

# 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](mailto:eo@mendolafco.org) | Web: [www.mendolafco.org](http://www.mendolafco.org)

### A G E N D A

Regular Meeting of Monday, August 6, 2018 9:00 AM

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

*Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are available on the LAFCo website (<http://mendolafco.org/recorded-meetings/>).*

Meeting documents are available online: <http://mendolafco.org/meeting-documents-2018>

#### 1. CALL TO ORDER and ROLL CALL

#### 2. 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. Individuals wishing to address the Commission under Public Expression are welcome to do so throughout the meeting.

#### 3. OTHER BUSINESS

##### 3a) Alternate Special District Representative

The oath will be conducted for new Commissioner Jenifer Bazzani.

#### 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) Approval of the June 4, 2018 Regular Meeting Summary Minutes

4b) Approval of the June 2018 Claims and Financial Report

4c) Approval of the July 2018 Claims and Financial Report

4d) Approval of Pehling & Pehling, CPAs Contract for FY 2017-18 Audit

4e) Ratification of AB 3254 support letter dated June 29, 2018

#### 5. PUBLIC HEARING ITEMS

Public Hearings are scheduled for Commission consideration and possible adoption of items. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at:

<http://mendolafco.org/meeting-documents-2018>

None

(8-6-18 Agenda Continued...)

#### COMMISSIONERS

**Jerry Ward, Chair & Treasurer**  
Public Member

**Carre Brown, Vice Chair**  
County Board of Supervisors

**Kevin Doble**  
Ukiah City Council

**Gerardo Gonzalez**  
Willits City Council

**John McCowen**  
County Board of Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

**Tony Orth**  
Brooktrails Township CSD

**Scott Ignacio, Alternate**  
Point Arena City Council

**Dan Hamburg, Alternate**  
County Board of Supervisors

**Carol Rosenberg, Alternate**  
Public Member

**Special District Seat, Alternate**  
(Jenifer Bazzani to be sworn in August 2018.)

#### STAFF

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Elizabeth Salomone

**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

## 6. WORKSHOP ITEMS

Workshops are scheduled for Commission review of draft reports prior to the noticing for public hearing. The Commission is invited to discuss the draft report and provide feedback to staff in anticipation of receiving a final SOI Update for formal action as part of a public hearing at a future meeting. No action will be taken by the Commission as part of the following item. Questions and comments from the Commission, participating agencies, and members of the public are welcome. Documents are available for review at:

<http://mendolafco.org/meeting-documents-2018>

None

## 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

### 7a) Mutual Water Company Report

The Commission will receive a presentation on the AB 54 Report on Draft Mutual Water Companies of Mendocino County. RECOMMENDED ACTION: a) Accept the report and direct staff to post the report on the LAFCo website, or b) provide direction to staff.

### 7b) Legal Counsel Contract Amendment

The Commission will consider the Executive Committee's recommendation to approve the proposed contract amendment to the existing Legal Counsel Contract. RECOMMENDED ACTIONS:

a) Approve the proposed contract amendment with P. Scott Browne, Attorney at Law, and direct the Chair to sign the contract, or b) provide additional direction to staff and/or the Executive Committee.

### 7c) Executive Officer Services Contract Amendment

The Commission will consider the Executive Committee's recommendation to approve a contract amendment to the existing Executive Officer Services Agreement. RECOMMENDED ACTIONS: a) Approve the proposed contract amendment with Hinman & Associates Consulting, Inc., and direct the Chair to sign the contract amendment, or b) provide direction to staff and/or the Executive Committee.

### 7d) CALAFCO Call for Board of Directors Nominations and Voting Delegate

The Commission will 1) consider nominating a City or Public Commissioner for the CALAFCO Board of Directors and 2) assign a voting delegate for the election. Nomination period closes September 4, 2018.

## 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.

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

### 8b) Correspondence (copies provided upon request)

### 8c) Executive Officer's Report (Verbal)

- Redevelopment Agency (RDA) Oversight Board Special District Appointment update (attachment).
- Next Commission meeting is September 10, 2018 due to the Labor Day holiday.

### 8d) Committee Reports (Verbal)

### 8e) Commissioner Reports, Comments or Questions (Verbal)

### 8f) CALAFCO Business and Legislative Report

## **ADJOURNMENT**

The next Regular Commission Meeting is scheduled for Monday, September 10, 2018 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](mailto: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.

# MENDOCINO

## Local Agency Formation Commission

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### COMMISSIONERS

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Chair & Treasurer  
Public Member

**Carre Brown, Vice Chair**  
County Board of Supervisors

**Kevin Doble**  
Ukiah City Council

**Gerardo Gonzalez**  
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**John McCowen**  
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**STAFF**  
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Uma Hinman

**Analyst**  
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Elizabeth Salomone

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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

Agenda Item No. 4a

### MINUTES

#### Local Agency Formation Commission of Mendocino County

#### Regular Meeting of Monday, June 4 2018

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

#### 1. CALL TO ORDER and ROLL CALL (Video Time 6:08)

Chair Ward called the meeting to order at 9:05am.

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, John McCowen, Theresa McNerlin, Tony Orth, and Jerry Ward

Alternate Members Present: Commissioners Dan Hamburg

Alternate Members Absent: Commissioner Scott Ignacio and Carol Rosenberg

Staff Present: Uma Hinman, Executive Officer  
Elizabeth Salomone, Clerk

#### 2. PUBLIC EXPRESSION (Video Time 6:35)

No one indicated interest in public expression.

#### 3. OTHER BUSINESS (Video Time 6:40)

Announcement of Commissioner Jenifer Bazzani as the Alternate Special District Representative. Apologies sent and oath will be conducted at the next Regular Commission meeting.

#### 4. CONSENT CALENDAR (Video Time 6:50)

4a) Approval of the May 7, 2018 Regular Meeting Summary Minutes

4b) Approval of the May 2018 Claims and Financial Report

4c) Approval of the County of Mendocino Information Services Contract Renewal

Chair Ward pulled Consent Item 4c) Approval of the County of Mendocino Information Services Contract Renewal.

May 2018 Claims totaling:	\$ 12,883.18
Uma Hinman Consulting:	\$10,212.46
Ukiah Valley Conference Center:	\$ 476.90
P. Scott Browne:	\$ 600.00
Commissioner Reimbursement:	\$ 178.07
County of Mendocino (audio/video, GIS, etc):	\$ 149.96
SDRMA:	\$ 894.00
Public Hearing Notice Publication:	\$ 371.79

Edits to the May 7, 2018 Regular Commission Meeting minutes:

- Pg 1, Commissioner Theresa McNerlin was present, not absent, at the May 7, 2018 meeting.

Upon motion by Commissioner McCowen and second by Commissioner Gonzalez, Consent Calendar items 4a) the May 7, 2018 Regular Meeting Minutes and 4b) the May 2018 Claims and Financial Report were approved with noted corrections by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward

Item 4c) Approval of the County of Mendocino Information Services Contract Renewal: Chair Ward asked for clarification on the County representative signatures, reference to a bond in section 3, and noted satisfaction with the explanations provided.

Upon motion by Commissioner McCowen and second by Commissioner Brown, Consent Calendar items 4c) the County of Mendocino Information Services Contract Renewal was approved by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward

## 5. PUBLIC HEARING ITEMS

**5a) Public Hearing to Consider Adoption of Resolution 2017-18-12 Approving the Redwood Coast Fire Protection District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update**  
(Video 11:00)

***Chair Ward opened the public hearing at 9:15am.***

It was noted Proof of Publication of Public Hearing was included in the packet. EO Hinman presented and reviewed updates. Comments and questions were offered by Commissioners Orth, McCowen, Brown, and Ward.

The following items were discussed:

- For future reports, include the maximum number of volunteers that can be supported by the fire district, whether they are understaffed or have a waiting list.
- Pg 2-1, 2.1.2 & Pg 3-1, 3.1.1.2 – verify official name with the Tribe (Manchester Ranch of Pomo Indians of the Manchester Rancheria).
- EO Hinman confirmed both the Redwood Coast FPD and the South Coast FPD were contacted and provided opportunity to comment on the intention to expand the SOI of the Redwood Coast FPD.
- The fire hydrants are owned by the City of Point Arena and therefore the District has limited ability to upgrade them.
- The most recent audit included is FY 2016/17.
- Clarify the debt reporting between the table and text.

***Public Comment was opened at 9:16am and with no comments offered, was closed at 9:16am.***

Upon motion by Commissioner Brown and second by Commissioner McCowen, the following were approved by roll call vote:

- 1) Find the Redwood Coast Fire Protection District Municipal Service Review and Sphere of Influence Update exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 California Code of Regulations §15306 and §15061(b)(3) and approve the Notice of Exemption for filing; and

- (2) Adopt LAFCo Resolution 2017-18-12, approving the Redwood Coast Fire Protection District Municipal Service Review and Sphere of Influence Update and amend the existing Sphere of Influence to add Area A containing 16 parcels to the District SOI boundary, subject to the verification regarding the Manchester Ranch of Pomo Indians of the Manchester Rancheria name.

Ayes: (7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward

*The Public Hearing was closed at 9:24am.*

**6. WORKSHOP ITEMS** (Video time 20:30)

None.

**7. MATTERS FOR DISCUSSION & POSSIBLE ACTION** (Video time 20:45)

**7a) Commissioner Terms of Office, Special District Election, and Public Member Recruitment**

EO Hinman presented an informational update on upcoming expirations of Commissioner terms of office and a schedule for election and recruitment processes. Comments and questions were offered by Commissioners Brown, McCowen, and Ward.

**7b) Proposed Electronic Email and Devices Policy**

EO Hinman presented the Policies & Procedures Committee's recommendation to adopt a policy on electronic email and devices for official LAFCo business, reviewing changes made after legal counsel consultation. Comments and questions were offered by Commissioners McCowen.

Upon motion by Commissioner Orth and second by Commissioner Brown, the Adoption of Resolution 17-18-10, approving the proposed Electronic Email and Devices Policy with the change of wording as noted below, was approved by unanimous vote:

"2. Mendocino LAFCo discourages the use of personal electronic devices in the course of LAFCo business as any device used may be subject to search as permitted or required by law. Should Commissioners and staff choose to use personal electronic devices for LAFCo-related business, *they are assuming the risk that* such communications may be public records and ~~they are assuming the risk that~~ their device may be subject to search for public records."

Ayes: (7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward

**7c) Proposed Definition of Terms for Policies & Procedures Manual**

EO Hinman presented the Policies & Procedures Committee's recommendation to adopt the definitions of terms for the Policies & Procedures Manual. The Commission offered no comments and Chair Ward directed staff to include definitions in the next Policies & Procedures Manual update, due for formal approval at a later date.

**7d) Proposed Inter-LAFCo Coordination Policy**

EO Hinman presented the Policies & Procedures Committee's recommendation to adopt the Inter-LAFCo Coordination Policy and reviewed the process of development. It was noted Humboldt and Sonoma LAFCos have reviewed the proposed policy and responded with support. Comments and questions were offered by Commissioner Ward.

Upon motion by Commissioner McCowen and second by Commissioner Gonzalez, the Adoption of Resolution No. 2017-18-13, approving the Proposed Inter-LAFCo Coordination Policy was approved by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward

#### **7e) Proposed Area of Interest Policy**

EO Hinman presented the proposed “Area of Interest” policy that was considered by the Policies & Procedures Committee and recommended to the Commission for discussion. The policy is a tool utilized by some LAFCos as a means to identify areas outside a sphere of influence that would benefit from greater coordination between agencies. EO Hinman noted the outreach efforts to Cities and the County.

Comments and questions were offered by Commissioners Ward, McCowen, Brown, Orth, McNerlin, Hamburg, Ward, and Gonzalez.

It was noted identification of the areas of interest will emerge primarily through LAFCo’s Sphere of Influence reviews and updates, and would be identified with the planning services division of affected agencies. The following edit was requested:

B. When LAFCo receives notice of a proposal *for organization or reorganization* from another agency relating to the Area of Interest, LAFCo will notify the Interested Agency and will consider its comments.

Chair Ward directed staff to expand the feedback outreach to include special districts and schedule policy discussion and adoption for a future meeting.

#### **7f) Proposed Legal Counsel Contract Amendment**

Chair Ward noted his approval of a letter in May to legal counsel requesting further information on travel and workshop attendance charges. The response was a proposed amendment to the existing Legal Counsel Contract intended to include consistent language for all their flat rate LAFCo clients. EO Hinman presented. Comments and questions were offered by Commissioners Ward, McCowen, Brown, and Orth.

Comment was made on the importance of a process of expenditure of public funds and clarification was needed on the terms of this agreement. It was clarified the last base month increase was due to the firm’s hourly rate increase, not specifically linked with the Commission’s history of legal counsel use. Direction was given to the Executive Committee to further discuss and propose action.

#### **7g) CALAFCO Calls for Legislative Action**

EO Hinman presented CALAFCO’s request for support letters for 1) AB 2238 as amended April 3, 2018, 2) AB 2238 as amended April 3, 2018, and 3) SB 929 as amended March 6, 2018. Comments and questions were offered by Commissioners Gonzalez, Brown, McNerlin, Orth, Ward, and McCowen. Discussion was held regarding concern with language contained in SB 979 regarding the annual board action requirement for districts without a full board. Chair Ward directed staff to hold the support letter, make edits reflecting the Commission discussion, and present to Chair for signature.

Upon motion by Commissioner Orth and second by Commissioner Gonzalez, the support letters for AB 2238 as amended April 3, 2018, AB 2238 as amended April 3, 2018, and SB 929 as amended March 6 with edits reflecting Commission discussion and Chair signature were approved by unanimous vote:

Ayes: (7) Brown, Doble, Gonzalez, McCowen, McNerlin, Orth, and Ward

## 8. INFORMATION/ REPORT ITEMS (Video Time: 1:31:35)

### 8a) Work Plan, Current, and Future Proposals

EO reviewed the staff report, highlighting changes from last month's report. Comments and questions were offered by Commissioners McCowen, Brown, Ward, Orth, Doble. Commissioner McCowen requested changes to the report formatting. Staff clarified LAFCo's role regarding the County Service Areas as well as the need to expand the review of the Ukiah Valley Fire Protection District to include the functional consolidation with the City of Ukiah.

### 8b) Correspondence

None to report.

### 8c) Executive Officer's Report

EO Hinman reported on the following:

- CALAFCO conference registration is open and will be held in Yosemite in October. The Commission advised staff to anticipate four Commissioners would attend the conference.
- Coordination with County regarding Redevelopment Agency Oversight Board selection process, noting the cost of this legislative mandated task was not accounted for in the LAFCo budget, though it may be recoverable through the proposed onetime grant (AB 2258) should it be approved. EO was asked to present more fully at a future Commission meeting.

### 8d) Committee Reports

A Policies & Procedures meeting was held May 21, 2018 to continue working on policy proposals and updating the P&P Manual.

### 8e) Commissioners Reports, Comments or Questions

*Commissioner Brown* provided information on grant opportunities, specifically for Special Districts.

### 8f) CALAFCO Business and Legislation Report

EO Hinman reviewed the CALAFCO video guide, nominations for annual achievement awards, and Board recruitment for the Northern Region, City and Public member.

## ADJOURNMENT

There being no further business, at 10:46 am the meeting was adjourned. The next regular meeting is scheduled for Monday, July 2, 2018 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

*Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.*

<https://www.youtube.com/watch?v=XUR-J9PFGGc&list=PLraKTU7AyZLTmV-2PpmufbzkvpN3QCnog&index=6>



# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: August 6, 2018  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: Financial Report and Claims for June 2018

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### Claims

The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Hinman & Associates	5300 Basics Services	\$ 4,159.25	\$ 6,066.25
	6200 Bookkeeping	\$ 301.50	
	7000 MSR SOI Workplan	\$ -	
	5601 Office Supplies	\$ 50.00	
	5300 RDA Oversight Board Selection	\$ 1,555.50	
P. Scott Browne	6300 Legal Counsel-Monthly flat fee	\$ 600.00	\$ 600.00
Ukiah Valley Conf. Center	5502 Office space	\$ 415.00	\$ 511.00
	5503 Work room	\$ 30.00	
	5603 Photocopy (June 2018)	\$ 13.00	
	5605 Postage (June 2018)	\$ 53.00	
Commissioner Reimbursements: In-County Travel & Stipends	6740 Rosenberg (absent June 2018)	\$ -	\$ 127.00
	6740 McNerlin (June 2018)	\$ 50.00	
	6740 Orth (June 2018)	\$ 77.00	
County of Mendocino	6000 Video Recording of Meetings	\$ 149.96	\$ 149.96
	7501 GIS Mapping	\$ -	
Petty Cash	5600 Office Expenses (supplies)	139.61	\$ 139.61
<b>Total:</b>			<b>\$ 7,593.82</b>

### Deposits:

\$90,309.61 transferred from Community First to new reserves account at West America Bank.

### Attachments:

- Budget Track Spreadsheet
- Hinman & Associates Consulting Invoice & Scott Browne Invoice

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

Mendocino Local Agency Formation Commission  
 FY 2017-18 Budget and Application Tract

Acct #	Task	FY 17-18 Budget	1st Qtr Subtotals	2nd Qtr Subtotal	3rd Qtr Subtotal	April	May	June	4th Qtr Subtotal	Year to Date	Remaining Budget
<b>EXPENSES</b>											
5300	Basic Services - EO/Analyst/Clerk	\$66,815	\$15,543.00	\$16,769.75	\$18,781.75	\$8,170.00	\$4,775.25	\$5,714.75	\$18,660.00	\$69,754.50	\$-2,939.50
5500	Rent	\$5,360	\$1,302.00	\$1,322.00	\$1,326.00	\$445.00	\$415.00	\$445.00	\$1,305.00	\$5,255.00	\$105.00
5600	Office Expenses	\$3,350	\$231.56	\$602.09	\$662.79	\$68.18	\$135.11	\$255.61	\$458.90	\$1,955.34	\$1,394.66
5700	Internet & Website Costs	\$1,300	\$0.00	\$0.00	\$0.00		\$25.00		\$25.00	\$25.00	\$1,275.00
5900	Publication & Legal Notices	\$2,000	\$0.00	\$114.22	\$218.81	\$218.79	\$371.79		\$590.58	\$923.61	\$1,076.39
6000	Televising Meetings	\$3,000	\$259.02	\$408.98	\$558.93	\$245.39	\$149.96	\$149.96	\$545.31	\$1,772.24	\$1,227.76
6100	Audit Services	\$3,100	\$1,550.00	\$0.00	\$0.00	\$1,550.00			\$1,550.00	\$3,100.00	\$0.00
6200	Bookkeeping	\$4,800	\$1,614.00	\$696.00	\$1,327.50	\$153.00	\$351.00	\$301.50	\$805.50	\$4,443.00	\$357.00
6300	Legal Counsel (S Browne)	\$7,200	\$1,800.00	\$1,800.00	\$1,800.00	\$600.00	\$600.00	\$600.00	\$1,800.00	\$7,200.00	\$0.00
6400	A-87 Costs County Services	\$1,100	\$0.00	\$0.00	\$123.00				\$0.00	\$123.00	\$977.00
6500	Insurance - General Liability	\$1,000	\$0.00	\$0.00	\$0.00		\$894.00		\$894.00	\$894.00	\$106.00
6600	Memberships (CALAFCO/CSDA)	\$2,200	\$0.00	\$1,299.00	\$0.00				\$0.00	\$1,299.00	\$901.00
6670	GIS Contract with County	\$5,000	\$571.90	\$254.98	\$858.57	\$0.00			\$0.00	\$1,685.45	\$3,314.55
6740	In-County Travel & Stipends	\$2,000	\$128.08	\$484.21	\$534.21	\$128.07	\$178.07	\$127.00	\$433.14	\$1,579.64	\$420.36
6750	Travel & Lodging Expenses	\$4,000	\$533.80	\$1,361.26	\$0.00	\$119.15			\$119.15	\$2,014.21	\$1,985.79
6800	Conferences (Registrations)	\$3,000	\$2,125.50	\$0.00	\$0.00	\$105.50			\$105.50	\$2,231.00	\$769.00
7000	Work Plan (MSRs and SOIs)	\$45,000	\$8,616.75	\$12,757.50	\$13,467.25	\$5,325.25	\$4,988.00	\$0.00	\$10,313.25	\$45,154.75	\$-154.75
<b>Monthly/ Year to Date Totals</b>		<b>\$160,225.00</b>	<b>\$34,275.61</b>	<b>\$37,869.99</b>	<b>\$39,658.81</b>	<b>\$17,128.33</b>	<b>\$12,883.18</b>	<b>\$7,593.82</b>	<b>\$37,605.33</b>	<b>\$149,409.74</b>	<b>\$10,815.26</b>
<b>APPLICATIONS</b>											
		<b>DEPOSIT</b>	<b>1st Qtr Subtotals</b>	<b>2nd Qtr Subtotal</b>	<b>3rd Qtr Subtotal</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>4th Qtr Subtotal</b>	<b>Year to Date</b>	<b>Remaining Budget</b>
A-2009-8001	Irish Beach WD Moores Annexation	\$-610.56	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$-610.56
P-2014-8010	City of Ukiah Detachment of UVCS lands	\$1,532.75	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,532.75
P-2017-8017	Millview CWD Annexation	\$1,500.00	\$0.00	\$0.00	\$10.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00	\$0.00
<b>Applications to Date Totals</b>		<b>\$922.19</b>	<b>\$1,490.00</b>	<b>\$0.00</b>	<b>\$10.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>EXPENSES AND APPLICATION TOTALS</b>			<b>\$35,765.61</b>	<b>\$37,869.99</b>	<b>\$39,668.81</b>	<b>\$17,128.33</b>	<b>\$12,883.18</b>	<b>\$7,593.82</b>	<b>\$37,605.33</b>	<b>\$149,409.74</b>	<b>\$10,815.26</b>

Operations (Checking) Account Balance      \$    13,511.11                      from statement as of            5/31/2018  
 Legal Reserve Balance                            \$    50,000.00                      from statement as of            5/31/2018 Note: reserves moved from First Credit Union to Westamerica Bank 5/30/2018  
 Operations Reserve Balance                    \$    40,309.61                      from statement as of            5/31/2018 Note: reserves moved from First Credit Union to Westamerica Bank 5/30/2018  
 County of Mendocino Account Balance      \$      4,572.32                      from statement as of            6/18/2018



# Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

**Date** June 25, 2018  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** May 28, 2018 - June 24, 2018

**Invoice No.** 368  
**Invoice Total** \$ **6,066.25**

Account	Description	Staff/Hours			Other (At Cost)*	Totals
		Hinman EO (\$90)	Feiler Analyst (\$65)	Salomone Clerk (\$40)*		
5300	Basic Services	25.75	4.75	36.50		\$ 4,159.25
5300	RDA Oversight Board SD Selection	16.00		2.75		\$ 1,555.50
5601	Office Supplies					
	Quickbooks Online Fee				\$ 50.00	\$ 50.00
	Office Supplies					
6200	Bookkeeping	3.00		0.75		\$ 301.50
7001	Municipal Service Reviews					\$ -
7501	Sphere of Influence Updates					\$ -
<b>Totals</b>		\$ 4,027.50	\$ 308.75	\$ 1,680.00	\$ 50.00	\$ <b>6,066.25</b>

**5300 Basic Services**

Prepared June Executive Committee meeting agenda packet and postings. Drafted June Commission meeting minutes for review at next meeting. Staffed office during the time period. Website updates. Coordinate with legal counsel regarding contract amendment. EO coordinated with County regarding the RDA Oversight Board special district member election; Clerk prepare mailings.

