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Mono County Grand Jury
Honorable Judge Mark Magit
Presiding Judge of the Superior Court
100 Thompsons Way
P.O. Box 1037
Mammoth Lakes, California 93546

RE: Responses to the Mono County 2024-2025 Grand Jury Report entitled “Local Agency Formation Commission (LAFCO)”

To the Honorable Judge Magit and Grand Jury Members:

Please consider this letter and Attachment A as the Mono County Local Agency Formation Commission’s Responses to the 2024-2024 Grand Jury Investigation Report entitled Local Agency Formation Commission (LAFCO).

The Commission would like to note, though not explicitly discussed in its responses, a note of context for its responses: a related issue not necessarily daylighted by questions of statutory interpretation is that of costs to special districts. Service reviews are intensive processes for the special districts to participate in, and require significant resources and staff time to provide the requested information. For many of the small districts in Mono County with relatively small service areas with little change since their formation, a mandatory five year timeline for service reviews would place a significant financial and human resource burden on these districts.

The Commission thanks the Grand Jury for its attention to the operation and role of Mono County LAFCO.

Thanks and Best,



Emily Fox
Assistant County Counsel

Cc: Nancy Licari, Staff Secretary to the Grand Jury
Enclosures: Attachment A, “Executive Officer Comments on Grand Jury Report”



Executive Officer's Invited Comments on Investigation Report: Local Agency Formation Commission (LAFCO)

Findings:

F1: Mono LAFCO's failure to adhere to California statutory law has resulted in the inability to make informed decisions about local Special District organization.

Response to F1: The Commission disagrees in part and agree in part with finding F1. First, The Commission disagrees that there has been an inability to make informed decisions about special district organizations. While Mono LAFCO certainly has delayed updating Service Review and Sphere of Influence documents, these documents are not relied on by the Commission when making decisions about special district organization. When an organizational change is proposed, such as an annexation, very detailed reports are developed by staff and presented to the Commission prior to decision making that go far beyond the information found in Service Review documents. Government Code Section 56668 details the 17 factors to be considered in review of a proposal for an annexation, the most consequential of which is a detailed plan for the provision of services. In the approximately 10 years that the current Executive Officer has worked with Mono LAFCO (2010-2016 & 2023-Present), the Commission has made two decisions regarding special district organization and both included extremely detailed and informative reports addressing the 17 statutory factors. Additionally, in that timeframe, several applications for district organization were submitted to Mono LAFCO, but were ultimately withdrawn as the applicants were unable to deliver the level of detail required by Mono LAFCO staff to bring the applications to the Commission for a decision.

The Commission further disagrees that Mono LAFCO fails to adhere to California statutory law. The Grand Jury report states as one of the introductory key issues and uses as the basis for much of the report's findings, the assertion that the Sphere of Influence Reports and prerequisite Service Reviews are required to be updated every five years. This is not true. Government Code Section 56425 reads: "On or before January 1, 2008, and every five years thereafter, the commission shall, *as necessary*, review and update each sphere of influence" (*emphasis added*). When claiming there is a failure to adhere to law, the actual text of the law must be carefully interpreted and in this case the words "as necessary" carry some significant weight. While The Commission agrees that there may be some value in conducting more frequent Sphere of Influence Updates and Service Reviews, the statute itself only requires them when deemed necessary by the Commission.

The inclusion of "as necessary" makes this section of state law a rare legislative instance that seems to recognize that not all of California is the same, and Mono County is, if anything, a bit unique. Further, Service Reviews, while potentially useful for Special District organizational decisions, are not intended for that purpose. Service Reviews are intended to inform the establishment and update of a Sphere of Influence. Many of the



Spheres of Influence that have been adopted by Mono LAFCO will likely never change in our lifetimes.

