

YUBA LOCAL AGENCY FORMATION COMMISSION

Paige Hensley, Executive Officer

David Ruderman, LAFCO Counsel

417 4th Street

Phone: (530) 749-5467

Marysville, CA 95901

Website: www.yubalafco.org

YUBA LOCAL AGENCY FORMATION COMMISSION

SPECIAL AGENDA MEETING

Wednesday, April 1st, 2026, at 6:00 P.M.

Board of Supervisors Chambers

915 8th Street – Marysville, California 95901

1. Call To Order:

A. Roll Call:

Commissioners

Kuldip Atwal, Public Member

Renick House, County Member

Brad Hudson, City Member - **Chair**

Angela Teter, City Member

Andy Vasquez, County Member – **Vice Chair**

Alternates:

Robert Coe, City Member Alternate

Jon Messick, County Member Alternate

Dennis Pinney, Public Member Alternate

2. Pledge of Allegiance:

3. Minutes:

A. Approval of meeting minutes from the March 4, 2026 meeting.

4. Public Comment

Members of the public are invited to address the Commission on any matter of interest to the public that is not on the agenda for a period of time not exceeding 3 minutes. Pursuant to the Brown Act, the Commission cannot take any action on items not listed on the posted agenda but may add to a future agenda matters brought up under public comments for appropriate action at a future meeting.

5. **Presentation:**

- A. Guest Speaker: Michelle McIntyre, CALAFCO Executive Director – Introduction and update on CALAFCO

6. **Action Item:**

- A. Consider LAFCO Counsel Rate Adjustment Request:

Action: Authorize a \$25 per hour rate increase for LAFCO Counsel - Colantuono, Highsmith and Whatley, PC and direct staff to return with an amendment to the Agreement for Legal Services reflecting rate increase. The new rate will be \$275 per hour for general services and \$350 per hour for litigation/specialized legal services, beginning July 1st, 2026.

7. **Closed Session:**

- A. **Public Employment (Gov. Code § 54957)**

Title: Executive Officer

- B. **Conference With Real Property Negotiator (Gov. Code § 54956.8)**

Property Address: 915 8th Street, Marysville, CA

Agency Negotiator: Paige Hensley

Negotiating Parties: Yuba County

Under Negotiation: Price and Terms of Payment

Property Address: 417 4th Street, Marysville, CA

Agency Negotiator: Paige Hensley

Negotiating Parties: Melia Campbell

Under Negotiation: Price and Terms of Payment

8. **Public Hearing:**

- A. Review and Adopt Proposed Budget for 2026/2027 fiscal year:

Action: Receive proposed budget report and adopt Resolution 2026-01 approving the Proposed Budget for Fiscal Year 2026/2027.

9. **Executive Officer, Commissioners and Counsel Reports:**

- A. Reminder of the April 1st deadline to turn in 700 Forms.

- B. Reminder to save the date for the CALAFCO Annual Conference, Oct. 21st thru Oct. 23rd, 2026, in Sacramento.

- C. Reminder the regular May 6th meeting has been rescheduled for May 13th due to a scheduling conflict with the CALAFCO Staff Workshop to be held from May 6th to May 8th.
- D. CALAFCO Education/Training Opportunity – LAFCO 101 Webinar is now available on the CALAFCO Website. LAFCO 201 Webinar to be held on April 22nd, 2016 from 10:00-11:30 a.m. See flyer for details.

10. Adjourn to the next meeting which has been rescheduled from May 6th to May 13th, 2026, at 6:00 pm

Commissioners – Please contact your alternate if you are unable to attend this meeting.

Alternates are: City - Robert Coe
 County - Jon Messick
 Public - Dennis Pinney

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.



Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority
Government Code Section 56325.1

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be within the Commission’s subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).
- The total amount of time allotted for receiving public comment may be limited to 15 minutes.
- Any individual’s testimony may be limited to 3 minutes. Time to address the Commission will be allocated on the basis of the number of requests received. If you would like an item placed on a future agenda, you may do so by contacting the Commission at (530) 749-5467.

Procedure for Public Hearing:

The public may address the Commission on each agenda item during the Commission’s consideration of the item. When doing so, and when commenting on non-agenda items, we ask that the public kindly be recognized by the Chair before speaking, and to please keep their remarks brief. If several persons wish to address the Commission on the same item, or if any person’s comments are excessive, the Chair may limit any person's input to 3 minutes. Written statements may be submitted in lieu of or addition to supplement oral statements made during a public hearing.

