$14,000.00	\$0.00
9000	Members Training & Support	\$0.00	\$0.00	\$0.00	\$12,000.00
	Expenses not including Filing Fees	\$139,625.00	\$141,945.00	\$149,235.00	\$147,628.00
8000	Application Filing Expenses	\$25,000.00	\$16,500.00	\$12,000.00	\$33,900.00
	Total Expenses	\$164,625.00	\$158,445.00	\$161,235.00	\$181,528.00
	General Reserves	\$ 72,835	\$ 64,210	\$ 64,210	\$ 100,000
	Legal Service Reserves	20,000	20,000	20,000	
	MSR & SOI Reserves	20,000	20,000	20,000	-
	Allocated Reserves	35,333	-	-	-

Fort Bragg Advocate-News

450 N. Franklin Street
PO Box 1188
Fort Bragg, California 95437
707-964-5642

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
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:

04/16/2015

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

Dated at Fort Bragg, California,
April 16, 2015



SANDI MOSDEN, CLERK

Legal No. 0005455373

**Mendocino
Local Agency
Formation
Commission
(LAFCo)
NOTICE OF
PUBLIC
HEARING
PROPOSED
BUDGET FOR
THE 2015-16
FISCAL YEAR**

NOTICE IS HEREBY GIVEN that on Monday, May 4, 2015, at 9:00am in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, LAFCo will hold a public hearing on the Proposed Fiscal Year 2015-16 LAFCo Budget. The proposed budget will be presented to the Commission for approval and authorization to circulate to local funding agencies for their review in anticipation of adopting a final budget in June 2015. Further information can be obtained by contacting the LAFCo office at 707-463-4470 during regular business hours or by visiting the LAFCo office at 200 South School Street, Ukiah, California. All interested persons may appear at said hearing and present their views on any matter relating to the proposed action.

BY ORDER OF
THE LOCAL
AGENCY FOR-

FORMATION FOR
MATION
COMMISSION
OF MENDOCINO
COUNTY
GEORGE
WILLIAMSON
Executive
Officer
Date Posted:
April 13, 2015
Publish:
04/16/2015

Ukiah Daily Journal

590 S. School St
PO Box 749
Ukiah, California 95482
(707) 468-3500
udjlegals@pacific.net

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
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:

4/15/2015

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

Dated at Ukiah, California,
April 16th, 2015

Signature


Molly Morandi, LEGAL CLERK

Legal No. 0005457749

943-15

4-15/15

Mendocino Local Agency Formation Commission (LAFCo) NOTICE OF PUBLIC HEARING PROPOSED BUDGET FOR THE 2015-16 FISCAL YEAR

NOTICE IS HEREBY GIVEN that on Monday, May 4, 2015, at 9:00am in the Mendocino County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California, LAFCo will hold a public hearing on the Proposed Fiscal Year 2015-16 LAFCo Budget.

The proposed budget will be presented to the Commission for approval and authorization to circulate to local funding agencies for their review in anticipation of adopting a final budget in June 2015. Further information can be obtained by contacting the LAFCo office at 707-463-4470 during regular business hours or by visiting the LAFCo office at 200 South School Street, Ukiah, California.

All interested persons may appear at said hearing and present their views on any matter relating to the proposed action.

BY ORDER OF THE LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

GEORGE WILLIAMSON
Executive Officer

Date Posted: April 13, 2015

The Willits News

77 W Commercial Street
PO Box 628
Willits, CA 95490
707-459-4643

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
UKIAH CA 95482

PROOF OF PUBLICATION

STATE OF CALIFORNIA COUNTY OF MENDOCINO

FILE NO. WN15052

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 Willits News, a newspaper of general circulation, printed and published Every Wednesday and Friday in the City of Willits, California, 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, in the year 1903, Case Number 9150; that the notice of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

4/15/2015

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

Dated at Willits, California this 15th day of April, 2015.