In Mono County, rather than acting as incremental limits to the extent of services, our Spheres, with a few exceptions, were originally adopted to include all of the private land with development potential that may require services in the future. Spheres were required to be established for all districts by 1985. Decisions on district organization, like annexations, must be consistent with the adopted Spheres. LAFCOs have three objectives, to prevent urban sprawl, preserve agriculture and open space and ensure orderly development of local agencies. Mono LAFCO tends to only need to focus on that last objective, and our existing adopted Spheres do so quite effectively. Thanks to the foresight of Mono LAFCO in the 1980s, our Spheres very rarely need to be updated and effectively prevent the inefficient proliferation of new special districts when new development does occur.

Service Reviews were first required in 2008 for all established Spheres, and are required when establishing a new Sphere or updating an existing Sphere. Mono LAFCO completed Service Reviews for all districts around 2009. The Grand Jury Report refers to Service Reviews as “prerequisite to” Spheres, but the requirement for Service Reviews did not exist until 23 years after the requirement to establish Spheres. Since completion of the Service Reviews in 2009, there have been no new Spheres established in Mono County, and only one Sphere has been updated: the Birchim CSD Sphere in 2023. This Sphere required an update as land previously thought to be unlikely to develop when the original Sphere was adopted (owned by LADWP) had been sold to the Long Valley FPD for the development of a fire station. Mono LAFCO staff conducted a Service Review of the district before Mono LAFCO approved a Sphere Amendment and an Annexation of the property. This is to the Commission’s knowledge, the only instance of a required “prerequisite” Service Review in the history of Mono LAFCO.

Despite the “as needed” language in Government Code Section 56425(g), the Commission agrees that Mono LAFCO *should* be reviewing the Spheres every five years, as we did last in 2015. We currently are conducting a comprehensive Sphere review and more details of that process are included in the following responses to the Findings and Recommendations.

Implementation of F1:

A comprehensive review of the Spheres of Influence is on the agenda for the June 12, 2025 Mono LAFCO meeting and Mono LAFCO intends to complete the comprehensive review by the end of calendar year 2025.

Implementation Timeline for F1:

Ongoing.



F2: Mono LAFCO’s failure to assess Special District performance results in the inability to fully understand if the Special District’s service delivery is meeting the needs of the community they serve.

Response to F2: The Commission disagrees with finding F2. It is not the responsibility of Mono LAFCO to routinely assess Special District performance results. Some assessment of performance is certainly part of a Service Review, however, as stated in **the** response to finding F1, Service Reviews are intended to inform the establishment and update of a Sphere of Influence and are only required when establishing or updating a Sphere. Also as stated in the response to F1, when organizational decisions are brought to Mono LAFCO, very detailed reports including analysis of the ability to provide services are developed for the Commission, but beyond these scenarios, Mono LAFCO does not routinely assess Special District performance. Further, the Report indicates that Mono LAFCO is the organization to reach out to when Special District performance issues are encountered, such as a malfunctioning website. This is not true. Mono LAFCO has no regulatory authority over the daily operations of Special Districts.

Implementation of F2:

None.

Implementation Timeline for F2:

Not applicable.

F3: Mono LAFCO’s failure to understand and efficiently exercise its authority has delayed organizational decisions needed to address performance issues.

Response to F3: The Commission disagrees with finding F3. The Commission is not aware of any delayed organizational decisions under Mono LAFCO’s authority and as stated in the response to finding F2, Mono LAFCO does not routinely assess Special District performance results and has no regulatory authority over day-to-day Special District operations. Mono LAFCO does indeed understand and exercise its authority appropriately.

Implementation of F3:

None.

Implementation Timeline for F3:

Not applicable.

F4: Mono LAFCO’s commissioners receive rudimentary training on their broad responsibilities and roles resulting in a lack of pro-active oversight and decision making.

Response to F4: The Commission agrees in part and disagrees in part with finding F4. While The Commission agrees that training for Mono LAFCO Commissioners is introductory, The Commission disagrees that the level of training directly impacts the



Commission's overall operating philosophy. There is no requirement that the commission be "pro-active". They certainly could become a more pro-active commission, and in recent years, some Commissioners have advocated for such a philosophy. But they could also decide to operate, as they historically have, as a mostly reactive Commission. There are complex pros and cons for both philosophies, and ultimately the operating philosophy of the Commission is entirely our decision to make. The Report states that without better training, it is unlikely that the Commission will "use their authority to aggressively implement recommendations outlined in service reviews." As stated previously, the operating philosophy of the Commission is in our hands, but the current Executive Officer, has indicated that they will not be advocating for "aggressive" implementation of recommendations.

