

Mono County Local Agency Formation Commission

PO Box 347
Mammoth Lakes, CA 93546
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commdev@mono.ca.gov

PO Box 8
Bridgeport, CA 93517
760.932.5420, fax 932.5431
<https://monocounty.ca.gov/lafco>

SPECIAL MEETING AGENDA

April 30, 2024 – 3:00 pm

**Mono County Civic Center – Dana Room
1290 Tavern Rd. (Dana Room on 2nd Floor) Mammoth Lakes, CA**

**Alternate meeting location with Commissioner present:
824 Burcham Flat Road Coleville, CA**

The meeting may be joined by video at

<https://monocounty.zoom.us/j/82385664347?pwd=8BVNtG7JU3HaZMXIfuaLMJ3MZiTMNK.1>

or by telephone at: 669-900-6833 (**Meeting ID#** is 823 8566 4347, **password 5678**) where members of the public shall have the right to observe and offer public comment.

An alternate method to access the video meeting is <https://zoom.us/join> and enter

Meeting ID: 823 8566 4347, password 5678)

- 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE**
- 2. PUBLIC COMMENT**
- 3. CONSENT ITEMS:**
 - A. Review and approve regular meeting minutes of October 12, 2023 (pg. 1)
- 4. ADMINISTRATION**
 - A. Review LAFCO Membership (Vacancies & Term Expirations) (pg. 3)
 - Annual election of Chair and Vice Chair
 - Initiate 2024 Election Process
- 5. 10:35 AM PUBLIC HEARING: FISCAL YEAR 2024-25 PRELIMINARY BUDGET** (pg. 5)
 - Receive staff report
 - Questions of staff
 - Open the public hearing, receive any public comments, close public hearing
 - Commission discussion; provide any desired direction to staff on the 2023-24 preliminary budget
- 6. LAFCO BUSINESS**
 - A. Municipal Service Reviews (MSR) update (pg. 9)
 - B. CALAFCO Legislative Update (pg. 11)
- 7. EXECUTIVE OFFICER'S REPORT**
- 8. COMMISSIONER'S REPORTS**
- 9. UPCOMING AGENDA ITEMS**
 - A. Adopt final budget
 - B. Review Priority One MSR/SOI Reports
- 10. ADJOURN** to June 13, 2024.

LAFCO COMMISSIONERS

Paul McFarland, Tom Cage, Sarah Rea, Chris Bubser, Jennifer Kreitz, Bob Gardner, Bruce Woodworth

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Draft Minutes

October 12, 2023- 3:30pm

1. **CALL TO ORDER/PLEDGE OF ALLEGIANCE at 3:32 pm.**
2. **PUBLIC COMMENT-** Mono County CAO Sandra Moberly introduced herself to the LAFCO Commission.
3. **CONSENT ITEMS:**
 - A. Review and approve AB 361 meeting minutes of June 1, 2023

MOTION: Approve consent items as presented.

Commissioner Kreitz Motioned; Commissioner Duggan Seconded.

Vote – Ayes: Woodworth, Kreitz, Rice, Duggan, McFarland. Absent: Cage, Rea. (Passes 5-0)

4. 3:30pm Public Hearing

- A. Birchim Community Service District 2023 MSR Update.

MOTION: Approve the proposed Birchim Community Service District 2023 MSR Update as presented.

Commissioner Kreitz Motioned; Commissioner Duggan Seconded.

Vote – Ayes: Woodworth, Kreitz, Rice, Duggan, McFarland. Absent: Cage, Rea. (Passes 5-0)

- B. Birchim Community Service District 2023 SOI Amendment.

MOTION: Approve the proposed Birchim Community Service District 2023 SOI Amendment as presented.

Commissioner Kreitz Motioned; Commissioner Duggan Seconded.

Vote – Ayes: Woodworth, Kreitz, Rice, Duggan, McFarland. Absent: Cage, Rea. (Passes 5-0)

- C. Birchim Community Service District Annexation of one parcel into the Birchim Community Service District.

5. LAFCO BUSINESS

- A. Status of County and Town of Mammoth Lakes MSR/SOI updates
 - Karl gave a brief overview of the MSR/SOI update.

- B. Proposed Budget Amendment

- Calloway gave a brief overview of the budget amendment as presented.

