LAFCO MEMORANDUM

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
105 East Anapamu Street • Santa Barbara CA 93101 • (805) 568-3391 + Fax (805) 568-2249

September 3, 2026 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater
Executive Officer

SUBJECT: **Receive and File an update Regarding CALAFCO**

This is an Informational Report. No Action is Necessary

DISCUSSION

CALAFCO Board Report and Actions from 8-7-26 Meeting. This memo provides the CALAFCO Board Report and packet from August 7, 2026 meeting. Among the action items were the approval of CALAFCO Bylaws clarifying Associate Member eligibility, and direct staff to submit it to the Member LAFCOs for consideration at the **Annual Business Meeting on October 22, 2026**. The Board approved updated Associate Member dues and want to clarify the distinction between Member LAFCO membership and Associate Membership. The purpose is to addresses individual eligibility for persons representing a LAFCO that has elected not to become a Member LAFCO. Organizational Associate Membership and individual Associate Membership serve different purposes and will continue to be addressed through the Association's membership program. (Attachment C)

Other Committee Updates covered Dues Committee charged with reviewing CALAFCO's dues structure. Fourteen committee members have been confirmed, representing all four CALAFCO regions. The Committee held its first meeting in August developing its work plan. No recommendations for consideration are ready at this time. Marin LAFCO submitted a letter requesting permission to pay its FY 2026– 27 CALAFCO membership dues in two installments. The second half would be paid after its December 2026 meeting when it would determine whether to continue its CALAFCO membership. This request was denied because the Association's governing documents establish a uniform dues process but do not provide for installment payments.

The Finance Committee authorize the Executive Director to retain accounting and bookkeeping consulting services in an amount not to exceed $9,000.

The 2027 legislative session currently anticipates receiving three proposals for CALAFCO's Legislative Committee review. These proposals were reviewed at the August 20, 2026, meeting to determine whether to recommend any proposals to the Board for sponsorship or other legislative action.

Board approved the Professional Services Agreement with CV Strategies for communications consulting services, effective August 1, 2026, through July 31, 2027. Board also authorizes extending agreement for General Counsel Services with Best Best & Krieger LLP (BB&K) and Professional Services Agreement between CALAFCO and Hurst Brooks Espinosa, LLC for legislative advocacy services for the period of August 1, 2026, through July 31, 2027.

The Regional Restructuring Working Group finished its work and submitted its results. The attached map reflects the Committee's analysis. It closely mirrors the regional maps for the California Special District Association. In essence, the Southern Region remains the same; the Northern Region remains largely intact but would lose a few counties; and the Coastal and Central Regions would each be split into two. This creates a CALAFCO organizational structure of six (6) regions, with the recommendation that no more than two to three (2-3) directors represent each region to keep the size of the Board manageable.

While the Committee believes the revised regional map offers a more coherent and functional structure, feedback from the regions indicates neither strong support nor clear opposition at this stage. The Committee generally views the map as an improvement, but also emphasizes the importance of broad consensus before moving forward. Accordingly, the Committee recommended and the Board agreed to continue outreach to ensure the membership overwhelmingly supports any new regional configuration before implementation. This map was presented to the Board for its consideration and deliberation, with the recommendation that it also keep the new map in mind in the upcoming discussion of dues.

Attachments

Attachment A – CALAFCO Board Packet August 7, 2026 & Supplemental

Attachment B – Revised Regional Map for continued consideration during study of Dues

Attachment C – Proposed Bylaw Amendment Associate Member Eligibility

Please contact the LAFCO office if you have any questions.

California Association of
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CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 10.1

Subject:	**Request from Marin LAFCO for Installment Payment of Membership Dues**
Meeting Date:	August 7, 2026
Submitted By:	Michelle McIntyre

RECOMMENDATION

Staff recommends that the Board deny Marin LAFCO's request to pay its FY 2026–27 CALAFCO membership dues in two installments.

BACKGROUND

On June 15, 2026, Marin LAFCO submitted a letter requesting permission to pay its FY 2026–27 CALAFCO membership dues in two installments. Marin LAFCO proposed paying one-half of its annual dues at the start of the fiscal year and the remaining balance after its December 2026 Commission meeting, when it would determine whether to continue its CALAFCO membership.

