

Colusa Local Agency Formation Commission

MEMORANDUM

DATE:	June 4, 2026
TO:	Commissioners
FROM:	Larkyn Feiler, Executive Officer
RE:	Public Hearing - Fiscal Year 2026-27 Final LAFCo Budget and Work Program

Recommendation:

1. Conduct a Public Hearing on the Final Budget for FY 2026-27.
2. Adopt Resolution No. 2026-02 approving the Final Budget for FY 2026-27.

Background:

LAFCo is responsible for annually adopting a proposed budget by May 1st and a final budget by June 15th.

The LAFCo budget shall, at a minimum, be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced costs will nevertheless allow LAFCo to fulfill its prescribed regulatory and planning duties (GOV § 56381(a)).

At the April 2, 2026 meeting, the Commission held a Public Hearing and adopted Resolution No. 2026-01 approving a Proposed Budget for Fiscal Year (FY) 2026-27, without modification. The Proposed Budget was transmitted after the meeting and no comments were received.

No changes have been requested or made since the prior meeting in preparation for the Final Budget (Attachment 1).

The FY 2026-27 Proposed Budget Executive Officer's (EO) Report from the prior meeting is included for background information (Attachment 2).

Attachment:

1. LAFCo Resolution No. 2026-02
2. 4/2/2026 Proposed Budget EO Report

Resolution No. 2026-02
of the Colusa Local Agency Formation Commission

Approving a Final Budget for FY 2026-27

WHEREAS, LAFCo is required to adopt annually, following a noticed public hearing, a proposed budget by May 1st and a final budget by June 15th (GOV § 56381(a)); and

WHEREAS, the Commission adopted a proposed budget on April 2, 2026; and

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

WHEREAS, the Executive Officer has given a notice of hearing in the form and manner specified by law for adoption of the final 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 2026-27 and the Executive Officer's report and recommendations; and

WHEREAS, the Commission has considered the final budget in light of the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization (CKH) Act of 2000, and finds that a reduction of \$908.81 from the prior year budget will nevertheless allow the Commission to fulfill its purposes and programs under the CKH Act, or LAFCo law.

NOW, THEREFORE, the Colusa Local Agency Formation Commission DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

1. The attached FY 2026-27 Final Budget (Exhibit A) is approved.
2. The Executive Officer is directed to transmit the final budget to the Auditor and all parties specified in Government Code Section 56381(a) as promptly as possible.
3. The Commission hereby directs the Executive Officer to request the funds in the amount of \$106,615.00, in accordance with Government Code Section 56381 (c) and to direct said funds to be paid to the City of Williams on behalf of LAFCo.
4. In the event of non-payment of LAFCo funds by any entity subject to the LAFCo apportionment, the Commission hereby requests and authorizes the County Auditor to collect the funds from property tax revenues or any other revenue source and transfer the funds to the LAFCo account with the City of Williams.
5. Any unexpended funds not otherwise re-budgeted into the 2026-27 budget shall be retained by LAFCo and be either re-budgeted or placed into the LAFCo general reserve fund.

PASSED and ADOPTED by the Colusa Local Agency Formation Commission on the 4th day of June 2026 by the following vote of the Commission:

AYES: -
NOES: -

Colusa Local Agency Formation Commission
FY 2026-27 Final Budget
Resolution No. 2026-02
June 4, 2026

ABSTAIN: -
ABSENT: -

Katherine Dunlap, Chair
Colusa Local Agency Formation Commission

ATTEST:

