

MEETING AGENDA



Del Norte Local Agency Formation Commission
REGULAR MEETING
In Person: Del Norte County Board of Supervisors Chambers
Flynn Center - 981 H St. Crescent City, CA 95531
May 22, 2023 4:00 pm

1. Call to Order/Roll Call/ Commission Introductions & Appointments
 - A. Pledge of Allegiance
2. Public Hearings
 - A. Del Norte LAFCo FY 2022-23 Budget Amendment in accordance with California Government Code § 56381 (ATTACHMENT 2A)
 - B. Del Norte LAFCo Final FY 2023-24 Budget in accordance with California Government Code § 56381 (ATTACHMENT 2B)
3. Regular Business
 - A. Draft Minutes March 27 2023 (ATTACHMENT 3A)
 - B. Del Norte County Fairgrounds Recreation and Park District (DNCFRPD) Municipal Service Review Reconsideration Update (ATTACHMENT 3B)
 - C. Professional Services Extension- Executive Officer FY 2023-24 (ATTACHMENT 3C)
 - D. Professional Services Extension- Legal Counsel FY 2023-24 (ATTACHMENT 3D)
4. Inquiries, Correspondence, Application Status and Referrals
 - A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.
 - B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).
 - C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.
5. Adjournment

Next Meeting scheduled for July 24, 2023, unless alternate date scheduled.



DEL NORTE LOCAL AGENCY FORMATION COMMISSION
1125 16th Street, Suite 202
Arcata, California 95521
TEL (707) 825-9301 FAX (707)825-9181
eo@delnortelafo.org

AGENDA ITEM 2A

MEETING DATE: May 22, 2023
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2022-23 Budget Amendment - Continued

DISCUSSION

This matter was continued from the March 27 meeting to allow County Auditor staff time to check on increased Interfund Cost Transfer charges to Del Norte LAFCo. As reported at March meeting staff has requested the Auditors Office review and adjust a significant Interfund Cost Transfer amount increase. This is still under review. Given the May 22, 2023 Commission meeting is the last one for FY 2022-23, action on the proposed amendment is recommended.

The FY 2022-2023 amended budget is attached. Both County of Del Norte and City of Crescent City revenues have been received. Both City and County staff have been advised of proposed budget amendment, primarily to cover significant Interfund transfer cost increase. As reported at March meeting

Legal counsel costs are proposed to increasing from \$3,000 to \$5,000 due to the outside legal counsel travel costs from outside the area. CALAFCO conference/training costs have decreased, since Commissioner Inscore left the CALAFCO board earlier this year.

The public member has declined the per meeting stipend, therefore the budgeted stipend amount has decreased from \$240 to \$80. It has not been completely eliminated in case the alternate public member attends as a voting member and requests the stipend.

General Ledger statements received from the County Auditor Office for the first two quarters of FY 2022-23 include interest revenues in the amount of \$480.00. Due to this the full FY interest is projected to increase to \$960.00.

Due to previous years expenses under budget, the fund balance has increased to \$24,745.02.

RECOMMENDATION

The following procedures are recommended for the Commission's consideration:

- Receive verbal report from staff.
- Open the public hearing and invite testimony; and
- Discuss item, close the hearing, and consider action on the recommendation:
 - 1) Approve FY 2022-2023 budget amendment.

ATTACHMENT

FY 2022-2023 Amended Budget



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FY 2022-23 Amended Budget

Account	EXPENDITURES	2022-23 Adopted	2022-23 Amended
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$2,750.00	\$2,782.00
20200	CALAFCO Membership	\$1,447.00	\$1,447.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$32,000.00	\$32,000.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$42,100.00	\$42,100.00
20232	Prof. Serv. Legal Counsel	\$3,000.00	\$5,000.00
20240	Advertising/Publications	\$400.00	\$400.00
20290	Travel-Training CALAFCO Conferences	\$2,200.00	\$1,510.97
70530	Interfund-Cost Plan	\$1,700.00	\$11,223.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$240.00	\$80.00
	TOTAL EXPENDITURES	\$95,937.00	\$106,642.97
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$500.00	\$960.48
90780	Del Norte County	\$39,852.50	\$47,841.25
90781	City of Crescent City	\$39,852.50	\$47,841.25
07100			
	TOTAL REVENUES	\$90,205.00	\$106,642.98
	FUND BALANCE		
07100	Account #42801 007 100	\$17,470.05	\$24,745.02

*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.