Signature

Legal No. 0005455736

WN15052

**Mendocino
Local Agency Formation
Commission (LAFCo)
NOTICE OF PUBLIC HEARING
PROPOSED
BUDGET FOR THE 2015-16 FISCAL
YEAR**

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BY ORDER OF THE LOCAL
AGENCY FORMATION
COMMISSION OF MENDOCINO
COUNTY
GEORGE WILLIAMSON
Executive Officer
Date Posted: April 13, 2015
04/15/2015

The Willits News

77 W Commercial Street
PO Box 628
Willits, CA 95490
707-459-4643

MENDOCINO COUNTY LAFCO
200 SOUTH SCHOOL ST, STE 2
UKIAH CA 95482

PROOF OF PUBLICATION

STATE OF CALIFORNIA COUNTY OF MENDOCINO

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4/15/2015

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Dated at Willits, California this 15th day of April, 2015.



Signature

Legal No. 0005455736

WN15052

**Mendocino
Local Agency Formation
Commission (LAFCo)
NOTICE OF PUBLIC HEARING
PROPOSED
BUDGET FOR THE 2015-16 FISCAL
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BY ORDER OF THE LOCAL
AGENCY FORMATION
COMMISSION OF MENDOCINO
COUNTY
GEORGE WILLIAMSON
Executive Officer

Date Posted: April 13, 2015
04/15/2015

District Transparency Certificate of Excellence *checklist*

Showcase your district's commitment to transparency

BASIC REQUIREMENTS

- Current Ethics Training for all Board Members**
(Government Code Section 53235)
 - Provide copies of training certificates along with date completed
- Compliance with the Ralph M. Brown Act**
(Government Code Section 54950 et. al)
 - Provide copy of current policy related to Brown Act compliance
 - Provide copy of a current meeting agenda (including opportunity for public comment)
- Adoption of policy related to handling Public Records Act requests**
 - Provide copy of current policy
- Adoption of Reimbursement Policy, if district provides any reimbursement of actual and necessary expenses**
(Government Code Section 53232.2 (b))
 - Provide copy of current policy
- Annual disclosure of board member or employee reimbursements for individual charges over \$100 for services or products. This information is to be made available for public inspection. "Individual charge" includes, but is not limited to: one meal, lodging for one day, or transportation.** (Government Code Section 53065.5)
 - Provide copy of the most recent document and how it is accessible
- Timely filing of State Controller's Special Districts Financial Transactions Report - includes compensation disclosure.** (Government Code Section 53891)
 - Provide copy of most recent filing
SDLF staff will verify that district is not listed on the State Controller's 'non-compliance list'
- Conduct Annual Audits**
(Government Code Section 26909 and 12410.6)
 - Provide copy of most recent audit and management letter and a description of how/where documents were made available to the public
- Other Policies – have current policies addressing the following areas** (provide copies of each):
 - Conflict of Interest
 - Code of Ethics/ Values/Norms or Board Conduct
 - Financial Reserves Policy

WEBSITE REQUIREMENTS

- Maintain a district website with the following items**
(provide website link; all are required)
 - Names of Board Members and their terms of office
 - Name of general manager and key staff along with contact information
 - Election procedure and deadlines
 - Board meeting schedule (Regular meeting agendas must be posted 72 hours in advance pursuant to Government Code Section 54954.2 (a) (1) and Government Code Section 54956 (a))
 - District's mission statement
 - Description of district's services/functions and service area
 - Authorizing statute/enabling act (Principle Act or Special Act)
 - Current district budget
 - Most recent financial audit
 - Archive of Board meeting minutes for at least the last 6 months
 - List of compensation of Board Members and staff and/or link to State Controller's webpage with the data
- Website also must include at least 4 of the following items:**
 - Post Board Member ethics training certificates
 - Picture, biography and email address of board members
 - Last 3 years of audits
 - Reimbursement and Compensation Policy
 - Financial Reserves Policy
 - Online/downloadable Public Records Act request form
 - Audio or video recordings of board meetings
 - Map of district boundaries/service area
 - Link to California Special Districts Association mapping program
 - Most recent Municipal Service Review (MSR) and Sphere of Influence (SOI) studies (full document or link to document on another site)

