



Modoc Local Agency Formation Commission
AGENDA

Regular Meeting
April 22, 2025 04:00 PM

City Council Chambers - Alturas City Hall
200 North Street, Alturas, CA 96101

<https://us02web.zoom.us/j/84375116907?pwd=a6jJH09MYGN7MrB0lvaoRUrPNYGwaZ.1>

Commissioners

Chair - County Member Ned Coe • Vice Chair - City Member Paul Minchella • County Member Kathie Rhoads • City Member Jennifer Engel • Public Member Laurie Pearce Price • Alternate City Member Brian Cox • Alternate County Member Shane Starr

LAFCO Staff

Executive Officer Jennifer Stephenson • LAFCO Counsel Scott Browne • Clerk Tacie Wheeler

REASONABLE ACCOMMODATIONS

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting. The location of this meeting is wheelchair-accessible. If other accommodations are required to assist a person with a disability to participate in the meeting, please contact the Commission Clerk 24 hours before the meeting as indicated below.

Disclosure & Disqualification Requirements Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Modoc LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 et seq. Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660.

A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding.

Contact LAFCO staff

LAFCO staff may be contacted at (310)936-2639 or by email at jennifer@pcateam.com. Copies of reports to the extent feasible are located on the LAFCO webpage at: www.modoclafco.org

1. Call to Order

- A. Roll Call
- B. Pledge of Allegiance

2. Public Comments

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

3. Consent Agenda

Discussion Possible Action  [Comment](#) [View Item](#)

These items are expected to be routine and non-controversial. The Commission will act upon them at one time without discussion. Any Commissioners, staff member or interested party may request that an item be removed from the consent agenda for discussion.

- A. Approval of Minutes February 11, 2025
- B. Payment of Claims February and March 2025

4. Correspondence

Discussion  [Comment](#) [View Item](#)

- A. CALAFCO Letter Addressing Member Concerns

5. Proposed Budget for FY 25-26

Discussion Possible Action  [Comment](#) [View Item](#)

Consider the Proposed Budget for FY 25-26 with any necessary edits.

- A. Receive staff report and Proposed Budget for FY 25-26
- B. Conduct public hearing
- C. Adopt Resolution 2025-02: Approving the Proposed Budget for FY 25-26

6. Schedule a Special Meeting to Consider Dissolution of Stronghold Newell Pest Abatement District

Discussion Possible Action  [Comment](#)

7. Executive Officer Report

Discussion  [Comment](#) [View Item](#)

- A. Form 400 due April 1
- B. Surprise Valley Health Care District MSR Status

C. Alternate Public Member Position

8. Commissioner Reports

Discussion  [Comment](#)

9. Adjournment

Modoc Local Agency Formation Commission

Minutes February 11, 2025

City Council Chambers
Alturas City Hall
200 W. North Street, Alturas, CA 96101
4:00 PM

1. **The Meeting was called to order at 4:00 pm by Chair Minchella. A pledge of allegiance was recited.**

Commissioners Present

Paul Minchella
Laurie Pearce Price
Kathie Rhoads
Ned Coe
Jennifer Engel

LAFCO Staff

Jennifer Stephenson, Executive Officer
Tacie Wheeler, Clerk

2. **Public Comment**

None

3. **Consent Agenda**

Motion by Kathie Rhoads, seconded by Jennifer Engel to approve the October 8, 2024 Minutes and the payment of claims for December 2024 and January 2025. All Ayes. Motion passed.

4. **Correspondence**

Only correspondence received will be discussed in item #8.

5. **Approve Regular Meeting Schedule for 2025**

Laurie Pearce Price asks if the April meeting should be on the 15th or the 8th.

Jennifer Stephenson says that she will be traveling on April 8th and requests that the meeting be moved to the 15th.

Jennifer Engel states that there is a City Council meeting 15th.

Jennifer Stephenson inquires about the 22nd.

The council chambers are available the 22nd of April.

Motion by Laurie Pearce Price, seconded by Paul Minchella to approve the meeting schedule for 2025, amending the meeting date for April to the 22nd. All Ayes. Motion passed.

6. Extension of Timeframe for Canby CSD Formation

Jennifer Stephenson says she received a call from the applicant requesting an extension due to extenuating circumstances. The extension would be one year, starting today. She states there are only a couple of things they are still needing from them, so she does not think it will take the entire year.

Motion by Paul Minchella, seconded by Kathie Rhoads to approve the extension of timeframe for completion of Canby Area CDS Formation (File 2023-0002). All Ayes. Motion passed.

7. Website Update and Review

Jennifer Stephenson says they were unable to make the website available to the commissioners to preview before launching it, so they did a soft launch. The commissioners can go to the website now to review the updates and let her know if anything needs revised or if they are cleared to launch the full site.

Ned Coe pulls the website up on his phone and says that it is not very compatible with the mobile device on the homepage, as it is cutting some of it off. The buttons and drop downs seem to be fine, so just the homepage needs to be more compatible with a phone or tablet.