Larkyn Feiler, Executive Officer
Colusa Local Agency Formation Commission

Expenditure Category	FY 2026-27 Final Budget
7016 Workers Comp	\$50
7338 Executive Officer Contract	\$56,000
7320 Clerical Support	\$4,000
7321 Legal Services (attorney contract)	\$28,000
7315 Liability Insurance	\$4,000
7320 Office Supplies	\$375
7322 Postage	\$500
7322 Copies	\$750
7319 Memberships	\$2,700
7333 Transportation and Travel	\$7,000
7332 Training	\$3,000
7316 Legal Notices and Publications	\$750
7306 Communications (Website/DocAccess)	\$4,890
7331 Special/Complex Projects	\$2,000
7340 Sphere of Influence Updates	\$40,000
7340 Municipal Service Reviews	
7318 Mapping and Scanning	\$2,000
7703 Finance Administration Fees	\$3,000
Total Expenditure Budget	\$159,015
59400 Contingency	\$10,000
Reserves	\$110,000
A Total Expenses/Contingency/Reserves	\$279,015
10100 Carryover (Prior-Year)	\$167,000
466920 Processing Fees	\$5,000
441900 Interest Income	\$400
B Total Carryover/Fees/Interest	\$172,400
Expense (A) minus Revenue (B)	\$106,615
466920 County and City Contributions	\$106,615

Colusa Local Agency Formation Commission

MEMORANDUM

DATE:	April 2, 2026
TO:	Commissioners
FROM:	Larkyn Feiler, Executive Officer
RE:	FY 2026-27 Proposed LAFCo Budget and Work Program

Recommendation:

1. Conduct a Public Hearing on the Proposed Budget for FY 2026-27.
2. Adopt Resolution No. 2026-01 approving the Proposed Budget for FY 2026-27.

Background:

LAFCo is responsible for annually adopting a proposed budget by May 1st and a final budget by June 15th. The LAFCo proposed budget and final budget shall, at a minimum, be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced costs will nevertheless allow LAFCo to fulfill its prescribed regulatory and planning duties (GOV § 56381(a)).

The overall goal of the budget is to conduct LAFCo business in a proactive independent manner involving the community and to meet the requirements of the Cortese-Knox-Hertzberg (CKH) Act given the financial resources available. The Fiscal Year (FY) 2026-27 Proposed Budget relies on carryover to be balanced.

Summary of Changes from the Prior Budget:

Many budget line-items remain the same as the previous year. Below is a summary of proposed changes from the prior fiscal year budget.

1. Three line-items were adjusted to remove cents and round up to the nearest round figure:
 - Executive Officer Contract:** an increase of \$175.03 (total of \$56,000).
 - Clerical Support:** an increase of \$343.00 (total of \$4,000).
 - Legal Services (attorney contract):** an increase of \$87.16 (total of \$28,000).
2. **Liability Insurance** is proposed to increase by \$766.00, for a total of \$4,000.00, to cover an estimated increase in the SDRMA renewal contribution.
3. **Memberships** is proposed to increase by \$630.00, for a total of \$2,700, to cover an estimate increase of \$47.00 in CALAFCO dues (capped at 3% as voted on by the CALAFCO Board of Directors), and an increase in CSDA membership dues of \$450.
4. **Communications (Website/DocAccess)** is proposed to increase by \$3,090, for a total of \$4,890, to cover an incremental increase in the Streamline website subscription of 4.8%, which is \$7.50 per month and \$90 per year, and for a new add-on service (DocAccess) to meet new document ADA accessibility standards at a cost of \$250 per month and \$3,000 per year.
5. **Special/Complex Projects** is proposed to decrease by \$3,000, for a total of \$2,000, to align with anticipated lower costs.
6. **Sphere of Influence Updates** and **Municipal Service Reviews** line items have been combined.
7. **Mapping and Scanning** is proposed to decrease by \$3,000, for a total of \$2,000, to align with anticipated lower costs.

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Summary of Proposed Expenses:

Transportation & Travel and Training: (no change)

The Transportation & Travel and Training line-items cover the costs for CALAFCO participation (conference, staff workshop, roundtable), and mileage and meal reimbursement for in-person meetings.

These line-items are proposed to remain the same (Transportation and Travel \$7,000, and Training \$3,000) and provides for three Commissioners to attend the CALAFCO Annual Conference on October 21-23, 2026 at the Sheraton Grand Hotel in Sacramento (in addition to a portion of consultant costs for the conference and staff workshop). This will also cover participation in additional CALAFCO activities related to the organizational restructuring underway (such as another potential Northern Region Roundtable), and potentially one in-person Legislative Committee meeting.