Regarding commissioner training, Mono LAFCO staff provides the commissioners with an annual "LAFCO 101" training. It is indeed an introductory and high-level training course. Commissioners are also encouraged to attend annual CALAFCO conferences and workshops where there are excellent training opportunities. LAFCO is abstract and complicated, and as stated in previous responses, Mono LAFCO rarely is required to make organizational decisions. Specific, targeted training as needed for the Commissioners when organizational decisions are required is preferred to comprehensive training detailing the intricacies of state law and broad roles that Mono LAFCO Commissioners will rarely, if ever, find useful.

Implementation of F4:

Continue training with some modifications detailed in response to Recommendation R1 below.

Implementation Timeline for F4:

Ongoing.

Recommendations:

R1: The grand jury recommends the Mono LAFCO Commissioners implement a procedure to provide thorough training for all LAFCO commissioners and the LAFCO Executive Officer. Training should include a study of their granted and restricted authority, proactive role, a thorough review of the Mono LAFCO Handbook, and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The recommendation is to be completed by 10/1/25.

Response to R1:

The Commission agrees in part and disagrees in part with this recommendation. As stated in the response to Finding 4, The Commission disagrees that Commissioners should receive comprehensive training detailing the intricacies of the Cortese-Knox-Hertzberg Act unless presented with an organizational decision that would require targeted training. The Commission does agree the LAFCO 101 training can be improved and training can



focus on the Mono LAFCO Handbook. The Executive Officer will continue to participate in all specialized training that can be found including training offered by CALAFCO.

Implementation of R1:

Include Mono LAFCO Handbook training as part of annual Commissioner training.

Implementation Timeline for R1:

Ongoing.

R2: The grand jury recommends the Mono LAFCO Commissioners define an SOI and Service Review policy for satisfying California State law regarding the update of SOI's and pre-requisite service reviews every 5 years. The approach should outline criteria to guide the depth and rigor of analysis, criteria for ranking priority of update efforts, cadence of updates across all entities they oversee, and an approach for community engagement. The recommendation is to be completed by 10/1/2025.

Response to R2: The Commission disagrees in part and agrees in part with this recommendation. As stated in response to Finding 1, The Commission disagrees with the finding that Mono LAFCO is currently not in compliance with California state law and thus disagrees with the recommendation for a review policy. The Commission does agree that Mono LAFCO should periodically review the Spheres of Influence and should use five years as a benchmark for periodic review. As stated in response to Finding 1, it is unlikely that most of the Spheres will ever require an update, however, there may be value in review of the Spheres because it may result in the decision by the Commission to conduct Service Reviews even when an updated Sphere is not anticipated. Mono LAFCO has already initiated a comprehensive Sphere review process similar to the process that was completed in 2015, conducted several Service Reviews over the past two years, and intends on completing a comprehensive review of all Spheres within calendar year 2025. The Commission may decide they would like to draft a more formal review policy and incorporate the policy into the Mono LAFCO Handbook.

Implementation of R2:

Continue comprehensive review of the Spheres of Influence.

Implementation Timeline for R2:

Continue to review and update the Spheres of Influence including conducting Service Reviews when required or desired by the Commission, every five years, as necessary. If a formal review policy is desired by the Commission, incorporate the policy into the Mono LAFCO Handbook as soon as practical.

R3: The grand jury recommends the Mono LAFCO Commissioners submit an SOI and Service Review policy to a LAFCO Legal Counsel specialist for review and ratification. The recommendation is to be completed by 11/1/2025.



Response to R3:

The Commission agrees in part and disagrees in part with this recommendation. Mono County Counsel serves as legal counsel for Mono LAFCO, so any policy that is developed by LAFCO is reviewed by legal counsel. The Commission agrees that any policy directed by the Commission should be reviewed by Mono LAFCO's legal counsel. The Commission disagrees that a specialist is required for review of any such policy.