Accessibility

The telephonic/video meeting location is accessible to people with disabilities. Every reasonable effort will be made to accommodate participation of the disabled in all of the Commission's public meetings. If particular accommodations for the disabled are needed or a reasonable modification of the teleconference procedures are necessary (i.e., disability-related aids or other services), please contact the Office at (530) 749-5467 at least 24 hours in advance of the meeting. An interpreter for the hearing-impaired may be made available upon request to the Clerk 72 hours before a meeting.

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 Yuba 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.

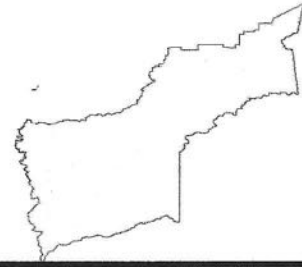
Late-Distributed Materials. Any material submitted to the Commission after this agenda is posted will be made available for public inspection as soon as possible in the LAFCO office, as indicated below.

Contact LAFCO Staff: LAFCO staff may be contacted at 530-749-5467 or by mail at Yuba LAFCo
c/o Paige Hensley, Executive Officer, 417 4th Street, Marysville, CA 95901 or by email at
phensley@yuba.gov

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Agenda Item 3.A

ACTION MINUTES

**YUBA LOCAL AGENCY FORMATION COMMISSION
REGULAR MEETING
March 4, 2026**

1. CALL TO ORDER:

At 6:00 p.m. the Yuba County Local Agency Formation Commission (LAFCO) was called to order by the Chair Hudson, with Commissioners Tetēr, Vasquez, House and Alternate public member, Dennis Pinney present. County Alternate Commissioner Messick, City Alternate Commissioner Coe, and Commissioner Atwal were absent. Also present were Executive Officer, Paige Hensley and LAFCo Counsel Makenzie Anderson.

2. PLEDGE OF ALLEGIANCE:

Commissioner Hudson led the commission in the Pledge of Allegiance.

3. APPROVAL OF MINUTES:

A. Approval of meeting minutes from March 4, 2026 meeting.

Action: Upon motion by Commissioner Vasquez and seconded by Commissioner Teter, the Commission voted to approve the minutes from the March 4, 2026 meeting with the following 5 to 0 vote: **AYES:** Hudson, House, Teter, Vasquez and Pinney; **NOES:** None; **ABSTAIN:** None; **ABSENT:** Commissioner Atwal

4. PUBLIC COMMENT:

Members of the public are invited to address the Commission on any matter of interest to the public that is not on the agenda for a period of time not exceeding 3 minutes. Pursuant to the Brown Act, the Commission cannot take any action on items not listed on the posted agenda but may add to a future agenda matter brought up under public comments for appropriate action at a future meeting.

There were no public comments.

5. **ACTION ITEMS:**

A. RFP proposals for Fire District Spheres of Influence Update and Municipal Service

1. Consider consultant proposals to Yuba LAFCo's RFP for a south county area fire district Sphere of Influence Update, and an expanded RFP scope to include Municipal Service Reviews and Sphere of Influence for the north county area fire districts;
2. Consider RFP Ad-Hoc Committee recommendation and select consultant to conduct the Spheres of Influence for south county area fire districts and MSRs and SOI updates for north area fire districts.
3. Consider authorizing the Chair to execute a professional services agreement with the selected consultant, subject to legal review.

Action: Upon motion by Commissioner House and seconded by Commissioner Vasquez, the Commission voted unanimously to select RSG as the consultant to conduct the South County Fire Districts SOI update and the North County Fire Districts MSR and SOI update and to authorized the Chair to sign the professional services agreement with RSG with the following 5 to 0 vote: **AYES:** Hudson, House, Teter, Vasquez and Pinney; **NOES:** None; **ABSTAIN:** None; **ABSENT:** Commissioner Atwal

B. Discuss options and make determinations regarding office space:

1. Consider offer by Yuba County to rent office space within the Yuba County Government Center.
2. Consider renewal of rental lease agreement for current office located at 417 4th Street, Marysville.

Action: Upon motion by Commissioner Pinney and seconded by Commissioner House, the Commission voted unanimously to proceed with a move of the Yuba LAFCO office to within the Yuba County Government Center with the following 5 to 0 vote: **AYES:** Hudson, House, Teter, Vasquez and Pinney; **NOES:** None; **ABSTAIN:** None; **ABSENT:** Commissioner Atwal

C. Scheduling conflict with Yuba LAFCO's May 6th meeting and the May 6th – 8th Calafco Staff Workshop in Pismo Beach:

1. Consider setting an alternate May Commission meeting date.

Action: Upon motion by Commissioner Hudson and seconded by Commissioner Pinney, the Commission voted unanimously to move the May 6th LAFCO meeting to May 13th, with the following 5 to 0 vote: **AYES:** Hudson, House, Teter, Vasquez and Pinney; **NOES:** None; **ABSTAIN:** None; **ABSENT:** Commissioner Atwal

6. Other Business:

A. Mid-Year Work Plan Update.

Paige Hensley, Executive Officer gave a status update of the work plan.