Municipal Service Reviews and Spheres of Influence: (no change)

Preparing Municipal Service Review (MSR) and Sphere of Influence (SOI) Updates for local government agencies under LAFCo jurisdiction (JPAs and mutual water companies do not meet this definition) are a core function. These studies are utilized by the State Legislature, local agencies, and the general public to better understand agency performance and capacity plans for future agency service areas.

The costs to prepare MSRs and SOIs are directly related to the requested content and expectations of the Commission, public, and agency staff. The total cost may exceed the estimated budget amount and may require multiple years for completion, especially if there is a high level of controversy or if prepared by an outside consultant at higher rates.

The MSR and SOI line items have been combined, since they are interconnected, and are proposed to remain the same at \$40,000 to continue to make progress on the MSR/SOI Update Work Plan. The current studies underway include the Colusa Basin Drainage District and the Glenn Colusa Irrigation District. Once these studies are complete, the following agencies are priorities for preparing MSR/SOI studies.

- Maxwell Public Utility District – Last SOI completed November 1, 2007
- Holthouse Water District – Last SOI completed March 6, 2008
- Westside Water District – Last SOI completed March 6, 2008
- La Grande Water District- Last SOI completed March 5, 2009
- Colusa County Water District – Last SOI completed August 6, 2009

Executive Officer Contract: (\$175.03 increase)

The Executive Officer manages the daily operations of LAFCo. This item funds ongoing LAFCo general administrative activities, pre-project planning with local agencies, Brown Act and Public Records Act request compliance, CKH Act compliance and legislative updates, public outreach, responding to inquiries, managing MSR and SOI work, financial and accounting duties, commenting on land use plans and specific projects, implementing policies and procedures, and representing Colusa LAFCo at CALAFCO events. This line item is proposed to increase by \$175.03, for a total of \$56,000, to remove cents and round up to the nearest round figure.

Clerical Support: (\$343.00 increase)

A LAFCo Clerk is important to produce an accurate record of meetings, distribute packets, and provide other miscellaneous duties. Clerical Support is proposed to increase by \$343.00, for a total of \$4,000, to remove cents and round up to the nearest round figure.

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Legal Services (attorney contract): (\$87.16 increase)

LAFCo Counsel is needed to provide legal advice at Commission meetings and to protect LAFCo's interests, as needed. Project related legal costs would be billed to the project proponent through LAFCo's fee structure. In the event of litigation, additional appropriations can become necessary. Legal Services (attorney contract) is proposed to increase by \$87.16, for a total of \$28,000, to remove cents and round up to the nearest round figure.

Liability Insurance: (\$766.00 increase)

LAFCo is required to have insurance as an independent agency. The Special District Risk Management Authority (SDRMA) provided a renewal contribution estimate of \$3,803.00 for the upcoming year. To limit the potential need for a budget adjustment related to an overage in the actual amount, the Liability Insurance line-item is proposed to be \$4,000.00, which is an increase of \$766.00. This increase allows for an overage of \$197.00.

Memberships: (\$630.00 increase)

Colusa LAFCo is a member of CALAFCO, the Statewide professional organization for LAFCos. The CALAFCO Board of Directors approved the FY 2026-27 Membership Dues at their February 28, 2026 meeting, with an adjusted increase not to exceed 3% (final billing will reflect the actual CPI calculation). The dues for Colusa LAFCo are estimated to be \$1,617.00, which is an increase of \$47.00.

In order to have SDRMA liability insurance coverage, a membership with the California Special Districts Association (CSDA) is required. The CSDA membership dues increased during FY 2025-26 from the previously agreed amount of \$500.00 to \$750.00, which was a \$250 increase from FY 2024-25.