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**RESOLUTION 23-01
ADOPTING FISCAL YEAR 2022-23 BUDGET AMENDMENT**

WHEREAS, the Del Norte Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt proposed and final budgets each fiscal year; and

WHEREAS, the Commission approved the FY 2022-23 budget on June 13, 2022; and

WHEREAS, the Commission has the authority to amend the current year budget at a public hearing; and

WHEREAS, the Executive Officer prepared a report with amended budget recommendations, including legal counsel expense increase to \$5,000, public member decreased stipend to \$80, interest revenue increase to \$960 and an Interfund Cost Transfer increase to \$11,223.00; and

WHEREAS, the Executive Officer's report was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard fully and considered all of the evidence presented at a continued public hearing on the budget amendment held on May 22, 2023; and

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Fiscal Year 2022-23 Budget Amendment as presented in Exhibit A is approved.
2. The overall operating costs provided amended budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381 (a).

PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission on the 22nd day of May 2023, by the following vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

Darrin Short, Chair

George Williamson, Executive Officer

ATTACHMENT: Exhibit A: FY 2022-23 Budget Amendment



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Exhibit A: FY 2022-23 Budget Amendment

Account	EXPENDITURES	FY 2022-23 Final	2022-23 Amended
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$2,750.00	\$2,782.00
20200	CALAFCO Membership	\$1,447.00	\$1,447.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$32,000.00	\$32,000.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$42,100.00	\$42,100.00
20232	Prof. Serv. Legal Counsel	\$3,000.00	\$5,000.00
20240	Advertising/Publications	\$400.00	\$400.00
20290	Travel-Training CALAFCO Conferences	\$2,200.00	\$1,510.97
70530	Interfund-Cost Plan	\$1,700.00	\$11,223.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$240.00	\$80.00
	TOTAL EXPENDITURES	\$95,937.00	\$106,642.97
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$500.00	\$960.48
90780	Del Norte County	\$39,852.50	\$47,841.25
90781	City of Crescent City	\$39,852.50	\$47,841.25
07100			
	TOTAL REVENUES	\$90,205.00	\$106,642.98
	FUND BALANCE		
07100	Account #42801 007 100	\$17,470.05	\$24,745.02

*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.



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AGENDA ITEM 2B

MEETING DATE: May 22, 2023
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2023-2024 Final Budget

BACKGROUND

Local Agency Formation Commissions (LAFCos) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall - at a minimum - be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties. Drafts were sent to the City and County.

DISCUSSION

LAFCo Funding Sources:

Del Norte LAFCo's annual operating expenses are principally funded through appropriations from the County of Del Norte and City of Crescent City, in addition to application fees and interest earnings. Each fiscal year, operating expenses are apportioned as follows: the County and City each pays 1/2. The apportioned amounts are deposited with the County Auditor.

Proposed Operating Expenses:

The proposed operating expenses reflect anticipated staffing services, operations expenses and for conducting municipal service reviews and sphere of influence updates. The proposed FY 2023-24 operating expenses are less than the FY 2022-23 amended budget. A FY 2023-24 expense summary, compared to last year's amended budget is described below.

- Insurance budget increased to \$2,900.00.
- CALAFCO membership dues increased to \$1,566.00.
- Printing/postage and advertising/publications budgets remain the same.
- Costs to complete MSRs and SOIs scheduled for coming year remain the same.
- Application processing amount remains the same.
- Professional Executive Officer/Administrator costs proposed to remain the same.
- Legal Counsel budget proposed to remain the same for outside counsel expenses.
- Public member has declined stipend, reduced for alternate member.
- Interfund-Cost Plan decreased to \$10,000, hopefully by even more once requested Auditor accounting completed.
- Interest income projected to be \$1,000, slightly more than last year.



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Proposed Operating Revenues:

Revenues to be apportioned equally between the City and County.