B. Status update of contract between Yuba LAFCO and Yuba Water Agency

Paige Hensley, Executive Officer, informed the Commission the agreement between the Yuba Water Agency and LAFCO will be expiring December 31, 2026 and explained the YWA has stated they will not be extending the contract. Paige Hensley advised the Commission they will need to consider other options for HR and financial services in the months to come in order to have a smooth transition after December 31, 2026.

7. Executive Officer, Commissioners and Counsel Reports:

A. Calafco business meeting update: Paige Hensley informed the Commission CALAFCO voted to eliminate the County, City, Special District, and Public member seat types on the CALAFCO Board and also voted to allow Executive Officers to sit on the CALAFCO board.

B. 700 Forms are due April 1st: Paige Hensley reminded the commissioners of the upcoming 700 form deadline

C. Proposed Budget meeting for fiscal year 26/27 to be held April 1st:
Paige Hensley informed the Commission of the upcoming proposed budget meeting on April 1st, 2026

8. Adjourn to the next regular meeting on March 4th, 2026, at 6:00 pm

There being no further business, the meeting was adjourned at 6.52 p.m. to the next meeting on March 4th 2026, at 6:00 p.m. in the Board of Supervisors Chamber, at 915 8th Street, Marysville, CA 95901.

Approved,

Brad Hudson, Chair

ATTEST: PAIGE HENSLEY
EXECUTIVE OFFICER

By: Paige Hensley, Executive Officer

**COLANTUONO
HIGHSMITH
WHATLEY, PC**

DAVID J. RUDERMAN | 530-798-2417 | DRUDERMAN@CHWLAW.US

Our File No. 55003.0001

March 3, 2026

VIA ELECTRONIC MAIL ONLY

Paige Hensley
Executive Officer
Yuba LAFCO
phensley@yuba.gov

Re: **Request for Rate Adjustment**

Dear Paige,

As LAFCO considers its budget for the coming fiscal year, I ask that it consider increasing the rates it pays for our legal services. I suggest we increase rates by \$25 per hour on July 1, 2026.

We last adjusted rates effective July 1, 2023. Since then, inflation in the Western Region has increased by approximately 8.4% based on the most recent data from the Bureau of Labor Statistics available here: https://www.bls.gov/regions/west/news-release/consumerpriceindex_west.htm.

Table A. West region CPI-U 1-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2022		2023		2024		2025		2026	
	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month	1-month	12-month
January	0.9	7.7	0.9	6.3	0.7	3.3	0.6	2.4	0.4	2.7
February	0.8	8.1	0.5	6.0	0.4	3.2	0.6	2.6		
March	1.3	8.7	0.5	5.1	0.9	3.6	0.5	2.2		
April	0.7	8.3	0.5	4.9	0.6	3.7	0.5	2.1		
May	0.8	8.3	0.4	4.5	0.1	3.3	0.3	2.4		
June	1.2	8.8	0.3	3.5	-0.2	2.8	0.1	2.7		
July	0.1	8.3	0.1	3.5	-0.1	2.6	0.2	3.0		
August	0.0	8.1	0.4	3.9	0.1	2.2	0.3	3.2		
September	0.3	8.3	0.4	3.9	0.2	2.1	0.3	3.3		
October	0.7	8.1	0.1	3.3	0.1	2.1	-	-		
November	-0.4	7.1	-0.4	3.3	-0.1	2.4	-	3.0		
December	-0.4	6.2	-0.1	3.6	0.0	2.5	-0.2	2.9		

Note: The October 2025 data values are not available due to the 2025 lapse in appropriations

Paige Hensley

March 3, 2026

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Our current hourly rates are \$250 for general services, and our standard rates (which range from \$275 to \$650) capped at \$325 for litigation and other specialized legal services. All these are well below my full rate of \$500 per hour. Thus, the proposed hourly rates would be \$275 per hour for general and \$350 (cap) per hour for litigation/specialized legal services beginning July 1st. We hope this smaller, incremental rate increase is easier for LAFCO to adjust to than larger increases requested less often.

Please let me know if LAFCO is open to this proposal or if I can provide further information to assist your review of it.