In a June 16, 2026, response, CALAFCO Board Chair Wendy Root Askew advised Marin LAFCO that the request would be presented to the Board because it raises policy considerations that could affect other Member LAFCOs.

DISCUSSION

The CALAFCO Bylaws authorize the Board to set membership dues and the payment schedule. They also authorize the Board to reduce Member LAFCO dues when financial hardship is demonstrated to the Board's satisfaction.

The Bylaws and Policies & Procedures establish a uniform process for membership dues but do not include a process for paying annual dues in installments.

Granting Marin LAFCO's request would create an exception to the Association's current dues process. If the Board wishes to allow installment payments in the future, staff recommends that it first adopt a policy that establishes eligibility criteria and administrative procedures applicable to all Member LAFCOs.

CONCLUSION

Marin LAFCO has requested permission to pay its FY 2026–27 membership dues in two installments. The Association's governing documents establish a uniform dues process but do not provide for installment payments. Accordingly, staff recommends that the Board deny the request.

ATTACHMENTS

A. June 15, 2026 Letter from Marin LAFCO Requesting Installment Payment of Membership Dues
B. June 16, 2026 Response from CALAFCO Board Chair Wendy Root Askew

Marin Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

June 15, 2026

Wendy Root Askew
Chair, CALAFCO Board of Directors
1451 River Park Drive, Suite 185
Sacramento, CA 95815

Dear Chair Askew;

Over the past two years, Marin LAFCo has worked extensively in collaboration with CALAFCO, as well as on committees with other member LAFCos, in an effort to move the organization towards a more sustainable and equitable structure. Particularly over the past year, Marin LAFCo remained steadfast and hopeful that CALAFCO would hone its focus on the most significant requests of its members, and produce tangible results on key priorities such as regional realignment, member dues structure, and CALAFCO operations.

We would like to acknowledge that significant work has been done over the past year to strengthen CALAFCO. Some of that work has been completed, while others remain in process or have yet to begin.

Marin LAFCo has consistently made clear its position that regional realignment and member dues balancing are imperative to CALAFCO's long-term success. For this reason, Marin LAFCo's Executive Officer has invested substantial time in the committee tasked with developing a more equitable regional structure for LAFCos across the state, with a goal of presenting a proposal at the special membership meeting held on February 23.

At the end of 2025, a new structure was shared with the larger LAFCo community for feedback. While the committee made substantial progress, the input from other members indicated that additional refinement was needed. Although we are disappointed that a new regional structure was not ready for a vote, we understand the need to incorporate feedback thoughtfully. This delay, however, means instead of a new board under a new regional structure starting December of this year, a vote will not occur until October at the earliest, with board elections potentially delayed until October 2027 and seating of a new board not occurring until December 2027 at the earliest.

In addition to a new regional structure, Marin LAFCo has called for a review of the current dues structure, which has yet to occur. At our February Board meeting, we had a lengthy discussion about CALAFCO, including the dues structure. Interim Executive Director (IED) Michelle McIntyre and Regional Officer (RO) Joe Serrano attended and heard our concerns on several

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ATTACHMENT A

items, including the need for a new dues structure. We had anticipated our request would be brought forward at the February CALAFCO meeting as a standalone agenda item, given the importance. However, this did not occur.

Despite multiple efforts from RO Serrano to initiate discussion, and the willingness of several board members to participate in a committee, the Board deferred action until May to discuss committee formation. At its May meeting, the Board agreed to form a committee, but it appears that the committee will not start meeting until July or August at the earliest. This timeline raised concerns about the pace of progress. We strongly encourage this committee to begin its work as quickly as possible and proceed with a greater sense of urgency.

While Marin LAFCo remains hopeful that these issues can be addressed and formalized at the October conference and membership meeting, recent delays in advancing both a new regional structure and dues structure review, do not provide sufficient confidence that these necessary changes will occur this year. Last year, as other LAFCos left CALAFCO, we adopted the position of "amend, don't end". In reflecting on the current situation, we recognize meaningful progress has been made. However, two key issues remain unresolved: the need for both a new regional structure and a new dues structure.