Jennifer Stephenson states that she will discuss that with the designer.

8. CALAFCO Update and Feedback

Jennifer Stephenson states that Paul Minchella is now representing Northern Cities on the CALAFCO Board. There are 16 members total. They are still working on the reorganization issue. She says that many LAFCO's signed a letter that explained they would leave CALAFCO if the issues are not fixed. She believes that it is premature to think about leaving right now. CALAFCO has had a couple of meetings already and seem to be working on these issues. They will also be having a retreat the 20th and 21st of March this year. Paul Minchella is planning on attending the retreat. Mrs. Stephenson explains that if they leave CALAFCO, they have no representation at the State level. She is asking for any comments or feedback that her or Mr. Minchella can take to the retreat.

Laurie Pearce Price states that it does not clarify what the issues are in the letter in the packet.

Jennifer Stephenson says she will distribute some of the issues that were in one of the letters that she signed.

Ned Coe says he would like to see the letter from the executives listing the issues. He says he understands the reasoning for the reorganization, but can see benefits from both structures.

9. Executive Officer Report

- A. This should say Form 700, not Form 400. This is due for all commissioners by April 1st. It is all electronic now.
- B. Jennifer Stephenson needs the commissioners' ethics training certificates and she will get them up on the new website.
- C. Jennifer Stephenson says that the Surprise Valley Healthcare District has been very responsive, and they hope to have their report done for April's meeting.
- D. Jennifer Stephenson says they have put the work out for the vacant position for the alternate public member, but has not received any response yet.
Laurie Pearce Price suggests to put something in the Modoc Record for it.
Jennifer Engel suggests to put it on the City Facebook page as well.
- E. Paul Minchella asks about the Likely district.

Kathie Rhoads says that is her district and she will speak with Mr. Robertson about it and let the commissioners know where they are at with that.

10. Commissioner Reports

None.

11. Adjourn to the next regular meeting on April 22, 2025

Motion by Kathie Rhoads, seconded by Paul Minchella to adjourn to the next regular meeting on April 22, 2025. The motion was unanimously approved and the meeting was adjourned at 4:40 pm.

Modoc Local Agency Formation Commission

CLAIMS

for

February 2025 – March 2025

Authorize Claims for FY 2024-2025

Feb. 15, 2025	Commissioner Payroll 2/11/25	\$ 500.00
Mar. 17, 2025	PCA Staff Svcs and Expenses Feb. 2025	\$ 4,651.25
Apr. 16, 2025	PCA Staff Svcs and Expenses Mar. 2025	\$ 4,963.86

TOTAL FY 24-25: \$ 10,115.11

DATED: April 22, 2025

APPROVED: April 22, 2025

**Chair, Modoc Local Agency Formation
Commission**

Attest:

**Jennifer Stephenson
Executive Officer**

Invoice #Modoc-2025-2
Policy Consulting Associates, LLC

39774 Via Careza
Murrieta, CA 92563
(310) 936-2639
EIN #: 27-2523069

Date: March 17, 2025

For the period 2/1/25 to 2/28/25

Modoc LAFCO
5050 Laguna Blvd #112-711
Elk Grove, CA 95758

Staff Services

	Hours	Rate	Amount
Jennifer Stephenson, Executive Officer		\$3,750	\$3,750.00
Tacie Wheeler, Clerk		\$120	\$120.00
Subtotal			\$3,870.00

Projects: Applications, MSRs and SOI Updates

	Hours	Rate	Amount
Jennifer Stephenson, Application/Projects (SVHD MSR)	0.00	\$ 125.00	\$0.00
Oxana Wolfson, Principal	0.00	\$ 110.00	\$0.00
Jill Hetland, Research Assistant (Website Redesign)	0.00	\$ 50.00	\$0.00
Jill Hetland, Research Assistant (SVHD MSR)	12.50	\$ 50.00	\$625.00
Melat Assefa, Policy Analyst	0.00	\$ 70.00	\$0.00
Dennis Miller, Mapping	0.00	\$ 70.00	\$0.00
Maria Arredondo, Office Assistant (Document Archiving and scanning)	0.00	\$ 30.00	\$0.00
Subtotal			\$625.00

Reimbursements

Reproduction Costs			\$0.00
Postage			\$0.00
Phone and Communications - Website			\$0.00
Office Supplies			\$0.00
Mileage			\$0.00
Workshop Registration 1/4 Jennifer Stephenson \$156.25			\$156.25
Transportation and Travel			\$0.00
Subtotal			\$156.25

Amount Due **\$4,651.25**

Please remit invoices to Policy Consulting Associates, LLC

Jennifer Stephenson

Jennifer Stephenson, Principal

3/17/25

Date

Invoice #Modoc-2025-3
Policy Consulting Associates, LLC

39774 Via Careza
Murrieta, CA 92563
(310) 936-2639
EIN #: 27-2523069

Date: April 16, 2025
For the period 3/1/25 to 3/31/25

Modoc LAFCO
5050 Laguna Blvd #112-711
Elk Grove, CA 95758

Staff Services

	Hours	Rate	Amount
Jennifer Stephenson, Executive Officer		\$3,750	\$3,750.00
Tacie Wheeler, Clerk		\$120	\$0.00
Subtotal			\$3,750.00