**6200 Bookkeeping (Other Services)**

Compiled claims for Commissioner review and approval at next regular meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized by Chair, with ratification at August 6th meeting. Reviewed claims, bank records, etc. Quickbooks reconciliation.

**7501 Sphere of Influence Updates**

None

**7001 Municipal Service Reviews**

None

**Notes:**

\* Plus administrative fee of 5% for subconsultant labor

**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:

6/15/2018

*Payment due by the 15th of next month*

*In Reference To:* CLIENT CODE: MENDO-01

**Professional Services**

	<u>Hours</u>
5/22/2018 PSB Review and respond to policies re: compensation and multi county districts; Review email from Uma.	1.00
5/24/2018 WJC Review and respond to email from Uma; Telephone call to client - left message.	0.15
5/25/2018 PSB Respond to Uma.	0.50
5/29/2018 PSB Review email from Uma re: Redevelopment Oversight Board; Research; Memo to Uma.	1.25
5/30/2018 PSB Work on Program Committee for annual conference (Time split evenly between all LAFCo clients).	0.50
6/1/2018 PSB CALAFCo Legislative Committee Work (Time split evenly between all LAFCo clients).	0.35
6/5/2018 PSB Legislative Committee: Work on AB 2258 (Time split evenly between all LAFCo clients)	0.25
6/13/2018 PSB Work on Conference Program Committee & AB 2258 revision (Time split evenly between all LAFCo clients).	0.50
6/14/2018 PSB Review emails; Telephone call from Zorman re: AB 2258; Email to Pamela (Time split evenly between all LAFCo clients).	0.20

SUBTOTAL:

[ 4.70 ]

	<u>Hours</u>	<u>Amount</u>
<b>Total Professional Hours</b> Per Representation Agreement, flat fee of \$600/month.	4.70	\$600.00
<b>Previous balance</b>		\$1,424.65
 <b><u>Payments and Credit Activity</u></b>		
5/21/2018 Payment - Thank You. Check No. 1356		(\$824.65)
6/4/2018 Payment - Thank You. Check No. 1364		(\$600.00)
		<hr/>
<b>Total payments and adjustments</b>		(\$1,424.65)
		<hr/>
<b><i>TOTAL BALANCE NOW DUE</i></b>		<b><i>\$600.00</i></b>
		<hr/> <hr/>

*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!*

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# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: August 6, 2018  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: Financial Report and Claims for July 2018

### Claims

The following claims are recommended for payment authorization:

Name	Account Description	Amount	Total
Hinman & Associates	5300 Basics Services	\$ 4,928.00	\$ 13,743.50
	6200 Bookkeeping	\$ 618.00	
	7000 MSR SOI Workplan	\$ 8,137.50	
	5601 Office Supplies	\$ 60.00	
Ukiah Valley Conf. Center	5502 Office space	\$ 415.00	\$ 653.87
	5503 Work room	\$ 30.00	
	5603 Photocopy (July 2018)	\$ 19.50	
	5605 Postage (July 2018)	\$ 189.37	
P. Scott Browne	6300 Legal Counsel-Monthly flat fee	\$ 600.00	\$ 600.00
County of Mendocino	6000 Video Recording of Meetings	\$ 190.86	\$ 1,067.47
	7501 GIS Mapping	\$ 876.61	
CALAFCO Membership for FY 18/19	6600 Membership	\$ 925.00	\$ 925.00
CALAFCO Conference	6800 Conference Registration for 4 Commissioners + Executive Officer	\$ 2,600.00	\$ 2,600.00
Pacific Internet for FY 18/19	5700 Internet and Website	\$ 1,081.24	\$ 1,081.24
<b>Total:</b>			<b>\$ 20,671.08</b>

### Notes:

County Auditor-Controller issued invoices for apportionment fees. Payments are being received and a report will be available at a future meeting.

### Deposits:

\$4,000 transferred from Mendocino County to checking account at Savings Bank of Mendocino.  
 \$5,000 transferred from WestAmerica (reserves) to checking account at Savings Bank of Mendocino.

### Attachments:

Budget Track Spreadsheet  
 Hinman & Associates Consulting Invoice & Scott Browne Invoice

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

Mendocino Local Agency Formation Commission  
 FY 2018-19 Budget and Application Tract

Acct #	Task	FY 18-19 Budget	July	Year to Date	Remaining Budget
<b>EXPENSES</b>					
5300	Basic Services - EO/Analyst/Clerk	\$70,560	\$4,928.00	\$4,928.00	\$65,632.00
5500	Rent	\$5,360	\$445.00	\$445.00	\$4,915.00
5600	Office Expenses	\$3,450	\$268.87	\$268.87	\$3,181.13
5700	Internet & Website Costs	\$1,300	\$1,081.24	\$1,081.24	\$218.76
5900	Publication & Legal Notices	\$2,000	\$0.00	\$0.00	\$2,000.00
6000	Televising Meetings	\$3,000	\$190.86	\$190.86	\$2,809.14
6100	Audit Services	\$3,100	\$0.00	\$0.00	\$3,100.00
6200	Bookkeeping	\$4,000	\$618.00	\$618.00	\$3,382.00
6300	Legal Counsel (S Browne)	\$7,200	\$600.00	\$600.00	\$6,600.00
6400	A-87 Costs County Services	\$0	\$0.00	\$0.00	\$0.00
6500	Insurance - General Liability	\$1,000	\$0.00	\$0.00	\$1,000.00
6600	Memberships (CALAFCO/CSDA)	\$2,300	\$925.00	\$925.00	\$1,375.00
6670	GIS Contract with County	\$3,500	\$876.61	\$876.61	\$2,623.39
6740	In-County Travel & Stipends	\$2,000	\$0.00	\$0.00	\$2,000.00
6750	Travel & Lodging Expenses	\$3,000	\$0.00	\$0.00	\$3,000.00
6800	Conferences (Registrations)	\$3,000	\$2,600.00	\$2,600.00	\$400.00
7000	Work Plan (MSRs and SOIs)	\$35,000	\$8,137.50	\$8,137.50	\$26,862.50
9000	Special District Training Support	\$500	\$0.00	\$0.00	\$500.00
Monthly/ Year to Date Totals		\$150,270.00	\$20,671.08	\$20,671.08	\$129,598.92
<b>APPLICATIONS</b>					
		<b>BALANCE</b>	<b>July</b>	<b>Year to Date</b>	<b>Remaining Budget</b>
A-2009-8001	Irish Beach WD Moores Annexation	\$-610.56	\$0.00	\$0.00	\$-610.56
P-2014-8010	City of Ukiah Detachment of UVCS D lands	\$1,532.75	\$0.00	\$0.00	\$1,532.75
Applications to Date Totals		\$922.19	\$0.00	\$0.00	
<b>EXPENSES AND APPLICATION TOTALS</b>			<b>\$20,671.08</b>	<b>\$20,671.08</b>	

Operations (Checking) Account Balance	\$	762.03	from statement as of	6/29/2018
Legal Reserve Balance	\$	50,000.00	from statement as of	6/29/2018
Operations Reserve Balance	\$	40,314.00	from statement as of	6/29/2018
County of Mendocino Account Balance	\$	4,572.32	from statement as of	6/18/2018



# Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

**Date** July 30, 2018  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** July 1, 2018 - July 29, 2018

**Invoice No.** 376  
**Invoice Total** **\$ 12,731.00**

Account	Description	Staff/Hours			Other (At Cost)	Totals
		Hinman EO (\$100)	Feiler Analyst (\$68)	Salomone Clerk (\$40)*		
5300	Basic Services	20.00	11.25	31.75		\$ 4,098.50
5300	RDA Oversight Board SD Selection			1.00		\$ 42.00
5601	Office Supplies				\$ 60.00	\$ 60.00
	Quickbooks Online Fee					
	Office Supplies					
6200	Bookkeeping	2.25		4.00		\$ 393.00
7001	Municipal Service Reviews	3.25	60.25	2.75	\$ 3,600.00	\$ 8,137.50
7501	Sphere of Influence Updates					\$ -
<b>Totals</b>		<b>\$ 2,550.00</b>	<b>\$ 4,862.00</b>	<b>\$ 1,659.00</b>	<b>\$ 3,660.00</b>	<b>\$ 12,731.00</b>

### 5300 Basic Services

Prepared August Commission meeting agenda packet and postings. Prepared for next Policies & Procedures meeting. Staffed office during the time period. Website updates. Coordinate with legal counsel regarding contract amendment. Prepared and distributed RDA Oversight Board special district member announcement. Responded to inquiries.

### 6200 Bookkeeping (Other Services)

Compiled claims for Commissioner review and approval at next regular meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized by Chair, with ratification at August 6th meeting. Reviewed claims, bank records, etc. Quickbooks reconciliation. Quickbooks reports in preparation for end of year financial report.

### 7501 Sphere of Influence Updates

Special study of Willits sphere options. Worked on drafting administrative draft Willits MSR/SOI Update. Coordinate with Willits staff, legal counsel, analyst. Prepared Request for Information (RFI) for Fort Bragg Rural Fire Protection District and Ukiah Valley Fire Protection District.

### 7001 Municipal Service Reviews

Worked on drafting administrative draft Willits MSR/SOI Update.

### Notes:

\* Plus administrative fee of 5% for subconsultant labor





# Hinman & Associates Consulting

PO Box 1251 | Cedar Ridge, CA 95924

(916) 813-0818

uhinman@comcast.net

**Date** July 30, 2018  
**To** Mendocino LAFCo  
**Project** Executive Officer Services  
**Work Period** June 25, 2018 - June 30, 2018

**Invoice No.** 371  
**Invoice Total** \$ **1,012.50**

Account Description	Staff/Hours			Other (At Cost)*	Totals
	Hinman EO (\$90)	Feiler Analyst (\$65)	Salomone Clerk (\$40)*		
5300 Basic Services	5.50	4.50			\$ 787.50
5300 RDA Oversight Board SD Selection					\$ -
5601 Office Supplies					\$ -
Quickbooks Online Fee					\$ -
Office Supplies					\$ -
6200 Bookkeeping	2.50				\$ 225.00
7001 Municipal Service Reviews					\$ -
7501 Sphere of Influence Updates					\$ -
<b>Totals</b>	\$ 720.00	\$ 292.50	\$ -	\$ -	\$ <b>1,012.50</b>

**5300 Basic Services**

Prepared July claims. Staffed office during the time period. Website updates. Coordinate with legal counsel regarding contract amendment. EO coordinated with County regarding the RDA Oversight Board special district member election; Clerk prepare mailings.

**6200 Bookkeeping (Other Services)**

Compiled claims for Commissioner review and approval at next regular meeting. Entered claims into Quickbooks and prepared checks for claims to be authorized by Chair, with ratification at August 6th meeting. Reviewed claims, bank records, etc. Quickbooks reconciliation.

**7501 Sphere of Influence Updates**

None

**7001 Municipal Service Reviews**

None

**Notes:**

\* Plus administrative fee of 5% for subconsultant labor

**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:

7/15/2018

*Payment due by the 15th of next month*

*In Reference To:* CLIENT CODE: MENDO-01

**Professional Services**

	<u>Hours</u>	
6/18/2018 PSB Legislative Committee Meeting re: AB 2258 (Time split evenly between all LAFCo clients)	0.30	
6/20/2018 PSB Review multiple emails and respond (Time split evenly between all LAFCo clients).	0.15	
6/21/2018 PSB Review email from Umma	0.50	
7/12/2018 PSB Work on Planning Committee for CALAFCo Conference (Time split evenly between all LAFCo clients).	0.15	
	<hr/>	
SUBTOTAL:	[ 1.10 ]	
		<hr/>
<b>Total Professional Hours</b>	1.10	<b>Amount</b>
Per Representation Agreement, flat fee of \$600/month.		\$600.00
<b>Previous balance</b>		\$600.00
 <b><u>Payments and Credit Activity</u></b>		
7/12/2018 Payment - Thank You. Check No. 1375		(\$600.00)
		<hr/>
<b>Total payments and adjustments</b>		(\$600.00)
		<hr/>
<b>TOTAL BALANCE NOW DUE</b>		<b>\$600.00</b>
		<hr/> <hr/>

CLIENT CODE: MENDO-01

*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**  
**Staff Report**

DATE: August 6, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **Pehling & Pehling, CPA Contract for FY 2017-18 Audit Services**

---

**RECOMMENDATION**

1. The Commission approve the Pehling & Pehling, CPAs proposal for preparation of the fiscal year 2017-18 financial audit and authorize the Chair to sign the attached proposal; or
2. Provide direction to staff.

**BACKGROUND**

A proposal from Pehling & Pehling, CPA for the fiscal year 2017-18 financial audit is provided for the Commission's consideration. The proposal is for \$3,100, which is consistent with the fiscal year 2018-19 budget allocation for the audit. The contract would require an upfront payment of \$1,550 to initiate the audit, with a final payment of \$1,550 upon receipt of the final audit. If approved, the initial payment to start the audit will be included in the September 2018 claims.

The Executive Committee has discussed the upcoming audit and recommends Pehling & Pehling, CPAs for preparation of the fiscal year 2017-18 audit. If approved, this will be the fifth consecutive year for Pehling & Pehling, CPAs to perform audit services for Mendocino LAFCo. It is anticipated that a solicitation for audit services will be released in spring 2018 for the following fiscal year(s).

Attachment: Pehling & Pehling, CPAs proposal for 2017-18 audit services



June 28, 2018

Mendocino LAFCO  
200 S School St  
Ukiah, CA 95482

Dear Board:

We are pleased to confirm our understanding of the services we are providing for Mendocino LAFCO for the year ended June 30, 2018,. We will audit the Statement of Net Position, Statement of Activities and where applicable the Statement of Revenues, Expenditures, and Change in Fund Balance, Balance Sheet and Statement of Cash Flows of Mendocino LAFCO as of and for the year ended June 30, 2018,.

Accounting standards generally accepted in the United States of America call for certain required supplementary information (RSI) to accompany the basic financial statements. The Governmental Accounting Standards Board also considers this information a necessary part of financial reporting as it provides perspective to the basic financial statements. Therefore, as part of this engagement, we will apply limited procedures to Mendocino LAFCO's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will primarily consist of inquiries of management regarding their methods of measurement and presentation. However, we will not express an opinion or provide any assurance on this RSI as our limited procedures do not provide us with sufficient evidence to do so under our professional standards. Consequently, the financial statements we present to you will include the following required RSI that will not be audited and, as such, our report will disclaim an opinion on this RSI:

- Management's Discussion and Analysis

We also understand that supplementary information other than RSI will accompany Mendocino LAFCO's basic financial statements. In accordance with auditing standards generally accepted in the United States of America, we will apply auditing procedures and other additional procedures deemed necessary to the following supplementary information accompanying the basic financial statements in order to provide an opinion on this information in relation to the financial statements as a whole.

**Objective**

The objective of our audit is the expression of an opinion about whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the additional supplementary information referred to above when considered in relation to the financial statements taken as a whole.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards (GAAS). Our professional standards as defined by GAAS require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. As such, our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Mendocino LAFCO and other procedures we consider necessary. The procedures we determine necessary will depend on our "auditor's" judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or form an opinion, we may disclaim an opinion or not issue a report.

- page 1 of 4 -



**Audit Procedures**

Our audit will involve performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and will include tests of the accounting records of Mendocino LAFCO and other procedures we consider necessary. The procedures we determine necessary will depend on our “auditor’s” judgment and will be based, in part, on our assessment of the risks of material misstatement of the financial statements, whether from errors, fraudulent financial reporting, misappropriations of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If we deem it appropriate, our procedures will also include tests of documentary evidence supporting the transactions recorded in the accounts, may include tests of the physical existence of inventories, and will include direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters. These representations will include acknowledging our assistance with the preparation of your financial statements, the supplementary information, and notes accompanying these documents, and that you have reviewed and approved these documents, approved their release, and that you have accepted responsibility for them.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS and Government Auditing Standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors that come to our attention, and we will inform you, or the appropriate level of management, of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

In making our risk assessments, we will consider internal controls relevant to the preparation and fair presentation of the Mendocino LAFCO's financial statements in order to design audit procedures that are appropriate in the circumstances. However, our audit procedures are not designed for the purpose of expressing an opinion on the effectiveness of your internal control. In accordance with our professional standards, we will communicate in writing to the appropriate level of management and those charged with governance matters concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of Mendocino LAFCO's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion. Management maintains the responsibility for identifying and ensuring that Mendocino LAFCO complies with applicable laws, regulations, contracts, and other agreements.

Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

Zach Pehling is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Pehling & Pehling CPA's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.



**Responsibilities of Management and Those Charged with Governance**

As part of our engagement, we may advise you about appropriate accounting principles and their application; however, the management of Mendocino LAFCO acknowledges and understands that the final responsibility for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America remains with you. This responsibility includes the financial statements, all accompanying information, and the representations that accompany them. As such, the management of Mendocino LAFCO is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Other management responsibilities include maintaining adequate records, selecting and applying accounting principles, and safeguarding assets.

By your signature below, you also acknowledge that the management of Mendocino LAFCO is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements, and all accompanying information, that are free from material misstatement, whether due to fraud or error. This responsibility includes the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Mendocino LAFCO and the respective changes in financial position and where applicable, cash flows, in conformity with accounting principles generally accepted in the United States of America. In addition, management is also responsible for having appropriate programs and controls in place to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the organization that involves management, employees who have significant roles in internal control, regulators, and others where fraud could have a material impact on the financial statements. The management of Mendocino LAFCO is also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting Mendocino LAFCO received in communications from employees, former employees, regulators, or others. In addition, you are responsible for identifying and ensuring that the Mendocino LAFCO complies with applicable laws and regulations and for taking timely and appropriate actions to remedy any fraud, illegal acts, or violations of contracts and agreements. You agree that you will confirm your understanding of your responsibilities as defined in this letter to us in your representation letter.

Management is also responsible for the preparation and fair presentation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree that you will confirm your understanding of your responsibilities with respect to the supplementary information in your representation letter. You further agree to include our report on the supplementary information in any document that contains and indicates that we have reported on such supplementary information.

Management’s responsibilities also include designating qualified individuals with the necessary expertise to be responsible and accountable for overseeing all the nonattest services we perform as part of this engagement, as well as evaluating the adequacy and results of those services and accepting responsibility for them.

You further acknowledge and understand that management is responsible for providing us with access to all information management is aware of that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters; for the accuracy and completeness of the information that is provided to us; and for informing us of events occurring or facts discovered subsequent to the date of the financial statements that may affect the financial statements. This responsibility also includes providing us with any additional information that we may request from management for the purpose of the audit; as well as allowing us unrestricted access to individuals within the organization from whom we may determine it necessary to obtain audit evidence, including access to your designated employees who will type all confirmations we request.



**Written Report**

We expect to issue a written report upon completion of our audit of Mendocino LAFCO's financial statements. Our report will be addressed to the Board of Directors of Mendocino LAFCO. We cannot provide assurance that an unmodified opinion will be expressed on the financial statements. Circumstances may arise in which it is necessary for us to modify our opinion, add emphasis-of-matter or other-matter paragraphs, decline to express an opinion or withdraw from the engagement.

**Other Matters**

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, copies, and telephone calls), except that we agree that our gross fee, including expenses, will not exceed \$3100 for the audit for this contract. An initial deposit of \$1550 due at the beginning of the year and the remainder due at completion of the audit. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. 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 the additional costs.

It is our policy to keep records related to this engagement for 7 years. However, Pehling & Pehling CPAs does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the 7-year period Pehling & Pehling CPAs shall be free to destroy our records related to this engagement.

We appreciate the opportunity to be of service to Mendocino LAFCO and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

\_\_\_\_\_  
Pehling & Pehling CPAs

RESPONSE:

This letter correctly sets forth the understanding of Mendocino LAFCO.

APPROVED:

\_\_\_\_\_  
Mendocino LAFCO

\_\_\_\_\_  
Date



# 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: http://mendolafco.org

June 29, 2018

### COMMISSIONERS

**Gerald Ward, Chair & Treasurer**  
Public Member

**Carre Brown, Vice Chair**  
County Board of Supervisors

**Kevin Doble**  
Ukiah City Council

**Gerardo Gonzalez**  
Willits City Council

**John McCowen**  
County Board of Supervisors

**Theresa McNerlin**  
Ukiah Valley Sanitation District

**Tony Orth**  
Brooktrails Township CSD

**Scott Ignacio, Alternate**  
Point Arena City Council

**Dan Hamburg, Alternate**  
County Board of Supervisors

**Carol Rosenberg, Alternate**  
Public Member

**Jenifer Bazzani, Alternate**  
Ukiah Valley Fire District

### STAFF

**Executive Officer**  
Uma Hinman

**Analyst**  
Larkyn Feiler

**Commission Clerk**  
Elizabeth Salomone

**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

The Honorable Governor Edmund G. Brown, Jr.  
State of California  
State Capitol Building  
Sacramento, CA 95814

### **RE: Request to Sign AB 3254 Assembly Local Government Committee Omnibus Bill**

Dear Governor Brown:

The Mendocino Local Agency Formation Commission (LAFCo) respectfully requests that you **sign Assembly Bill 3254** (Assembly Local Government Committee), which is now before you for action. **AB 3254** makes changes and clarifications to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

This annual bill includes technical changes to the Act which governs the work of local agency formation commissions. 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 3254** makes several minor technical changes, corrects obsolete and incorrect code references, and makes minor updates to outdated sections. Without making any policy changes, the revised language greatly clarifies the laws and eliminates outdated and confusing language thereby creating a significant increase in the clarity of the Act for all stakeholders.

Because this legislation helps insure that the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state, and clearer to all who use the Act, we respectfully urge you to sign **AB 3254**.

Yours sincerely,



Uma Hinman, Executive Officer

ON BEHALF OF:  
Gerald Ward, Chair

cc: Honorable Cecilia Aguiar-Curry, Chair, Assembly Local Government Committee  
Jimmy MacDonald, Consultant, Assembly Local Government Committee  
Tom Dyer, Chief Deputy Legislative Secretary to the Governor  
Pamela Miller, Executive Director, CALAFCO

**MENDOCINO**  
**Local Agency Formation Commission**  
**Staff Report**

DATE: August 6, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Report on Mutual Water Companies in Mendocino County

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**STAFF RECOMMENDATION**

Commissioners are encouraged to discuss and provide feedback on the report. This includes providing direction to.

- a) Accept the report on Mutual Water Companies in Mendocino County, directing staff to post the report on the LAFCo website; or
- b) Provide direction to staff.

**BACKGROUND**

Assembly Bill (AB) 54 became effective January 1, 2012 and described new requirements for mutual water companies' cooperation with LAFCo. "Mutual water companies" are private corporations organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes or for domestic use. Until AB 54 became effective, mutual water companies were completely outside the purview of LAFCo.

Mutual water companies are organized under California Corporations Code 14300, regulated under the US EPA Safe Drinking Water Act, report to LAFCo's, and operate under a local, state, and federal rules and regulations. They are private organizations owned and controlled by their customers, and are often formed in connection with real estate subdivisions, and some operate through the organization of a homeowners' association. In California, there are approximately 1,200 mutual water companies, of which approximately 1,100 operate as water-specific organizations and 100 perform multiple functions as homeowners' associations.