Unrestricted Funds Account

Commissioner Inscore has been reappointed to the CALAFCO Board as the Northern City Member. His reappointment, to fill the unexpired term of the late Plumas LAFCO Commissioner Tom Cooley, was unanimously approved by the CALAFCO Board. Commissioner Blake will incur expenses, estimated to be \$3,500 to attend CALAFCO Board meetings, which can be covered by an unrestricted funds account allocation.

RECOMMENDATION

The following procedures are recommended for the Commission's consideration of this item:

- Receive verbal report from staff;
- Open the public hearing and invite testimony; and
- Discuss item, close the hearing, and consider action on the recommendation:
 - 1) Approve Final FY 2023-2024 budget, as provided in Attachment A.

ATTACHMENT

FY 2023-24 Final Budget



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FY 2023-24 Final Budget

Account	EXPENDITURES	FY 2022-23 Amended	FY 2023-24 Final
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$2,782.00	\$2,900.00
20200	CALAFCO Membership	\$1,447.00	\$1,566.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$32,000.00	\$32,000.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$42,100.00	\$42,100.00
20232	Prof. Serv. Legal Counsel	\$5,000.00	\$5,000.00
20240	Advertising/Publications	\$400.00	\$500.00
20290	Travel-Training (CALAFCO Conference)	\$1,510.97	\$0.00
70530	Interfund-Cost Plan (\$1,700 budget amount)	\$11,223.00	\$10,000.00
20233	Public Member Stipend (2 mtgs @ \$40/mtg)	\$80.00	\$80.00
	TOTAL EXPENDITURES	\$106,642.97	\$104,246.00
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$960.48	\$1,000.00
90780	Del Norte County	\$47,841.25	\$46,623.00
90781	City of Crescent City	\$47,841.25	\$46,623.00
07100	Funds from Account #42801007100		
	TOTAL REVENUES	\$106,642.98	\$104,246.00
7100			
	FUND BALANCE		
07100	Account #42801 007 100 (reduced to cover CALAFCO Board Meeting Expenses	\$24,745.02	\$21,245.02

*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.

DRAFT MEETING MINUTES

Del Norte Local Agency Formation Commission REGULAR MEETING

In Person: Del Norte County Board of Supervisors Chambers

Flynn Center - 981 H St. Crescent City, CA 95531

March 27, 2023

Members present: Darrin Short (County Member & Chair), Blake Inscore (City Member & Vice Chair), Jason Greenough (City Member), Dean Wilson (County Member) and Donna DeWolf (Alternate Public Member)

Members absent: Lyle Armstrong (Public Member)

Others present: (by phone due to travel restrictions) George Williamson (Executive Officer).

This was an in-person meeting of the Commission, with public access accommodated by the County, during Flynn Center closure due to holiday observance.

Call to Order/Roll Call

Commission Chair Short called the meeting to order at 4:00 p.m. Roll call was taken.

A. Pledge of Allegiance Commissioner Short led the Pledge of Allegiance.

B. Welcome New Commissioner – County Supervisor Dean Wilson

Supervisor Wilson, received a welcome from the attending Commissioners.

C. Alternate Public Member Appointment

Staff presented a report on the Alternate Public Member recruitment process and receiving an application from Donna DeWolf, which was included in the meeting packet.

On a motion by Commissioner Inscore seconded by Commissioner Wilson and carried by a 4-0 vote the Commission appointed Donna DeWolf as Alternate Public Member for the 2023-2027 term. Alternate Public Member DeWolf took a seat with the Commission due to the absence of Public Member Lyle Armstrong.

Public Hearings

A. Del Norte LAFCo FY 2022-23 Budget Amendment in accordance with California Government Code § 56381

The Commission received a staff report on budget amendments, primarily covering an unexpected Interfund Transfer Cost increase. Staff has requested a cost accounting and the Commissioner wanted to allow more time for the Auditors' response.

On a motion by Commissioner Inscore seconded by Commissioner Greenough and carried by a 5-0 vote the Commission continued the FY 2022-23 budget amendment hearing to May 22, 2023.

B. Del Norte LAFCo Proposed FY 2023-24 Budget in accordance with California Government Code § 56381.

The Commission received a staff report on the proposed FY 2023-24 budget. Staff which is slightly reduced from the FY 2022-23 budget amendment considered in the prior hearing.