Looking ahead, we cannot confidently say whether these matters will be resolved by this time next year. Accordingly, at its June meeting, the Commission requested I ask whether our annual dues could be split into two payments. The first half would be paid at the start of the new fiscal year, with the second half coming after our December meeting, at which time we will evaluate the status and pace of key reforms. If progress on dues and regional structure is proceeding in a positive and timely manner, we would then continue our membership.

We look forward to your response, and would be happy to answer any questions you may have. Please feel free to contact our staff for additional information regarding this request.

Dennis J Rodoni

Dennis Rodoni
Chair, Marin LAFCo

CC: CALAFCO Board Members
CALAFCO member EO's
Michelle McIntyre

ATTACHMENT A

California Association of
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COMMUNITY GROWTH

June 16, 2026

Dennis Rodoni, Chair
Marin Local Agency Formation Commission
1401 Los Gamos Drive, Suite 220
San Rafael, CA 94903

Dear Chair Rodoni:

Thank you for your June 15, 2026, letter regarding CALAFCO's work on regional structure, member dues, and other organizational priorities.

We appreciate Marin LAFCO's continued engagement in these discussions and the considerable time and effort your Commission and Executive Officer have devoted to them. Marin has consistently raised concerns about regional structure and the current dues framework, and we value your willingness to remain actively involved as these issues continue to be explored.

The Board recognizes that members hold different perspectives on both the pace of these efforts and the urgency of potential changes. Over the past year, the membership approved significant governance changes, including the Board reset and revised election procedures. At the same time, work has continued through the Regions Working Group, statewide outreach, surveys, listening sessions, and discussions at the Staff Workshop.

As discussions regarding regional structure have progressed, it has become clear that there are still questions to be addressed before any recommendation can move forward. Those questions involve not only the structure itself, but also the timing, implementation, and procedural requirements associated with any future changes. At this point, the Board has not determined whether a proposal related to regional restructuring will be presented to the membership, nor has it established a timeline or effective date for any potential changes.

The Board has also established a committee to review CALAFCO's dues structure and develop recommendations for future consideration. CALAFCO staff is seeking member participation to ensure the committee reflects a range of perspectives from LAFCOs of different sizes and regions, with the expectation that the committee's work will begin this summer. We recognize that Marin LAFCO has consistently emphasized the importance of this issue and shares a desire to see the review move forward promptly.

The dues review presents important policy considerations, and members may have differing views regarding potential approaches. The Board remains committed to providing an opportunity for those perspectives to be heard and to developing recommendations for the membership's future consideration.

With respect to Marin LAFCO's request to remit CALAFCO membership dues in two installments, we understand the circumstances underlying the request. Because this raises broader policy considerations that could affect other member agencies, the request will be brought before the Board at its next meeting for its consideration and direction.

Thank you again for taking the time to share Marin LAFCO's perspective. We appreciate your continued participation in CALAFCO and your commitment to strengthening the organization. Although members may not always agree on priorities, timing, or approach, the Board remains committed to working through these issues to serve the Association's and its members' long-term interests.

Sincerely,

Wendy Root Askew
Chair, CALAFCO Board of Directors

cc: CALAFCO Board of Directors

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Regular Meeting of the Board of Directors

Friday, 7 August 2026 | 9:00 A.M.

Virtual via Zoom

Meeting ID: 860 8708 9767
Passcode: 532973

https://us02web.zoom.us/j/86087089767?pwd=KaLNMTzhxGE7oekUYmaiT9zKwoF4Th.1&jst=1

MEETING AGENDA

1. Call to Order and Establish Quorum
2. Member Comments

   CALAFCO members may address the Board on matters within its jurisdiction that are not listed on today's agenda. Please limit comments to 3 minutes per speaker.

CONSENT CALENDAR

Items listed on the Consent Calendar are considered routine and may be approved by one motion unless a Board member requests that an item be removed for separate discussion.