AB 54 subjects mutual water companies to a broad range of regulation by LAFCo. Traditionally, LAFCo's have provided limited oversight of local government entities that provide water service, while the California Public Utilities Commission (CPUC) has comprehensively regulated the operations of investor-owned utilities. Mutual water companies have typically not been regulated by either of those agencies, although they have been subject to regulation by the California Department of Public Health if they operate a public water system, the California Department of Real Estate if they are formed to serve a residential subdivision, and the California State Water Resources Control Board related to water rights.

LAFCo's authorities relating to mutual water companies include the following:

- Corporations Code § 14301.1 requires that each mutual water company submit to the LAFCo for its county a map showing its service area by December 31, 2012. In addition, a mutual must respond to a request for non-confidential information from a LAFCo in conjunction with that agency's preparation of a municipal service review or sphere of influence. The statute does not require the mutual to undertake a new study or investigation, but merely turn over information already generated. It also does not require a mutual to disclose information about shareholders, such as their names, addresses or water usage.
- Government Code § 56375(r) grants authority to a LAFCo to approve the annexation of a mutual water company's service area to a city or special district. This provision does not insulate a city or district from having to pay just compensation for any mutual water company property taken by eminent domain, including, apparently, any compensation due under the Service Duplication Law (Cal. Pub. Util. Code §§ 1501 *et seq.*).
- Government Code § 56430(c) and (d) allows a LAFCo conducting a municipal service review to investigate whether a mutual water company that operates a public water system is in compliance with the federal and state Safe Drinking Water Acts. This new power overlaps with the existing jurisdiction of the Department of Public Health over public water systems.

In response to the enactment of AB 54, staff has prepared a profile report on mutual water companies currently operating in Mendocino County. The profile report largely draws on information provided by the affected mutual water companies – most of whom provided the Commission with details of their service areas – and supplemented by information obtained from state and federal oversight agency websites. The profile report includes boundary maps along with baseline service information, such as formation dates, supply sources, and estimated service populations.

In order to fulfill the State mandate, staff, to the best of their ability, identified and created a list of mutual water companies located in Mendocino County, with assistance from the County Environmental Health Division and the Drinking Water Division of the State Water Resources Control Board. The threshold used in identification of mutual water companies was 15 service connections or more. LAFCo then sent a letter to over 19 mutual water companies requesting their cooperation and assistance in providing information. The letter included a survey, as well as a copy of the AB 54 legislation.

Twelve of the 19 mutual water companies identified responded to LAFCo's request for information and maps (Table 2-1). Seven companies did not respond to the information request, including the Gualala Mutual Water Company, which submitted attorney correspondence that they were not subject to AB 54. Additionally, a number of mutual water companies were identified that are listed inactive on the State Water Resources Control Board Drinking Water website. Profiles were not completed for inactive mutual water companies; however, they have been listed here for tracking purposes should they become active in the future.

<b>Mutual Water Company Response Record</b>				
<b>Mutual Water Company</b>	<b>Status</b>	<b>Response Received</b>	<b>No. Connections</b>	<b>Estimated Service Population</b>
Albion Mutual Water Company	Active	Yes	28	30
Big River Vista Mutual Water Company	Active	Yes	19	
Branscomb Mutual Water Company	Active	Yes	18	100
Caspar South Service Company	Active	Yes	102	
Dos Rios Mutual Water Company	Active	Yes	24	21
Gualala Mutual Water Company	Active	No	--	--
Henry Station Mutual Water Company	Active	No	--	--
Hills Ranch Mutual Water Company	Active	Yes	45	60
Lake View Mutual Water Company	Active	No	28	90
Meadow Estates Mutual Water Company	Active	No	36	85
Pine Mountain Mutual Water Company	Active	Yes	128	300
Point Arena Water Works, Inc.	Active	No	194	n/a
Point of View Mutual Water Company	Active	Yes	29	50
River Estates Mutual Water Corporation	Active	Yes	82	250
Rogina Water Company	Active	Yes	985	3500
Seafair Road & Water Company	Active	Yes	32	n/a
Surfwood Mutual Water Corporation	Active	Yes	160	

Staff conducted research through telephone calls, e-mail inquiries, and internet resources in attempt to make contact and complete the profiles. In addition to survey responses from mutual water companies, water system information for this report was obtained from the California State Water Resources Control Board’s Safe Drinking Water Information System website (<https://sdwis.waterboards.ca.gov>). Ultimately, 15 mutual water companies were included in the profile report.

Existing mapping was provided by Mendocino County Information Systems GIS for those mutual water companies for which data was available. However, not all mutual water companies had maps on file with the County; no new maps were prepared for this report. An administrative draft of the report sections and available maps were provided to each of the mutual water companies for review and comment, and revisions made as appropriate. Two companies identified inconsistencies in the County’s mapping and those have been referred to County GIS for coordination.

Consistent with the legislative intent of AB 54, staff will post a copy of the profile report on the Commission’s website. Moving forward, staff will include mutual water company information in municipal service reviews and sphere of influence updates for water services providers so as to portray a more comprehensive overview of water provision in a region.

Attachment: Draft Mutual Water Companies in Mendocino County report

**DRAFT**

# **MUTUAL WATER COMPANIES IN MENDOCINO COUNTY**

Prepared in Accordance with Assembly Bill 54

**MENDOCINO LAFCO**

200 South School Street  
Ukiah, California 95482

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

August 2018

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# 1 INTRODUCTION

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## 1.1 LOCAL AGENCY FORMATION COMMISSIONS

Local Agency Formation Commissions (LAFCo) 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.

### 1.1.1 REGULATORY RESPONSIBILITIES

LAFCO's principal regulatory responsibility includes approving or disapproving all jurisdictional changes involving the establishment, expansion, and reorganization of cities and special districts within their jurisdictions. LAFCos are also provided broad discretion to condition jurisdictional changes as long as they do not directly regulate land use, property development, or subdivision requirements. LAFCos generally exercise their regulatory authority in response to applications submitted by local agencies, landowners, or registered voters. Recent amendments to CKH, however, now empower and encourage LAFCOs to initiate on their own jurisdictional changes to form, merge, and dissolve special districts consistent with current and future community needs.

### 1.1.2 PLANNING RESPONSIBILITIES

LAFCOs inform their prescribed regulatory actions through two central and interrelated planning responsibilities: (a) making sphere of influence (SOI) determinations and (b) preparing municipal service reviews (MSR). 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, and is prepared to inform SOI determinations. An 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). SOI 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.

### 1.1.3 STUDY RESPONSIBILITIES

The Legislature has directed LAFCO since its inception to prepare and make available studies contributing towards the appropriate development of local agencies and their municipal services to advantageously address the present and future needs of local communities. LAFCOs are afforded broad discretion in exercising their study responsibilities with occasional direction by the Legislature to condition certain topics of statewide interest. Standing examples of this latter direction have included evaluating



governance alternatives, review the need for municipal services in unincorporated areas, identifying and protecting prime agricultural lands, and the relationship between local growth management and environmental justice. More recently, the Legislature has assigned increasing responsibilities to LAFCoS to consider the role and provision of private water services within their respective counties as it relates to supporting growth and development.

## **1.2 ASSEMBLY BILL 54 - MUTUAL WATER COMPANIES**

With the preceding context in mind, the Legislature enacted a series of amendments to various statutes, CKH included, to establish formal reporting relationships between LAFCoS and mutual water companies; the latter representing entities formed as general or non-profit corporations that provide domestic water service only to owners of its shares and appurtenant to specified lands. This legislation was enacted by AB 54 for the explicit purpose of improving mutual water companies' accountability to the public and requires these entities to file maps of their service areas with LAFCoS by December 31, 2012. The legislation also requires mutual water companies to provide service information to LAFCoS as requested, along with board members completing mandatory training.

### **1.2.1 MUTUAL WATER COMPANIES IN MENDOCINO COUNTY**

In accordance with meeting the legislative intent of AB 54, this report identifies and provides basic background information concerning existing mutual water companies operating in Mendocino County. Staff has incorporated the expanded definition for mutual water companies provided under the legislation in identifying and contacting each entity for purposes of establishing formal lines of communication going forward. The following summarizes some statistics for mutual water companies within the County:

- There are 17 mutual water companies currently operating in Mendocino County that provide domestic water service. Additionally, there are numerous small, private water companies that do not meet the defining criteria for inclusion in this report.
- The majority of local mutual water companies were formed in the 1960s.
- The oldest local mutual water company currently operating is Dos Rios Mutual Water Company, formed in 1913.
- The newest local mutual water company currently operating is Point Arena Water Works, Inc., formed in 1990.
- All except one mutual water company (Point Arena Water Works, Inc.) are located in the unincorporated area.
- Local mutual water companies are dependent on surface and groundwater sources for their supply.
- The largest local mutual water company is Rogina Water Company with an estimated service population of 985 (3,500 with fire hydrants) east of the City of Ukiah.
- The smallest mutual water company is Big River Mutual Water Company with 19 service connections; located south of the town of Mendocino.

Maps and basic service information for each local mutual water company are provided in the following section in alphabetical order. This documentation has been prepared by LAFCo staff with opportunities for each mutual water company to provide feedback. Any further revisions identified will be incorporated into a subsequent reports.

## 2 MUTUAL WATER COMPANY PROFILES

In order to fulfill the State mandate, staff, to the best of their ability, identified and created a list of mutual water companies located in Mendocino County, with assistance from the County Environmental Health Division and the Drinking Water Division of the State Department of Public Health. LAFCo then sent a letter to over 19 mutual water companies requesting their cooperation and assistance in providing information. The letter included a survey, as well as AB 54 legislation.

Twelve of the 19 mutual water companies identified responded to LAFCo’s request for information and maps (Table 2-1). Seven companies did not respond to the information request. Additionally, a number of companies were identified that are listed inactive on the State Water Resources Control Board Drinking Water website. Profiles were not completed for inactive mutual water companies; however, they have been listed here for tracking purposes should they become active in the future.

<b>Table 2-1 Mutual Water Company Response Record</b>		
<b>Mutual Water Company</b>	<b>Status</b>	<b>Response Received</b>
Albion Mutual Water Company	Active	Yes
Bel Arbres Mutual Water Company	Inactive	No
Big River Vista Mutual Water Company	Active	Yes
Branscomb Mutual Water Company	Active	Yes
Caspar South Service Company	Active	Yes
Dos Rios Mutual Water Company	Active	Yes
North Gualala Mutual Water Company	Active	No (refused as per Company legal advice)
Henry Station Mutual Water Company	Active	No
Hills Ranch Mutual Water Company	Active	Yes
Lake View Mutual Water Company	Active	No
Meadow Estates Mutual Water Company	Active	No
Pacific View Mutual Water Company	Inactive	No
Pine Mountain Mutual Water Company	Active	Yes
Point Arena Water Works, Inc.	Active	No (limited response)
Point of View Mutual Water Company	Active	Yes
River Estates Mutual Water Corporation	Active	Yes
Rogina Water Company	Active	Yes
Seafair Road & Water Company	Active	Yes
Surfwood Mutual Water Corporation	Active	Yes

Staff conducted research through telephone calls, e-mail inquiries, and internet resources in attempt to make contact and complete the profiles. In addition to survey responses from mutual water companies, water system information for this report was obtained from the California State Water Resources Control Board’s Safe Drinking Water Information System website (<https://sdwis.waterboards.ca.gov>). Ultimately, 15 mutual water companies were included in this report.

Existing mapping was provided by Mendocino County Information Systems GIS for those mutual water companies for which data was available. However, not all mutual water companies had maps on file with

the County; no new maps were prepared for this report. An administrative draft of the report sections and available maps were provided to each of the mutual water companies for review and comment, and revisions made as appropriate.

## 2.1 ALBION MUTUAL WATER COMPANY, INC.

<b>Main Contact:</b>	Philip Brown, Treasurer
<b>Phone Number:</b>	530-219-4253
<b>Mailing Address:</b>	PO Box 485, Albion, CA 95410
<b>Email:</b>	pl.brown50@gmail.com
<b>Website:</b>	None
<b>Date of Formation:</b>	1978
<b>Type of services provided:</b>	Residential drinking water
<b>Service area in acres:</b>	10 (approximate)
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300502 <sup>1</sup>

### Services and Governance

The Albion Mutual Water Company currently has 28 service connections and provides residential drinking water to approximately 30 full time residents. Average service fees range between \$41 and \$60 per month. The Company has two active wells (East and West Wells) and owns and/or maintains approximately 0.8 miles of pipeline and no additional infrastructure. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Albion Mutual Water Company's governing board consists of five elected members with one year terms. There are no restrictions to the number of terms a member can serve. Stakeholders meet annually at the Whitesboro Grange. The Company has no employees though does contract for water master and bookkeeping services. Additionally, Board members assist with administrative and operational responsibilities.

### Planning

In order to make decisions about future services and infrastructure needs, the MWC relies upon consumer confidence reports, water quality reports, company budget, and distribution system tracking sheets. Challenges identified by the Company include water availability and water quality. To prepare for such challenges, the Company indicated that it is monitoring water supplies and building reserves for capital improvements.

### Compliance

The Safe Drinking Water Information System lists no current violations and none within the past ten years. The United States Environmental Protection Agency has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>2</sup>. The Albion Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and provided feedback on the administrative draft. An inconsistency in mapping between the Company and County GIS was identified, which has been referred to the entities for resolution.

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<sup>1</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2865&tinwsys\\_st\\_code=CA&counter=0](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2865&tinwsys_st_code=CA&counter=0)

<sup>2</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300502&state=CA&source=Ground%20water&population=40&vs\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300502&state=CA&source=Ground%20water&population=40&vs_num=0)

**AMWC SERVICE AREA - 1/01/2017**

**Legend**  
Boundary Service Area



## 2.2 BIG RIVER VISTA MUTUAL WATER COMPANY

<b>Main Contact:</b>	Pat Green
<b>Phone Number:</b>	707-937-5572
<b>Address:</b>	PO Box 708, Mendocino, CA 95460, no office
<b>Email:</b>	pat.green221@gmail.com
<b>Website:</b>	None
<b>Date of Formation:</b>	1968 (approximate)
<b>Type of services provided:</b>	Residential drinking water and residential garden irrigation
<b>Service area in acres:</b>	13 (approximate)
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300596 <sup>3</sup>

### Services and Governance

The Big River Vista Mutual Water Company provides residential drinking water and residential garden irrigation to 19 service connections. The Company has the capacity to serve 5 additional houses on 35 acres directly north of its current service area, which may increase the total of properties served to 24 in the future. Average service fees range between \$81 and \$100 per month. The Company owns and maintains one active well and approximately two miles of pipeline. In addition, the Company owns a well pump, water storage tank and pump, tank liner, treatment building, water treatment equipment, distribution valves, customer meters, and three standpipe hydrants. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Big River Vista Mutual Water Company's governing board currently consists of five elected members with one year terms. The Company noted their articles of incorporation state there shall be a minimum of three elected board members. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually in the town of Mendocino. The Company has no employees and contracts for water master services, with volunteer Board members sharing administrative and operational responsibilities. It was noted the Board members attend a Rural Community Assistance Cooperation (RCAC) training every two years.

### Planning

In order to make decisions about future services and infrastructure needs, the Big River Vista Mutual Water Company relies upon consumer confidence reports, water quality reports, company budget, State water agency reports, and review of relevant laws and regulations. Within the next 20 years, the Company views infrastructure and financial constraints (replacement of major components like water tanks), State and local regulations and mandates, and drought as challenges. To prepare for future challenges, the Company stated that it develops an annual budget with reserves for equipment replacement. The Company is also developing a disaster recovery plan and discussing other options such as purchasing electric generators. When asked what public agencies could do to make it easier for the Company to address local service challenges, the Company suggested increasing the minimum number of connections threshold that triggers a mandated annual financial review (Cal. Corps Code 14306(b)).

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<sup>3</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2885&tinwsys\\_st\\_code=CA&wsnumber=CA2300596](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2885&tinwsys_st_code=CA&wsnumber=CA2300596)

## Compliance

The United States Environmental Protection Agency has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system.<sup>4</sup> The Big River Vista Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and provided feedback on the administrative draft. Additionally, the company provided an infrastructure list and the following illustrative map.

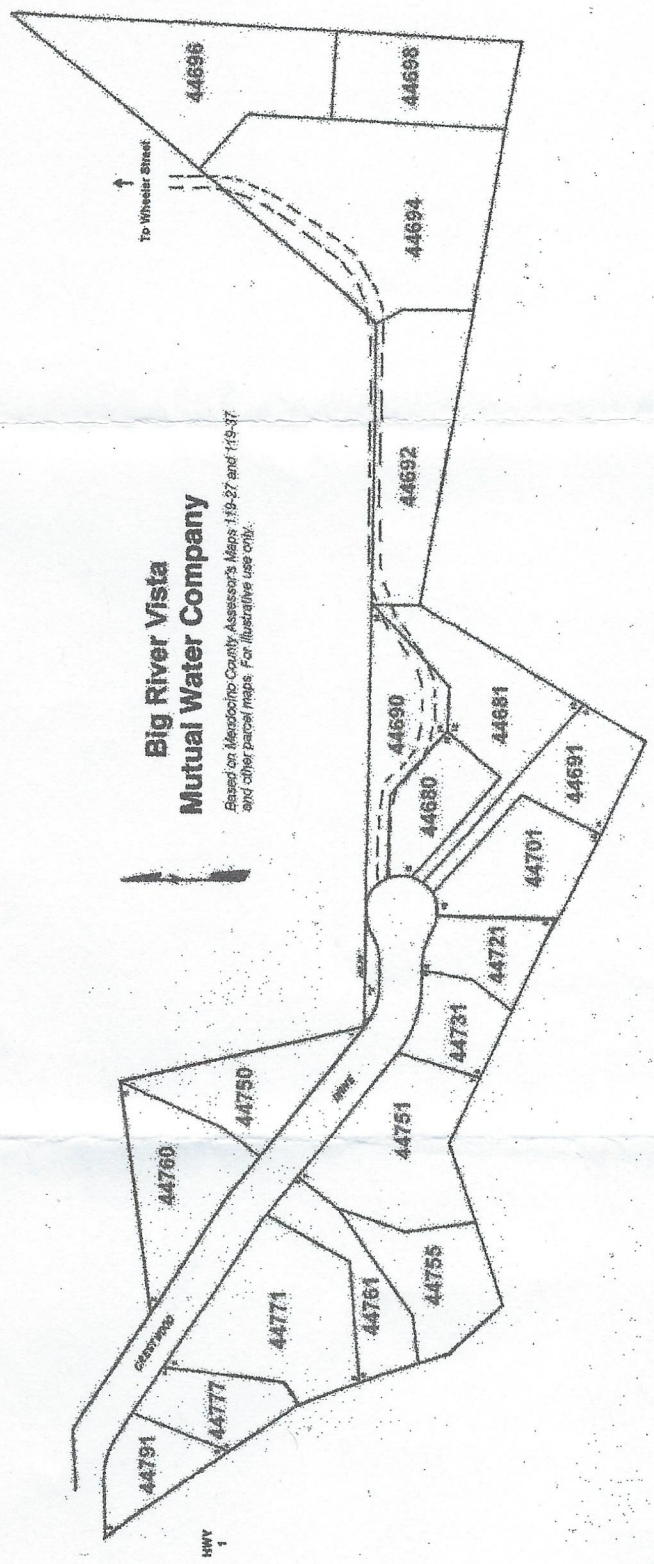
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4

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300596&state=CA&source=Ground%20water&population=36&sys\\_num=0#health=](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300596&state=CA&source=Ground%20water&population=36&sys_num=0#health=)

# Big River Vista Mutual Water Company

Based on Mendocino County Assessor's Maps 119-27 and 119-37  
and other parcel maps. For illustrative use only.



Big River  
& Big River State Park



## 2.3 BRANSCOMB MUTUAL WATER COMPANY

<b>Main Contact:</b>	Art Harwood
<b>Phone Number:</b>	707-984-6694
<b>Address:</b>	13270 Kenny Creek Road, Branscomb, CA 95417
<b>Email:</b>	artharwood@hughes.net
<b>Website:</b>	None
<b>Date of Formation:</b>	1983
<b>Type of services provided:</b>	Residential Drinking Water
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Surface water (GP spring)
<b>Drinking Water System No:</b>	CA2300663 <sup>5</sup>

### Services and Governance

The Branscomb Mutual Water Company currently has 18 service connections and provides residential drinking water to approximately 100 people. Average service fees range between \$61 and \$80 per month. The Company owns and maintains a surface water spring, approximately one mile of pipeline and a water purification system. The Company contracts with the Westport County Water District for a water plant operator.

The Branscomb Mutual Water Company's governing board consists of three elected members with unknown term lengths. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually at the law offices of Neary & O'Brien, 110 South Main Street, Willits, CA. The Company has no employees though does contract for water plant operator with Westport County Water District and bill collection with Neary & O'Brien Attorneys at Law.

### Planning

In order to make decisions about future services and infrastructure needs, the Branscomb Mutual Water Company relies upon consumer confidence reports and the Company budget. Within the next 20 years, the Company views infrastructure, state regulations and mandates, and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it is reorganizing. The Company reported it was "recently experiencing changes, which challenged its capacity to comply with reporting, sampling, etc.," but is working to "rectify the situation and get the Water Company on more stable footing."

### Compliance

The Safe Drinking Water Information System lists a number of monitoring violations, dated as recently as September 2017 with compliance achieved March 11, 2018. The United States Environmental Protection Agency (USEPA) notes a monitoring and reporting violation dated January 2009 with compliance achieved in April 2010.<sup>6</sup> The Branscomb Mutual Water Company provided a timely response to the initial LAFCo inquiry survey, though no maps were provided by the Company and none are on file.

Note: no map of Branscomb Mutual Water Company available.

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<sup>5</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2918&tinwsys\\_st\\_code=CA&wsnumber=CA2300663](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2918&tinwsys_st_code=CA&wsnumber=CA2300663)

<sup>6</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300663&state=CA&source=Surface%20water&population=92&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300663&state=CA&source=Surface%20water&population=92&sys_num=0)

## 2.4 CASPAR SOUTH SERVICE COMPANY

<b>Main Contact:</b>	Marlene Demery
<b>Phone Number:</b>	707-479-8880
<b>Address:</b>	PO Box 774, Mendocino, CA 95460
<b>Email:</b>	marlene@demeryandassoc.com
<b>Website:</b>	None
<b>Date of Formation:</b>	1960s
<b>Type of services provided:</b>	Residential drinking water
<b>Service area in acres:</b>	90 (approximate)
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300610 <sup>7</sup>

### Services and Governance

The Company currently provides residential drinking water to 102 service connections. The Company noted that most of the owners are part-time residents. Average service fees are more than \$100 per month. The Company owns and maintains 8 active wells, approximately 2.2 miles of distribution lines and a filtration system at the headworks. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

It was reported that the Caspar South Service Company's governing board is not currently functioning as intended and term lengths and restrictions are unknown. Stakeholders do not currently meet. The Company has no employees though does contract for administration, bookkeeping, water operations and plumbing repair services, with a receiver appointed by the Superior Court to handle the administrative and operational responsibilities.

### Planning

In order to make decisions about future services and infrastructure needs, the Caspar South Service Company relies upon consumer confidence reports, water quality reports, and the company budget. Within the next 20 years, the Company views state regulations and mandates as challenges. To prepare for future challenges, the Company has indicated that it continues to work with the State Water Resources Control Board staff on the implementation of reasonable regulations.

### Compliance

The Safe Drinking Water Information System lists no current violations and none within the past ten years. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>8</sup>. The Caspar South Service Company provided a timely response to the initial LAFCo inquiry survey; the following map was provided by the County GIS.