LAFCO COMMISSIONERS

Paul McFarland, Tom Cage, Sarah Rea, Amanda Rice, Jennifer Kreitz, Rhonda Duggan, Bruce Woodworth

MOTION: Approve proposed amended budget as presented.
Commissioner Kreitz Motioned; Commissioner Rice Seconded.
Vote – Ayes: Kreitz, Rice, Duggan, McFarland. Abstain: Woodworth Absent: Cage, Rea. (Passes 4-0 with 2 absent and 1 abstention)

6. EXECUTIVE OFFICER’S REPORT

7. COMMISSIONER REPORTS

8. UPCOMING AGENDA ITEMS:

- A. County & Town of Mammoth Lakes MSR & SOI updates

9. ADJOURN to a regular scheduled meeting before April 11, 2024

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April 30, 2024

To: Mono LAFCO

From: Brent Calloway, Executive Officer
Kelly Karl, Planning Analyst

RE: LAFCO Membership Update

Recommendation: Receive staff report

Background:

Mono County LAFCO is a seven-member commission composed of members from the Mammoth Lakes Town Council, Mono County Board of Supervisors, Special District Members, and Public Members (with one alternate for each member position). The appointed term of office on Mono LAFCO is four years, expiring on the first Monday in May. Additionally, a Chair and Vice-Chair are appointed by LAFCO and serve for a period of one year from the selection. See below for the current LAFCO membership roster, currently there is one vacancy (Public Member Alternate), two term expirations (Special District Member Alternate and Public Member) that need to be addressed, as well as the annual appointment of LAFCO Chair and Vice-Chair. Additionally, Commissioner McFarland will need to step down as Special District Member when seated as a Mono County Supervisor in January 2025.

2023-2024 LAFCO MEMBERSHIP ROSTER

	Member	Title	Term Expiration
1	Jennifer Kreitz	County Member	-
2	Bob Gardner	County Member	-
	Rhonda Duggan	County Member (Alternate)	-
3	Sara Rea	City Member	-
4	Amanda Rice	City Member	-
	Christine Bubser	City Member (Alternate)	-
5	Tom Cage	Special District Member (2023 Chair)	May 04, 2026
6	Paul McFarland	Special District Member (2023 Vice-Chair)	December 31, 2024
	Gary Thompson	Special District Member (Alternate)	May 06, 2024
7	Bruce Woodworth	Public Member	May 01, 2023
	VACANT	Public Member (Alternate)	

LAFCO COMMISSIONERS

Paul McFarland, Tom Cage, Sarah Rea, Amanda Rice, Jennifer Kreitz, Bob Gardner, Bruce Woodworth

Discussion:Special District Member (Alternate)

The nominations and election process for the Special District Members will be conducted by electronic mail per Government Code (GC) Section 56332 (f)(3)(4). Each Special District may submit nominations in writing (LAFCO staff will provide a nomination form).

Candidates for this position must be elected or appointed by their own Special District officers residing within the county. Notices will be sent via electronic mail in late April with a 21-day response deadline in May (due before LAFCO's June meeting).

If only one candidate is nominated per vacant seat, that candidate shall be deemed appointed as permitted by GC Section 56332 (c)(1)(2). If more than one Special District Member has been nominated, the Executive Officer will prepare a ballot and send one copy to each Special District via electronic mail (per GC Section 56332 (f)(3)(4)), along with voting instructions. The candidate receiving the highest number of votes will be appointed as the Special District member at the June LAFCO meeting.

Public Member and Public Member Alternate

Notice of the Public Member and Public Member Alternate vacancies will be published in The Sheet with a minimum of 21-day response deadline (due before LAFCO's June meeting). Public Members cannot be an officer or employee of the county or any city or district with territory in the county.

Appointment of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members appointed by each of the other appointing authorities (City Member, County Member, and Special District Member).

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April 11, 2024

To: Mono County LAFCO

From: Brent Calloway, Executive Officer

RE: FY 24-25 Preliminary Budget

Recommendation

Review preliminary budget options and provide any desired direction to staff on draft Fiscal Year 2024-25 budget, and adopt preliminary FY 24-25 budget.

Background

This is a public hearing item. After staff presentation and questions of staff by the Commission, open the public hearing and take any comments, deliberate, and provide direction to staff.