Thank you for the opportunity to serve the Yuba LAFCO!

Very truly yours,



David J. Ruderman

DJR

cc: Mackenzie D. Anderson

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David Ruderman, LAFCo Counsel
417 4th Street
MARYSVILLE, CA 95901

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Yuba Local Agency Formation Commission

EXECUTIVE OFFICER'S REPORT

MEETING DATE: April 1, 2026

AGENDA ITEM: No. 8A

SUBJECT: Proposed Budget for Fiscal Year 2026-2027

A. BACKGROUND:

Since the passage of Cortese-Knox-Hertzberg Local Government Reorganization Act in 2000 (AB 2838), Yuba LAFCO has become an independent entity separate from the County. Prior to AB 2838, operational costs of LAFCO were entirely paid by the County including costs for operation of the Commission, processing of applications and studies, the annual audit, staff time, legal services, miscellaneous office expenses, financial functions and insurance. In passing AB 2838, the State Legislature determined that LAFCO's costs were to be paid by the Cities and the County unless Special Districts are represented on the Commission. The Legislature took the recommendation of the Commission on Local Governance for the 21st Century and declared that LAFCO's were to become independent and not part of City or County Government. The true costs of operating Yuba LAFCO and fulfilling its responsibilities as mandated by the Legislature have become more apparent since the Commission is now an independent agency.

LAFCO Budget Process:

The Cortese-Knox-Hertzberg Act creates a specific budgetary process for LAFCO. It is the sole responsibility of the Commission's to adopt its annual budget. The statute forbids Yuba LAFCO's budget to be approved by the County, Cities or other local agencies or officers of those agencies.

Section 56381 of the Government Code provides that:

- (a) The commission shall adopt annually, following a noticed public hearing, a **proposed budget and final budget.**

At a minimum, the proposed and final budgets shall be equal to the budget adopted for the previous fiscal year unless the Commission makes a finding that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of this chapter.

The Commission shall transmit its proposed and final budgets to the board of supervisors; each city; clerk and chair of the city selection committee; each independent special district; and clerk and chair of the independent special district selection committee, if one is formed.

The net cost of the LAFCO budget is funded in equal parts by the County and the cities in Yuba County (§ 56281(b) (2)). The County Auditor is required to apportion LAFCO's net budget amount to all participating local agencies (§ 56281(b) and (c)). The cities' share will be apportioned in proportion to each city's total revenues as reported in the most recent edition of the Cities Annual Report published by the State Controller, as a percentage of the combined city revenues within the County, or by an alternative method approved by the cities (§ 56281(b) (1)).

Yuba LAFCO has an approved agreement with the Yuba Water Agency for fiscal and accounting functions, banking functions and personnel services that is due to expire December 31st, 2026. We have asked the Yuba Water Agency to consider extending the agreement, if not long term, then at least to the end of the fiscal year, June 30, 2027.

Insurance coverage is provided by the Golden State Risk Management Authority.

The Commission has sole discretion over its own budget including Executive Officer and staff services, legal services, office expenses, and the amount of funds allocated for conducting special projects.

B. ANALYSIS

The total proposed 2026-2027 FY budget of \$450,901 reflects a 7.74% increase over last year's 25/26 FY gross budget of \$418,495. However, due to a much smaller projected carryover this year the County/Cities contribution apportionment is expected to be increased from \$218,495 to \$308,901 for the 26/27 FY. That is an overall increase of 41.38% in the net budget apportionment amount compared to the 25/26 FY apportionment.

This year as before, most budget line items have been reduced to a bare minimum. The Executive Officers position reflects an eligible step increase for this year and a possible cost of living increase, which will result in an increase in costs for salary and benefit expenses for this year as projected by the Yuba Water Agency. With an increase in the hourly rate for legal counsel and the anticipation of a robust project and meeting load, an overall increase in legal counsel costs is expected. We are also anticipating a slight increase in costs for office space rent, CALAFCO membership fee, legal notice publications and liability insurance.

The goal of the LAFCo's charge out rates is to help maintain LAFCO. Those direct costs provided by Legal Counsel and the Executive Officer are billed against specific projects as needed. A portion of the fee deposit is earmarked for preparation of future Municipal Service Reviews and Sphere of Influence Updates.

Attached is proposed Resolution 2026-01 for the proposed budget for Yuba LAFCO.

The overall goal of this budget is to conduct LAFCO business in a proactive manner involving the Community and to meeting the overall requirements of the Cortese-Knox-Hertzberg Act in the most economical manner in light of the fiscal situation facing local government.