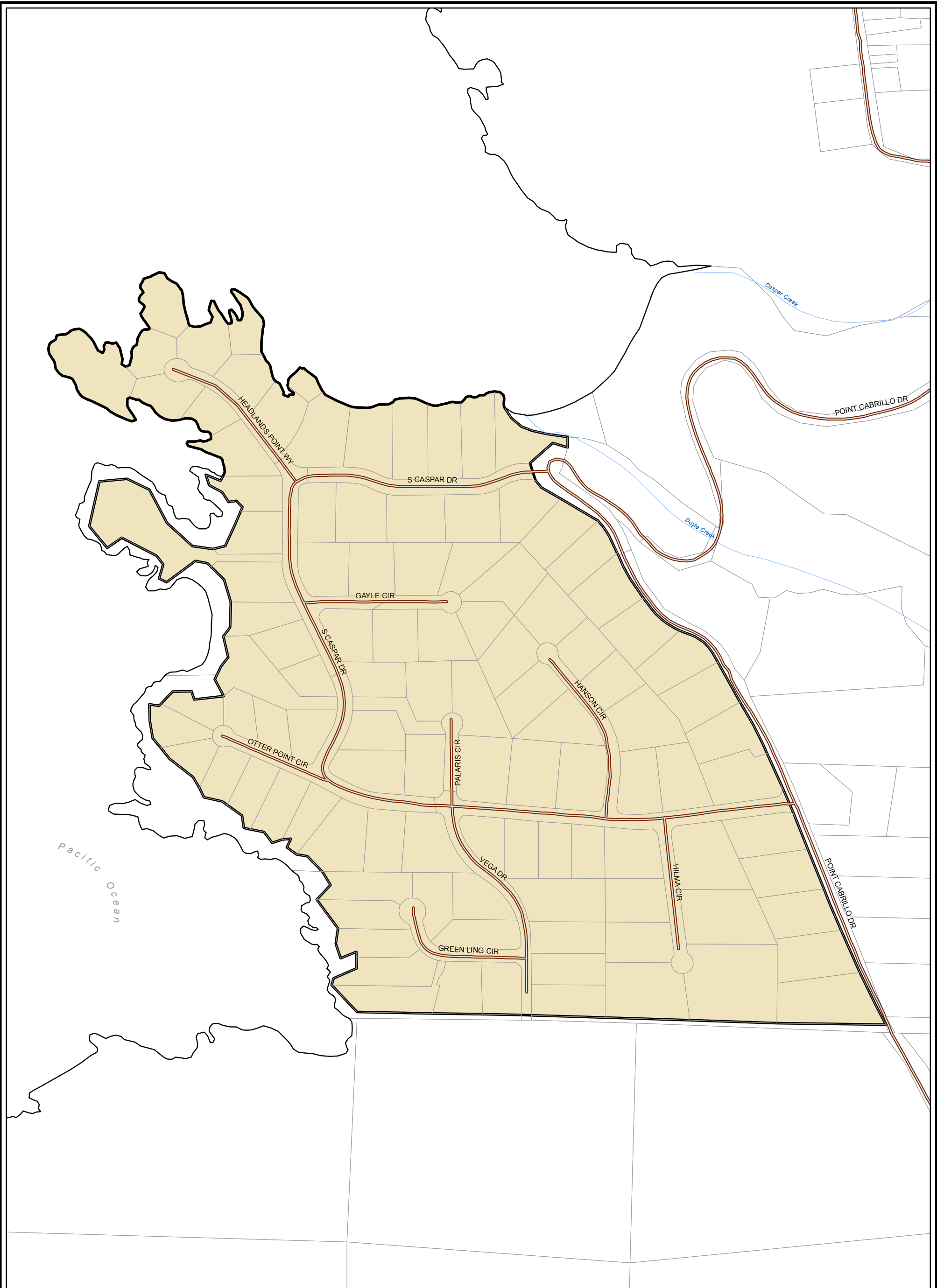
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<sup>7</sup>

[https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2893&tinwsys\\_st\\_code=CA&wsnumber=CA2300610](https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2893&tinwsys_st_code=CA&wsnumber=CA2300610)

<sup>8</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300610&state=CA&source=Ground%20water&population=188&sys\\_nu\\_m=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300610&state=CA&source=Ground%20water&population=188&sys_nu_m=0)



# Caspar South Service Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, March 2014.

Note: This map is not a survey product.

- Caspar South Service Company
- Parcels
- Roads
- Streams



## 2.5 DOS RIOS MUTUAL WATER COMPANY

<b>Main Contact:</b>	Greg Kanne
<b>Phone Number:</b>	707-983-6280
<b>Address:</b>	11801 Dos Rios Road, Dos Rios, CA 95429
<b>Email:</b>	doskannes@exede.net
<b>Website:</b>	None
<b>Date of Formation:</b>	1913
<b>Type of services provided:</b>	Residential drinking water
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300513 <sup>9</sup>

### Services and Governance

The Dos Rios Mutual Water Company currently has 24 service connections and provides residential drinking water to approximately 21 people. Average service fees range between \$41 and \$80 per month. The Company owns and maintains one well and approximately four to five miles of pipeline. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Dos Rios Mutual Water Company's governing board consists of five elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet yearly at the community mailboxes. The Company has no employees though does contract for general maintenance and repair services, with Board members sharing administrative and operational responsibilities.

### Planning

In order to make decisions about future services and infrastructure needs, the Dos Rios Mutual Water Company relies upon water quality reports and the company budget. Within the next 20 years, the Company views infrastructure needs and financial constraints as its greatest challenges. To prepare for future challenges, the Company has indicated that it conducts regular maintenance and repairs to the system.

### Compliance

The Safe Drinking Water Information System lists no violations for the Company. The USEPA has no record of the Dos Rios Mutual Water Company<sup>10</sup>. The Dos Rios Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and provided a water system layout map and the following map.

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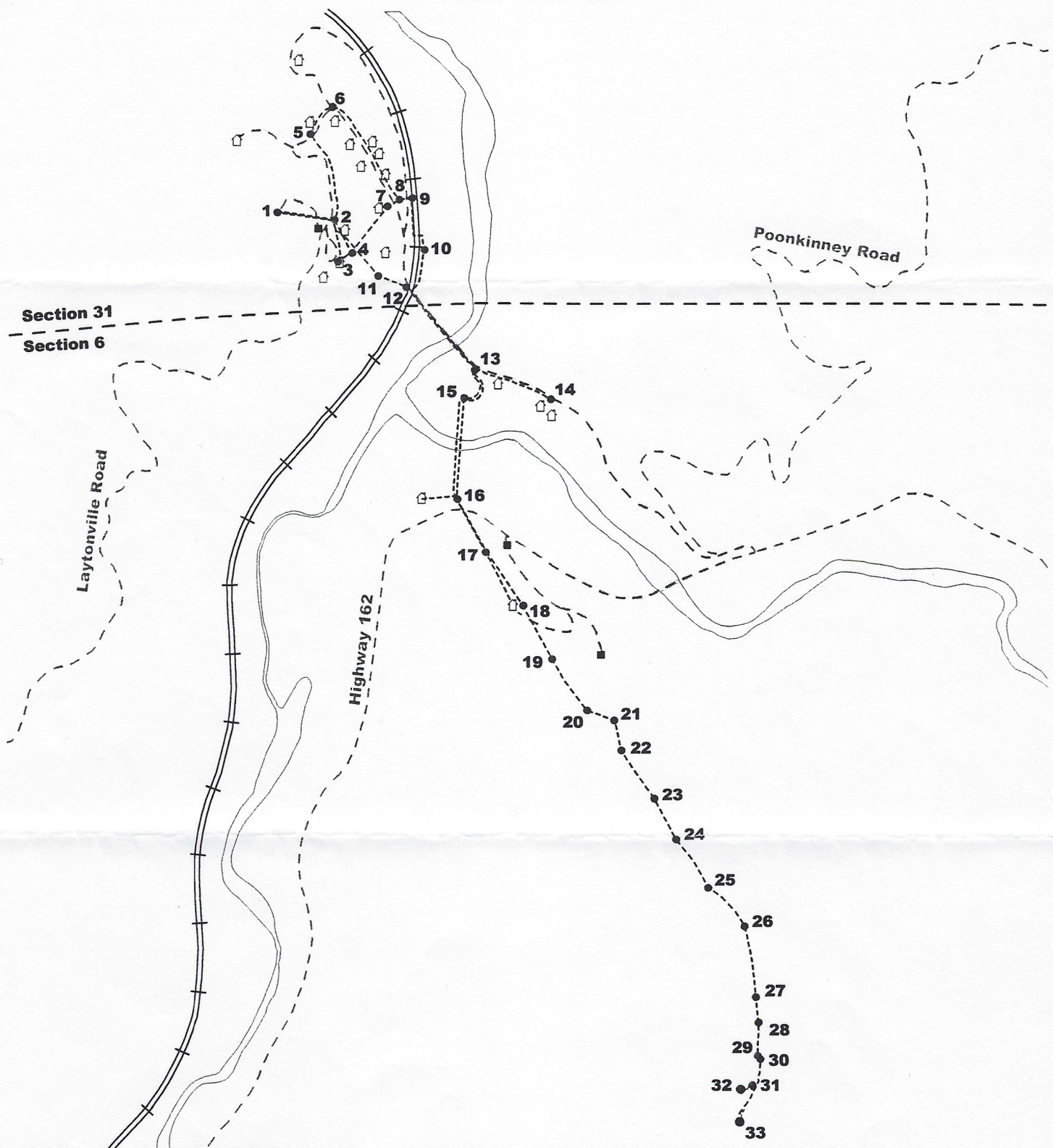
<sup>9</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2873&tinwsys\\_st\\_code=CA&wsnumber=CA2300513](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2873&tinwsys_st_code=CA&wsnumber=CA2300513)

<sup>10</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300513&state=CA&source=Ground%20water&population=0&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300513&state=CA&source=Ground%20water&population=0&sys_num=0)

Water System Layout  
 Section 6, T21N, R13W, MDB&M  
 Section 31, T22N, R13W, MDB&M  
 Dos Rios 7.5' USGS Quadrangle  
 40-foot contour interval  
 1 inch = 800 feet



- Water System Access Gate
- Water System User Residence
- GPSd Water System Feature
- Water System Spring
- Water System Distribution Pipeline
- Water System Main Pipeline
- Nonappurtenant Water System Road
- Appurtenant Water System Road



## 2.6 HILLS RANCH MUTUAL WATER COMPANY

<b>Main Contact:</b>	Jeffrey Stubbs, President/Secretary
<b>Phone Number:</b>	707-937-6026
<b>Address:</b>	PO Box 1360 Mendocino, CA 95960
<b>Email:</b>	jeffrystubbs@yahoo.com
<b>Website:</b>	None
<b>Date of Formation:</b>	1985
<b>Type of services provided:</b>	Residential Drinking Water & Fire Protection
<b>Service area in acres:</b>	40
<b>Water Source:</b>	Groundwater with right to tap surface water from Slaughterhouse Creek
<b>Drinking Water System No:</b>	CA 2300832 <sup>11</sup>

### Services and Governance

The Hills Ranch Mutual Water Company currently has 45 residential service connections and provides residential drinking water and fire protection water supply to approximately 60 people. It has one institutional service connection and provides drinking water and fire protection water supply to the Mendocino Fire Protection District. Average service fees range between \$81 and \$100 per month. The Company owns and maintains 4 active wells and approximately 2 miles of pipeline, a 200,000 gallon tank, and 3 chemical feed pumps. The Fire District owns a tank of 100,000 gallons capacity, which is operated by the Company as an integral part of its water supply system. In addition to providing water to the Fire District for fire protection the Company has in the past supported the school district when their water supply failed and the Town of Mendocino during a period of severe drought. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Hills Ranch Mutual Water Company's governing board consists of three elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually. The Company has no employees though does contract for water operator and bookkeeper services, with Board members sharing administrative responsibilities.

### Planning

In order to make decisions about future services and infrastructure needs, the Hills Ranch Mutual Water Company relies upon consumer confidence reports, water quality reports, firefighting needs, maintenance needs, and a reserve study prepared in 2010. Within the next 20 years, the Company views State and local regulations and mandates as its greatest challenges. In 2014 the Company was placed under the groundwater use regulations of Mendocino City Community Services District (MCCSD), which are susceptible to restrictions during time of droughts. The Company is exploring reactivation of its surface water sources in Slaughterhouse Creek as a means of resolution to the issue. A connection with the Surfwood Mutual Water Corporation is another possibility the Company is considering, as is a connection to a potential citywide water supply system should MCCSD undertake to develop one. Further challenges noted by the Company include improving water quality, upgrading their plant, installing an additional fire hydrant, responding to disasters such as earthquakes, and replacing tanks. To prepare for future

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<sup>11</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/Violations.jsp?tinwsys\\_is\\_number=2976&tinwsys\\_st\\_code=CA](https://sdwis.waterboards.ca.gov/PDWW/JSP/Violations.jsp?tinwsys_is_number=2976&tinwsys_st_code=CA)

challenges, the Company plans to reactivate two wells in Slaughterhouse Creek not presently in use, and is considering mergers with other companies, as well as using further training and use of consultants. The 2010 reserve study will be updated in the next year or so. The Company has about \$220,000 in financial reserves at present, sufficient to meet expected expenditures including tank replacement. Looking to the future, new customers will help cover meter fees. For this reason, the Company expects it will be able to operate over the foreseeable future without increasing fees.

When asked what public agencies should or could do to make it easier for the Company to address local service challenges, the Hills Ranch Mutual Water Company suggested that local public agencies, particularly MCCSD, conduct a study of the feasibility of a piped water supply system for the Town of Mendocino. It was recommended the study cover possible surface and groundwater sources and the potential for reuse of treated sewage effluent. Further, it was suggested the study examine the costs and benefits of action/inaction, and potential for coordination of existing small systems in the town.

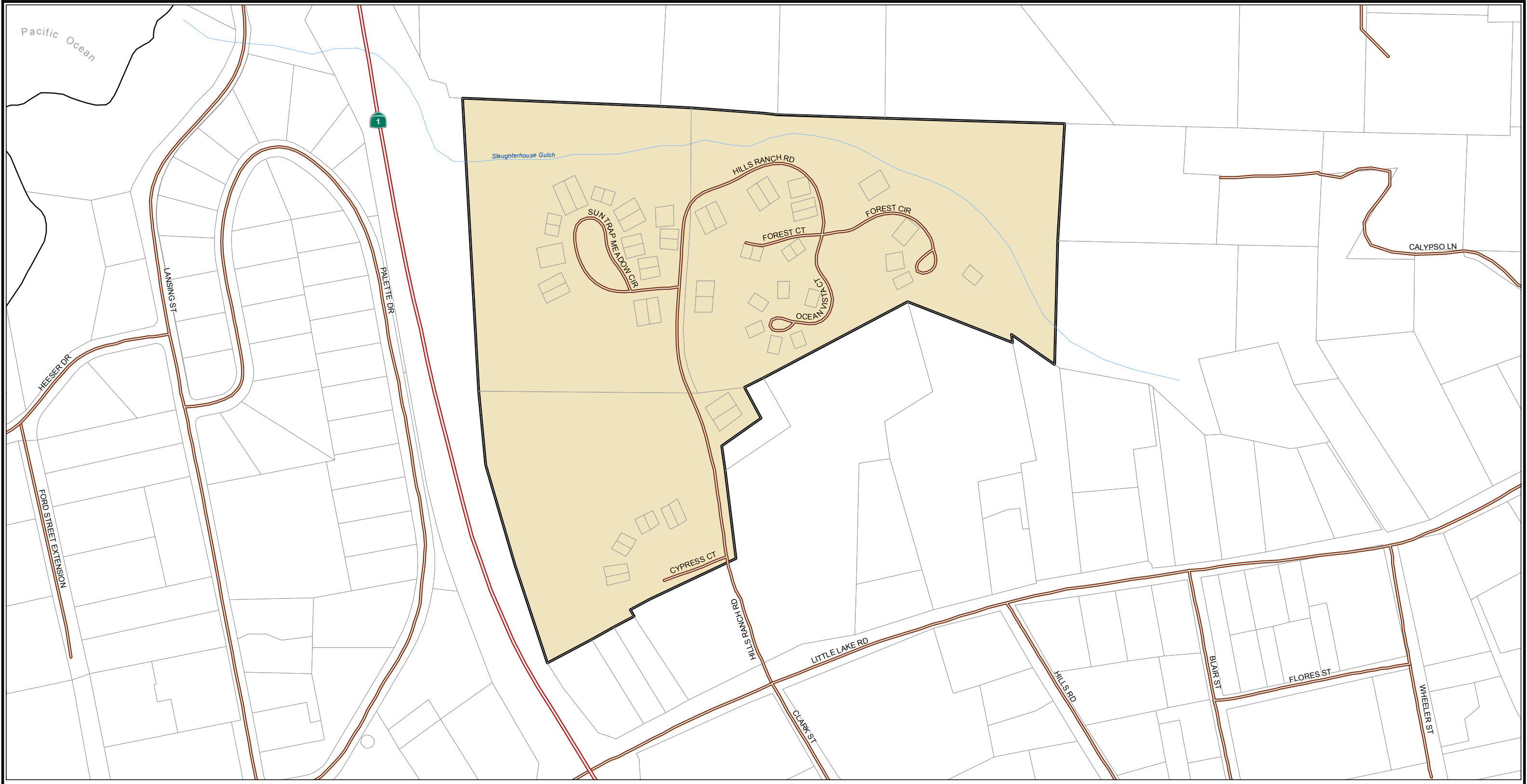
### **Compliance**

The Safe Drinking Water Information System lists no current violations and none within the past ten years. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>12</sup>. The Hills Ranch Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and confirmed the following County-prepared map.

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<sup>12</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300832&state=CA&source=Ground%20water&population=60&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300832&state=CA&source=Ground%20water&population=60&sys_num=0)

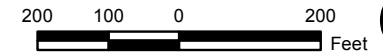


# Hills Ranch Mutual Water Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February, 2014.

Note: This map is not a survey product.

- Hills Ranch Mutual Water Company
- Parcels
- Highways
- Roads
- Streams





## 2.7 LAKE VIEW MUTUAL WATER COMPANY

<b>Main Contact:</b>	Unknown
<b>Phone Number:</b>	707-354-0545
<b>Address:</b>	4170 Richey Road, Ukiah, CA 95482
<b>Email:</b>	Unknown
<b>Website:</b>	Unknown
<b>Date of Formation:</b>	1979
<b>Type of services provided:</b>	Residential
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300606 <sup>13</sup>

### Services and Governance

The Lake View Mutual Water Company currently serves 28 connections and approximately 90 people. The Company owns and maintains three active wells.

### Planning

Unknown.

### Compliance

The Safe Drinking Water Information System lists several monitoring violations, the latest of which was dated 2017 with compliance achieved September 21, 2017. The USEPA notes a monitoring and reporting violation dated March 2017 with compliance achieved in September 2017<sup>14</sup>.

Notes: The Lake View Mutual Water Company did not respond to any LAFCo inquiries. No map of the Company was available.

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<sup>13</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2889&tinwsys\\_st\\_code=CA&wsnumber=CA2300606](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2889&tinwsys_st_code=CA&wsnumber=CA2300606)

<sup>14</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300606&state=CA&source=Ground%20water&population=90&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300606&state=CA&source=Ground%20water&population=90&sys_num=0)

## 2.8 MEADOW ESTATES MUTUAL WATER COMPANY

<b>Main Contact:</b>	Unknown
<b>Phone Number:</b>	707-895-2718
<b>Address:</b>	PO Box 64, Boonville, CA 94515
<b>Email:</b>	Unknown
<b>Website:</b>	Unknown
<b>Date of Formation:</b>	1979
<b>Type of services provided:</b>	Residential
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA23000506 <sup>15</sup>

### Services and Governance

The Meadow Estates Mutual Water Company currently provides 36 residential water connections to serve approximately 85 people. The Company owns and maintains three active wells.

### Planning

Unknown.

### Compliance

The Safe Drinking Water Information System lists several monitoring violations, the most recent occurring in 2009 with compliance achieved July 7, 2016. The USEPA notes a monitoring and reporting violation dated July 2008 with compliance achieved in July 2016<sup>16</sup>.

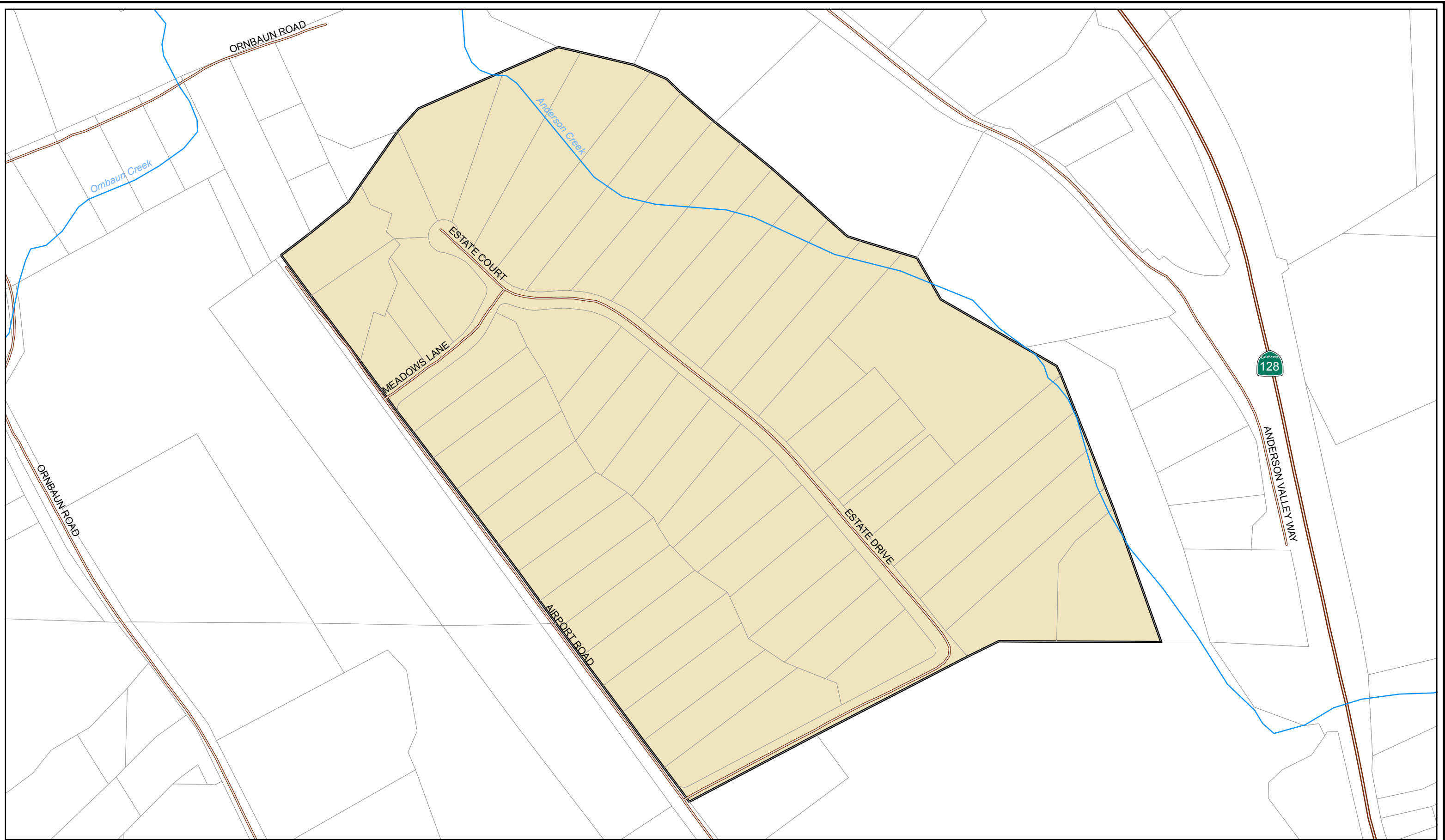
Note: the Meadow Estates Mutual Water Company did not respond to any LAFCo inquiries.