Projects: Applications, MSRs and SOI Updates

	Hours	Rate	Amount
Jennifer Stephenson, Application/Projects (SVHD MSR)	0.00	\$ 125.00	\$0.00
Oxana Wolfson, Principal	0.00	\$ 110.00	\$0.00
Jill Hetland, Research Assistant (Website Redesign)	0.00	\$ 50.00	\$0.00
Jill Hetland, Research Assistant (SVHD MSR)	24.00	\$ 50.00	\$1,200.00
Melat Assefa, Policy Analyst	0.00	\$ 70.00	\$0.00
Dennis Miller, Mapping	0.00	\$ 70.00	\$0.00
Maria Arredondo, Office Assistant (Document Archiving and scanning)	0.00	\$ 30.00	\$0.00
Subtotal			\$1,200.00

Reimbursements

Reproduction Costs			\$0.00
Postage			\$13.86
Phone and Communications - Website			\$0.00
Office Supplies			\$0.00
Mileage			\$0.00
Workshop Registration 1/4 Jennifer Stephenson \$156.25			\$0.00
Transportation and Travel			\$0.00
Subtotal			\$13.86

Amount Due **\$4,963.86**

Please remit invoices to Policy Consulting Associates, LLC

Jennifer Stephenson

Jennifer Stephenson, Principal

4/16/25

Date

Modoc LAFCo
Expenditures and Revenue
FY 2024-2025

Item <i>Account Number</i>	File Scanning 4225	Memberships 4420	copies 4210	postage 4211	Communications 4221	Office Exp. 4210
Total Budgeted 2024-2025	\$ 8,000.00	\$ 1,315.00	\$ 1,200.00	\$ 300.00	\$ 1,000.00	
Calafco Dues 23-24		\$ (1,315.00)				
JB Staff Svcs July 2024						
JS Staff Svcs July 2024						
JS Staff Svcs August 2024	\$ (910.00)					
CivAssist 24-25					\$ (949.00)	
Commissioner Stipend for 08/13/2024						
PCA Inv #Modoc-2024-9			\$ (80.60)	\$ (22.44)	\$ (63.00)	
PCA Inv #Modoc-2024-10						
PCA Inv #Modoc-2024-11				\$ (52.60)		
PCA Inv #Modoc-2024-12				\$ (16.50)	\$ (48.26)	
PCA Inv #Modoc-2025-1	\$ (202.50)					
Commissioner Stipend for 10/8/2024						
PCA Inv #Modoc-2025-2						
Commissioner Stipend for 2/11/2025						
PCA Inv #Modoc-2025-3				\$ (13.86)		
Total Expenditures to date	\$ (1,112.50)	\$ (1,315.00)	\$ (80.60)	\$ (105.40)	\$ (1,060.26)	\$ -
Total Budget Remaining	\$ 6,887.50	\$ -	\$ 1,119.40	\$ 194.60	\$ (60.26)	\$ -

Modoc LAFCo
Expenditures and Revenue
FY 2024-2025

Counsel 4008	staff Svcs 4004	Clerk Costs 4006	Notices and Public 4380	Trans & Travel 4430	MSR/SOI Updates 4454	Commissioner Stipends 4003	TOTAL
\$ 2,000.00	\$ 45,000.00	\$ 720.00	\$ 600.00	\$ 4,400.00	\$ 12,500.00	\$ 4,800.00	\$ 81,835.00
							\$ (1,315.00)
	\$ (718.75)						\$ (718.75)
	\$ (3,750.00)						\$ (3,750.00)
	\$ (3,750.00)	\$ (120.00)		\$ (200.00)			\$ (4,980.00)
							\$ (949.00)
						\$ (500.00)	\$ (500.00)
	\$ (3,990.00)				\$ (1,682.50)		\$ (5,838.54)
	\$ (3,750.00)	\$ (120.00)		\$ (247.32)	\$ (1,487.50)		\$ (5,604.82)
	\$ (3,750.00)				\$ (690.00)		\$ (4,492.60)
	\$ (3,750.00)				\$ (342.50)		\$ (4,157.26)
	\$ (3,750.00)				\$ (1,225.00)		\$ (5,177.50)
						\$ (500.00)	\$ (500.00)
	\$ (3,750.00)	\$ (120.00)		\$ (156.25)	\$ (625.00)		\$ (4,651.25)
						\$ (500.00)	\$ (500.00)
	\$ (3,750.00)				\$ (1,200.00)		\$ (4,963.86)
							\$ -
							\$ -
\$ -	\$ (34,708.75)	\$ (360.00)	\$ -	\$ (603.57)	\$ (7,252.50)	\$ (1,500.00)	\$ (48,098.58)
\$ 2,000.00	\$ 10,291.25	\$ 360.00	\$ 600.00	\$ 3,796.43	\$ 5,247.50	\$ 3,300.00	\$ 33,736.42



March 14, 2025

Modoc LAFCO
c/o Jennifer Stephenson
5050 Laguna Blvd., #112-711
Elk Grove, CA 95758

Subject: Addressing Member Concerns & Strengthening CALAFCO's Future

Dear Chair Coe, Commissioners, and Executive Officer Stephenson;

We recognize that the current state of our organization is troubling to our valued members. We must, and will, do better regarding governance, transparency, and the overall direction of CALAFCO. As an organization committed to serving the best interests of LAFCOs across the state, we take your concerns seriously and want to assure you that we are actively taking steps to address them.