The proposed preliminary budget options for (FY) 2024-25 are all less than the (FY) 2023-24 due to a significant one-time expenditure from the reserves in (FY) 2023-24. The reserve expenditure was utilized for consultant staffing to update the Municipal Service Reviews. As required by the Cortese-Knox-Hertzberg Act (CKH), if adopting a budget less than the previous fiscal year, the Commission must find that reducing staffing or program costs will still allow the LAFCO to fulfill the purposes and requirements of the Act.

Alternative Apportionment

The Cortese-Knox-Hertzberg Act (CKH) establishes methods for apportioning LAFCO staffing and program costs among the County, Town and Special Districts. The law allows alternative apportionment methods, which Mono LAFCO has used to avoid impacting financially constrained special districts. Prior to using an alternative apportionment method, LAFCO costs were fully borne by the Town of Mammoth Lakes and Mono County. In recent years, the Commission applied an alternative apportionment method consisting of a third from Mono County; a third from the Town of Mammoth Lakes; and a third from special districts, with the special district share provided exclusively from the Southern Mono Healthcare District and the Mammoth Community Water District, rather than from all independent special districts. The proposed preliminary budget reflects this same alternative budget apportionment method.

FY 23-24 Budget Review

Summary of FY 23-24 Mono LAFCO activity.

Birchim Community Service District Annexation – This project included a staff completed update to the Municipal Service Review, an amendment of the Sphere of Influence, and Annexation into the district, and filing of paperwork with the Board of Equalization.

Municipal Service Review Updates (additional staff report agenda item 6.A)

Staff responded to the following inquiries and ongoing discussion items:

- Mammoth Lakes Mosquito Abatement District – ongoing discussions regarding the annexation of Snowcreek VIII parcels as required by the approved master plan.
- Rock Creek Ranch – an application for the formation of a new Community Service District was submitted, reviewed and determined to be incomplete.
- Mammoth Lakes Community Service District – research and responded to inquiry regarding function of district based on citizen inquiry.
- June Lake Public Utility District – research and responded to inquiry regarding public meeting laws based on citizen inquiry.
- Significant increase in minor inquiries due to MSR update activity.

Other activities this past year included the following:

- Attendance of the upcoming annual CALAFCO staff workshop (April 24-26)
- Educational trainings, including webinars on Ethics and Executive Officer responsibilities.
- Continued revisions of LAFCO applications to reflect current requirements.
- Tracking CALAFCO correspondence for issues of importance including emerging legislation.

The projected fund balance reserve for FY 23-24 is \$5,792 or approximately 30% of operating costs.

Proposed FY 24-25 Activity & Budget Options

LAFCO activity in FY 24-25 is expected to be similar to FY 23-24. There are several potential projects that could require LAFCO action, however, project applicants are being advised that the Mono LAFCO budget is not intended to cover project processing costs and that Mono LAFCO intends to seek full cost recovery for projects initiated by applicants.

Three options for the preliminary FY 24-25 budget have been developed for consideration of the Commission, a status quo option, a 10% salary and benefits increase option and a 100% reserve fund option.

Option A. Status Quo

The first option is a status quo expenditures and revenues budget. Projected revenues are identical to FY 23-24 and projected expenses include minor adjustments based on 23-24 actuals. Option A includes a projected contribution to the reserve fund of \$1,594 and a reserve balance of 62% of operating costs.

Option B. 10% Salary Increase

The second option includes the same minor adjustments as the status quo budget and a 10% increase in the Salary/Benefits line item that reflects actual salary/benefit cost increases of County staff. Projected revenues are identical to FY 23-24. This budget represents a status quo workload budget as LAFCO salary/benefits budget is increased to reflect the actual cost increase of County staff. Option B includes a projected contribution to the reserve fund of \$994 and a reserve balance of 57% of operating costs.

Option C. 100% Reserve Funding

The third option includes the expenditure adjustments of Option B plus an increase of revenues to bring the projected reserve fund to 100% of operating costs. This option would increase the Mono County and Town of Mammoth Lakes contribution from \$3,715 to \$5,451, and increase the contribution from Mammoth Community Water District and Southern Mono Healthcare District from \$1,857 to \$2,725. Option C includes a projected contribution to the reserve fund of \$6,202 with a reserve balance of 100% operating costs. Assuming no withdrawal from the reserve fund is necessary, this revenue increase would be a one-time increase and contributions would return to FY 23-24 levels or decrease to maintain a status quo budget in FY 25-26.