Del Norte Local Agency Formation Commission
MEETING MINUTES: March 27, 2023

On a motion by Commissioner Wilson seconded by Commissioner Greenough and carried by a 5-0 vote the Commission approved the proposed FY 2023-24 budget and directed staff to distribute to City and County and schedule a final budget hearing for May 22, 2023

Regular Business

A. Draft Minutes January 22, 2023

On a motion by Commissioner Inscore seconded by Commissioner Wilson and carried by a 5-0 vote the Commission approved the January 22, 2023, Meeting Minutes.

B. Del Norte County Fairgrounds Recreation and Park District (DNCFRPD) Municipal Service Review Reconsideration Update (informational)

DNC Fairgrounds Recreation and Park District Update – Sales Tax Revenues. Staff reported on DNCFRPD Board coordination for a MSR reconsideration to address a Capital Improvement Plan Update, and funding projections for use of reserves. There will be a joint DNCFRPD & 41st DAA Fair Board meeting later this month.

C. Hunter Valley CSD Power Activation – Certificate of Completion (informational)

Staff reported filing the Certificate of Completion with the County for the Hunter Valley CSD Park and Recreation Powers Activation. A brief report on CSDs park development progress was provided.

D. Del Norte County Auditor – Interfund Cost Plan Request (informational)

Staff has requested an accounting for a substantial Interfund Cost Plan amount increase, based on an independent accounting review. The Commission considered this as part of the FY 2022-23 budget amendment hearing.

E. Annexation Applications status - Klamath CSD Annexation/SOI Amendment & Smith River FPD Annexation (informational)

Staff reported on filing notices for the applications. Property Tax Revenue Sharing Agreements with the County, per Tax and Revenue Code 99, will precede application hearings.

F. Alternate May Meeting Dates.

The May 22 Commission meeting date was set.

C. Inquiries, Correspondence, Application Status and Referrals

A. Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.

No additional staff comments.

Del Norte Local Agency Formation Commission

MEETING MINUTES: March 27, 2023

- B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or request a business matter for a future agenda per Government Code Section 54954.2 (a).

- C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

- D. Adjournment

Next Meeting scheduled for May 22 2023, unless special meeting scheduled.



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ATTACHMENT 3B

MEETING DATE: May 22, 2023
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Del Norte County Fairgrounds Recreation and Park District
Municipal Services Review Reconsideration Update

Background

Del Norte County Fairgrounds Recreation and Park District (DNCFRPD) was formed by Del Norte Local Agency Formation Commission (LAFCo) as the special district that could receive & allocate voter approved sales tax revenues. The Countywide Del Norte County Fair sales tax revenue has now ceased (collected from 2014-2021). This prompts review of the LAFCo reserve fund condition, as it references the period when sales taxes were being collected.

A Municipal Services Review (MSR) was prepared as part of District Formation. The current DNCFRPD MSR Determinations, adopted June 2020, includes the following:

The District should continue to work with the 41st DAA to implement specific processes to follow when providing financial assistance and update the MOU between them and the 41st DAA if necessary, to reflect agreed upon terms and conditions. This should include a post sales tax recreational use funding program.

Commission staff has been working with the DNCFRPD Board of Directors on a 2020 MSR Reconsideration application. The MSR Reconsideration would allow for preparing a Post Sales Tax Fairgrounds Use Funding Program. The funding program would be based on an updated Del Norte County Fairgrounds Facility 5-year Capital Improvement Program.

Staff attended the DNCFRPD April 27 Board Meeting. Advised Board of Post Sales Tax Fairgrounds Use Funding Program needs. The Fairgrounds Facility 5-year Capital Improvement Program coordination was discussed with Fair Board Manager after the meeting. Advised Board of MSR Determinations needed for reserve restriction review, contingent on funding program, Board signed Resolution of Application 23-01 for LAFCo filing, application, and approved LAFCo initial application deposit of \$1,000.

As part of the MSR reconsideration, the sales tax revenue reserve restriction can be reviewed, contingent on a funding program now that sales tax is no longer collected.