In reviewing the proposed Yuba LAFCO Budget for FY 2026-2027, the figures included in the proposed budget are predicated on the continuing costs for staff, professional services, conducting day to day business, compliance with the States increasing responsibilities given to LAFCO's to carry out and its statutory requirement to conduct Municipal Service Reviews (MSRs) and Sphere of Influence (SOIs) updates, and the processing of several types of anticipated application based annexations/reorganizations. Review of several Environmental Documents and projects reflective of a growing community will also be necessary.

- Staff and consultant are scheduled to conduct Municipal Service Reviews for the foothill area fire districts and Spheres of Influence updates for all of the fire districts within Yuba County. Staff will also be conducting Municipal Service Reviews and Sphere of Influence updates for all of the cemetery districts within Yuba County.
- Based on preapplication communications with multi proposed applicants, staff anticipates several project applications will be submitted to LAFCO and processed in the 26/27 fiscal year.
- Continuous Update of LAFCO's Policies, Standards and Procedures
- Review of LAFCo's schedule of fees.

C. PROPOSED EXPENSES:

The attached Schedule form lists proposed budget expenditure detail for the fiscal year 2025-2026. Expenditure accounts include the following:

1. **Insurance:** Insurance is estimated to cost \$2,250. LAFCo Staff has not yet received final insurance rates for next year and may need to change this amount for the final budget.
2. **Office Expense:** Miscellaneous office expenses are anticipated to remain the same at \$3,400 this year. However, there is a proposed change in office location to the Yuba County Government Center but with no agreed upon written contract as of yet. With only a verbal statement from the County to not exceed LAFCO's current office rent and miscellaneous office expenses, the actually costs associated with moving and set up at the new location is uncertain at the time of this report.
3. **Mapping** – As staff continues to prepare Municipal Service Reviews and Spheres of Influence studies, and mapping for various projects before LAFCO, mapping is essential. It is anticipated the budgeted cost of \$5,000 will remain the same in this category.
4. **Copies:** Staff is anticipating costs for copies in Fiscal Year 2026-2027 to be slightly lower if it relocates to the County Government Center because our current copier lease expires in December and LAFCO will use the county copier, being charged a yet unknown cost per copy. Staff recommends budgeting the amount of \$1500.
5. **Communications:** Staff is recommending the same as last year's budget of \$3,500 be budgeted for Fiscal Year 2026-2027. However, there is a proposed change in office location to the Yuba County Government center but with no agreed upon written contract as of yet. With only a verbal statement from the County to not exceed LAFCO's current

office rent and misc. office expenses, communications, etc....,the actually costs associated with internet and phones at the proposed new location is uncertain at the time of this report.

6. **Postage:** This item is proposed to remain the same at \$600.00 to cover the costs of LAFCO related postage.

7. **Memberships:** The California Association of Local Agency Formation Commissions (CALAFCO) dues are to increase this year from \$2525 to \$2601, an increase of \$76.00.

8. **General Legal Services:** \$18,000 is recommended for General Counsel services to provide general advice to LAFCO. The 25/26 fiscal year budget of \$12,000 has already been exceed as of the time of this report by almost \$2000. The anticipated increase is attributed to a proposed \$25.00 hourly rate increase for legal counsel and an anticipated robust project and meeting load. Input will be needed on MSR and SOI projects for the next fiscal year, and to help resolve outstanding issues before LAFCo. Since LAFCO is an independent agency, LAFCO Counsel is necessary to represent LAFCO's interests. It is necessary to have Counsel available at all Commission meetings. Special project related legal costs are recommended to be \$5,000 which would be billed to the project proponent through LAFCO's adopted fee structure. This budget does not include special litigation costs, which are accounted for separately.

9. **LAFCO Staff Office Services:**

Executive Officer – In FY 25/26, based on an adopted salary schedule for the LAFCo Executive Officers, this category included a budget of \$137,000 as step 2 for LAFCO's Executive Officer salary, in addition to \$52,920 for benefits. FY 26/27 this position is proposed to be budgeted for step 3 of the salary schedule and a possible cost of living increase totaling \$150,000 salary, and \$55,650.00 for benefits, which together is the overall cost of the position. Generally, this position includes managing the day to day business of LAFCo including processing multiple changes of organizations/annexations, MSRs, SOIs, meeting with clients, attendance at various meetings, project reviews, meeting with community groups and coordination activities.