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<sup>15</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2869&tinwsys\\_st\\_code=CA](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2869&tinwsys_st_code=CA)

<sup>16</sup>

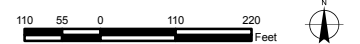
[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300506&state=CA&source=Ground%20water&population=85&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300506&state=CA&source=Ground%20water&population=85&sys_num=0)



# Meadow Estates Mutual Water Company

Source: This map was prepared by Mendocino County's Information Services GIS Program, May 2018.  
 Note: This map is not a survey product.

- Albion Mutual Water Company
- Parcels
- Highways
- Roads
- Streams



## 2.9 PINE MOUNTAIN MUTUAL WATER COMPANY

<b>Main Contact:</b>	Tom Walz
<b>Phone Number:</b>	707-459-5980
<b>Address:</b>	3800 Chinquapin Drive, Willits, CA 95490
<b>Email:</b>	twalz@wildblue.net
<b>Website:</b>	None
<b>Date of Formation:</b>	1964
<b>Type of services provided:</b>	Residential Drinking Water
<b>Service area in acres:</b>	650 acres (approximate)
<b>Water Source:</b>	Surface (Chinquapin Reservoir) and groundwater
<b>Drinking Water System No:</b>	CA2300591 <sup>17</sup>

### Services and Governance

The Pine Mountain Mutual Water Company currently has 128 service connections and provides residential drinking water to approximately 300 people. Average service fees range between \$61 and \$80 per month. The Company owns and maintains three active wells, the Chinquapin Lake Intake, approximately six miles of pipeline, and a pump station. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Pine Mountain Mutual Water Company's governing board consists of five elected members with two year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually at the Willits Library. The Company employs a water operator and contracts for accounting services.

### Planning

In order to make decisions about future services and infrastructure needs, the Pine Mountain Mutual Water Company relies upon consumer confidence reports, water quality reports, and the Company budget. Within the next 20 years, the Company views infrastructure, State and local regulations and mandates, and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it is undertaking planning and budgeting efforts. When asked what public agencies should or could do to make it easier for the Company to address local service challenges, the Company suggested grant money.

### Compliance

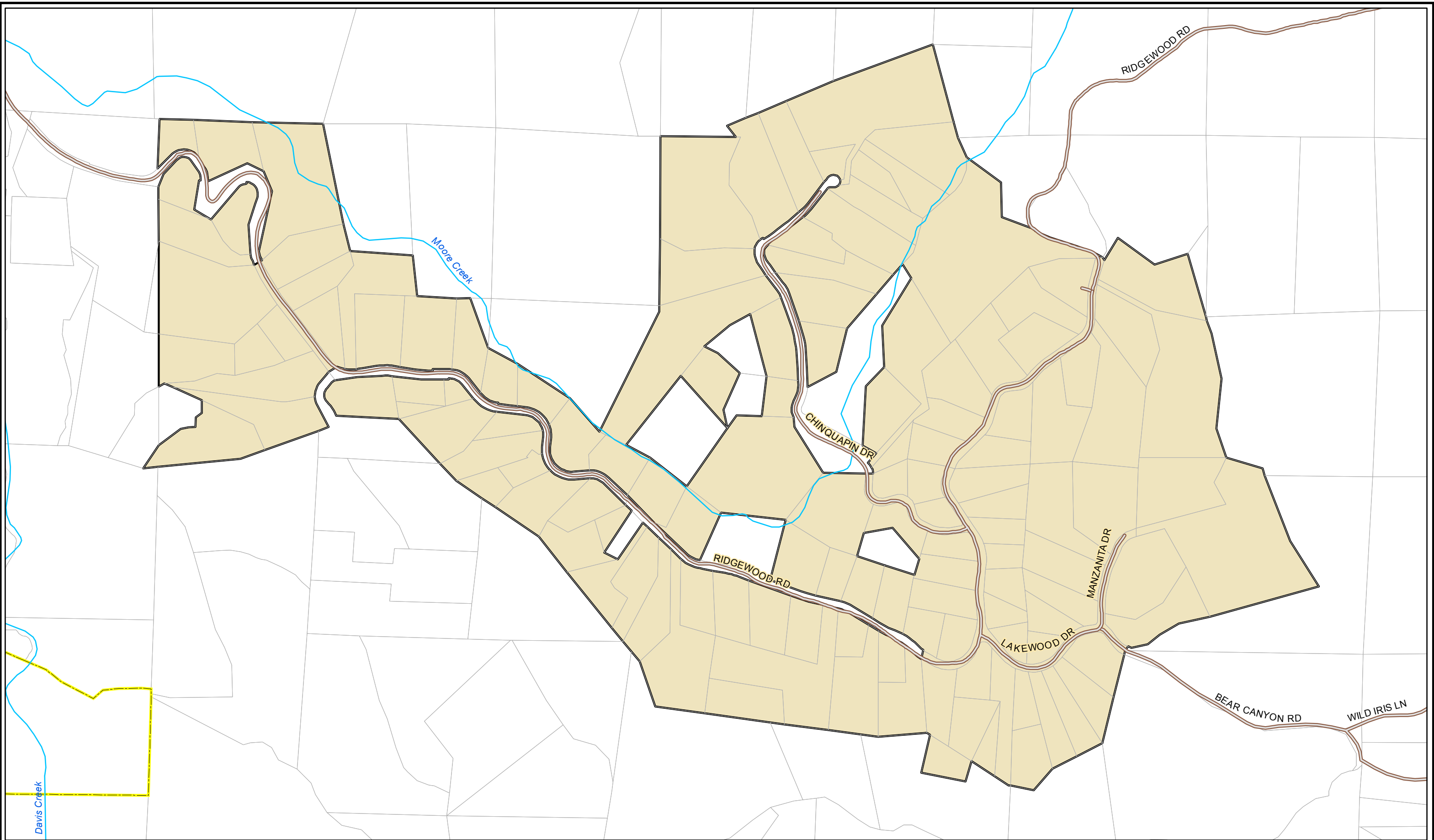
The Safe Drinking Water Information System lists the more recent monitoring violation dated 2013 with compliance achieved June 3, 2013. The USEPA notes one monitoring and reporting violation on record dated March 31, 2013, with compliance achieved July 6, 2016 for this water system<sup>18</sup>. The Pine Mountain Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and confirmed the following County-prepared map.

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<sup>17</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2884&tinwsys\\_st\\_code=CA&counter=0](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2884&tinwsys_st_code=CA&counter=0)

<sup>18</sup>

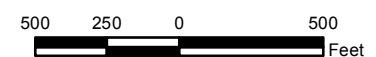
[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300591&state=CA&source=Surface%20water&population=310&sys\\_nu\\_m=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300591&state=CA&source=Surface%20water&population=310&sys_nu_m=0)



# Pine Mountain Mutual Water Company

Source: This map was prepared by the Mendocino County Division of Information Services, GIS Program, July 2018.  
 Service area boundary information was supplied by the Pine Mountain Mutual Water Company.  
 Note: This map is not a survey product.

- Pine Mountain Mutual Water Company
- City of Willits
- Parcels
- Roads
- Streams



## 2.10 POINT ARENA WATER WORKS, INC.

<b>Main Contact:</b>	Carla Sigman (Bill Hay, Owner)
<b>Phone Number:</b>	707-882-1696
<b>Address:</b>	PO Box 205, Point Arena, CA 95468 135 Hay Parkway, Pt Arena, CA 95468
<b>Email:</b>	paww@mcn.org
<b>Website:</b>	None
<b>Date of Formation:</b>	1990
<b>Type of services provided:</b>	Residential, Industrial, Commercial
<b>Service area in acres:</b>	Encompasses all of the City of Point Arena
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2310013 <sup>19</sup>

### Services and Governance

Point Arena Water Works, Inc. (PAWW) is a private water company that provides potable water within its service area, which coincides with the City of Point Arena jurisdictional boundary. PAWW is a Class D water utility, providing service to 132 residential users, 60 commercial users, and 2 industrial users. PAWW is under the jurisdiction of the California Public Utilities Commission (CPUC). The Garcia River is the primary water supply for the Company, which is collected via a 24-inch diameter well and a 12-inch well. Three secondary wells at Whiskey Shoals are also utilized. An average of 12,370 CCF (hundreds of cubic feet) are pumped each year, which is equivalent to 9.2 million gallons or 28.4 acre-feet per year. Average water usage is 87 gallons per residential customer per day, which is very low and indicates water conservation measures are in place.<sup>20</sup>

PAWW has a current application pending before the CPUC to renew its permit for up to 100 acre-feet of water per year; and a second application to add another 50 acre-feet to the allocation. Company storage facilities include a 285,000 gallon concrete tank and a 272,000 wooden tank. The water distribution system consists of approximately 46,000 lineal feet of pipe; primarily 6-inch, 8-inch and 12-inch, although some 2-inch and 4-inch lines are still in use. Currently, PAWW serves 193 customers, of which 130 are residential and 63 are commercial or industrial. All water services are metered.

Based on current water usage, PAWW appears to have capacity to serve another 492 customers, for a total of 685 water connections, under its current allocation of 100 acre-feet per year. Although PAWW's infrastructure is in relatively good shape, water storage and insufficient fire-flow problems were identified in a 2004 report, the "Water System Master Plan and Feasibility Analysis." Limitations on fire flow water occur in Zone 1 (the downtown area), which are attributed to 6-inch water lines. These lines will not be replaced until there are sufficient funds to do so.

### Planning

Unknown.

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<sup>19</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=3022&tinwsys\\_st\\_code=CA&wsnumber=CA2310013](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=3022&tinwsys_st_code=CA&wsnumber=CA2310013)

<sup>20</sup> William Hay, PAWW; personal communication, LAFCo City of Point Arena MSR <http://mendocofco.org/wp-content/uploads/2016/08/Point-Arena-City-of-Approved-2015-MSR.pdf>

## Compliance

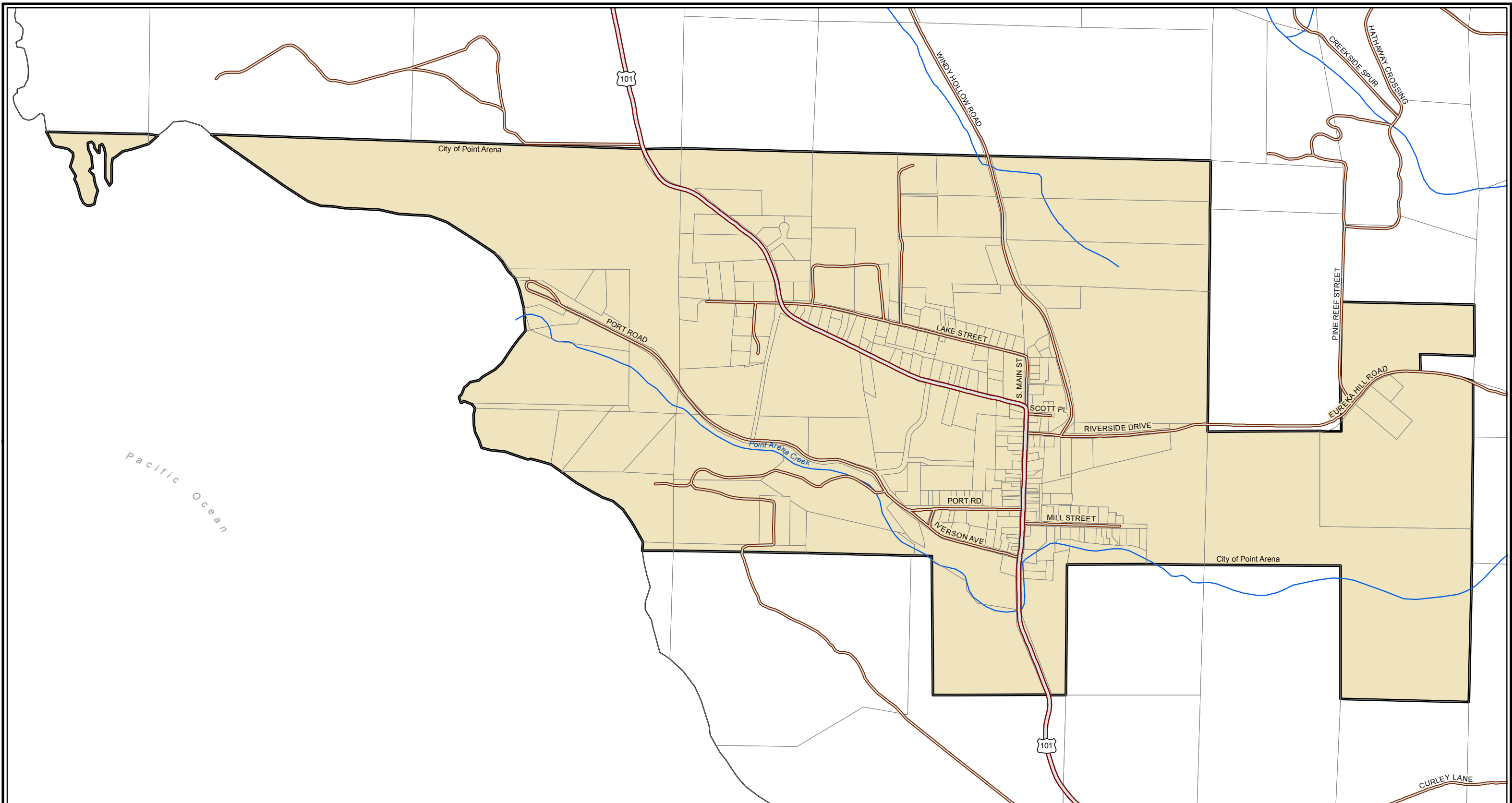
The Safe Drinking Water Information System lists no current violations and none within the last ten years<sup>21</sup>. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>22</sup>. Point Arena Water Works provided limited response to LAFCo's inquiries; the following map was provided by County GIS.

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<sup>21</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/Violations.jsp?tinwsys\\_is\\_number=3022&tinwsys\\_st\\_code=CA](https://sdwis.waterboards.ca.gov/PDWW/JSP/Violations.jsp?tinwsys_is_number=3022&tinwsys_st_code=CA)

<sup>22</sup>

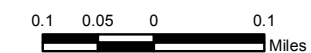
[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2310013&state=CA&source=Ground%20water&population=646&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2310013&state=CA&source=Ground%20water&population=646&sys_num=0)



# Point Arena Waterworks, Inc.

Source: This map was created by the Mendocino County Department of Information Services GIS Program, February 2014.  
 Note: This map is not a survey product.

- Point Arena Waterworks, Inc.
- Parcels
- Highway
- Roads
- Streams





## 2.11 POINT OF VIEW MUTUAL WATER COMPANY

<b>Main Contact:</b>	Chet Anderson
<b>Phone Number:</b>	707-937-1707
<b>Address:</b>	PO Box 573, Mendocino. CA, no office
<b>Email:</b>	mendochet@mcn.org
<b>Website:</b>	None
<b>Date of Formation:</b>	1965
<b>Type of services provided:</b>	Residential drinking water
<b>Service area in acres:</b>	16 (approximate)
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300604 <sup>23</sup>

### Services and Governance

The Point of View Mutual Water Company currently has 29 service connections and provides residential drinking water to approximately 30 full-time and 20 part-time residents. Average service fees range between \$41 and \$60 per month. The Company owns and maintains four active wells and approximately one mile of pipeline. In addition, the Company owns a storage tank, pumping, and treatment facilities. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time, though noted their willingness to do so.

The Point of View Mutual Water Company's governing board consists of three elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually at a shareholder's home. The Company has no employees though does contract for water treatment operations, construction, and repair services, with volunteers handling administrative and operational responsibilities, including Tech Advisor and Treasurer.

### Planning

In order to make decisions about future services and infrastructure needs, the Point of View Mutual Water Company relies upon the Company budget, operations reports, and maintenance information. Within the next 20 years, the Company views State regulations and mandates as challenges. To prepare for future challenges, the Company noted that it continues to increase its reserve funds.

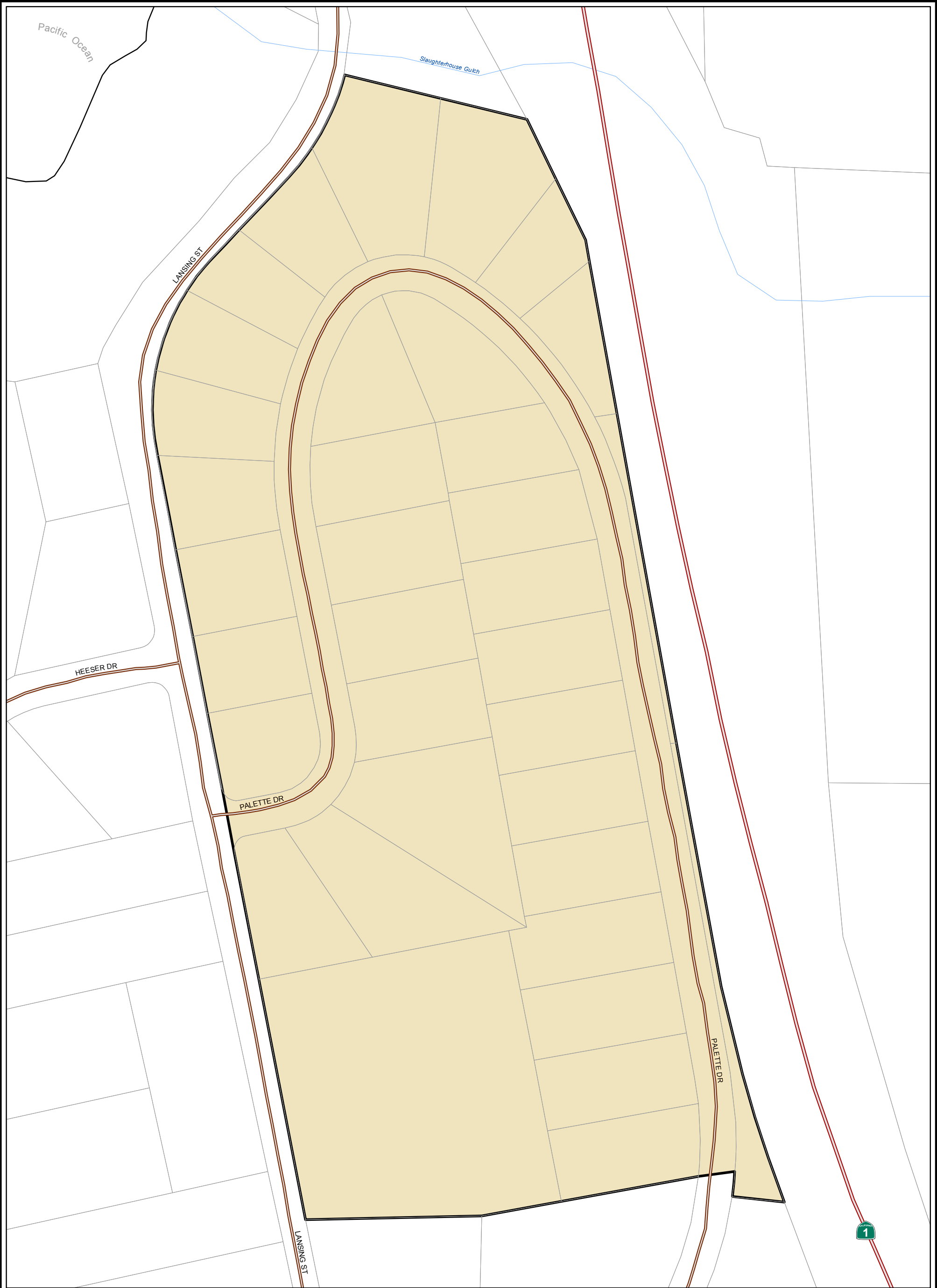
### Compliance

The Safe Drinking Water Information System lists several monitoring violations dated 1998, 2000, and 2008 with compliance achieved December 27, 1997 and April 25, 2008 respectively. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>24</sup>. The Point of View Mutual Water Company provided a timely response to the initial LAFCo inquiry survey and administrative draft. An inconsistency in mapping between the Company and County GIS was identified, which has been referred to the entities for resolution.

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<sup>23</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2887&tinwsys\\_st\\_code=CA&counter=0](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2887&tinwsys_st_code=CA&counter=0)

<sup>24</sup> [https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300604&state=CA&source=Ground%20water&population=57&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300604&state=CA&source=Ground%20water&population=57&sys_num=0)



# Point of View Mutual Water Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February 2014.

Note: This map is not a survey product.

- Point of View Mutual Water Company
- Parcels
- Highways
- Roads
- Streams



## 2.12 RIVER ESTATES MUTUAL WATER CORPORATION

<b>Main Contact:</b>	David Redding
<b>Phone Number:</b>	707-462-2666
<b>Address:</b>	151 Laws Avenue, Ukiah, CA 95482
<b>Email:</b>	admin@willowc wd.org
<b>Website:</b>	None
<b>Date of Formation:</b>	1968
<b>Type of services provided:</b>	Residential Drinking Water
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300605 <sup>25</sup>

### Services and Governance

The River Estates Mutual Water Corporation currently has 82 service connections and provides residential drinking water to approximately 250 people. Average service fees range between \$61 and \$80 per month. The Company owns and maintains 2 active wells, 1 standby well, and approximately 9,000 feet of pipeline. In addition, the Company owns and operates two storage tanks. They participate in cooperation with Willow County Water District for shared facilities and administrative and operations services.

The River Estates Mutual Water Corporation's governing board consists of five elected members with unlimited terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet as needed within the Company's service area. The Company has no employees though does contract with Willow County Water District for additional services.

### Planning

In order to make decisions about future services and infrastructure needs, the River Estates Mutual Water Corporation relies upon water quality reports and the Company budget. Within the next 20 years, the Company views infrastructure and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it has developed a capital improvement program and allocates funds for replacement of infrastructure. When asked what public agencies should or could do to make it easier for the Company to address local service challenges, the Company indicated interest in further clarification of the comparative roles of a mutual water company versus special districts within a community.

### Compliance

The Safe Drinking Water Information System lists no current monitoring violations. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>26</sup>. The River Estates Mutual Water Corporation provided a timely response to the initial LAFCo inquiry survey and administrative draft, and provided the following map of its service area.