A Period of Transition & Rebuilding Trust

Every organization evolves as new paths are taken, and CALAFCO is currently undergoing a phase of transition and internal reorganization. Our goal is to emerge stronger, more transparent, and better positioned to serve our membership.

The Board of Directors and Regional Officers are fully engaged in this process, listening to feedback, and implementing meaningful changes that will reinforce trust and ensure the long-term viability of CALAFCO. We are committed to refocusing our mission, improving communication, and enhancing operational efficiency.

Key Actions Underway

To support this effort, we have assembled a highly qualified transition team:

- **José Henríquez (Interim Executive Director)** Currently the CALAFCO Central Region Officer and Executive Officer of Sacramento LAFCo, José is leading day-to-day operations, managing fiscal and budgetary matters, and facilitating member engagement.
- **Pamela Miller (Governance Consultant & Organizational Development Specialist)** – A former CALAFCO Executive Director, Pamela is conducting a full organizational assessment and comprehensive organizational structural assessment, reviewing policies and Bylaws, and assisting in the recruitment of a permanent Executive Director. She is also leading governance consultation and stakeholder outreach to ensure member voices are heard. Pamela will also be facilitating the March 20th Board retreat.

- **Jeni Tickler (Administrative & Event Planning Specialist)** A former CALAFCO Administrative Assistant, Jeni is handling critical administrative functions, including financial management, membership support, and coordination of upcoming events such as the staff workshop.

Policy & Bylaws Updates

On February 7, 2025, the Board approved and immediately implemented key policy changes developed in collaboration with member LAFCo staff. An updated policy manual reflecting these changes will be published soon.

Additionally, a series of recommended changes to CALAFCO's Bylaws have been approved for presentation and potential member adoption at the October 2025 Annual Business Meeting. These recommendations will be widely discussed in advance through member outreach efforts to ensure full transparency and active participation.

Engaging Membership & Next Steps

We are committed to listening to you, our membership, and including you throughout this transition. To that end, we are:

- Hosting regional focus groups and visioning sessions to engage members in shaping CALAFCO's future.
- Facilitating a focus group for staff at the upcoming staff workshop.
- Providing ongoing updates and open forums for discussion.

We understand that trust is built through action, and we are dedicated to making the necessary improvements to better serve you. Your voices matter, and we encourage you to reach out with any questions, concerns, or insights.

For more information or to provide feedback, please contact:

- José Henríquez: jhenriquez@calafco.org
- Pamela Miller: pmiller@millermcg.com
- Jeni Tickler: jtickler@calafco.org

We appreciate your patience, engagement, and commitment to the future of CALAFCO. Together, we will strengthen our organization and reaffirm our mission to support LAFCos statewide.

Sincerely,

CALAFCO Board of Directors

Modoc Local Agency Formation Commission

DATE: April 22, 2025
TO: Local Agency Formation Commission
FROM: Jennifer Stephenson, Executive Officer
RE: Proposed Budget for FY 2025-2026
Attachment: A. Proposed Budget Resolution #2025-0002

LAFCO's detailed proposed activity report is described below. While LAFCO is mindful of the budget constraints of the City, and the County the following proposed activity report suggests conservative reduction of many budget line items compared to the Previous Year's budget to the greatest degree possible for FY 25-26. Funding for the MSR's and SOL's will continue through LAFCO's prior year's carryover.

Inflation for last calendar year was 2.9% and is projected to be about 4% this calendar year. In FY 24-25, with the retirement of the former EO, LAFCO had to make increases to certain budget areas to accommodate current going staff rates. However, LAFCo has been efficient in keeping costs to a minimum. Some costs such as Memberships have experienced increases which are beyond our control. These increases have been fairly nominal. For FY 25-26, it is recommended that several line items be reduced to accommodate the increases of other budget line items with the aim of not increasing the impact to the member agencies.

Since the passage of AB-2838, based on the recommendations of the Commission for Local Governance for the 21st Century, LAFCO has had to complete many of the activities, such as the mandated Revised Policies and Bylaws, establishment of a Website, Municipal Service Reviews and Sphere of Influence updates.

A level of service has been established for ongoing LAFCO activities through the budget, LAFCO has a unique role as a neutral agency among all agencies countywide. Funds for the provision of training for Commissioners on the requirements of AB-2838 and subsequent legislation is highly recommended.