3. Approval of Minutes from the Board of Directors meeting of May 15, 2026.
4. Receive and File the following committee updates:

   a. Conference Planning Committee (pages 8-9)
   b. Dues Committee (pages 10-11)
   c. Legislative Committee (pages 12-13)
   d. Staff Mentorship Program Update (pages 14-15)

5. Finance Committee Report and Authorization to Retain Accounting and Bookkeeping Consulting Services (pages 16-18)
6. Approval of Updated General Counsel Services Agreement with Best Best & Krieger LLP (pages 19-29)
7. Approval of Professional Services Agreement with CV Strategies for Communications Consulting Services (p 30-35)
8. Approval of Professional Services Agreement with Hurst Brooks Espinosa, LLC for Legislative Advocacy Services (p 40-49)

ATTACHMENT A

DISCUSSION ITEMS

9. Approval of Proposed Amendment to the CALAFCO Bylaws – Clarification of Associate Member Eligibility (pages 50-54)
10. Regional Board Restructuring Group Update *(José Henríquez)* (pages 55-57)

REPORTS

11. Executive Director's Report
12. Board of Directors' Report
13. Items for the Next Meeting
14. Adjournment

Association of Local Agency Formation Commissions
Board of Directors
May 15, 2026
DRAFT MINUTES

1. Call to Order and Establish Quorum

Chair Root Askew established a quorum and called the Board of Directors meeting to order at 9:00 a.m.

<u>Board Members Present:</u>
Chair Wendy Root Askew, County (Monterey)
Vice Chair Yxstian Gutierrez, County (Riverside) (arrived 9:08)
Treasurer Josh Susman, Public (Nevada)
Secretary Anita Paque, Public (Calaveras)
Immediate Past Chair Gay Jones, District (Sacramento)
Virginia Chang-Kiraly, District (San Mateo)
Shannon Costa (Northern Deputy Executive Officer) (DEO)
Whitney Eklund, City (Placer)
Kevin Goss, County (Plumas)
Jose Henríquez, CALAFCO Executive Officer (Central Region) (arrived 11:37)
Rosemary Kamei, City (Santa Clara)
Paul Minchella, City (Modoc)
Tyler Salcido (Southern DEO)
Steve Sanchez, City (Riverside)
Joe Serrano (Coastal DEO)

^ *indicates not present for entire meeting*

<u>Board Members Absent:</u>
Roger Anderson, District (Santa Cruz)
Ricki Heck, District (Nevada)

<u>Staff Present:</u>
Michelle McIntyre, Interim Executive Director
Paula de Sousa, Legal Counsel, BB&K

<u>Staff Absent:</u>
None

2. Member Comments

Chair Root Askew invited comments from CALAFCO members on matters not otherwise on the agenda. No member comments were received.

<u>CONSENT</u>

Prior to consideration of the Consent Calendar, Treasurer Josh Susman requested that Item 4 be removed for separate discussion regarding banking oversight and the Treasurer's role. Kai Luoma provided a Legislative Committee update regarding Assembly Bill 2083.

ATTACHMENT A

3. Approval of Minutes from Previous Board Meetings:
a. Board of Directors Retreat and Strategic Planning Workshop on February 26, 2026
b. Regular Board of Directors Meeting on February 27, 2026

4. Approval of the Resolution Authorizing Banking Accounts and Designated Signatories (*removed and moved to Discussion Items*)

5. Receive and File: Preliminary Feedback from the CALAFCO 2026 Staff Workshop

6. Receive and File: Report from the Regional Board Restructuring Group

7. Receive and File: CALAFCO Board Evaluation Results

8. Receive and File: CALAFCO Biennial Survey Results

9. Receive and File: Legislative Committee Update

10. Approval of the Legislative Committee Guidelines

11. Approval of 2027 – 2029 Staff Workshop and Conference Locations

On motion by Director Goss and seconded by Director Chang-Kiraly, the Consent portion of the agenda, excluding item 4, passed unanimously.

<u>**ACTION**</u>

4. Approval of the Resolution Authorizing Banking Accounts and Designated Signatories *(moved from Consent Items)*

On motion by Treasurer Susman, with the added direction to review existing financial policies and return with recommendations, and seconded by Vice Chair Gutierrez, the item passed unanimously.