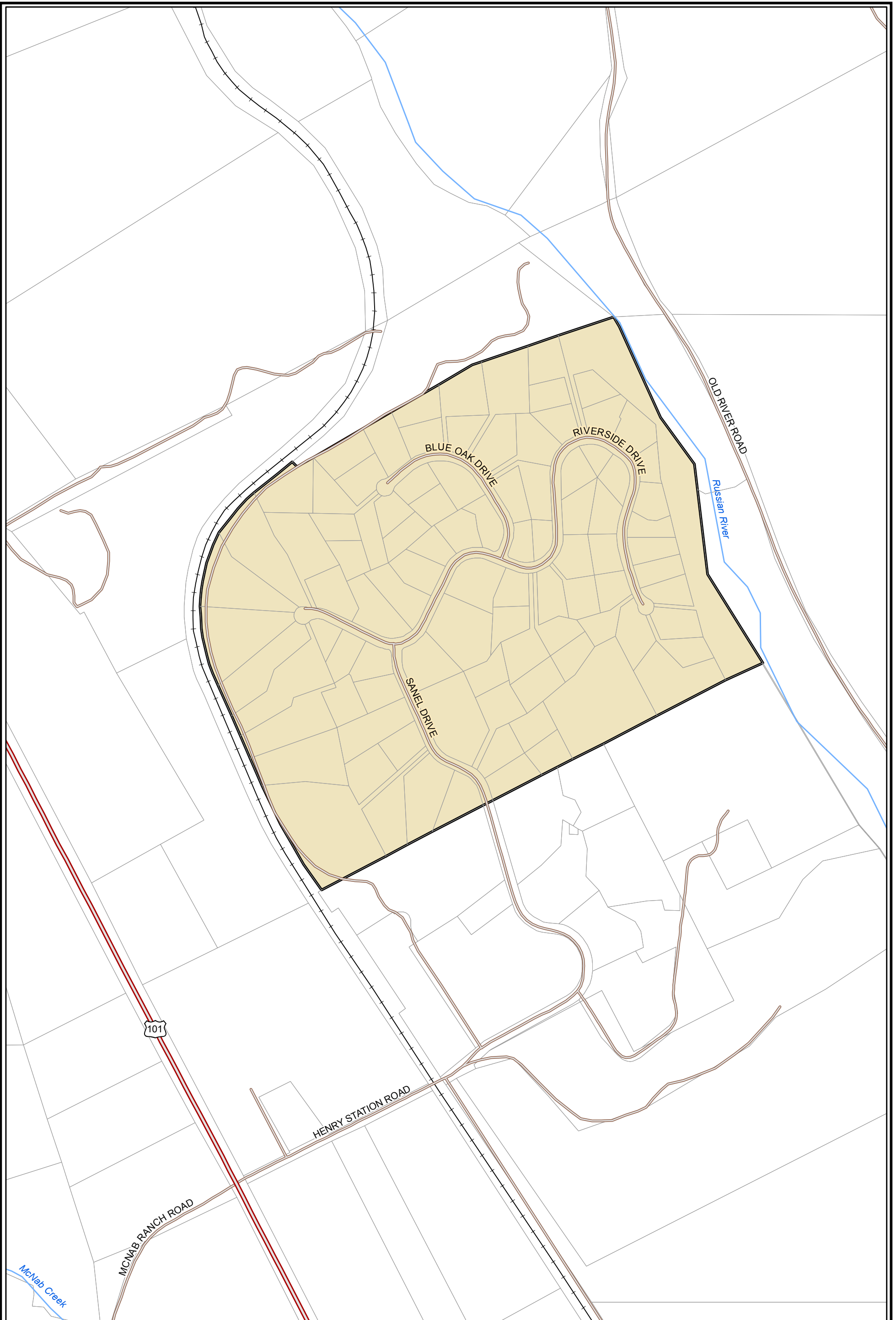
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<sup>25</sup>

[https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2888&tinwsys\\_st\\_code=CA&wsnumber=CA2300605](https://sdwis.waterboards.ca.gov/PDWWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2888&tinwsys_st_code=CA&wsnumber=CA2300605)

<sup>26</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300605&state=CA&source=Ground%20water&population=250&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300605&state=CA&source=Ground%20water&population=250&sys_num=0)

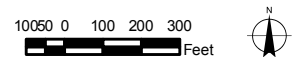


# Russian River Estates Mutual Water Company

Russian River Estates  
 Mutual Water Company  
 Parcels

Highways  
 Roads  
 Rail Roads  
 Streams

Source: This map was prepared by Mendocino County's  
 Information Services GIS Program, May 2018  
 Note: This map is not a survey product.



## 2.13 ROGINA WATER COMPANY, INC.

<b>Main Contact:</b>	Daniel D. Rogina
<b>Phone Number:</b>	707-462-4056
<b>Address:</b>	PO Box 310, Talmage, CA 95481, 1850 Talmage Road, Talmage, CA
<b>Email:</b>	drogina@pacific.net
<b>Website:</b>	<a href="http://www.roginawater.com/">http://www.roginawater.com/</a>
<b>Date of Formation:</b>	1947
<b>Type of services provided:</b>	Residential drinking water and water for agricultural purposes
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2310002 <sup>27</sup>

### Services and Governance

The Rogina Water Company currently has 985 service connections and provides drinking, irrigation, and fire suppression water to approximately 3500 people. Average service fees range between \$61 and \$80 per month. The Company system consists of 5 wells, 4 large tanks for a combined storage of 1.3 million gallons, 2 booster systems, and over 30 miles of main lines made of steel, asbestos cement & plastic. There are 977 domestic customers, 13 irrigation customers, 3 fire lines and 141 hydrants. The Company uses three trucks, backhoe, pumps, and small equipment for new work and repairs<sup>28</sup>. They do participate in cooperation with other local water districts or mutual water companies through shared water and equipment.

The Rogina Water Company's governing board consists of two appointed members with unknown term lengths. There are no restrictions to the number of terms a member may serve. Stakeholders meet twice a month at shareholder's homes. The Company has five employees including a manager, maintenance and meter reader person, secretary and part time helper. Small jobs, services, leak repair, and maintenance are done by the Company's employees. Large jobs are bid out to contractors.

### Planning

The Rogina Water Company reports that its water supply is sufficient through 2050. In the interim, the Company is planning to develop new wells in the Talmage area. Water conservation is promoted through informational bill inserts and water saving yard brochures to new homes. Rogina Water Company has grown over the years with the development of new homes, and provision of water service to areas with limited water availability on the east side of the Russian River. The Company plans to build and expand with growth in this area.

In order to make decisions about future services and infrastructure needs, the Rogina Water Company relies upon consumer confidence reports, water quality reports, and the Company budget. Within the next 20 years, the Company views infrastructure and state regulations and mandates as its greatest challenges.

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<sup>27</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=3011&tinwsys\\_st\\_code=CA&wsnumber=CA2310002](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=3011&tinwsys_st_code=CA&wsnumber=CA2310002)

<sup>28</sup> <http://www.roginawater.com/>

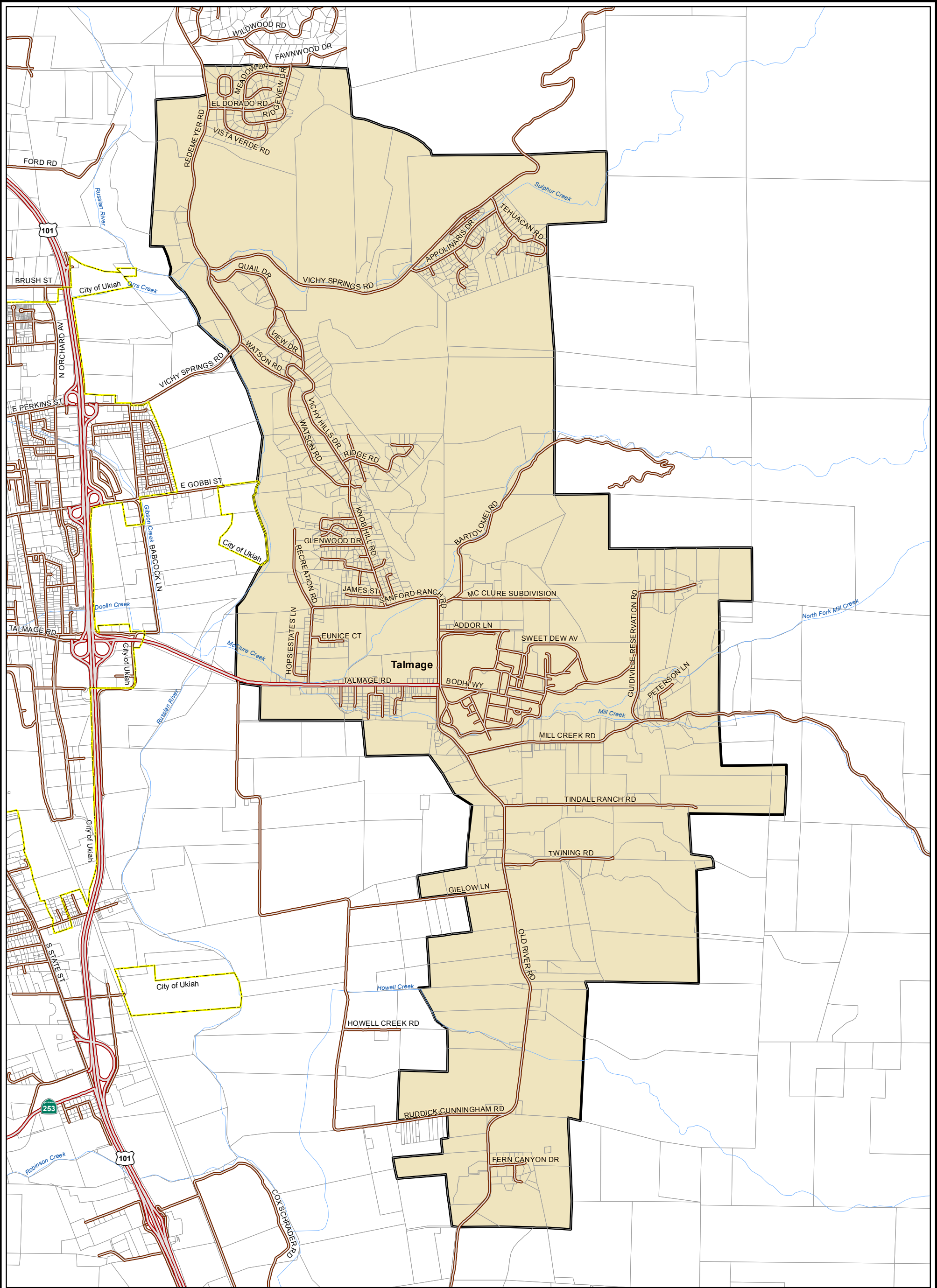
## Compliance

The Safe Drinking Water Information System lists no violations. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system<sup>29</sup>. The Rogina Water Company provided a timely response to the initial LAFCo inquiry survey and administrative draft, and confirmed the following County-prepared map. In addition to the survey, profile information was obtained from the Company's website.

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<sup>29</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2310002&state=CA&source=Ground%20water&population=3700&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2310002&state=CA&source=Ground%20water&population=3700&sys_num=0)

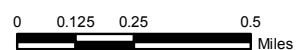


# Rogina Water Company

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February 2014.

Note: This map is not a survey product.

- Rogina Water Company
- City of Ukiah
- Parcels
- Highways
- Roads
- Streams



## 2.14 SEAFAIR ROAD & WATER COMPANY

<b>Main Contact:</b>	David Troxel
<b>Phone Number:</b>	707-285-0619
<b>Address:</b>	Steward Property Services, 1 Willowbrook Court, Suite 105, Petaluma, CA
<b>Email:</b>	tconte@stewardprop.com
<b>Website:</b>	None
<b>Date of Formation:</b>	1963
<b>Type of services provided:</b>	Residential Drinking Water
<b>Service area in acres:</b>	Unknown
<b>Water Source:</b>	Groundwater
<b>Drinking Water System No:</b>	CA2300609 <sup>30</sup>

### Services and Governance

The Seafair Road & Water Company currently provides residential drinking water to 32 service connections. Average service fees range between \$21 and \$40 per month. The Company owns and/or maintains 4 active wells, 2 active standby wells, approximately 1-1.5 miles of pipeline, a water purification system, and a 10,000 gallon storage tank. They do not participate in cooperation with any other local water districts or mutual water companies for shared facilities or services at this time.

The Seafair Road & Water Company's governing board consists of five elected members with one year terms. There are no restrictions to the number of terms a member may serve. Stakeholders meet annually in a resident's home. The Company has no employees though does contract with the Seafair Board and Steward Property Services, Inc. for water master and administrative services.

### Planning

In order to make decisions about future services and infrastructure needs, the Seafair Road & Water Company relies upon water quality reports, Company budgets, and consultants such as Mendocino Water Works in Mendocino, CA, as needed. Within the next 20 years, the Company views infrastructure, state and local regulations and mandates, and financial constraints as challenges. To prepare for future challenges, the Company has indicated that it has had a formal reserve study prepared, which is updated annually, and it maintains a reserve fund for the water system.

### Compliance

The Safe Drinking Water Information System lists no current violations and none within the last ten years. The USEPA has no record of health based, monitoring, reporting, or other violations found or reported by the state for this water system.<sup>31</sup> The Seafair Road & Water Company provided a timely response to the initial LAFCo inquiry survey and administrative draft.

Note: No map of the Seafair Road & Water Company was available.

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<sup>30</sup>

[https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2892&tinwsys\\_st\\_code=CA&wsnumber=CA2300609](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2892&tinwsys_st_code=CA&wsnumber=CA2300609)

<sup>31</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300609&state=CA&source=Ground%20water&population=50&sys\\_num=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300609&state=CA&source=Ground%20water&population=50&sys_num=0)



## 2.15 SURFWOOD MUTUAL WATER CORPORATION

<b>Main Contact:</b>	Richard Brandes, Vice President
<b>Phone Number:</b>	707-961-2080 office, 707-937-2369
<b>Address:</b>	PO Box 166 Mendocino, CA 95640
<b>Email:</b>	rbrandes@magnoliahg.com
<b>Website:</b>	None
<b>Date of Formation:</b>	1979
<b>Type of services provided:</b>	Residential
<b>Service area in acres:</b>	789 (contributing drainage area)
<b>Water Source:</b>	Surface Water (Jack Peter's Creek)
<b>Drinking Water System No:</b>	CA23000590 <sup>32</sup>

### Services and Governance

The Surfwood Mutual Water Corporation currently provides residential water to approximately 160 homes. Surface water is collected from Jack Peter's Creek, stored, and filtered prior to distribution.

### Planning

Unknown.

### Compliance

The Safe Drinking Water Information System lists a number of monitoring violations, the most recent occurring in March 2018. The USEPA notes several monitoring and reporting violation dated June 23, 2016 with compliance achieved in November 2016<sup>33</sup>.

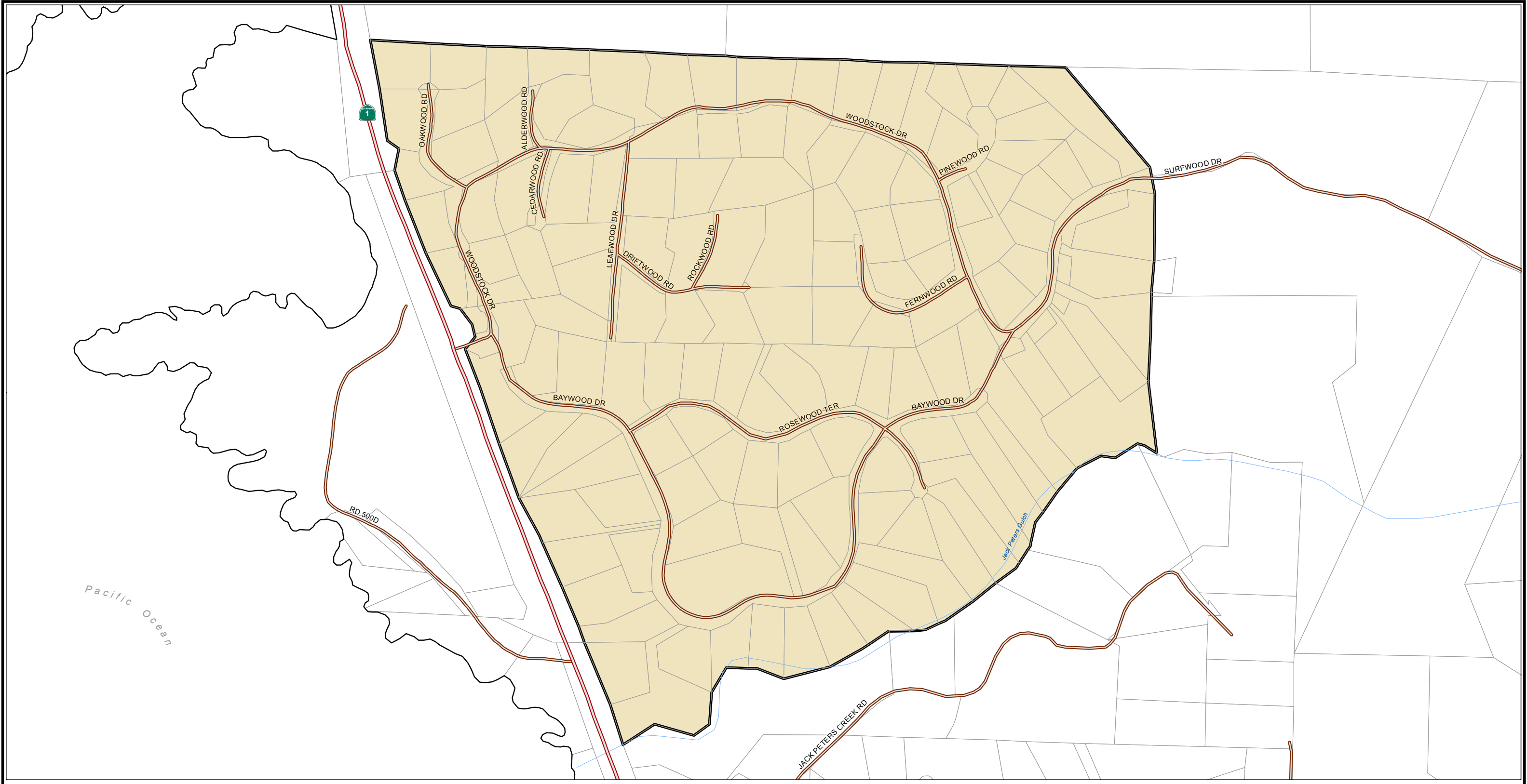
The Surfwood Mutual Water Corporation noted that SWRCB Compliance Order 02-03-18r-001 was received March 2018 requiring additional water treatment to comply with TTHM and HAA5 maximum contaminate levels. A contract with BWS Municipal Water Group is in progress (May 2018) to achieve compliance. The Surfwood Mutual Water Corporation provided feedback of the administrative draft to LAFCo and confirmed the following County-provided map.

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<sup>32</sup> [https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys\\_is\\_number=2883&tinwsys\\_st\\_code=CA&counter=0](https://sdwis.waterboards.ca.gov/PDWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=2883&tinwsys_st_code=CA&counter=0)

<sup>33</sup>

[https://oaspub.epa.gov/enviro/sdw\\_report\\_v3.first\\_table?pws\\_id=CA2300590&state=CA&source=Surface%20water&population=160&sys\\_nu\\_m=0](https://oaspub.epa.gov/enviro/sdw_report_v3.first_table?pws_id=CA2300590&state=CA&source=Surface%20water&population=160&sys_nu_m=0)



# Surfwood Mutual Water Corporation

Source: This map was prepared by the Mendocino County Department of Information Services GIS Program, February, 2014.

Note: This map is not a survey product.

- Surfwood Mutual Water Corporation
- Parcels
- Highways
- Roads
- Streams



### 3 REFERENCES

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California State Water Resources Control Board (SWRCB). 2018. Safe Drinking Water Information System: California Drinking Water Watch. [Online]. Available at: <https://sdwis.waterboards.ca.gov/PDWW/>. Accessed July 25, 2018.

US Environmental Protection Agency (USEPA). 2018. Safe Drinking Water Information System. [Online]. Available at [https://iaspub.epa.gov/enviro/sdw\\_form\\_v3.create\\_page?state\\_abbr=CA](https://iaspub.epa.gov/enviro/sdw_form_v3.create_page?state_abbr=CA). Accessed July 25, 2018.

## 4 ACKNOWLEDGEMENTS

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### 4.1 REPORT PREPARATION

This report was prepared by Hinman & Associates Consulting, Inc., contracted staff for Mendocino LAFCo.

Uma Hinman, LAFCo Executive Officer

Beth Salomone, LAFCo Commission Clerk

In large part, mapping was provided by Mendocino County Information Services, GIS.

### 4.2 ASSISTANCE AND SUPPORT

Appreciation is expressed to the participating mutual water companies who provided information and responded to communications from LAFCo staff.

# 5 APPENDICES

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## 5.1 APPENDIX A – ASSEMBLY BILL NO. 54

### CHAPTER 512

An act to amend Section 14300 of, and to add Sections 14300.5, 14301.1, 14301.2, and 14301.3 to, the Corporations Code, to amend Sections 56375 and 56430 of the Government Code, and to add Section 116760.65 to, and to add Article 12 (commencing with Section 116755) to Chapter 4 of Part 12 of Division 104 of, the Health and Safety Code, relating to drinking water.

[Approved by Governor October 7, 2011. Filed with Secretary of State October 7, 2011.]

### LEGISLATIVE COUNSEL' S DIGEST

AB 54, Solorio. Drinking water.

(1) Existing law authorizes any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and requires any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use, to provide in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands, as specified.

This bill would specify that any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use that provides in its articles or bylaws that the water shall be sold, distributed, supplied, or delivered only to owners of its shares and that those shares are appurtenant to certain lands shall be known as a mutual water company.

The bill would also require each mutual water company that operates a public water system to, by December 31, 2012, submit a map depicting the approximate boundaries of the property that the municipal water company serves to the local agency commission within the county in which the mutual water company operates. The bill would prohibit a mutual water company from expanding its boundaries without approval from the appropriate local agency formation commission. The bill would require a mutual water company that operates a public water system to supply certain information to a local agency formation commission upon request, as specified. This bill would require a mutual water company that operates a public water system to maintain a financial reserve fund to be used for certain types of activities.

The bill would also require each board member of a mutual water company that operates a public water system to, within 6 months of taking office, complete a 2-hour course offered by a qualified trainer, as specified.

(2) Existing law, the California Safe Drinking Water Act, requires the State Department of Public Health to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adopting

enforcement regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies.

(3) Existing law establishes the Safe Drinking Water State Revolving Fund, continuously appropriated to the department for the provision of grants and revolving fund loans to provide for the design and construction of projects for public water systems that will enable suppliers to meet safe drinking water standards. Existing law requires the department to establish criteria to be met for projects to be eligible for consideration for this funding.

This bill would provide that in considering an application for funding a project, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. This bill would also provide that preliminary project costs or construction costs that are otherwise eligible for funding shall not be ineligible because the costs were incurred by the applicant during certain time periods.

(4) Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, sets forth the powers and duties of a local agency formation commission, including, among others, the powers to review and approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

This bill would additionally authorize the commission to approve, with or without amendment, wholly, partially, or conditionally, or disapprove the annexation of territory served by a mutual water company that operates a public water system into the jurisdiction of a city, a public utility, or a special district, with the consent of the respective public agency or public utility and mutual water company.

(5) Under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, each local agency formation commission is required to develop and determine the sphere of influence of each local governmental agency within the county and enact policies designed to promote the logical and orderly development of areas within the sphere of influence. In order to prepare and update spheres of influence, the commission is required to conduct a service review, including the review of growth and population projections for the affected area, present and planned capacity of public facilities and adequacy of public services, financial ability of agencies to provide services, the status of, and opportunities for, shared facilities, accountability for community service needs, and any other matter related to effective or efficient service delivery, as required by commission policy.

This bill would authorize the commission to include in the service review, a review of whether the agencies under review comply with safe drinking water standards. This bill would provide that a public water system may comply with that review by submitting certain documents.