Direct Projects – Projected

1. Small and medium reorganizations - For the 2025-2026 fiscal year, based on recent inquiries, LAFCO does not anticipate any small or medium reorganizations at present.

Costs include legal counsel, staff time, public inquiries, public hearing requirements including noticing (300 ft from site –voters and landowners), preparation of notices, staff reports and resolutions, LAFCO protest requirements (public noticing), incidental travel, office supplies (copying), webpage posting, seeking comment from county and city departments (assessor, clerk and auditor) and independent special districts, and general accounting.

2. District Consolidations – Staff has not heard of any district consolidations except. The Commission may see activity in this category as we progress through the

Municipal Service Reviews and Sphere of Influence Updates or by financial necessity of several districts such as the Lookout Pest Abatement District.

3. Collaborate with the City of Alturas and the County of Modoc on development reviews- ongoing

LAFCO is charged with reviewing environmental documents and preparing responses to both the City and the County who act as a lead agency for land use matters.

This activity includes providing comments. Meeting with the county, city, districts, and developers. Being involved in the development of the work including assisting the EIR preparer with technical data related to LAFCO's requirements, legal costs related to LAFCO's role in CEQA and assuring LAFCO's issues are addressed in the document. Commission review will be needed. If the Commission's issues are not fully addressed, the Commission will need to require a supplemental document. Recently LAFCo provided comments on the City's sewer plan EIR.

Environmental Reviews: CEQA is required for most LAFCO discretionary projects. Applicants pay direct project costs; Spheres of Influence are LAFCO's responsibility. LAFCO is also required and should want to comment on Environmental Reviews from various agencies. These activities include legal, communication, advertising, staff time. This item is necessary to promote better customer service and comply with the CEQA law and CKH act with regard to the role of a responsible agency. Development requiring reorganization will take much longer if LAFCO is not involved in this process as well as may cost project applicants significantly more amounts of money.

Ongoing administrative activities include:

Budget Development and Control

Budget development and control is currently handled by the Executive Officer. During the year, day-to-day administrative tasks (e.g., invoicing, and bill paying) are provided. Coordination with City, District and County offices may be required with respect to these issues. As of July 1, 2011, the City of Alturas commenced banking functions for LAFCo.

Activities include preparation of the budget and budget justification documents and resolutions are included in these activities. Legal advice when needed is required regarding expenditure requests. The preparation of claim forms for both the Commission and the County Auditor's (City Treasurer's) office is included to ensure proper control. Public inquires regarding expenditures and expenditure priorities are handled by the Executive Officer. Incidental office supplies and communication resources are needed to perform this function. Special administrative projects include responding to Commission directives or minute orders.

Communication: LAFCO needs to communicate with the Special Districts, the City Council and the Board of Supervisors. LAFCO should be involved in Special District, City and County activities when asked or as it relates to the MSR and SOI process.

Conduct project-oriented workshops, as appropriate. This activity may occur this year for various Communities within Modoc County where projects will be occurring. Other workshops regarding the role of LAFCO may be required.

Work with potential applicants seeking reorganization. This activity requires research and meeting with project proponents to determine approaches to solving service issues.

This activity is time consuming. These costs include legal, staff time, incidental travel, office supplies and communication resources.

Responding to public inquires. Public inquires regarding service issues are common involving a member of the public who is in need of a service or has a question about a service. This activity includes legal, staff time and communication resources. The LAFCO webpage provides an outlet for LAFCO information. Responding to the public is necessary for informing individuals of LAFCO requirements to facilitate the process. There is no one else who will provide the public with correct information about LAFCO. This may cause substantial cost savings for the public by having correct information to make business decisions.

Brown Act, Public Records Act and Political Reform Act compliance. Staff and legal time is required to comply with these laws. Including noticing, Form 700's, public records disclosure, citizen's inquires, general compliance and written responses to records request. These are state laws and must be followed.

Clerk and Recorder fees. Since it costs money to record documents and file notices of determination. The budget includes these activities. These are required filings. Project applicants will pay these fees. However, for Sphere of Influence updates, LAFCO may be required to file.

Public Education: Utilize media and speaking opportunities and submit articles about LAFCO to journals and newspapers this activity is fairly minimal. However, there is a cost of staff time and office supplies to perform this function. Submit press releases on substantive actions; encourage agencies to request regular LAFCO meeting agendas and update agencies on LAFCO Commission membership.

These activities are important to inform the public and agencies about LAFCO. Numerous inquires come from citizens needing one service or another. These activities promote better customer service for all agencies by informing the public about what is going on with regards to LAFCO.

Resource Development: Monitor new and proposed relevant legislation. Although LAFCO relies on CALAFCO for this activity, it is important that new legislation reflects the needs of Modoc LAFCO including the Districts, County and City. This activity involves communication, staff time, and legal time. Legislation of importance to Modoc LAFCO impacts budget process and permit processes.