Attachment DNCFRPD Board Resolution of Application 23-01

Resolution No. 23-01

A RESOLUTION OF APPLICATION BY THE DEL NORTE COUNTY FAIRGROUNDS RECREATION AND PARK DISTRICT BOARD OF DIRECTORS REQUESTING THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION INITIATE PROCEEDINGS FOR REVIEW OF CONDITIONS AND DETERMINATIONS

RESOLVED, by the Del Norte County Fairgrounds Recreation and Park District (DNCFRPD) Board of Directors, that:

WHEREAS, Del Norte Del Norte Local Agency Formation Commission (LAFCo) took action pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code, Section 56000 et seq. Part 3, Division 3, Title 5, to approve LAFCo Resolution No. 14-02, conditionally approving the DNCFRPD formation, with said resolution providing findings, determinations, conditions of approval, and pertinent to the district formation; and,

WHEREAS, one of the conditions of Resolution No. 14-02 was:

3. The District shall allocate at least 30% of annual sales tax revenue to build a reserve fund. These funds shall accrue in a separate account with the Del Norte County Auditor and shall not be used, except in an emergency situation approved by the commission, for the initial seven years the sales tax revenues are accruing.

WHEREAS, now that the sales tax is no longer being collected, the condition of maintaining a reserve fund should be reviewed so that all sales tax revenues may be applicable for fairgrounds use; and

WHEREAS The review should include a Post Sales Tax Fairgrounds Use Funding Program and Facility 5-year Capital Improvement Program Update; and

NOW, THEREFORE, The Del Norte County Fairgrounds Recreation and Park District makes application to Del Norte LAFCo, Including an initial \$1,000.00 deposit for reconsideration of LAFCo conditions and determinations:

The Del Norte Local Agency Formation Commission is hereby requested to initiate proceedings for the proposed review of conditions and determinations in the manner provided by the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000.

Passed and adopted by the District Board of Directors at a regular meeting thereof held on ~~February 23~~ ^{April} 23, 2023, by the following vote:

AYES, Directors: Wakefield, Westbrook, Wier, Hopkins

NOES, Directors:

ABSENT, Directors: Renner

Approved: [Signature]
Board Chair

Attest: [Signature]
Secretary Board member

ATTACHMENT 3C



PROFESSIONAL SERVICES CONTRACT EXTENSION

DATE: May 22 2023
TO: Darrin Short, Chair
Del Norte LAFCo
FROM: George Williamson, AICP
SUBJECT: Del Norte LAFCo Agreement for Executive Officer Services

Planwest Partners Inc. is authorized to continue providing professional staffing services to the Del Norte Local Agency Formation Commission (LAFCo), for Fiscal Year 2023-2024. Planwest will perform the tasks and activities for Del Norte LAFCo identified in Exhibit A, Scope of Services (attached).

All provisions of the Agreement for the Provision of Executive Officer Services for the Del Norte LAFCo remain in effect, except:

Part 5 - Term, which will be extended from July 1, 2023 to June 30, 2024.

Darrin Short, Chair
Del Norte LAFCo

Date



“EXHIBIT A” - SCOPE OF SERVICES

Task 1 Performance of Executive Officer Duties

Perform Executive Officers duties including preparing staff reports, proposed findings and other agenda materials for routine Del Norte Local Agency Formation Commission (LAFCo) activities: This includes coordinating boundary adjustment proposals; reviewing applications for provision of new and extended services outside city and district boundaries; reviewing Sphere of Influence and Municipal Service Review reports and amendments; and reviewing environmental documents for California Environmental Quality Act (CEQA) compliance, submitted by member organizations. Duties to be compensated based on Planwest Partners current rate schedule which is updated annually. Preparation of all application materials for LAFCo actions would be the responsibility of the applicant and /or member organization, or may be prepared by the Executive Officer for an additional cost paid by applicant and /or member organization.

Task 2 Develop and Implement Policies

Develop and implement policies within Del Norte LAFCo's authority under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Task 3 Maintain Website Postings

Provide materials to CALAFCO webmaster, to keep the Del Norte LAFCo website update, and to make Agendas and Minutes available to the public in an electronic web-based format.

Task 4 Organization and Administration of LAFCo Business

Respond to inquiries and provide technical assistance and make information available to interested public agencies and individuals.

Task 5 Record Keeping

Distribute, file, publish and keep records of agendas, notices and other required official documents on behalf of LAFCo, and keep the Commission informed of LAFCo budget activities.