As background, CSDA extended a fixed, discounted dues rate to Colusa, Calaveras, and Plumas LAFCos for over a decade. CSDA maintained this reduced rate despite increases in their operational costs, as well as a significant expansion of member benefits. This reduced rate is well below what the other 24 LAFCos in the CSDA membership pay annually (\$500 compared to \$1,398 - \$1,872).

CSDA's long-term goal is to reconcile this discrepancy and maintain equitable dues among comparable agencies. Colusa LAFCo qualifies for the CSDA Associate Category #1 at \$1,398, rather than the Category #2 at \$1,872. Since a large unforeseen year-over-year adjustment can result in budgetary challenges, CSDA proposes a gradual annual adjustment over multiple years, starting with a \$250 increase and subsequent years not to exceed an additional \$200 increase, until the dues amount is in line with the current category.

For FY 2026-27, the CSDA membership dues will be \$950.00, an increase of \$450. To limit the potential need for a budget adjustment related to an overage in the actual amount, the Memberships line-item is proposed to be \$2,700.00, which is an increase of \$630.00. This increase allows for an overage of \$133.00.

Communications (Website/DocAccess): (\$3,090 increase)

A website is the primary communication tool for an organization. This line item is proposed to increase by 3,090, for a total of \$4,890, to cover an incremental increase in the Streamline website subscription of 4.8%, which is \$7.50 per month and \$90 per year, and for a new add-on service (DocAccess) to meet new document ADA accessibility standards at a cost of \$250 per month and \$3,000 per year.

Special/Complex Projects: (\$3,000 decrease)

This line item is reserved for special or complex projects requested by the Commission or staff. This line item is proposed to decrease by \$3,000, for a total of \$2,000, to align with anticipated lower costs.

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Mapping and Scanning: (\$3,000 decrease)

This line item funds GIS mapping of local agency boundaries and spheres for MSR and SOI updates and continuing to create electronic LAFCo records. This line item is proposed to decrease by \$3,000, for a total of \$2,000, to align with anticipated lower costs.

Workers Comp: (no change)

This line item funds \$50.00 for Workers Compensation for the Regular and Alternate Public Members.

Office Supplies/Postage/Copies: (no change)

The estimated costs for office supplies, postage, and copies is expected to remain the same at \$1,625.00.

Legal Notices and Publications: (no change)

Newspaper legal notices are required by State law for all public hearings before the Commission. Any cost overruns in this category will be supported through budget augmentation or a specific application. The existing \$750.00 amount for this line item is proposed to remain the same.

Finance Administration Fees: (no change)

The City of Williams finance services charge remains the same at \$3,000.00.

Contingency/Reserve: (no change)

The Contingency fund is proposed to remain at \$10,000. The General Reserve fund is proposed to remain at \$110,000. This provides LAFCo with the funds necessary to initiate projects in accordance with its Bylaws and Policies for which funding does not exist. Without reserves/contingency, if there were a cost overrun or unanticipated expenses (i.e. litigation) during the year, LAFCo would have to formally request a loan from the Board of Supervisors. The Board of Supervisors has no obligation to fund such a loan.

Summary of Anticipated Other Revenue:

Other revenue is expected to remain the same at \$5,000.00 for fee deposits (applications) and \$400.00 for interest income. Fee deposits do not become revenue until actual work is completed.

Carryover:

LAFCo has consistently relied upon carryover (unexpended funds from the prior fiscal year) to balance the next fiscal year budget. It is anticipated that LAFCo will not expend its entire budget this year primarily due to the change in staff services from a flat fee to an hourly rate, the lack of a Commission Clerk, and delays in the MSR/SOI process. The carryover is estimated to be \$167,000 and is dedicated to the next fiscal year Reserve/Contingency and reducing County and City costs.

Work Program:

1. Day-to-day activities of LAFCo and bi-monthly Commission meetings.
2. Process LAFCo applications as received and assist with pre-applications.
3. Continue making progress on the MSR/SOI Update Work Plan.
4. Continue to update the LAFCo website content and organize LAFCo files.
5. Update the monthly budget tracking sheet and process claims.
6. Follow local issues of importance and attend local agency meetings, when possible.
7. Review and provide comments on local agency land use application referrals, when possible.
8. Participate in CALAFCO organizational restructuring and Legislative Committee meetings.