10. **Consultant/Clerk**

Previously John Benoit had agreed to extend his contract in a consultant role to help assist with a few complex projects thru a staff transition period. In addition, the County Clerk has been providing clerking services for our LAFCO meetings and billing us for her time. For FY 25/26 LAFCO budgeted \$25,000 for this category, however John Benoit is no longer actively consulting on any current LAFCO projects. At the time of this report LAFCO has only expended approximately \$5000 out the last years budgeted \$25,000.

For fiscal year 26/27 staff is recommending we change this to a broader category "Professional Services" and budget the amount of \$10,000. This amount will be sufficient to fund our need for clerk services for our meeting and other possible miscellaneous professional services LAFCO may wish to pursue. For example, a change in bookkeeping services, a formal financial review, temporary scanning project, or additional consultant costs to name a few.

11. **Legal Notices/Publications:** Legal notices are required by state law and must be prepared for Sphere of Influence Updates, all public hearings before the Commission and protest hearings. Public hearing notices are required for many LAFCO actions. Due to our expected applications, multiple MSRs and SOIs and increase in non-billable noticed public hearings, the staff is recommending \$2,000 for this item, an increase of \$500 over last year.
12. **Transportation/Travel & Training:** \$8,000 is budgeted for FY 2026-2027. Training for the Commission and LAFCO staff is necessary to remain informed of changes in LAFCO law and procedures. This amount will provide for two commissioners and the E.O. costs to attend the Calafco Annual Conference in Sacramento, October 21st thru the 23rd, 2026, and the E.O. to attend the Staff Workshop in the Spring (location yet to be determined) The cost is estimated to be \$2,300 per person to attend the CALAFCO conference and is based on the last year's conference attendance expenses. This year's conference costs may be a little less because there will be no airfare necessary, as it is to be held in Sacramento. This may allow for a 3rd commissioner be able to attend since it is local this year. The estimated costs are based on lodging for 3 nights (lodging, resort fees, tax, and parking) and conference registration fees, mobile workshop, mileage reimbursement, and misc. meal costs.
13. **Service Reviews and Sphere Updates:** The LAFCo law requires Sphere Updates as necessary, along with Municipal Service Review updates suggested every five years. This year it is proposed to increase the Municipal Service Reviews and Spheres of Influence fund to \$70,000. This would be an increase of \$25,000 over last year's MSR budget of \$35000, and Sphere of Influence Updates of \$10,000. LAFCO is currently entering into a contract with the consultant firm of RSG Solutions to conduct an MSR for all the foothill area fire districts and a SOI update for all the fire districts within Yuba County. The cost of that is projected to be approximately \$120,000. Half of that cost will be covered during the current 25/26 FY budget, and it is proposed to have the other half covered in the new 26/27 FY. With such limited LAFCO staff, it is recommended the Commission begin to increase the fund for future Municipal Service Reviews and Spheres of Influence studies each year, as it may be necessary to hire a consultant again in the future, to assist with such studies and to meet LAFCO's statutory requirement to conduct these studies every five years. The Commission has instructed staff to also conduct the Sphere of Influence updates and Municipal Service Reviews in house this year for all for all of the cemetery districts within Yuba County. After the completion of the fire and cemetery MSRs and SOIs it is worth noting a Sphere of Influence Update and Municipal Service Review for Olivehurst Public Utility District and Linda County Water District, and other water providers will be a high priority as their service areas have seen the most growth in recent years.
14. **Facility Rent:** LAFCO is considering a possible office move to the Yuba County Government Center at 915 8th Street, Marysville. LAFCO is in the middle of discussions with Yuba County to facilitate that move. However, LAFCO has not yet received a draft rental lease from the County detailing the terms and costs associated with such an agreement. With only a verbal statement from the County to not exceed LAFCO's current office rent and miscellaneous office expenses, the actually costs associated with a move and residing in the County building have yet to be specifically disclosed and are uncertain at the time of this report. If LAFCO were to stay at our current office space at 417 4th Street in Marysville, CA, there would be a \$25 per month increase to the rent for

a total of \$750 per month which would begin 4/1/26, with a possible increase 5/1/27. Based on LAFCOs current office space rental, and a verbal statement from the County to not charge LAFCO more, staff is recommending a budget of \$9200 in rent for the entire 2026-2027 fiscal year. Based on verbal discussions with the county the rent amount may or may not include other indirect costs associated with occupying office space in the Government Center, such as utilities, internet, phone, insurance, building maintenance, etc... It has yet to be explained/confirmed how the other indirect charges would be assessed to LAFCO. Those charges could be assessed in one of or a combination of the following: inclusion with rent, invoiced and billed separately, or included in an uncertain/unpredictable A-87 charge each year.