Continued on reverse



checklist continued

OUTREACH/BEST PRACTICES REQUIREMENTS

Must complete at least 2 of the following items:

- Regular district newsletter or communication** (*printed and/or electronic*) that keeps the public, constituents and elected officials up-to-date on district activities (*at least twice annually*)
 - Provide copy of most recent communication and short description on the frequency of the communication, how it's distributed and to whom
- Community notification through press release to local media outlet announcing upcoming filing deadline for election and process for seeking a position on the district board, prior to that election** (*or prior to the most recent deadline for consideration of new appointments for those districts with board members appointed to fixed-terms*)
 - Provide copy of the press release (*and the printed article if available*)
- Complete salary comparison/benchmarking for district staff positions using a reputable salary survey** (*at least every 5 years*)
 - Provide brief description of the survey and process used as well as the general results
- Special Community Engagement Project**

Designed and completed a special project promoting community engagement with the district (potential projects may be broad in nature or focus on specific issues such as rate-setting, recycled water, identifying community needs, etc.)

 - Submit an overview of the community engagement project, reviewing the process undertaken and results achieved
- Hold annual informational public budget hearings that engage the public** (*outreach, workshops, etc.*) **prior to adopting the budget**
 - Provide copy of most recent public budget hearing notice and agenda
- Community Transparency Review**

The district would be required to obtain a completed overview checklist from at least 2 of the following individuals* (*the district may choose to conduct the overview with these individuals simultaneously or separately*):

 - Chair of the County Civil Grand Jury
 - Editor of a reputable local print newspaper (only one may count toward requirement)
 - LAFCo Executive Officer
 - County Auditor-Controller
 - Local Legislator (only one may count toward requirement)
 - Executive Director or President of local Chamber of Commerce
 - General Manager of a peer agency (special district, city or county)

* Provide proof of completion signed by individuals completing Community Transparency Review

How do I proceed?

- Step 1: Complete the requirement checklist
- Step 2: Send checklist and all supporting materials or contact the SDLF staff on how to submit all materials electronically:
 - SDLF
 - 1112 I Street, Suite 200
 - Sacramento, CA 95814
- Step 3: Approval process review performed by SDLF staff
- Step 4: Receive your certificate and recognition

.....

SDLF is supported by



The Special District Leadership Foundation (SDLF) is an independent, non-profit organization formed to promote good governance and best practices among California's special districts through certification, accreditation and other recognition programs. SDLF is supported through the California Special Districts Association and Special District Risk Management Authority.

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: May 4, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Request for FY 13/14 and FY 14/15 Audit Proposals

A Request for Proposal for a Certified Public Accounting Firm to conduct FY 13/14 and FY 14/15 Audits was distributed March 9, 2015. Two firms responded by the April 27 deadline – Ricciardi & Pehling. The Executive Committee recommends Zach Pehling, CPA, MBA.

Attachments: Pehling Proposal

Proposal for Financial Audit Services
For Fiscal Years Ending June 30, 2014 and 2015

Proposal for Annual Independent Audit Services

For Fiscal Years Ending June 30, 2014 and 2015

**From: Pehling & Pehling CPAs
An Accountancy Corporation
Zach Pehling, CPA, MBA
2888 Marina View Dr
Kelseyville, CA 95451
(707) 279-4259
Zach@PehlingCPA.com
April 6, 2015**

Proposal for Financial Audit Services

For Fiscal Years Ending December 30, 2014 and 2015

Table of Contents

Letter of Transmittal:

Audit Services to Be Performed	2
Positive Commitment to Perform	2

Proposal for Financial Audit Service:

History and Organization	2
Profile of the Independent Auditor	3
Specific Audit Approach	3
References	4
Bid	4
Resume	6

Letter of Transmittal *Audit Services*

For Fiscal Years Ending June 30, 2014 and 2015

Audit Services to be Performed

The objective of our audit services to be performed is the expression of our opinion as to whether the financial statements of your activities and the aggregate remaining fund information, which collectively comprise the Yosemite Alpine Community Services District District's basic financial statements , are fairly presented in all material respects: the respective financial position at year end and respective changes in the financial position for the year then ended are in conformity with accounting principles generally accepted in the United States of America; as well as reporting on the fairness of the additional information when considered in relation to the basic financial statements taken as a whole.