Implementation of R3:

Ongoing.

Implementation Timeline for R3:

Ongoing.

R4: The grand jury recommends the Mono LAFCO Commissioners adopt and publish the ratified SOI and Service Review policy. The recommendation is to be completed by 11/15/2025.

Response to R4:

The Commission agrees with this finding. Any SOI and Service Review policy that is developed will be adopted by the commission at a noticed public hearing and published as required for any public hearing of the Commission.

Implementation of R4:

Ongoing.

Implementation Timeline for R4:

Ongoing.

R5: The grand jury recommends the Mono LAFCO Commissioners define, adopt, and publish a timeline for SOI and Service Review update activity for calendar year 2026. The recommendation is to be completed by 12/1/2025.

Response to R5: The Commission agrees in part and disagrees in part with this finding. As stated in the response to R2, Mono LAFCO has initiated a comprehensive review of the Spheres of Influence and plans to complete the review in calendar year 2025. The review process may result in the Commission requesting the preparation of Service Reviews. As each Service Review is unique, a budget and timeline will be developed for each Service Review. Service Reviews are not limited to a single district and the Commission has discussed at recent meetings the possibility of conducting regional Service Reviews or type-based Service Reviews, for example a Fire District Service Review that would include all fire districts within the County. The decision to conduct Service Reviews and what format they may take will be informed by the completed comprehensive review of the Spheres.



Implementation of R5:

Finish comprehensive review of Spheres of Influence in calendar year 2025 and include timelines for any proposed Service Reviews in future published meeting materials.

Implementation Timeline for R5:

Finish comprehensive review of Spheres of Influence in calendar year 2025 and include timelines for any proposed Service Reviews in future published meeting materials.

R6: The grand jury recommends the Mono LAFCO Commissioners estimate and propose to funding agencies the required budget for SOI and Service Review update activity for calendar year 2026. The recommendation is to be completed by 12/1/2025.

Response to R6:

The Commission agrees in part and disagrees in part with this recommendation. The Mono LAFCO budget uses the fiscal year July 1 – June 30 rather than the calendar year. A final budget for the next fiscal year must be adopted by June 15. The proposed budget for FY25/26 includes sufficient funding to complete the comprehensive review of the Spheres of Influence. If the Commission decides to initiate Service Reviews as a result of the comprehensive review of the Spheres, budgets will be developed for each Service Review and a budget amendment will be requested if necessary.

Implementation of R6:

Incorporate any Service Review funding into the Mono LAFCO budgeting process.

Implementation Timeline for R6:

Ongoing.

R7: The grand jury recommends the Mono LAFCO Commissioners define and put into practice a process for tracking and reporting status of SOI and Service Review update progress to the public on a periodic timeline. The recommendation is to be completed by 1/1/2026.

Response to R7:

The Commission agrees in part and disagrees in part with this recommendation. SOI and Service Review update progress is included as an agenda item at all Mono LAFCO meetings and published online for members of the public to access. All meetings of Mono LAFCO are noticed in accordance with state law and open to the public. The Commission disagrees that a specific tracker or database should be made available for Spheres of Influence or Service Reviews.

Implementation of R7:

Ongoing.



Implementation Timeline for R7:

Ongoing.

R8: The grand jury recommends the Mono LAFCO Commissioners define best-practice guidelines on measuring adequacy and efficiency of provided services in order to guide special districts on how best to measure their service delivery performance. The recommendation is to be completed by 2/1/26.

Response to R8:

The Commission disagrees with this recommendation. Mono LAFCO has no regulatory authority over the day-to-day operations of special districts and therefore does not routinely measure the adequacy and efficiency of provided services. Any such actions would be in an advisory capacity and it is within the Commission's discretion to decide not to provide feedback that the special districts have not requested from the Commission.

Implementation of R8:

None.

Implementation Timeline for R8:

Not applicable.