Special Reports and Projects for the Commission: The CKH act allows the Commission to undertake special projects. Special projects may include being involved in a General Plan update, assisting in the development agriculture conservation policies, being involved in water planning throughout the County, serving as a neutral party with regards to service issues, assisting the public and agencies with LAFCO applications and processes, developing annexation strategies for the City or districts and (or) any other proactive activity of benefit to the citizens and agencies as deemed necessary by the Commission.

Commissioner Development – CALAFCO Conference: I am recommending \$4,400 combined for these two items, consistent with the current budget. This represents funding for two commissioners to attend the annual conference in San Diego. Estimated costs for each Commissioner to attend the CALAFCO Annual Conference (October 22-

24, 2025) is approximately \$2,000 per person including transportation, lodging for and conference registration and mileage from Alturas. The justification for this expense is LAFCO Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCO's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCO law and procedures. This item also includes funds for a portion of Staff's expense to represent Modoc LAFCO at CALAFCO Activities.

Municipal Service Reviews and Sphere of Influence Updates Cortese-Knox-Hertzberg (§ 56430) LAFCO must update all spheres of influence every 5 years, as necessary and must prepare a review of each municipal service before or in conjunction with sphere of influence updates.

The purpose of a MSR is to support preparation and update of Spheres of Influence, in accordance with the provisions of the Cortese-Knox-Hertzberg Act. The objective of a Municipal Service Review (MSR) is to develop recommendations that will promote more efficient and higher quality service patterns; identify areas for service improvement; and assess the adequacy of service provision as it relates to determination of appropriate sphere boundaries based on a specific growth period and a realistic growth rate adopted for that period.

For a MSR to be of value, the Commission needs to review services comprehensively, on a service-by-service basis within logical sub-regions, given consistent and specific target growth periods and a realistic estimate of growth adopted for that period. Some studies will review multiple services, if the Commission deems such grouping appropriate (For example, the wastewater MSR). When appropriate, the Commission will follow the methodology developed by the Governor's Office of Planning and Research as provided in the State's Service Review Guidelines.

Priorities for this fiscal year (MSR and SOI completion), which have been completed as follows:

Priorities for the 2025-2026 Fiscal Year initiation are as follows:

1. Surprise Valley Healthcare District completion
2. Cemetery District Consolidations
3. County Service Districts MSRs and SOI Updates

A service review is required prior to preparing a Sphere of Influence Update. The Sphere of Influence is LAFCO's planning document for the ultimate service boundary for a service provider. Prior to adopting a Sphere of Influence Map and Sphere Policies, the Commission must make determinations based on supporting evidence with regard to the following:

- The present and planned land uses in the area.
- Disadvantaged Unincorporated Communities
- The present and probable need for public facilities and services in the area.

- The present capacity of public facilities and adequacy of public services, which the agency provides or is, authorized to provide.
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.”

Budget Justification

Since the passage of AB-2838 in 2000, LAFCO has been subject to many new requirements. Costs for the operation of LAFCO were entirely paid by the County including costs for staff time, legal services, miscellaneous office expenses, and insurance. Now the City and the County pay LAFCO costs. In the future, the legislature may require special districts to pay and participate.

In the attached budget worksheet, I have provided a “Proposed” budget based on the costs to provide LAFCO, expenses to date and anticipated expenses and carryover.

The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meet the overall requirements of the Cortese-Knox-Hertzberg Act at a reasonable cost.

The deadline for completion of Sphere of Influence Updates set fourth in the law was January 1, 2008. Modoc LAFCo has completed the required MSR’s and SOI’s. LAFCO is using its carryover funds to pay for these activities without substantially increasing the costs of LAFCO to the City and the County. Unfortunately, like everything else these costs have been increasing

Summary of the Proposed Budget:

Commissioner Stipends LAFCO Commissioners receive \$100.00 per meeting. A budget of \$4,800.00 assumes all commissioners will attend the 6 meetings per year.

Memberships Dues for CALAFCO for rural LAFCO’s will be increased this year using the formula approved by the CALAFCO membership from \$1,315 to \$1,358 next year (a \$43.00 increase). It is important LAFCO remain in its statewide professional organization and participate in LAFCO issues of common concern for the benefit of Modoc LAFCO and its agencies.

Office Expense This covers copy costs, postage, communication and publications. This item is broken into 4 categories for accounting purposes. Printing at \$500.00 Postage at \$150.00, Communications at \$1,100.00 and General Office Expenses at \$0.00. These costs reflect the need for daily operations and copying and mailing MSR’s and SOI’s during next fiscal year. The Printing and General Office Expenses are combined with each other into at \$500.00.

Executive Officer/Staff Services This item includes professional services to perform various LAFCO duties, process applications, oversee the MSR and SOI update process, establish a LAFCO presence in Modoc County and perform duties in the scope of work

for the Executive Officer and the CKH Act. This amount should be raised from \$36,000 to \$45,000 to cover the costs of these services

Clerk Services has been budgeted at \$720.00 for taking minutes at meetings. This figure assumes 6 meetings this year.

Legal Services I am proposing a budget of \$1,000.00, which will provide incidental legal services. In the event of anticipated litigation, this amount will have to be significantly increased. It is important LAFCo Counsel attend at least one meeting per year to advise the Commission on matters of concern.