We will conduct our audit in accordance with Governmental Auditing Standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our Audit will also include assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

Our approach to auditing starts with gaining an intricate understanding of the internal controls, policies and procedures of the District. This is done with interviews of District staff and observations of the various financial functions of the District. Once a thorough understanding is achieved we can tailor our audit program to support our opinion and look for areas where improvements can be found.

We maximize both efficiency and security using technology. We use the Engagement CS paperless auditing system to cut processing time and costs. All data is stored in Virtual Office CS where data is atomically backed up to secure servers operated by Thomson Reuters.

Positive Commitment to Perform

Throughout our practice, Pehling & Pehling CPA's has earned a reputation of providing client centered service. We consistently exceed our client's expectations. Pehling & Pehling CPA's is willing to go the extra mile to ensure that our clients are satisfied and well represented. We have the experience and commitment to perform the requested services in a timely fashion. We would like to begin fieldwork for the 2014 before the end of June and are flexible about timing of the 2015 audit.

History and Organization

Pehling & Pehling CPA's, An Accountancy Corporation, is located in Lake County, California. The office of Pehling & Pehling CPA's is located at 2888 Marina View Dr in Kelseyville. Our firm has liability insurance in the amount of \$500,000/\$1,000,000.

Proposal for Financial Audit Services

For Fiscal Years Ending June 30, 2014 and 2015 and 2015

Profile of the Independent Auditor

Many firms showcase the qualifications of their most experienced partners, but few have the onsite presence of the firm owners. We are small local firm that is dedicated to helping organizations like yours. We always strive to provide the highest level of service to our clients. We provide unparalleled flexibility in meeting your needs and expectations. We are proud of the responsive service we provide to our clientele. As a client, you will benefit from our concern, dedication, timeliness and consistency.

Pehling & Pehling CPA's is focused on providing audit services to non-profits and local government agencies in Northern California. Our clientele is comprised solely of these agencies. Here at Pehling & Pehling we have dedicated 100% of our time to assisting non-profits and local government with their auditing needs. We feel with this kind of focus we are better able to serve our clients needs.

We invest heavily in training and education. We focus our training on government, non-profit, and fraud CPE that is comprised of seminars and classes given by the California Society of CPA's and other qualified continuing professional education organizations.

The firm is comprised of two licensed Certified Public Accountants in the State of California. Our small practice offers several advantages to you:

- You will have year-round access to the principle partner who will be your primary contact point.
- You receive a high level of personal service.
- We do not charge our clients for contacting us throughout the year with questions regarding accounting or financial matters. We do this to show our commitment to building a strong and beneficial relationship with our clients.
- Working with the same auditors from year to year greatly reduces the time your staff spends familiarizing us with your business.

Specific Audit Approach

Our approach is designed to avoid disruption of the smooth functioning of your offices. To provide your District with the quality professional services it deserves, it is imperative that we thoroughly understand your organization. Our previous experience with governmental and not-for-profit organizations provides us with a sound foundation from which to plan our audit procedures. However, we must acquaint ourselves with specific aspects of your operations to ensure that our procedures are both comprehensive and efficient.

The planning phase of the engagement will lay the foundation for the direction of our audit and is key to cost-effective completion. Our planning will focus on preliminary analysis, information gathering, identifying significant issues and evaluating internal controls.

During the fieldwork stage we will test asset and liability accounts based on our understanding of your financials that was obtained during the planning stage. We will test revenues and disbursements using sampling. Our disbursements sampling has two purposes. We see whether the amounts posted to the

Proposal for Financial Audit Services

For Fiscal Years Ending December June 30, 2014 and 2015

General Ledger agree with invoices and cancelled checks. Furthermore, we examine to make sure the transactions was approved by management and follows proper internal control procedures. Our sample is chosen by a random number generator and by on scanning the detailed ledger utilizing our experience and knowledge.