15. **Bookkeeping:** This cost (for now) is proposed to be \$1,200.00 this year for bookkeeping, which is the same as last year. With the agreement between the Yuba Water Agency and Yuba LAFCO to handle our finances and HR needs set to expire December 31, 2026 and an alternative to provide those services has not yet been and decided upon and negotiated, the costs for provision for those services in the second half of the 26/27 FY fiscal year have yet to be determined as of the time of this report.
16. **Contingencies:** As with other independent agencies, it is recommended Yuba LAFCO maintain a prudent reserve for contingencies. Therefore, the Committee recommends a contingency of \$13,000.00 the same as this year.
17. **General Reserves:** The amount in the General Reserves for Fiscal Year 2026-2027 is recommended to remain the same in the amount of \$90,000. In the past the Commission has requested an effort to increase of the General Reserves up to a total of \$100,000 if there is a larger than expected carryover at the end of each fiscal year. A significant smaller carryover is anticipated for the current 25/26 fiscal year so there is no recommendation to increase the reserves the 26/27 fiscal year.

If, for any reason, LAFCO were to have a cost overrun or unanticipated expenses during the fiscal year, LAFCO would have to request a loan from the Board of Supervisors. The Board of Supervisors, however, has no obligation to grant such a loan.

D. PROJECTED REVENUES:

Projected revenues are anticipated to be \$25,000 for project application processing. If revenue in excess of \$25,000 is received, then various expenditure categories may need to be increased. In part, this category covers the cost of Legal and Executive Officer Services for project related expenses.

E. CARRYOVER:

The estimate of carryover from this year is significantly smaller than in years past. LAFCO is anticipating a carryover of approximately \$105,000.00 for the end of this 25/26 fiscal year, compared to the \$175,000 last year. In the past several years LAFCO has budgeted for MSR's and SOI studies, however had not used those funds year after year, thus creating a large unused budget carryover. The larger carryovers in past years resulted in lower apportionments required from the County and Cities each new fiscal year. In order to fulfill its statutory requirements, it is necessary for LAFCO to consistently conduct the MSR's and SOI studies for

each district, which could frequently result in LAFCO expending more of their budget, lowering carryovers and resulting in higher apportionment amounts for the County and Cities.

This figure may change depending upon expenditures/revenues over the next few months.

F. COUNTY AND CITY CONTRIBUTION:

Although the total proposed gross budget for 26/27 Fiscal Year reflects a 7.74% increase over last year's 25/26 budget, the County and Cities contribution apportionment is based on the net budget and is expected to increase this year from \$218,495 to \$308,901. That is an overall increase of 41.38% in the apportionment amount, due to the smaller carryover this year compared to years past.

Attachments: *Resolution 2026-01 Adopting a Proposed 2026-2027 FY Yuba LAFCO Budget*
(including the spreadsheet in Exhibit A of Resolution 2026-01)

RECOMMENDATION:

- 1. Adopt Resolution 2026-01 approving a Proposed Budget for FY 2025-2027 for Yuba LAFCo.**

BEFORE THE YUBA LOCAL AGENCY FORMATION COMMISSION

IN RE:

RESOLUTION APPROVING THE PROPOSED)
2026-2027 FISCAL YEAR BUDGET OF THE)
YUBA LOCAL AGENCY FORMATION)
COMMISSION)

RESOLUTION NO. 2026-01

WHEREAS, Section 56381 of California Government Code requires this Yuba Local Agency Formation Commission to adopt a draft budget by May 1st and a final budget by June 15th of each year; and

WHEREAS, the Commission has prepared a proposed budget for public review; 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 2026-2027 and the Executive Officer's report and recommendations; and

WHEREAS, on April 1st, 2026, a noticed public hearing was held on the proposed draft budget for this Commission.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED by the Yuba Local Agency Formation Commission that the Proposed Budget for Fiscal Year 2026-2027 attached as Exhibit A is hereby adopted and makes a specific finding that it is expected this budget will allow the Commission to fulfill the purposes and programs of LAFCO, and the Executive Officer is directed to provide copies to all required parties as provided by law.