Legal Notices/Publications Legal notices are required by state law and must be prepared for Municipal Service Reviews and Sphere of Influence Updates, all public hearings before the Commission and protest hearings. Public hearing notices are required for most LAFCo actions. \$500 is budgeted for this amount since MSR's and SOI's require public notices.

Special Department Expense-File Scanning and Retention Modoc LAFCo has generated several files over the years. Modoc LAFCo adopted a File Retention Policy on December 9, 2013. To implement the policy, the files need to be scanned and placed into electronic format, as are files in most county and city departments. An estimated expense is \$3,000. In addition, the files will be able to be accessed to the public via LAFCo's webpage. The immediate tasks are to review and dispose of files consistent with LAFCo's adopted Records Retention Policy and to scan and index these files for accessibility to agencies, the public and LAFCo staff. Once the files are scanned, these files will then be made more accessible. It will be later determined if LAFCo will need to prepare a Microsoft Access database for LAFCo. This is a re-budget from the previous fiscal year.

Training/Mileage and Travel

I am recommending \$4,400 for this activity this year. This represents funding for 2 commissioners to attend the annual conference in San Diego. Estimated costs for each Commissioner to attend the CALAFCO Annual Conference (October 22-24, 2025) in San Diego is approximately \$2,000 per person including transportation, lodging for 3 nights (\$800 + taxes and fees) and conference registration (\$800) and mileage. The justification for this expense is LAFCo Commissioners need to be informed decision makers. Commissioners need the tools to carry out their statutory responsibilities in a responsible manner. Training and interaction with Commissioners from other LAFCo's will assist those Commissioners in attendance to bring back ideas to be shared with the remainder of the Commission. Training is necessary to remain informed of changes in LAFCo law and procedures. This item also includes funds for a portion of Staff's expense to represent Modoc LAFCo at CALAFCO activities. This also includes cost to cover 1/4 of staff to attend the CALAFCO workshop and bring back information.

Sphere of Influence Updates and Municipal Service Reviews: This budget includes funding for all SOI's and MSR's and related copying and office expenses. This amount is proposed to be \$12,500.00.

Rollover, Contingency, and Reserve Funds:

This year LAFCO will not expend its entire budget. A rollover of approximately \$23,000 is anticipated at this time. A portion of these funds needs to be used to pay for the MSR's and SOI are currently contracted and to fund a contingency budget for LAFCO of the General Fund Budget at \$5,000. An exact figure regarding the carryover amount will not be available until after the conclusion of this fiscal year. I highly recommend any excess funds be placed into a general reserve, which does not exist for Modoc LAFCo. In the event of an unexpected expense LAFCo will need to borrow funds from the County and budget the amount in a future fiscal year to pay the funds back.

CITY/COUNTY SHARE For fiscal year 2025-2026 City/County share is proposed to be increased to \$28,514, an increase of \$1,004 each for the City and County.

Action Required

- a. *Review and consider adoption of the proposed 2025-2026 LAFCO budget approving LAFCO Resolution # 2025-0002 shown as Attachment # A.*

**Resolution 2025-0002
of the**

Modoc Local Agency Formation Commission

*Resolution of Modoc Local Agency Formation Commission Adopting a
Proposed Budget for 2025-2026*

WHEREAS, Modoc LAFCO is required by Government Code Section 56381(a) to adopt annually, following a noticed public hearing, a proposed budget by May 1st and a final budget by June 15th; and,

WHEREAS, the Commission has prepared a proposed budget for public review; and,

WHEREAS, the Commission considered a work program for Fiscal Year 2025-2026 at its April 22, 2025 regular meeting along with the proposed budget; and

WHEREAS, the Executive Officer has given notice of hearing in the form and manner specified by law for adoption of the proposed budget and upon the date, time and place specified in said notice of hearing, the Commission heard, discussed and considered all oral and written testimony submitted including, but not limited to, the approved budget priorities for Fiscal Year 2025-2026 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the attached Budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000;

NOW THEREFORE, the Modoc Local Agency Formation Commission does hereby determine, resolve, and order the following:

1. That Modoc LAFCO hereby adopts the attached proposed 2025-2026 proposed budget shown in Exhibit A.
2. Directs the Executive Officer to transmit the proposed budget to the Auditor and all parties specified in Government Code Section 56381 (a) as promptly as possible.

PASSED AND ADOPTED by the Modoc Local Agency Formation Commission at a regular meeting of said Commission held on the 22nd day of April 2025 by the following roll call vote:

AYES: -

NOES: -

ABSTAINS: -

ABSENT: -

Signed and approved by me after its passage this 22nd day of April, 2025.