Task 6 Staff Support at Meetings

Schedule, post notices and provide staff support at up to six LAFCo meetings in accordance with the Act and LAFCo policies and procedures. Meetings may be attended remotely. Additional meeting support will be provided on a time and materials basis.

Task 7 Representation

Represent Del Norte LAFCo to CALAFCO and to various other policy-making agencies as directed by the Commission.

Task 8 Keep LAFCo Informed

Inform LAFCo of new legislation, correspondence, CALAFCO activities, current events and matters of interest related to LAFCo.

**LEGAL SERVICES AGREEMENT BETWEEN THE DEL NORTE LOCAL AGENCY
FORMATION COMMISSION AND UNDERWOOD LAW OFFICES, P.C.**

This Agreement is entered into between the Del Norte Local Agency Formation Commission (LAFCO) and Underwood Law Offices, P.C. ("FIRM"), a professional law corporation, for the purpose of legal services.

1. PERIOD OF PERFORMANCE

This Agreement shall begin July 1, 2023, and shall continue until June 30, 2024 or until the completion of the matter(s) and case(s) identified in this Agreement in Attachment A (and any other matter(s) or cases LAFCO, assigns to FIRM as provided in this Agreement), whichever is later, or until this Agreement is terminated pursuant to the provisions of paragraph 6 or paragraph 7.

2. FIRM'S SERVICES AND RESPONSIBILITIES

FIRM shall act as general counsel to LAFCO and its officers and employees in matters or cases assigned to FIRM. This contract does not contemplate that FIRM shall provide litigation services.

FIRM shall make every effort to provide the most cost-effective services possible to LAFCO and shall suggest options and techniques to dispose of cases without unnecessary pleadings or discovery. In this regard, FIRM'S attendance at meetings of the Commission shall be optional, and shall be by telephone when feasible. LAFCO shall, through its Executive Officer, notify FIRM in advance of any meeting when personal attendance of FIRM's representative is needed, or specify when telephone attendance is preferred.

FIRM shall provide LAFCO with the necessary representation by and through services performed by James M. Underwood with support as needed from the FIRM's paralegal staff at no additional charge.

FIRM shall coordinate with LAFCO in performing services under this Agreement and shall report to LAFCO's Commission, or to the Executive Officer of LAFCO ("Executive Officer"), as requested, regarding the matters it is handling.

In the event of litigation to be handled by the FIRM, the following shall apply:

- (a) FIRM shall obtain LAFCO Executive Officer's written approval before retaining any consultant or expert witness.
- (b) FIRM shall assist LAFCO Executive Officer in settlement evaluations and negotiations, and shall obtain LAFCO Executive Officer's authority before making any settlement proposal on LAFCO's behalf or to the Court or to any other party to the case(s).
- (c) FIRM shall immediately notify Executive Officer verbally and in writing when a judgment, verdict or other award is rendered.
- (d) FIRM shall provide to LAFCO copies of all substantive pleadings and motions filed with the court or other administrative body, including those submitted by another party. FIRM shall also submit copies of all court rulings.

FIRM shall compile and maintain all backup documentation to support all entries included in its billings.

3. **REPORTING REQUIREMENTS**

In order to contain costs, many of FIRM's communications with LAFCO will be by way of electronic mail or telephone to LAFCO, which shall be attorney-client privileged and copies of which shall be kept in confidential electronic files by LAFCO and by FIRM. However, certain information must be provided in writing.

FIRM shall provide LAFCO with the following reports for litigation cases, if any:

A. **Case Evaluation, Plan and Budget**

- (i) In the event of litigation FIRM shall prepare and submit to LAFCO a *Case Evaluation, Plan and Budget*, which shall be a confidential independent evaluation of the case that will serve as the basis for developing LAFCO's legal position and strategy, and for controlling litigation costs.
- (ii) The *Case Evaluation, Plan and Budget* shall be submitted to LAFCO as soon as possible after FIRM's initial analysis of the case, but no later than 60 days after FIRM first appears in the case.