(5) Existing law provides for the imposition of civil fines in amounts up to \$5,000 or \$25,000 for specified violations of the California Safe Drinking Water Act.

This bill would provide that a mutual water company is liable for any fines, penalties, costs, expenses, or other amounts that may be imposed upon the mutual water company under the California Safe Drinking Water Act. This bill would authorize a mutual water company to levy an assessment to pay those fines. This bill would provide that if the amount of those fines exceeds 5% of the annual budget of a mutual water company, then the mutual water company would be required to levy an assessment to pay those fines.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) Californians rely on a broad diversity of public and private organizations to deliver clean and safe drinking water to their home water taps. Regardless of the form of the organization that operates a public water system, these organizations provide a public service that remains one of the core duties of the people's government.

(b) While the state's goal is to ensure clean and safe drinking water, California's drinking water quality has deteriorated and some public water systems continue to suffer poor water quality that are inconsistent with safe drinking water standards.

(c) The state provides funding to public water systems to improve drinking water quality through the Safe Drinking Water Revolving Fund, but demand far exceeds the available funding. Based on the United States Environmental Protection Agency's Drinking Water Infrastructure Needs Survey and Assessment, which was performed in 2007, the State Department of Public Health estimates that the 20-year drinking water infrastructure need for California is \$39 billion. Funding for such projects, however, for 1997–2008 totaled only \$1.2 billion.

SEC. 2. Section 14300 of the Corporations Code is amended to read:

14300. (a) Any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for irrigation purposes may provide, and any corporation organized for or engaged in the business of selling, distributing, supplying, or delivering water for domestic use shall provide, in its articles or bylaws that water shall be sold, distributed, supplied, or delivered only to owners of its shares and that the shares shall be appurtenant to certain lands when the same are described in the certificate issued therefor; and when the certificate is so issued and a certified copy of the articles or bylaws recorded in the office of the county recorder in the county where the lands are situated the shares of stock shall become appurtenant to the lands and shall only be transferred therewith, except after sale or forfeiture for delinquent assessments thereon as provided in Section 14303. Notwithstanding this provision in its articles or bylaws, any such corporation may sell water to the state, or any department or agency thereof, or to any school district, or to any public agency, or, to any other mutual water company or, during any emergency resulting from fire or other disaster involving danger to public health or safety, to any person at the same rates as to holders of shares of the corporations; and provided further, that any corporation may enter into a contract with a county fire protection district to furnish water to fire hydrants and for fire suppression or fire prevention purposes at a flat rate per hydrant or other connection. In the event lands to which any stock is appurtenant are owned or purchased by the state, or any department or agency thereof, or any school district, or public agency, the stock shall be canceled by the secretary, but shall be reissued to any person later acquiring title to the land from the state department, agency, or school district, or public agency.

(b) A corporation described in subdivision (a) shall be known as a mutual water company.

SEC. 3. Section 14300.5 is added to the Corporations Code, to read:

14300.5. For purposes of this chapter, "public water system" shall have the same meaning as provided in Section 116275 of the Health and Safety Code.

SEC. 4. Section 14301.1 is added to the Corporations Code, to read:

14301.1. (a) No later than December 31, 2012, each mutual water company that operates a public water system shall submit to the local agency formation commission for its county a map depicting the approximate boundaries of the property that the mutual water company serves.

(b) A mutual water company that operates a public water system shall respond to a request from a local agency formation commission, located within a county that the mutual water company operates in, for information in connection with the preparation of municipal service reviews or spheres of influence pursuant to Chapter 4 (commencing with Section 56425) of Part 2 of Division 3 of Title 5 of the Government Code within 45 days of the request. The mutual water company shall provide all reasonably available nonconfidential information relating to the operation of the public water system. The mutual water company shall explain, in writing, why any requested information is not reasonably available. The mutual water company shall not be required to disclose any information pertaining to the names, addresses, or water usage of any specific shareholder. This subdivision shall not be interpreted to require a mutual water company to undertake any study or investigation. A mutual water company may comply with this section by submitting to the local agency formation commission the same information that the mutual water company submitted to the State Department of Public Health.

(c) A mutual water company that operates a public water system shall be subject to the requirements of, and has the powers granted by, subdivision (b) of Section 116755 of the Health and Safety Code.

SEC. 5. Section 14301.2 is added to the Corporations Code, to read:

14301.2. Each board member of a mutual water company that operates a public water system shall comply with the training requirements set out in subdivision (a) of Section 116755 of the Health and Safety Code.

SEC. 6. Section 14301.3 is added to the Corporations Code, to read:

14301.3. (a) All construction on public water systems operated by a mutual water company shall be designed and constructed to comply with the applicable California Waterworks standards, as provided in Chapter 16 of Title 22 of the California Code of Regulations.

(b) A mutual water company that operates a public water system shall maintain a financial reserve fund for repairs and replacements to its water production, transmission, and distribution facilities at a level sufficient for continuous operation of facilities in compliance with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and the California Safe Drinking Water Act (Chapter 4 (commencing with 116270) of Part 12 of Division 104 of the Health and Safety Code).

SEC. 7. Section 56375 of the Government Code is amended to read: 56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).



(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

(5) As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated successor city or district.

(d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the

legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission.

(f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district or, for a landowner-voter special district, the number of owners of land and the assessed value of their land within the territory proposed to be included in the new special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation. The assessed value of the land within the territory proposed to be included in a new landowner-voter special district shall be calculated as shown on the last equalized assessment roll.

(g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

(h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(j) To incur usual and necessary expenses for the accomplishment of its functions.

(k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(n) To waive the application of Section 22613 of the Streets and Highways Code if it finds the application would deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

(p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.

(q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.

(r) To approve with or without amendment, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operates a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.

SEC. 8. Section 56430 of the Government Code is amended to read:

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
  - (2) Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
  - (3) Financial ability of agencies to provide services.
  - (4) Status of, and opportunities for, shared facilities.
  - (5) Accountability for community service needs, including governmental structure and operational efficiencies.
  - (6) Any other matter related to effective or efficient service delivery, as required by commission policy.
- (b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area.
- (c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the Safe Drinking Water Act. A public water system may satisfy any request for information as to compliance with the Safe Drinking Water Act by submission of the consumer confidence or water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.
- (d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.
- (e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

SEC. 9. Article 12 (commencing with Section 116755) of Chapter 4 of Part 12 of Division 104 is added to the Health and Safety Code, to read:

Article 12. Board Member Training

116755. (a) Each board member of a mutual water company that operates a public water system, as defined in Section 116275, shall, within six months of taking office, or by December 31, 2012, if that member was serving on the board on December 31, 2011, complete a two-hour course offered by a qualified trainer regarding the duties of board members of mutual water companies, including, but not limited to, the duty of a corporate director to avoid contractual conflicts of interest and fiduciary duties, the duties of public water systems to provide clean drinking water that complies with the federal Safe Drinking Water Act (42 U.S.C. Sec. 300f et seq.) and this chapter, and long-term management of a public water system. For the purposes of this subdivision, a trainer may be qualified in any of the following ways:

(1) Membership in the California State Bar.

(2) Accreditation by the International Association of Continuing Education and Training (IACET) ANSI/IACET 1-2007.

(3) Sponsorship by either the Rural Community Assistance Corporation or the California Rural Water Association.

(b) A mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code shall be liable for the payment of any fines, penalties, costs, expenses, and other amounts that may be imposed upon the mutual water company pursuant to this chapter. The mutual water company may levy an assessment, pursuant to Section 14303 of the Corporations Code, to pay these fines, penalties, costs, expenses, and other amounts so imposed. If the amount of outstanding fines, penalties, costs, expenses and other amounts imposed pursuant to this chapter exceed 5 percent of the annual budget of the mutual water company, then the mutual water company shall levy an assessment, pursuant to Section 14303 of the Corporations Code, to pay those fines, penalties, costs, expenses, and other amounts so imposed.

SEC. 10. Section 116760.90 of the Health and Safety Code is amended to read:116760.90. (a) The department shall not approve an application for funding unless the department determines that the proposed study or project is necessary to enable the applicant to meet safe drinking water standards, and is consistent with an adopted countywide plan, if any. The department may refuse to fund a study or project if it determines that the purposes of this chapter may more economically and efficiently be met by means other than the proposed study or project. The department shall not approve an application for funding a project with a primary purpose to supply or attract future growth. The department may limit funding to costs necessary to enable suppliers to meet primary drinking water standards, as defined in Chapter 4 (commencing with Section 116270).

(b) With respect to applications for funding of project design and construction, the department shall also determine all of the following:

(1) Upon completion of the project, the applicant will be able to supply water that meets safe drinking water standards.

(2) The project is cost-effective.

(3) If the entire project is not to be funded under this chapter, the department shall specify which costs are eligible for funding.

(c) In considering an application for funding a project that meets all other requirements of this chapter and regulations, the department shall not be prejudiced by the applicant initiating the project prior to the department approving the application for funding. Preliminary project costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were

incurred by the applicant prior to the department approving the application for funding. Construction costs that are otherwise eligible for funding pursuant to the provisions of this chapter shall not be ineligible because the costs were incurred after the approval of the application by the department but prior to the department entering into a contract with the applicant pursuant to Section 116761.50.

**MENDOCINO**  
**Local Agency Formation Commission**  
**Staff Report**

DATE: August 6, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Proposed Legal Counsel Contract Amendment

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**STAFF RECOMMENDATION**

The Commission consider the Executive Committee's recommendation and:

- a) Approve the proposed contract amendment with P. Scott Browne, Attorney at Law, and direct the Chair to sign the contract; or
- b) Provide additional direction to staff and/or the Executive Committee.

**BACKGROUND**

Attorney P. Scott Browne's office has proposed an amendment to its contract with Mendocino LAFCo. The amendment is similar in scope to its flat-rate LAFCo clients and is intended to make its contracts consistent with regard to reimbursement for out of pocket costs and expenses. The proposed contract amendment includes the following revised language under the "Compensation" section of the contract:

"The monthly payment is compensation not only for time spent directly on Mendocino LAFCo business, but also for a proportion share of the substantial Attorney investment of time working with CALAFCO, the Legislative Committee of CALAFCO, CALAFCO University, and attending and presenting at the CALAFCO conferences. All of these benefits Mendocino LAFCo by assuring that LAFCo staff and Commissioners are provided with the latest updated information on legislation and the CONTRACTOR can provide Mendocino LAFCo with a broad knowledge base on LAFCo legal issues and solutions from around the State.

Client further agrees to reimburse all out of pocket costs and expenses advanced by Attorney on behalf of client, such as facsimile charges, postage, photocopying, travel, legal research, conference registration fees, etc. When costs are incurred for joint CALAFCo projects and workshops such as those listed above, client will be billed only a proportionate share, i.e., the costs will be shared with Attorney's other flat rate LAFCo clients (currently seven, but subject to change). CONTRACTOR agrees that such reimbursement by Client shall not exceed \$450 per year without Client approval."

The proposed contract amendment has been reviewed and discussed by the Executive Committee. With the annual limit identified, and with direction to staff to track the out-of-pocket expenses, the Executive Committee recommends approval of the contract amendment.

Attachment: Proposed Contract Amendment  
Legal Counsel Contract (August 4, 2014)

**Mendocino Local Agency Formation Commission  
Legal Representation Agreement**

**AMENDMENT NO. 1**

This Amendment, dated as of June 4, 2018, is by and between the Mendocino Local Agency Formation Commission, hereinafter referred to as "COMMISSION", and P. Scott Browne, Attorney at Law (hereinafter, "CONTRACTOR").

**WITNESSETH**

WHEREAS, pursuant to Government Code Section 56375(k) COMMISSION may contract for professional or consulting services; and,

WHEREAS, COMMISSION entered into contract for professional services with CONTRACTOR on August 6, 2014 to provide general legal advice to the COMMISSION and to represent the COMMISSION in connection with litigation and administrative proceedings; and

WHEREAS, CONTRACTOR has requested an amendment to the August 6, 2014 Legal Representation contract; and,

WHEREAS, CONTRACTOR agrees to the following amendment to Compensation as were contained in the Legal Representation Agreement dated August 6, 2014.

Add the following language to COMPENSATION:

The monthly payment is compensation not only for time spent directly on Mendocino LAFCo business, but also for a proportion share of the substantial Attorney investment of time working with CALAFCo, the Legislative Committee of CALAFCo, CALAFCo University, and attending and presenting at the CALAFCo conferences. All of this benefits Mendocino LAFCo by assuring that LAFCo staff and Commissioners are provided with the latest updated information on legislation and that CONTRACTOR can provide Mendocino LAFCo with a broad knowledge base on LAFCo legal issues and solutions from around the State.

Client further agrees to reimburse all out of pocket costs and expenses advanced by Attorney on behalf of client, such as postage, photocopying, travel, legal research, conference registration fees, etc. When costs are incurred for joint CALAFCo projects and workshops such as those listed above, client will be billed only a proportionate share, i.e., the costs will be shared with Attorney's other flat rate LAFCo clients (currently 7, but subject to change). CONTRACTOR agrees that such reimbursement by Client shall not exceed \$450 per year without Client approval.

NOW, THEREFORE it is agreed that COMMISSION does hereby amend the contract of Contract Amendment as listed above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Mendocino LAFCo

Contractor

By: \_\_\_\_\_  
Gerald Ward, Chair

\_\_\_\_\_  
P. Scott Browne, Attorney

## LAW OFFICES OF P. SCOTT BROWNE

The Old Post Office  
131 South Auburn Street  
Grass Valley, California 95945-6501  
[scott@scottbrowne.com](mailto:scott@scottbrowne.com)  
(530) 272-4250  
Fax (530) 272-1684

**MARSHA A. BURCH**  
*Of Counsel*  
[marsha@scottbrowne.com](mailto:marsha@scottbrowne.com)

### LEGAL REPRESENTATION

**Client:** LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

This Agreement for the Provision of Legal Services (hereinafter, the "Agreement") is entered into this 4th day of August, 2014, by and between the Local Agency Formation Commission of Mendocino County (hereinafter "LAFCO" or the "Commission") and P. Scott Browne, Attorney at Law (hereinafter, "Contractor").

#### PURPOSE OF REPRESENTATION:

The purpose of the representation is to provide general legal advice to the Client and to represent Client in connection with litigation and administrative proceedings.

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1) COMPENSATION. Client agrees to pay Attorney at the rate of \$500.00 monthly for the following legal services:

**3 hours counsel per month, averaged over 12 months, reviewed annually for adjustment.<sup>1</sup>**

THE ABOVE RATE REFLECTS A DISCOUNT OFF ATTORNEY'S NORMAL HOURLY RATE.

Rates are per hour for all legal services rendered. Client will be billed for time spent waiting for Client matters to be heard and travel time on Client Business. Client further understands that Attorney will often use his legal assistant to provide paralegal services for Client. Client will be billed for those services at paralegal rates (\$85/hour) when working in that capacity. If Client's needs include projects involving substantial clerical work, or if Attorney's legal assistant is required to handle financial transactions on behalf of Client, Client will be billed at the Special Clerical RATE (\$30/hour) for such time.

**Services rendered in connection with any litigation matters are not subject to this rate, and will be billed at \$225.00/hour.**

Client further agrees to reimburse all costs and expenses advanced by Attorney on behalf of client, such as facsimile charges, postage, photocopying, etc.

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<sup>1</sup> If the cumulative hours for any three month period exceed twelve (12) hours total, Attorney will bill Client for hours in excess of 12 at hourly rate of \$185/hour (excluding litigation, which will be billed at \$225/hour.)



**Legal Representation Agreement-Mendocino County LAFCo**

**Page 2**

Client understands that these rates may be adjusted from time to time with the consent of Client, such consent being evidenced by use of the new rates in determining the provision for legal services included in Client's annual adopted budget.

Costs/Expenses

Photocopies	\$0.20/page
Faxes (incoming/outgoing)	\$0.50/page
Online Legal Research	Actual Cost

- 2) BILLING. Client will be billed in the latter part of each month for all services performed for the month ending on the 15th of the month. Client agrees to pay all amounts shown as due and owing within 30 days (the "payment period"), unless an alternate payment schedule is agreed to by Attorney in writing. Any amounts not paid within the payment period may be subject to a monthly interest charge of .833% (10% on an annualized basis).
- 3) OBJECTIONS TO BILL. Client agrees that any questions or disagreements client may have concerning the bill or amount due shall be communicated to Attorney prior to the end of the payment period, along with payment of any undisputed portion of the bill.
- 4) RESOLUTION OF BILLING DISAGREEMENT. If there is any dispute between Client and Attorney over the amount billed, which the parties cannot resolve themselves, then Client may require that the matter be submitted to binding arbitration in accordance with the rules of the State Bar Fee Arbitration Program (Sections 6200 - 6206 of the California Business and Professions Code).
- 5) ATTORNEY'S FEES AND COSTS. If there is a fee dispute that is not resolved by arbitration and litigation is required to enforce payments under the terms of this contract, the prevailing party shall be entitled to reasonable attorney's fees and costs.
- 6) INDEPENDENT CONTRACTOR. No employment relationship is created by this Agreement. Attorney and his staff shall for all purposes be independent contractors to the Client.
- 7) INSURANCE. Attorney agrees to at all times maintain the following insurances covering his activities on behalf of the Client:
  - i) Professional Liability Insurance in the amount of \$1,000,000.00 combined single limits
  - ii) General Liability Insurance in the amount of \$1,000,000.00 combined single limits
  - iii) Automobile Insurance in the amount of \$500,000.00 combined single limits
- 8) CLOSED CASES. Client understands that Attorney assumes no responsibility to keep Client informed of changes in the law or other matters that could affect Client's interest after a case is closed.

- 9) WITHDRAWAL, DISMISSAL OR DISCHARGE OF ATTORNEY.
- a. Withdrawal of Attorney. Attorney may withdraw at any time as permitted under the Rules of Professional Conduct of the State Bar of California. The circumstances under which the Rules permit such withdrawal include, but are not limited to, the following: (a) The Client consents; (b) the Client's conduct renders it unreasonably difficult for the Attorney to carry out the engagement effectively; and (c) the Client fails to pay Attorney's fees or costs as required by his or her agreement with the Attorney.
  - b. Discharge or Dismissal. The Client may discharge Attorney at any time. If Attorney is Client's attorney of record in any proceeding, Client will execute and return a substitution-of-attorney form immediately on its receipt from Attorney.
  - c. Withdrawal or Termination. Client understands that if Attorney withdraws or is terminated from a case, for any reason, Attorney is still entitled to all attorney's fees and costs due and owing to Attorney to the time of termination, including fees incurred in obtaining court permission for Attorney's withdrawal when required.
- 10) COOPERATION. Client agrees to keep in contact with Attorney, cooperate and promptly carry out all reasonable requests of Attorney, in the furtherance of Attorney's representation of client.
- 11) DISCLAIMER OF GUARANTEE. Nothing in this Contract and nothing in Attorney's statements to Client will be construed as a promise or guarantee about the outcome of Client's matter. Attorney makes no such promises or guarantees. Attorney's comments about the outcome of Client's matter are expressions of opinion only.
- 12) AMENDMENT. This agreement may be amended at any time by mutual consent of the parties, expressed in writing and signed by their duly authorized representatives.

Date: 8/6, 2014

CLIENT: LOCAL AGENCY FORMATION COMMISSION  
OF MENDOCINO COUNTY

\_\_\_\_\_  
Richard Shoemaker, Chair of the Commission

ATTORNEY:

P. Browne  
P. Scott Browne

**MENDOCINO**  
**Local Agency Formation Commission**  
**Staff Report**

DATE: August 6, 2018  
 TO: Mendocino Local Agency Formation Commission  
 FROM: Uma Hinman, Executive Officer  
 SUBJECT: Proposed Executive Officer Services Contract Amendment No. 1

**RECOMMENDATION**

Executive Officer Services Contract Amendment:

1. Approve and authorize the Chair to sign the proposed Amendment No. 1 to the Executive Officer Services Agreement dated July 1, 2018; or
2. Provide direction to staff and/or the Executive Committee.

**BACKGROUND**

At its June 20, 2018 meeting, the Executive Committee reviewed the end-of-year budget, including current and anticipated expenditures through the end of fiscal year 2017-18. Two individual account lines were exceeded in May and June: Work Plan and Basic Services, respectively.

Budget Account	Amount of exceedance	Claim period	Explanation
Basic Services (Account 5301)	\$2,939.50	June 2018	County-wide RDA Oversight Special District Selection Process
Work Plan (Account 7001)	\$154.75	May 2018	Additional time required to accommodate MSR/SOI revisions and delays; increase in scope of work plan for UVFPD and City of Willits

The Basic Services budget was exceeded due to the unanticipated, and state-mandated, task of conducting the special district representative selection process for the new County-wide Redevelopment Agency Oversight Board. The process was initiated in May and completed in July 2018.

The Work Plan is based on an estimated cost for each task and is billed on a time and materials basis. In order to better track and report on individual work plan tasks, budget tracking will be specific to each task and reviewed quarterly with the Executive Committee. This approach will result in better estimates for future work plan tasks and better transparency for tasks in process.

Consistent with policy, the exceedances were reported to the Commission on the budget tracking sheet for the June 4<sup>th</sup> meeting and reviewed in detail by the Executive Committee during its June 4<sup>th</sup> and 20<sup>th</sup> meetings. Mendocino LAFCo policy provides limited flexibility to manage line items within the budget.

The Budget Adjustments Policy (adopted by Resolution No. 2017-18-03) states the following:

*The Commissioners may make adjustments to its budget at any time during the fiscal year as it deems necessary. The Executive Officer may approve expenditures exceeding individual account budgets up to five percent of a budget line, not to exceed \$3,000. Any budget exceedances will be reported to the Commission at the following regular meeting.*

While the policy allows for limited exceedances of a budget line, the Executive Officer Contract is specific to the budget. The proposed Contract Amendment No. 1 is intended to build in flexibility consistent with the policy. The Executive Committee recommends the Amendment to the Commission for consideration.

Additionally, upon review by Legal Counsel, it was suggested that language be included to address additional workload such as special studies or complex projects, including but not limited to EIRs, complex municipal service reviews or sphere updates, or other special studies. The attached Contract Amendment No. 1 also includes language recommended by Legal Counsel. The intent is to provide additional flexibility to deal with large projects without having to make a special amendment to the Executive Services Agreement.

Attachments: Proposed Executive Officer Services Agreement Amendment No. 1

**Mendocino Local Agency Formation Commission  
Executive Officer Services Agreement**

**AMENDMENT NO. 1**

This Agreement, dated as of August 6, 2018, is by and between the Mendocino Local Agency Formation Commission, hereinafter referred to as "COMMISSION", and Hinman & Associates Consulting, Inc., hereinafter referred to as "CONTRACTOR".

**WITNESSETH**

WHEREAS, pursuant to Government Code Section 56375(k) COMMISSION may contract for professional or consulting services; and,

WHEREAS, COMMISSION'S contract for professional services with CONTRACTOR to provide Executive Officer Services includes management of office workload; and

WHEREAS, CONTRACTOR, consistent with Mendocino LAFCo policy and in order to manage workload efficiently, may require limited budget flexibility between fiscal year budgets; and,

WHEREAS, COMMISSION may authorize CONTRACTOR to undertake or manage special or complex projects including but not limited to complex environmental reviews, Municipal Service Reviews, Sphere of Influence Updates and studies, or other special studies or applicant initiated changes of organization or Sphere Amendments pursuant to LAFCo's purpose and authority as stated in LAFCo's adopted bylaws; and

WHEREAS, CONTRACTOR agrees to the amendment included as "Exhibit A" to Payment Terms as were contained in the Executive Officer Services Agreement, Exhibit C, dated July 1, 2018.