Ned Coe, Chair or Ned Coe Vice-Chair, Modoc LAFCO

Attest:

Jennifer Stephenson, Executive Officer
Modoc LAFCO

2025-2026 MODOC LAFCO
PROPOSED BUDGET

OBJECT LEVEL/ ACCOUNT	FY 2020-2021 FINAL BUDGET	FY 2021-2022 FINAL BUDGET	FY 2022-2023 FINAL BUDGET	FY 2023-2024 FINAL BUDGET	FY 2024-2025 FINAL BUDGET	FY 2025-2026 PROPOSED BUDGET
EXPENDITURES						<i>As of 4.16.2025</i>
4003 Commissioner Stipends	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 1,500.00
4420 Memberships	\$ 1,130.00	\$ 1,131.00	\$ 1,186.00	\$ 1,284.00	\$ 1,315.00	\$ 1,315.00
4210 Office Expense - Printing	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 80.60
4211 POSTAGE	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 105.40
4221 COMMUNICATIONS	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,060.26
OFFICE EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4008 Professional Svcs. - Legal Counsel	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ -
4004 Professional Svcs. - Executive Officer	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 36,000.00	\$ 45,000.00	\$ 34,708.75
4006 Professional Svcs. - Clerk Costs	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 720.00	\$ 360.00
4380 Publications/Legal Notices	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ -
4225 Special Departmental Expense -File Scanning Mapping & Management	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 8,000.00	\$ 1,112.50
4430 Transportation & Travel	\$ 2,200.00	\$ 2,200.00	\$ 4,400.00	\$ 4,400.00	\$ 4,400.00	\$ 603.57
4454 MSR/SOI UPDATES	\$ 10,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 7,252.50
Total Services & Supplies	\$ 63,450.00	\$ 65,451.00	\$ 67,706.00	\$ 67,804.00	\$ 81,835.00	\$ 48,098.58
4922 CONTINGENCY	\$ 6,345.00	\$ 6,545.10	\$ 6,770.60	\$ 6,780.40	\$ 8,183.50	\$ 5,000.00
TOTAL LAFCO BUDGET	\$ 69,795.00	\$ 71,996.10	\$ 74,476.60	\$ 74,584.40	\$ 90,018.50	\$ 80,028.00
CARRYOVER	\$ 20,000.00	\$ 20,000.00	\$ 24,000.00	\$ 20,000.00	\$ 35,000.00	\$ 23,000.00
Application Fees						
3060 City Share - LAFCO Cost	\$ 24,897.50	\$ 25,998.05	\$ 25,238.30	\$ 27,292.20	\$ 27,509.25	\$ 28,514.00
3060 County Share - LAFCO Cost	\$ 24,897.50	\$ 25,998.05	\$ 25,238.30	\$ 27,292.20	\$ 27,509.25	\$ 28,514.00
Total Due from Other Gov'ts.						
TOTAL REVENUES/Carryover	\$ 69,795.00	\$ 71,996.10	\$ 74,476.60	\$ 74,584.40	\$ 90,018.50	\$ 80,028.00
		\$ -	\$ -	\$ -	\$ -	\$ -

FOR IMMEDIATE RELEASE

February 19, 2025

CONTACTS

Jennifer Stephenson
Modoc LAFCO, Executive Officer

TIME TO GET INVOLVED IN A POWERFUL BUT UNKNOWN MODOC COMMISSION

The Modoc Local Agency Formation Commission (LAFCO) has an opening for a Modoc County resident to serve as the Public Member Alternate to complete a four-year term that commenced on May 1, 2023 and ending on April 30, 2027.

LAFCO is an agency created by state legislation to ensure that changes in governmental organization occur in a manner which promotes efficient, quality services and preserves open space and agricultural land resources. Each county in California has a LAFCO comprised of two County Supervisors, two City Councilmembers, a Public Member, and alternate members in each category. LAFCO is charged with applying the policies and provisions of California Government Code in its decisions regarding annexations, incorporations, consolidations, and other changes of local government. An explanation of LAFCO's functions and aims can be found on its webpage at modoclafco.org.

LAFCO normally meets in even months at the Alturas City Council chambers on the second Tuesday of the month at 4 p.m. A Public Member Alternate must be able and available to attend Commission meetings in the event that the Public Member is unable to attend, in order to participate and vote on their behalf. Alternate members are also encouraged to attend meetings even if the regular member is present to stay apprised of current issues should they need to participate at a future meeting.

A Public Member Alternate may reside anywhere within Modoc County including the territory in the city limits of Alturas. However, it is important to note that no officer or employee of the county, city or an independent special district with any territory within Modoc County is allowed to sit as a Public Member Alternate on the Commission. A Public Member Alternate's role is to represent the interests of the general public throughout the County while sitting on LAFCO, voicing positions, and while voting on any issues.

If you are interested, we invite you to send a letter describing your background and reasons for wanting to become the selected Public Member Alternate to serve on Modoc LAFCO no later than Monday April 14, 2025. If you have any questions or would like to submit a letter of interest, please do not hesitate to call Jennifer Stephenson, LAFCO Executive Officer at (310) 936-2639 or email jennifer@pcateam.com. Applicants will be invited to interview with the Commission at the April 22, 2025 LAFCO meeting. Selection is anticipated to take place following the interviews.