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Proposed Cost to County and Cities:

The total apportionment cost to the County and Cities is proposed to be \$106,615 for FY 2026-27, which is a decrease of \$47.76 from the FY 2025-26 apportionment amount of \$106,662.76. The proposed expenditure budget amount of \$159,015 reflects a decrease of \$908.81 from the prior fiscal year.

Attachments:

1. LAFCo Resolution No. 2026-01

Expenditure Category	FY 2021-22 Final Budget	FY 2022-23 Final Budget	FY 2023-24 Final Budget	FY 2024-25 Final Budget	FY 2025-26 Final Budget	FY 2026-27 Prop. Budget	Change
7016 Workers Comp	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50	
7338 Executive Officer Contract	\$48,000.00	\$51,072.00	\$53,523.46	\$55,824.97	\$55,824.97	\$56,000	\$175.03
7320 Clerical Support	\$3,657.00	\$3,657.00	\$3,657.00	\$3,657.00	\$3,657.00	\$4,000	\$343.00
7321 Legal Services (attorney contract)	\$24,000.00	\$25,536.00	\$26,761.73	\$27,912.84	\$27,912.84	\$28,000	\$87.16
7315 Liability Insurance	\$2,497.22	\$2,847.00	\$2,919.00	\$2,812.00	\$3,234.00	\$4,000	\$766.00
7320 Office Supplies	\$375.00	\$375.00	\$375.00	\$375.00	\$375.00	\$375	
7322 Postage	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00	\$500	
7322 Copies	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750	
7319 Memberships	\$1,808.00	\$1,872.00	\$2,027.00	\$2,021.00	\$2,070.00	\$2,700	\$630.00
7333 Transportation and Travel	\$4,000.00	\$4,000.00	\$4,000.00	\$4,000.00	\$7,000.00	\$7,000	
7332 Training	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$3,000.00	\$3,000	
7316 Legal Notices and Publications	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750	
7306 Communications (Website/DocAccess)	\$1,400.00	\$800.00	\$800.00	\$800.00	\$1,800.00	\$4,890	\$3,090.00
7331 Special/Complex Projects	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$2,000	-\$3,000.00
7340 Sphere of Influence Updates	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$24,000.00	\$40,000	
7340 Municipal Service Reviews	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$16,000.00		
7318 Mapping and Scanning	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$2,000	-\$3,000.00
7703 Finance Administration Fees	\$5,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000	
Total Expenditure Budget	\$137,287.22	\$139,709.00	\$143,613.19	\$146,952.81	\$159,923.81	\$159,015	-\$908.81
59400 Contingency	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000	
Reserves	\$60,000.00	\$60,000.00	\$70,000.00	\$70,000.00	\$110,000.00	\$110,000	
A Total Expenses/Contingency/Reserves	\$207,287.22	\$209,709.00	\$223,613.19	\$226,952.81	\$279,923.81	\$279,015	-\$908.81
10100 Carryover (Prior-Year)	\$100,000.00	\$106,200.00	\$106,200.00	\$94,471.00	\$167,861.05	\$167,000	-\$861.05
466920 Processing Fees	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000	
441900 Interest Income	\$1,200.00	\$400.00	\$400.00	\$400.00	\$400.00	\$400	
B Total Carryover/Fees/Interest	\$106,200.00	\$111,600.00	\$111,600.00	\$94,471.00	\$173,261.05	\$172,400	
Expense (A) minus Revenue (B)	\$101,087.22	\$98,109.00	\$112,013.19	\$132,481.81	\$106,662.76	\$106,615	
466920 County and City Contributions	\$101,087.22	\$98,109.00	\$112,013.19	\$132,481.81	\$106,662.76	\$106,615	-\$47.76