Please contact Brent Calloway at 760-924-1805 or bcalloway@mono.ca.gov with any questions.

Attachments:

1. Proposed FY 24-25 budget options, with FY 23-24 projected actuals.

**Attachment A: Mono LAFCO FY 24-25
Preliminary Budget Options**

Revenue	FY 23-24 Approved	FY 23-24 Actual	Status Quo	10% Salary Increase	Restore 100% reserve
			FY 24-25 Proposed A	FY 24-25 Proposed B	FY 24-25 Proposed C
TOML contribution	3,715	3,715	3,715	3,715	5,451
Mono Co contribution	3,715	3,715	3,715	3,715	5,451
Health Dist. contribution	1,857	1,857	1,857	1,857	2,725
MCWD contribution	1,857	1,857	1,857	1,857	2,725
Application Fees	1,000	495	1,000	1,000	1,000
Withdrawal from Reserve	7,871	7,871	0	0	0
Total	20,015	19,510	12,144	12,144	17,352

Expenditures	FY 23-24 Approved	FY 23-24 Projected	FY 24-25 Proposed A	FY 24-25 Proposed B	FY 24-25 Proposed C
Salary/Benefits	15,415	15,415	6,000	6,600	6,600
Membership Fees	1,300	1,348	1,400	1,400	1,400
Publications & Legal	300	150	150	150	150
Travel and Training	3,000	980	3,000	3,000	3,000
Contract Services	0	0	0	0	0
Contribution to Reserve	0	1,617	1,594	994	6,202
Total	20,015	19,510	12,144	12,144	17,352

Fund Balance	FY 23-24 Approved	FY 23-24 Projected	FY 24-25 Proposed A	FY 24-25 Proposed B	FY 24-25 Proposed C
Beginning Balance	11,746	4,025	5,792	5,792	5,792
Contributions	0	1,617	1,594	994	6,202
Interest Earned	150	150	150	150	150
Withdrawal	-7,871	0	0	0	0
Ending Balance	4,025	5,792	7,536	6,936	12,144
Percent of Operating	20.1%	29.7%	62.1%	57.1%	100.0%

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April 30, 2024

To: Mono LAFCO

From: Brent Calloway, Executive Officer
Kelly Karl, Planning Analyst

RE: Status of the Comprehensive Countywide MSR Updates

Recommendation: Receive staff report

Background:

The Cortese-Knox-Hertzberg Local Government Reorganization Act (CKH) of 2000 requires Local Agency Formation Commissions (LAFCOs) to conduct comprehensive reviews of all municipal services in each county in California and to periodically update that information. The purpose of the Municipal Service Reviews (MSR) is to gather detailed information on public service capacities and issues. The CKH also requires LAFCOs to develop and determine the Sphere of Influence (SOI) for each applicable local governmental agency that provides services or facilities related to development. Government Code Section 56076 defines a SOI as “a plan for the probable physical boundaries and service area of a local agency.” MSRs must be completed prior to the establishment or update of SOIs (§56430(a)). SOIs must be reviewed and updated every five years, as necessary (§56425).

Discussion:

The last comprehensive update of the MSRs & SOIs for the 26 Special Districts in Mono County occurred in 2009/2010. Due to the length of time between updates, LAFCO is using a unique approach to update the MSR and SOI Reports (Reports) in the 2023/2024 update cycle. Eleven Special Districts in both the unincorporated County and the Town of Mammoth Lakes will be completed via a contract with Bauer Planning and Environmental Services, Inc. (see prioritized list below). While the remaining sixteen Special Districts in unincorporated Mono County (see prioritized list below) will be completed via a combination of grant funded consultant work and LAFCO staff time. One Report for the Birchim Community Services District was initiated by an annexation application and completed in 2023.