PASSED AND ADOPTED at a regular meeting of the Yuba Local Agency Formation Commission, State of California, on the 1st day of April 2026 by the following vote:

AYES:

NOES:

ABSTAINS:

ABSENT:

BRAD HUDSON, CHAIR
YUBA LOCAL AGENCY
FORMATION COMMISSION

ATTEST: PAIGE HENSLEY
EXECUTIVE OFFICER

APPROVED AS TO FORM:

By: _____

LAFCO Counsel

	A	B	C	D	E	F	G
			Adopted Final Budget 2023-24	Adopted final Budget 2024-25	Adopted Budget 2025-26	YTD as of 2-1-26 2025-26	Proposed Budget 2026-27
General Services and Supplies							
10	Insurance	\$	2,106.00	\$	2,250.00	\$	2,245.01
11	Office Expense	\$	3,900.00	\$	3,400.00	\$	2,680.40
12	Mapping	\$	5,000.00	\$	5,000.00	\$	5,000.00
13	Copies	\$	2,500.00	\$	1,900.00	\$	1,115.66
14	Communications	\$	2,760.00	\$	3,750.00	\$	1,637.92
15	Postage	\$	600.00	\$	600.00	\$	243.60
16	Memberships	\$	2,388.00	\$	2,445.00	\$	2,525.00
17	Legal Services - General & Specific	\$	12,000.00	\$	12,000.00	\$	13,981.50
18	Salary and Wages	\$	95,025.00	\$	135,002.00	\$	70,813.60
19	Benefits (Insurance, Retirement, Medicare, etc.)	\$	45,030.00	\$	50,400.00	\$	27,008.39
20	Professional Services						
21	Consultant E.O./Clerk Services	\$	-	\$	35,000.00	\$	5,062.32
22	Services -Executive Officer John Benoit	\$	35,000.00	\$	-	\$	-
23	Legal Notices/Publications	\$	1,500.00	\$	1,500.00	\$	1,577.50
24	TRAINING AND TRAVEL (CALAFCO)	\$	9,000.00	\$	9,000.00	\$	6,719.73
25	Special Project Legal Services	\$	5,000.00	\$	5,000.00	\$	5,000.00
26	Special Projects FO Services	\$	15,000.00	\$	-	\$	-
27	MSRs and SOIs						
28	Municipal Service Review Updates	\$	30,000.00	\$	30,000.00	\$	35,000.00
29	Sphere of Influence Updates	\$	10,000.00	\$	10,000.00	\$	10,000.00
30	Rent/Utilities	\$	8,250.00	\$	8,550.00	\$	5,075.00
31	Bookkeeping (YWA)	\$	1,200.00	\$	1,200.00	\$	700.00
32	Total General Services and Supplies	\$	286,259.00	\$	316,997.00	\$	315,495.00
33							
34	Contingency	\$	13,000.00	\$	13,000.00	\$	13,000.00
35	Reserve Fund	\$	70,000.00	\$	80,000.00	\$	90,000.00
36							
37							
38	Total Expenditure Budget: LAFCO	\$	369,259.00	\$	409,997.00	\$	418,495.00
39							
40	Funding Sources:						
41	Estimated Carryover	\$	150,000.00	\$	170,000.00	\$	175,000.00
42	Project generated MSR-SOI fund	\$	25,000.00	\$	25,000.00	\$	25,000.00
43	Anticipated Project Revenue	\$		\$		\$	
44							
45							
46	Apportionment to be split between the County and Cities	\$	194,249.00	\$	214,997.00	\$	218,495.00
47							
48							
49							

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CALAFCO-U Training Series

LAFCO 201

Applying Judgment in Complex Decisions

Wednesday, April 22, 2026
10:00-11:30 a.m.

Includes
Live Q&A

Agenda Item 9D



Building on the strong engagement in LAFCO 101, CALAFCO-U continues its 2026 training series with an advanced, practitioner-led session designed for commissioners and staff ready to move beyond foundational knowledge to confident, applied decision-making.

Complex proposals demand careful statutory interpretation, thoughtful application of local policy and sound judgment. Join us for LAFCO 201, 90 minutes of focused discussion, practical insights and interactive Q&A with legal counsel and experienced Executive Officers.

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Cost

Free to CALAFCO
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Registration

Sign-up through
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Questions?

Contact CALAFCO at
info@calafco.org

*CALAFCO Members include Member LAFCOs (staff and commissioners) and Associate Members. **Registration for non-members is limited to California local and state agency representatives.

Instructors



Paula de Sousa — Partner, Best Best & Krieger LLP. Paula is a statewide expert in LAFCO law, legal counsel for several LAFCOs and CALAFCO, and lead author of multiple CALAFCO white papers.



Joe Serrano — Executive Officer, Santa Cruz LAFCO & Deputy Executive Officer, CALAFCO. Joe brings 18 years of hands-on LAFCO experience across several counties.



Brian Spaunhurst — Executive Officer, Fresno LAFCO. Brian has been involved with leadership and teamwork skill development for 24 years.

California Association of
Local Agency Formation Commissions

CALAFCO

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