B. **Case Status Reports**

- (i) The FIRM shall prepare and present written to LAFCO a *Case Status Report* for each item of pending litigation, which shall be a summary of the significant actions and developments in the case since the last report or since the submission of the *Case Evaluation, Plan and Budget*, as applicable.
- (ii) FIRM shall ordinarily provide *Case Status Reports* no less than every six months. Between regularly scheduled reports, FIRM shall advise LAFCO of important case developments or re-assessment of LAFCO's exposure and, if requested, prepare an updated *Case Status Report*.

4. **COMPENSATION**

FIRM shall be paid at the hourly rate for the hours actually expended and for expenses actually incurred as identified in this Section of the Agreement for General Counsel services. Costs and fees for litigation shall be handled by separate agreement.

A. **Fees**

FIRM shall provide general counsel legal services at the following billing rates:

General Counsel Services - \$185 per hour
Litigation Services - \$200.00 per hour

B. **Expenses**

LAFCO shall reimburse FIRM for its actual out-of-pocket expenses but without any additional costs for having advanced the funds. Such expenses include but are not limited to the cost of transcripts, service fees, expedited postage or delivery charges, electronic legal research fees, etc.

Non-reimbursable expenses shall include, but not be limited to:

- (i) Staff time or overtime for performing secretarial, clerical, or word processing functions.
- (ii) Charges for travel time.

5. **BILLINGS AND PAYMENTS**

A. **Billings**

- 1. FIRM shall submit its itemized billing statement monthly to LAFCO.
- 2. The original billing statement(s) and one copy shall be submitted to:

Executive Officer
Del Norte LAFCO
1125 16th Street, Suite 202
Arcata, CA 95521

- 3. Each billing statement shall be itemized in a time reporting format acceptable to LAFCO and shall include original or genuine copies of invoices for reimbursement of expenses.
- 4. FIRM shall have and maintain all backup documentation to support all entries included in the monthly billing statement. Such documentation shall be in a form subject to audit and in accordance with generally accepted accounting principles. FIRM shall make such documentation available to auditors upon request and in accordance with paragraph 12E.

B. **Payments**

- 1. LAFCO's staff shall review all billing statements.
- 2. LAFCO shall make its best effort to process payments promptly after receiving FIRM's monthly billing statement, and shall be due within 30

days of receipt. LAFCO shall not pay interest or finance charges on any outstanding balance(s).

6. **TERMINATION**

This Agreement may be terminated in whole or in part at any time that LAFCO, in its sole discretion, deems termination to be in its best interest. LAFCO shall terminate services by delivering to FIRM a written Termination Notice specifying the extent to which services are terminated and the effective termination date. FIRM may terminate on sixty (60) days' written notice. During the sixty (60) day notice period, FIRM shall at LAFCO's request, transfer pending files or complete specified services, which may include a final report.

7. **TERMINATION DUE TO CONFLICT OF INTEREST**

If either FIRM or LAFCO determines a matter of professional conflict has arisen which should not or could not be postponed until the conclusion of the litigation, FIRM or LAFCO may give written notice of immediate termination of this Agreement subject to FIRM's duty to provide adequate representation until the appropriate substitutions can be made.

8. **CLOSING REPORT UPON TERMINATION**

Upon LAFCO's request, FIRM shall deliver a *Closing Report* to LAFCO in the format required by LAFCO, after termination of this Agreement.

9. **ENTIRE AGREEMENT; AMENDMENTS; HEADINGS.**

A. This Agreement supersedes all previous agreements relating to the subject of this Agreement and constitutes the entire understanding of the parties hereto. FIRM shall be entitled to no other benefits other than those specified herein. FIRM specifically acknowledges that in entering into and executing this Agreement, FIRM relies solely upon the provisions contained in this Agreement and no others.

B. No changes, amendments or alterations to this Agreement shall be effective unless in writing and signed by both parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this Agreement and do not cause an increase to the maximum amount payable under this Agreement may be agreed to in writing between FIRM and the LAFCO Executive Officer.

C. The headings that appear in this Agreement are for reference purposes only and shall not affect the meaning or construction of this Agreement.