Prioritized Special District Update Schedule:

Completed Reports – 2023

1. Birchim Community Services District (Initiated by a LAFCO application)

Priority One Reports – June 2024 LAFCO Meeting

1. Bridgeport Public Utility District (LAFCO Staff)
2. Hilton Creek Community Services District (LAFCO Staff)
3. June Lake Public Utility District (LAFCO Staff)
4. Lee Vining Public Utility District (LAFCO Staff)
5. Wheeler Crest Community Services District (LAFCO Staff)
6. Mammoth Lakes Fire Protection District (Contract Staff)

7. Mammoth Community Water District (Contract Staff)
8. Mammoth Lakes Mosquito Abatement District (Contract Staff)

Priority Two Reports – Fall 2024

1. Antelope Valley Fire Protection District (LAFCO Staff)
2. Bridgeport Fire Protection District (LAFCO Staff)
3. Chalfant Valley Fire & Community Services District (LAFCO Staff)
4. June Lake Fire Protection District (LAFCO Staff)
5. Lee Vining Fire Protection District (LAFCO Staff)
6. Long Valley Fire Protection District (LAFCO Staff)
7. Mono City Fire Protection District (LAFCO Staff)
8. Paradise Fire Protection District (LAFCO Staff)
9. Wheeler Crest Fire Protection District (LAFCO Staff)
10. White Mountain Fire Protection District (LAFCO Staff)
11. Town of Mammoth Lakes (Contract Staff)
12. Southern Mono Healthcare District (Contract Staff)

Priority Three Reports – Spring 2025

1. Mammoth Lakes Community Services District (Contract Staff)
2. County Service Area 1 (Contract Staff)
3. County Service Area 2 (Contract Staff)
4. County Service Area 5 (Contract Staff)
5. Countywide County Service Area (Contract Staff)
6. Antelope Valley Water District (LAFCO Staff)

The final Reports for the 2023/2024 update cycle will vary based on the update process used (contract staff vs. LAFCO staff implementing updates grant funded edits). All Reports will have an updated style format, will incorporate new findings and determinations required by recent updates to the CKH, and updated Special District information.

Moving forward in the next update cycle, LAFCO will likely want future agenda item to discuss strategies to simplify and streamline this process due to budget and staffing constraints. Other jurisdictions utilize a checklist to conduct minor updates and evaluations every five years and determine whether a comprehensive update is necessary. Alternatively, Mono County LAFCO has discussed in past potentially utilizing GIS to digitize this process. Lastly, LAFCO may also want to consider a future agenda item to discuss a formal schedule for the next update process, perhaps in conjunction with the annual budget discussion, to ensure the Reports stay on track with CKH required review/update cycles.

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April 30, 2024

To: Mono LAFCO

From: Brent Calloway, Executive Officer
Kelly Karl, Planning Analyst

RE: CALAFCO Legislation Update

Recommendation: Receive staff report, provide direction to staff.

Background:

CALAFCO is currently tracking 13 bills and sponsoring two bills including the annual omnibus bill - AB 3277 (ad valorem taxes) and SB 1209 (indemnification proposal). CALAFCO has requested support letters for the two sponsored bills.

Assembly Bill 3277 – Ad valorem property taxes

Under existing statute, a commission must perform a financial analysis of ad valorem property taxes when a proposal is received that includes the incorporation of a city and the formation of a district. The only purpose of the analysis is to determine how best to apportion the property taxes between the agencies. However, occasionally, an application is received in which the district waives any portion of the ad valorem taxes. In those situations, no analysis is needed for the process, yet it remains required by statute.

This bill will add language that clarifies that the performance of the financial analysis in that situation only needs to be performed in those instances where a portion of the ad valorem property taxes is being sought.

Assembly Bill 1209 – Indemnification agreements and LAFCO

SB 1209 would add a new section into Government Code authorizing LAFCOs to enter into an indemnification agreement with an applicant. Counties and cities are already empowered to require indemnification, and routinely do so with respect to discretionary land-use approvals. SB 1209 would merely provide LAFCOs with the same authority.

This bill addresses a 2022 decision of the Second District Court of Appeals, which found that existing State law does not provide explicit authority to require indemnification. Absent indemnification authority - and because LAFCO funding is statutorily required in a specified ratio from the county, cities, and special districts within a county - the costs to defend litigation must be absorbed by all of LAFCO's funding agencies.

LAFCO COMMISSIONERS

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