NOW, THEREFORE it is agreed that COMMISSION does hereby amend the contract of Contract Amendment as listed above.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Mendocino LAFCo

Contractor

By: \_\_\_\_\_  
Gerald Ward, Chair

\_\_\_\_\_  
Uma Hinman, Principal

## “RESOLUTION EXHIBIT A”

(CONTRACT EXHIBIT C)

### PAYMENT TERMS

1. COMMISSION shall pay CONTRACTOR for actual time spent in completion of BASIC SERVICES at the rates and within task payment limits shown below. COMMISSION shall also reimburse CONTRACTOR for allowable costs incurred in the performance of those services. Office overhead, preparation of invoices, travel time by CONTRACTOR and incidental expenses other than the allowable costs set forth below will not be compensated.
2. The following designated contract personnel and their hourly rates are specified under this Agreement as follows:

Uma Hinman, Executive Officer	\$100.00 per hour
Larkyn Feiler, Analyst	\$70.00 per hour
Elizabeth Salomone, Clerk*	\$40.00 per hour*

(\*plus 5% subcontractor administrative fee)

3. CONTRACTOR will submit monthly invoices to COMMISSION on the first day of each subsequent month. Said invoices shall identify the task completed and payment due for such task, and provide an itemization of allowable costs incurred, accompanied by receipts for all expenditures and an explanation of same. Except as otherwise set forth in this Agreement, payment for services and reimbursement of allowable costs will be made by COMMISSION within 30 days of approval of the invoice by COMMISSION.
4. Payment for BASIC SERVICES, as outlined in Exhibit A, shall not exceed Fiscal Year budgeted amount, except as is consistent with budget and financial policies. In addition, CONTRACTOR may not bill for more than \$10,000 for BASIC SERVICES in any one month without prior approval from COMMISSION.
5. COMMISSION shall pay CONTRACTOR for completion of Municipal Service Reviews, ~~and/or~~ Sphere of Influence Updates, and/or special studies, in accordance with the annual work plan and budget. Work plan billing will be on a time and materials basis and consistent with adopted budget and financial policies. ~~according to the not to exceed costs as stated in Exhibit B, each fiscal year budget's resolution of adoption.~~ Progress payments for MSR will be included in monthly invoices. Final payment to be made within 30 days of acceptance of the MSR and/or SOI by COMMISSION.
6. COMMISSION from time to time may authorize the CONTRACTOR, as Executive Officer, to undertake or manage special or complex projects including but not limited to complex environmental reviews, Municipal Service Reviews, Sphere of Influence Updates and studies, or other special studies or applicant initiated changes of organization or Sphere Amendments pursuant to LAFCo's purpose and authority as stated in LAFCo's adopted bylaws. Compensation and expenses for said activities shall be on a project or hourly basis and shall be in addition to the Executive Officer's regular budgeted compensation. All such special projects costs shall be paid after they have been approved by the COMMISSION or by the LAFCo Chair where there is no COMMISSION meeting during the month. If the COMMISSION has approved a project budget for the special project, CONTRACTOR billings consistent with the budget shall be deemed approved and budgeted, previously authorized, and payment authorized by the COMMISSION or by the LAFCo Chair where there is no COMMISSION meeting

during the month. The CONTRACTOR may use COMMISSION Legal Counsel, and subcontractors or staff as CONTRACTOR deems appropriate to complete the work and shall base any such project or hourly charges on the hourly service rates set forth in Exhibit "C".

7. In addition, CONTRACTOR shall be entitled to reimbursement for any costs which are directly reimbursable by the applicant, such as public notice costs, photocopy costs, property owner lists, GIS mapping, mileage, registered voter or property owner mailings, costs and time, for special meetings requested by the applicant, reconsideration requests, and conducting authority proceedings and costs and time involved in litigation. Any such expense reimbursement shall be itemized and approved by the COMMISSION as part of warrant approvals prior to payment.

[END OF PAYMENT TERMS]

**MENDOCINO**  
**Local Agency Formation Commission**  
**Staff Report**

DATE: August 6, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: **CALAFCO Call for Board of Directors Nominations and Voting Delegate**

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**STAFF RECOMMENDATION**

The Commission discuss the CALAFCO call for nominations to the 2018/19 CALAFCO Board of Directors, and:

1. Consider nomination of a Mendocino County LAFCo City or Public Commissioner, directing the Chair to sign the nomination form if nomination made; and
2. Designate a voting delegate for the Annual Membership Meeting to be held on October 4<sup>th</sup> during the 2018 Conference.

**BACKGROUND**

CALAFCO is seeking nominations for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following Northern Region seats on the CALAFCO Board of Directors: City Member and Public Member. Nomination forms and materials are due September 4, 2018. The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 4, 2018 at the Tenaya Lodge in Yosemite, CA.

Additionally, a voting delegate must be selected to attend the October 4<sup>th</sup> Annual Membership Meeting during the 2018 Conference and notification provided to CALAFCO by September 4<sup>th</sup>.

Attachments: CALAFCO 2018 Board Nomination Packet



May 25, 2018

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Bill Kirby, Committee Chair  
CALAFCO Board Election Committee  
CALAFCO Board of Directors



**RE: Nominations for 2018/2019 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

**Northern Region**

City Member  
Public Member

**Central Region**

County Member  
District Member

**Coastal Region**

County Member  
District Member

**Southern Region**

City Member  
Public Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 4, 2018 at the Tenaya Lodge in Yosemite, CA.

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Tuesday, September 4, 2018*.**

Incumbents are eligible to run for another term. Nominations received by September 4 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than September 20 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Tuesday, September 4, 2018. Completed absentee ballots must be returned by September 28, 2018.

*Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.*

**The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 4, 2018.** Here is a summary of the deadlines for this year's nomination process:

- **May 25** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 4** – Completed Nomination packet due
- **September 4** – Request for an absentee/electronic ballot due
- **September 4** – Voting delegate name due to CALAFCO
- **September 20** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **September 20** – Distribution of requested absentee/electronic ballots.
- **September 28** – Absentee ballots due to CALAFCO
- **October 4** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to [info@calafco.org](mailto:info@calafco.org). Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director  
California Association of Local Agency Formation Commissions  
1215 K Street, Suite 1650  
Sacramento, California 95814  
FAX: 916-442-6535  
EMAIL: [info@calafco.org](mailto:info@calafco.org)

Questions about the election process can be sent to the Chair of the Committee, Bill Kirby, at [wkirby@calafco.org](mailto:wkirby@calafco.org) or by calling him at 530-889-4097. You may also contact CALAFCO Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling 916-442-6536.

Members of the 2018/2019 CALAFCO Election Committee are:

Bill Kirby, Chair <a href="mailto:wkirby@calafco.org">wkirby@calafco.org</a>	Placer LAFCo (Central Region) 530-889-4097
Debra Lake <a href="mailto:dlake@calafco.org">dlake@calafco.org</a>	Humboldt LAFCo (Northern Region) 707-445-7508
Jo MacKenzie <a href="mailto:jmackenzie@calafco.org">jmackenzie@calafco.org</a>	San Diego LAFCo (Southern Region) 530-295-2707
Margie Mohler <a href="mailto:mmohler@calafco.org">mmohler@calafco.org</a>	Napa LAFCo (Coastal Region) 707-259-8645

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

*Please consider joining us!*

Enclosures

## Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

### 1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.<sup>8</sup>
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.<sup>8</sup>
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.<sup>8</sup>
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.<sup>8</sup>

### 2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:<sup>8</sup>
  - i. A statement clearly indicating which offices are subject to the election.
  - ii. A regional map including LAFCoS listed by region.
  - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."<sup>8</sup>
  - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - v. The address to send the nominations forms.
  - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:<sup>8</sup>

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
  - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."<sup>8</sup>
  - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

### **3. THE ELECTION COMMITTEE:**

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.<sup>8</sup>
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.<sup>8</sup>
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.<sup>8</sup>
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.<sup>8</sup>
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.<sup>8</sup>

### **4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING<sup>6</sup>** Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.<sup>8</sup>

**5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:**

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:<sup>8</sup>
  - i. Review the election procedure with the membership.
  - ii. Present the Election Committee Report (previously distributed).
  - iii. Call for nominations from the floor by category for those seats subject to this election:
    - 1. For city member.
    - 2. For county member.
    - 3. For public member.
    - 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
  - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
    - 1. Name the nominees and offices for which they are nominated.
    - 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
  - ii. For categories where there are more candidates than vacancies, the Presiding Officer

shall:

1. Poll the LAFcos in good standing by written ballot.
  2. Each LAFco in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
  3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.<sup>8</sup>
  4. With assistance from CALAFco staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
1. The nominee receiving the majority<sup>6</sup> of votes cast is elected.
  2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).<sup>6</sup>
  3. In case of tie votes<sup>6</sup>:
    - a. A second run-off election shall be held with the same two nominees.
    - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
  4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.<sup>6</sup>
    - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
    - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
    - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

## **6. ADDITIONAL PROCEDURES**

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.<sup>8</sup>
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFco may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new board members for the purpose of electing officers, determining meeting

places and times for the coming year, and conducting any other necessary business.

### 7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

### 8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

*These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007<sup>1</sup>, 8 February 2008<sup>2</sup>, 13 February 2009<sup>3</sup>, 12 February 2010<sup>4</sup>, 18 February 2011<sup>5</sup>, 29 April 2011<sup>6</sup>, 11 July 2014<sup>7</sup> and 27 October 2017<sup>8</sup>. They supersede all previous versions of the policies.*

## CALAFCO Regions

### FOUR REGIONS



**CALAFCO Board Members 2017-18***(as of May 15, 2018)*

<b>Board Member Name</b>	<b>LAFCo - Region</b>	<b>Type (Term Expires)</b>
Cheryl Brothers	Orange - <i>Southern</i>	City (2018)
Bill Connelly	Butte - <i>Northern</i>	County (2019)
Shiva Frentzen	El Dorado - <i>Central</i>	County (2018)
Gay Jones – <b>Chair</b>	Sacramento - <i>Central</i>	District (2018)
Michael Kelley - <b>Treasurer</b>	Imperial - <i>Southern</i>	County (2019)
Dr. William Kirby	Placer - <i>Central</i>	City (2019)
Debra Lake	Humboldt - <i>Northern</i>	District (2019)
John Leopold	Santa Cruz - <i>Coastal</i>	County (2018)
Gerard McCallum	Los Angeles - <i>Southern</i>	Public (2018)
Michael McGill - <b>Secretary</b>	Contra Costa - <i>Coastal</i>	District (2018)
Jo MacKenzie	San Diego - <i>Southern</i>	District (2019)
Margie Mohler	Napa - <i>Coastal</i>	City (2019)
Anita Paque	Calaveras - <i>Central</i>	Public (2019)
Ricky Samayoa	Yuba - <i>Northern</i>	City (2018)
Josh Susman – <b>Vice Chair</b>	Nevada - <i>Northern</i>	Public (2018)
Susan Vicklund-Wilson	Santa Clara - <i>Coastal</i>	Public (2019)



# MENDOCINO Local Agency Formation Commission

## Staff Report

DATE: August 6, 2018  
TO: Mendocino Local Agency Formation Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Status of Applications, Proposals, and Work Plan

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### ACTIVE APPLICATIONS

None

### APPLICATIONS ON-HOLD

The following applications have been filed with the Commission but are currently on hold. Any updates available are noted below in addition to the date of last activity.

- City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas  
Last activity: December 2014

### PRE-APPLICATIONS

None

### POTENTIAL FUTURE PROJECTS

The following potential future projects have been brought to LAFCo's attention and are included for informational purposes. Any updates available are noted below in addition to the date of last activity.

- Anderson Valley CSD Proposed Activation of Latent Powers to Provide Water/Sewer Services  
Last Activity: September 2017
- Proposed Consolidation of Four Water Districts in the Ukiah Valley area  
Last Activity: December 2016

### WORK PLAN STATUS UPDATE:

The following status update includes background information regarding the work plan program. Staff is currently working with the Executive Committee regarding revisions to the 5-Year Rolling Work Plan and development of a template for tracking the work plan implementation schedule and costs on a monthly basis.

### **Work Plan Budget Development Process**

As background, the 5-Year Rolling Work Plan is currently used as a budget development tool to allocate a portion of limited staff resources to completing Municipal Service Review (MSR) and Sphere of Influence (SOI) Update studies over a 12-month period (July 1 through June 30). The estimated schedule and costs from the prior 5-Year Rolling Work Plan are reviewed and revised in February for the upcoming fiscal year as part of the budget development process, whereas implementation of the revised work plan begins in the following July. In the months between development and

implementation, the work plan schedule and costs can change and may warrant periodic review and updates to more closely represent current circumstances.

### Work Plan Assumptions

The following disclaimer addresses the underlying assumptions for the 5-Year Rolling Work Plan.

“The schedule and cost for each study identified in this Work Plan is an estimate and is subject to change based on overall staff workload, agency responsiveness and timely provision of requested information, complexity of issues, and public controversy. Each study is assumed to consist of a combined MSR and SOI Update and be exempt from CEQA. A separate cost estimate will be prepared for studies subject to a Negative Declaration or EIR. The cost estimate reflects the minimum staff time to: coordinate a response to the Request for Information (RFI), draft the study for agency review and make revisions, prepare the study for one Public Workshop and Public Hearing and make revisions, and finalize the study to post online and mail to the subject agency. This Work Plan will be reviewed mid-year, or sooner as needed, and revised to account for a more refined level of detail related to the anticipated scope of work for specific studies. The estimated Work Plan schedule and costs may roll over to the next Fiscal Year.”

### Rolling Plan Concept

Staff activities are rarely contained in a single fiscal year; therefore, the rolling plan concept is a very helpful way to design the work plan. A rolling plan is by nature flexible and allows staff to shift priorities based on new opportunities and unforeseen needs as they arise. As part of the 5-Year Rolling Work Plan, studies that were not completed in the prior fiscal year roll over or move to the following fiscal year. In order to remain useful to staff, Commissioners, interested member agencies, and the public, the work plan needs to be updated more often than once a year.

Adopting the 5-Year Rolling Work Plan as an exhibit to the resolution for the final budget may be resulting in a misconception that the work plan schedule and costs are fixed or unchangeable, even though there is a disclaimer that the plan is subject to change. Therefore, staff recommends that the 5-Year Rolling Work Plan be maintained as a staff resource instead of being memorialized in an annually adopted resolution and potentially misleading users as to the intended purpose of the plan. This way the work plan will serve as an effective program management and communication tool instead of just a budget development tool.

### Study Development Process

The cost for each study in the work plan reflects the estimated minimum staff time to accomplish the following tasks, which are further described below.



#### Request for Information

LAFCo staff initiates the study development process by preparing and sending a Request for Information (RFI) specific to the municipal services provided by the agency and requests an RFI response within a specific timeframe. Staff typically frontloads the RFI with information from the most currently adopted MSR/SOI and readily available information from agency websites. Although

it requires more staff time, this approach has yielded more thorough and timely responses from agencies.

### **Outreach**

LAFCo staff coordinates with the agency, primarily by phone and email, to explain the role of LAFCo and the study development process, gather information for the study, gain an understanding of the issues facing the agency, and to provide information and/or connect the agency with potential resources and opportunities to address issues that are outside the scope of the MSR/SOI Update. For complex studies, LAFCo staff may also meet in-person with agency staff.

For City SOI Update studies, a meeting may occur between City and County representatives pursuant to Government Code Section 56425(b) to discuss the proposed new boundaries of the City sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the City sphere. LAFCo staff may or may not be involved in this meeting, and can facilitate this meeting at the request of the City and/or County. This meeting is not limited to this step in the process.

### **Administrative Draft**

LAFCo staff prepares an administrative draft of the study, based on the RFI response and information collection efforts, for agency staff review and requests feedback within a specific timeframe. The Administrative Draft often includes specific questions for clarification and/or requests additional information to be provided. This step in the process may also involve extensive research, consulting with Legal Counsel, and/or conducting a separate special study.

### **Public Workshop**

LAFCo staff prepares the draft study and staff report for a Public Workshop at a Commission meeting to receive informal feedback from the Commissioners and the public related to the draft study. Agency staff is encouraged to attend this workshop to answer specific questions from the Commissioners and the public.

This step is typically followed by additional outreach to the agency and information gathering to address Commission questions and direction.

### **Public Hearing**

LAFCo staff prepares the draft study, staff report, environmental review, and required public noticing for a Public Hearing at a Commission meeting for the Commissioners to consider public testimony and proposed adoption of the study. Agency staff is encouraged to attend the Public Hearing to answer specific questions from the Commissioners and the public. The Commission may take one of the following actions related to the Public Hearing: (a) Continue the hearing to a specified date and time to allow LAFCo and agency staff time to make requested revisions to the study, (b) Close the hearing and adopt the study as proposed or with minor revisions, (c) Close the hearing and direct LAFCo staff to address specific issues and reschedule the matter for another Public Hearing once complete.

Again, this step may be followed by additional outreach to the agency and information gathering to address Commission questions and direction.

### **Final Study**

Upon adoption of the study by the Commission at a properly noticed Public Hearing, LAFCo staff prepares final revisions to the study, including at minimum the date of adoption and associated LAFCo Resolution number, posts the final study online, prepares a final correspondence to mail along with a

hardcopy of the final study to the agency, and files a Notice of Exemption (NOE) with the Mendocino County Recorder. If the study is not exempt from environmental review, LAFCo staff files a Notice of Determination (NOD) for a Negative Declaration or an EIR and pays the necessary CEQA filing fees.

\*Each step in the study development process can involve multiple iterations of the draft study and several communications with the agency, other interested agencies or organizations, and/or members of the public.

### **Work Plan Implementation Lessons Learned**

In implementing the work plan over the last two fiscal years, multiple lessons have been learned regarding the work plan program. These insights are summarized below for informational purposes.

- To maximum efficiency, it is best to prepare combined MSR and SOI studies. When a MSR study precedes a SOI study, especially by 2-3 years, it is common for MSR information to become outdated which can require a full or partial MSR Update in addition to the stand-alone SOI study.
- To improve the accuracy and thoroughness of information and feedback received from municipal service providers, it is important to work with each agency to understand and accommodate their workload to the greatest extent feasible (i.e. the busy season for Cemetery Districts is during winter months and for Fire Districts is during summer and fall months) and to provide more time for agency review and response throughout the study development process.
- To build positive working relationships with municipal service providers, it is important for the study development process to also include outreach activities such as: explaining the role of LAFCo; gaining an understanding of the issues facing each agency; and informing agencies of potential contacts, resources, and/or opportunities to address issues that are outside the purview of LAFCo.
- To assist in anticipating the future costs of second round MSR/SOI Update studies, it is helpful to understand that while the original study usually provides a good basis of information for the new study, there are often new regulations that were not addressed in the prior study (i.e. disadvantaged unincorporated communities (DUCs) and government transparency) in addition to more detailed information requirements for the current study (i.e. financial information and shared resources/services).
- To clearly communicate current staff activities, it is important to roll over work plan studies that are still in progress from the prior fiscal year to the current fiscal year work plan.
- To ensure sufficient collection of apportionment fees for the work plan, it is important to capture the actual costs to implement the prior fiscal year work plan studies during the budget development process for the next fiscal year.

### **Work Plan Implementation Schedule and Cost Tracking**

To improve communication and transparency related to the work plan program, staff recommends the following:

- Maintain the 5-Year Rolling Work Plan as a staff resource instead of adopting the plan as an exhibit to the resolution for the final budget.
- Provide a more detailed monthly tracking of the work plan implementation schedule and costs to date.

- Review the work plan implementation schedule and costs with the Executive Committee on a quarterly basis, or as needed.

Attachment 1 is a Draft FY 2018-19 Work Plan Gantt Chart to provide an overall framework for the current work plan priorities. Please note the following related to the Gantt Chart:

- Staff intentionally did not schedule any Workshop or Public Hearing items for the 1/7/2019 regular LAFCo meeting to lighten the schedule around the holiday season and to allow new Commissioners a meeting to adjust to their new position.
- Staff works concurrently on multiple studies at a time to maintain progress on the different phases of the study development process.
- It is difficult to estimate the implementation schedule beyond the Public Workshop date; therefore, the Public Hearing and Final Study steps in the study development process are scheduled as TBD (to be determined).

Attachments:

(1) Draft FY 2018-19 Work Plan Gantt Chart

# Mendocino LAFCo FY 2018-19 Work Plan Gantt Chart

## August 6, 2018 Draft



**MENDOCINO**  
**Local Agency Formation Commission**  
**Staff Report**

DATE: August 6, 2018  
TO: LAFCo Commission  
FROM: Uma Hinman, Executive Officer  
SUBJECT: Redevelopment Agency Oversight Board Special District Selection

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**RECOMMENDATION**

Informational

**BACKGROUND**

On July 1, 2018, more than 400 redevelopment agency (RDA) oversight boards were consolidated into a single oversight board per county (and five oversight boards in Los Angeles County). Each county's Independent Special Districts Selection Committee is granted the authority to appoint one special district representative to that county's respective oversight board. If the Independent Special District Selection Committee in a county fails to act by July 15, 2018, the legislation states that the governor will make the appointment on its behalf. In May, LAFCo staff received a request from the County of Mendocino to perform the appointment process.

The LAFCo Executive Officer is responsible for calling and giving written notice of meetings of the Independent Special District Selection Committee, at which a representative may be appointed to the countywide RDA oversight board. (Government Code Section 56332(b)). As in Mendocino LAFCo's case, if the Independent Special District Selection Committee has determined to conduct the Committee's business by mail or if the Executive Officer determines that a meeting of the special district selection committee is not feasible, the Executive Officer shall conduct the business of the Committee by mail per Government Code Section 56332(f).

Special district eligibility is outlined in Health and Safety Code Section 34179(j)(3), which stipulates that a representative from a special district that receives property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF) should be appointed. Staff worked with the County Auditor-Controller's office to determine which special districts were eligible under the criteria, and 12 districts were identified:

- Calpella County Water District
- Cemetery District of the Redwoods
- Fort Bragg Rural Fire Protection District
- Little Lake Fire Protection District
- Mendocino Coast Health Care District

- Mendocino Coast Recreation District
- Noyo Harbor District
- Redwood Valley-Calpella Fire District
- Russian River Cemetery District
- Russian River Flood Control and Water Conservation Improvement District
- Ukiah Valley Fire Protection District
- Ukiah Valley Sanitation District

Staff then sent an announcement letter and nomination packet to each of the eligible districts via certified mail on June 15, 2018. As requested, the announcement solicited nominations for both a regular seat and an alternate. The deadline for nominations was July 19, 2018; one nomination was received for the regular seat, none for the alternate. Per the code, in the event only one nomination is received, that nominee is automatically selected and no election process is required. The special district representative to the County-wide Redevelopment Agency Oversight Board is Andrea Reed, Ukiah Valley Sanitation District.

This was a state-mandated, yet unfunded, responsibility of LAFCos. Concerns have been voiced to CALAFCO by numerous LAFCos regarding the lack of reimbursement for the mandate. CALAFCO's response has been that they are hopeful that the one-time grant funding opportunity, should it pass, may provide reimbursement for the task. Staff will monitor that potential opportunity.

Staff have completed the RDA Oversight Board Selection process, which cost approximately \$3,000 in labor and certified mailings.