10. **NOTICES**

All notices and required reports shall be written and hand-delivered or mailed by first class, postage prepaid, addressed to LAFCO or FIRM at the addresses below, or at any other address LAFCO or FIRM shall provide in writing to each other:

If to LAFCO: Executive Officer
Del Norte LAFCO
1125 16th Street, Suite 202
Arcata, CA 95521

If to FIRM: James M. Underwood
Underwood Law Offices, P.C.
P.O. Box 2428
Weaverville, CA 96093

11. **ASSIGNMENT**

- A. No part of this Agreement or any right or obligation arising from it is assignable without LAFCO's written consent.
- B. However, FIRM may retain associated legal counsel and experts as FIRM deems appropriate after receiving LAFCO's written approval.

12. **STANDARD TERMS AND CONDITIONS**

A. **Indemnification**

FIRM shall indemnify, defend, and save harmless LAFCO, its agents, officers and employees from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to losses resulting from FIRM's errors or omissions or any bodily injury, death, personal injury, or property damage (including FIRM's property), in connection with FIRM'S operations or its services, including any workers' compensation suits, liability or expense, arising from or connected with services performed under this Agreement.

B. **Insurance**

FIRM shall indemnify, defend, and save harmless LAFCO, its agents, officers and employees from and against any and all liability (including defense costs and reasonable attorney fees) and claims for damages of any nature whatsoever, including, but not limited to FIRM's negligent acts or omissions, arising out of the performance of this Agreement, except liabilities and claims for damages (including reasonable attorneys fees) resulting from FIRM's professional negligence which may be covered by FIRM's professional liability insurance and except for any liabilities and claims for damages (including reasonable attorneys fees) caused by LAFCO's negligence or willful misconduct.

Such insurance shall be primary to and not contributing with any other insurance maintained by LAFCO, and shall include, but not be limited to:

- 1. Comprehensive General Liability Insurance endorsed for Premises-Operations, Products/Completed Operations, Contractual, Broad Form Property Damage, and Personal Injury with a combined single limit of not less than \$500,000 per occurrence.

If the above insurance is written on a Claims Made Form, the insurance shall be endorsed to provide an extended reporting period of not less than five years following termination of this Agreement.

2. Professional liability insurance with a liability limit of at least \$1,000,000 per claim.

C. **Independent Contractor Status**

1. This Agreement is between the LAFCO and FIRM and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between LAFCO and FIRM.
2. FIRM understands and agrees that all FIRM personnel furnishing services to LAFCO under this Agreement are employees solely of FIRM and not of LAFCO for purposes of workers' compensation liability.
3. FIRM shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any FIRM personnel for injuries arising from services performed under this Agreement.

D. **Governing Laws**

This Agreement shall be construed in accordance with the laws of the State of California.

E. **Record Retention and Inspection**

Within ten (10) days of LAFCO's written request, FIRM shall allow LAFCO or authorized State or Federal agencies or any duly authorized representative to have the right to access, examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, time cards or other records relating to this Agreement. FIRM shall keep such material, including all pertinent cost accounting, financial records, and proprietary data for a period of five (5) years after termination or completion of this Agreement unless LAFCO's written permission is given to dispose of material prior to the end of such period or until such time as all audits are complete, whichever is later.

F. **Communications with LAFCO**

FIRM understands that the LAFCO is the legally empowered representative of the LAFCO and its officers and employees, and FIRM shall not without specific direction from the LAFCO communicate with, advise, or represent the LAFCO, its Commission or any other officers or employees.

G. **Validity**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

H. **Waiver**

No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of the provision or any other provision of this Agreement. Failure of either party to enforce any provision of this Agreement at any time shall not be construed as a waiver of that provision.

I. **Confidentiality**

During the term of this Agreement, both parties may have access to information that is confidential or proprietary in nature. Both parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other party or as required by law. This provision shall survive the termination, expiration, or cancellation of the Agreement.

13. **CONTRACT DOCUMENTS**

This Agreement shall constitute the complete and exclusive statement of understanding between LAFCO and FIRM and it supersedes all previous written or oral agreements, and all prior communications between the LAFCO and FIRM relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the LAFCO and FIRM have executed this Agreement on the day and year set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this Agreement and to bind the party on whose behalf his/her execution is made.

Del Norte LAFCO

Date: May _____, 2023

Jason Greenough, Chairman

Underwood Law Offices, P.C.

Date: May 22, 2023



JAMES M. UNDERWOOD

TAX I.D. # 46-1983641