At the completion of the fieldwork we will conduct an exit interview to review with management our findings and suggestions.

Our aim is to created an open line of communication between our firm and your organization, so that the Board feels comfortable asking for help with any questions or issues that may arise during the year.

References

Nancy, District Bookkeeper
Little Lake Fire Protection District
74 East Commercial Street
Willits, CA 95490
(707) 459-6271

Sean White
Russian River Flood Control
151 Laws Ave
Ukiah, CA 95482
707-462-5278
rrfc@pacific.net

Matt, District Bookkeeper
Clearlake Oaks County Water District
PO Box 709
Clearlake Oaks, CA 95423
707-263-4770
mjbasset@yahoo.com

Additional references available upon request.

Bid for Audit Services

Our fee for audit services for the Fiscals-Year are based on our standard hourly rate of \$125 per for Zach Pehling and Carlie Pehling, plus out-of-pocket costs (such as report reproduction, work processing, postage, copies, telephone, etc.) Based on the information provided to us, the fee will not exceed \$2,950 for 2014; \$3,050 for 2015. This is an all inclusive fee that includes performing the audit, and all associated incidentals

Proposal for Financial Audit Services

For Fiscal Years Ending June 30, 2014 and 2015

If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur additional costs.

Very truly yours,



Pehling & Pehling CPAs
An Accountancy Corporation

Zachary Pehling

2888 Marina View Drive, Kelseyville, CA 95451 • (707) 279-4259 • zach@PehlingCPA.com

CAREER HISTORY AND ACCOMPLISHMENTS:

2009-current: *Audit Partner*, Pehling & Pehling, CPA's

- Received 2013 and 2014 Best of Kelseyville award for CPA's
- Consults as Internal Auditor for the City of Lakeport
- Have a Proven record of helping small agencies
- Specializes in non-profit and government accounting
- Lead auditor on all of firm's audits
- Run an established a firm focused solely on auditing non-profits and local government
- Manage 40+ audits throughout the year

2006-2009: *Audit Manager*, Joan Sturges, CPA

- Took over as audit manager
- Initiated a paperless audit program
- Designed an audit program to ensure compliance
- Audited 30+ clients per year

EDUCATION:

City University, Seattle, WA - Master of Business Administration, Financial Management

University of Washington, Seattle, WA - Bachelor of Science, Cellular and Molecular Biology

Olympic Community College, Bremerton, WA - Associate of Arts and Sciences received concurrently with high school diploma

PROFESSIONAL CERTIFICATION:

Certified Public Accountant, License Number 104983

**MENDOCINO
Local Agency Formation Commission**

Staff Report

DATE: May 4, 2015
TO: Mendocino Local Agency Formation Commission
FROM: George Williamson, Executive Officer
SUBJECT: Status of Current and Future Projects

Following is a summary of active and future proposals.

Active Proposals

There are currently four (4) active applications on file with the Commission, as follows.

-City of Ukiah Sphere of Influence Update

Scoped environmental analysis needed for City of Ukiah SOI Reduction based on letter received from UVSD Received bids for subsequent CEQA work. Conferred with legal counsel on scope and cost of bid received. Discussed bid with executive committee at April 22 meeting. Received direction to work with City staff on potential redistribution of requests for proposal.

-City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas

Reviewed received from John Sharp on behalf of UVSD commenting on proposed detachment of UVSD parcels within City limits. Conferred with legal counsel on responses to letter received. Discussed responses with legal counsel and executive committee at April 22 meeting. Received direction to work with City staff on potential re-noticing of proposal when plan for services completed.

-Irish Beach County Water District Detachment

Prepared Admin Draft Initial Study Preparation for detachment and accompanying SOI Update

-Irish Beach County Water District Annexation

Awaiting client to complete County GPA/LCP Amendment process.

Future Proposals

No updates to report.