12. Approval of the Fiscal Year 2026-27 Member LAFCO Dues Adjustment – Final CPI Update

On motion by Director Chang-Kiraly to approve the 2.97% CPI dues adjustment for member LAFCOs, as recommended by staff, and seconded by Director Kamei, the item passed unanimously.

13. Approval of the Fiscal Year 2026-27 Associate Member Dues

On motion by Director Chang-Kiraly to approve staff's proposal to align associate member dues with what they would have been if CPI had been regularly applied, consistent with LAFCO member dues practice, and seconded by Director Minchella, the item passed unanimously.

14. Establishment of Membership & Dues Review Committee

Final motion after amendments and lengthy discussion:

- **Motion:**
    1. **Form a Dues Committee** (separate from a general finance committee, which will be addressed later).

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2. **Initial "interim" committee members** (those who had previously volunteered): Josh Susman, Gay Jones, Rosemary Kamei, Anita Paque, Virginia Chang-Kiraly, and Joe Serrano, with Virginia Chang-Kiraly to chair.
3. This interim group will:
   - Operate largely **self-sufficiently** (minimal staff time).
   - **Develop a proposed permanent membership list and structure** to bring back at the **August 7** meeting, after July 1 membership status is known.
4. Committee membership is **not fixed**; additional members may be added later based on interest.

On Motion, as stated above, by Immediate Past Chair Jones and seconded by Director Chang-Kiraly, the item passed unanimously.

15. Proposed Amendment to Policies & Procedures Related to Event Registration Rates

- **Motion:** Adopt staff recommendation to **increase non-member conference/workshop rates** so that:
  - **Non-member rates are up to 100% higher** than member rates (i.e., roughly double), in line with peer associations.
  - This is framed as a first step; further refinements may follow via the future finance committee.

On motion, as stated above, by Chair Root Askew and seconded by Chang-Kiraly, the item passed (13 ayes, 0 nays, and 1 abstention (Jones)).

16. Proposed Fiscal Year 2026-27 CALAFCO Operating Budget

On motion by Director Salcido to approve the FY 2026-27 operating budget as presented and seconded by Vice Chair Gutierrez, the item passed unanimously.

17. Approval of the Proposed Meeting Decorum Guidelines

- **Motion:** Approve staff's Meeting Decorum & Procedures Guidelines, with added language making clear that:
  - In virtual meetings, voice votes are acceptable unless:
    - A roll call is requested by a member, or
    - A non-unanimous vote or other circumstance warrants a roll call.

On motion, as stated above, by Immediate Past Chair Jones and seconded by Director Chang-Kiraly, the item passed unanimously.

18. Proposed 2027 Board of Directors Meeting Schedule

On motion by Director Chang-Kiraly to approve the proposed 2027 Board of Directors meeting schedule as presented, and seconded by Director Goss, the item passed unanimously.

19. Proposed Amendments to Policies & Procedures Related to Elections and Governance

On motion by Immediate Past Chair Jones to approve the proposed amendments to CALAFCO Policies and Procedures on Election and Governance as presented, and seconded by Director Goss, the item passed unanimously.

20. Formation of the 2026 Election Committee

On motion by Immediate Past Chair Jones, to follow the process to form the 2026 Election Committee as outlined in the staff report and seconded by Chang-Kiraly, the item passed unanimously.

21. 2026 CALAFCO Achievement Awards Program and Nomination Packet

On motion by Director Paque to approve the Achievement Awards program and Nomination Packet as presented, and seconded by Immediate Past Chair Jones, the item passed unanimously.

22. Scheduling of a June 2026 Special Board of Directors Meeting

Discussion only; no action was taken.

INFORMATION

23. Interim Executive Director's Report (verbal)

Executive Director McIntyre gave an oral report on recent CALAFCO activities, including a summary of the successful Annual Staff Workshop in Pismo Beach hosted by San Luis Obispo LAFCO, member feedback on session content and logistics, and upcoming work with Los Angeles LAFCO and other future host LAFCOs for conferences and workshops. She also updated the Board on the completion and timely filing of CALAFCO's IRS and state compliance documents. She noted ongoing efforts to stabilize and manage the Association's workload and budget.

24. Board Member Reports

Board members were invited to provide reports; no formal reports were offered. The Chair thanked Board members for their continued service and acknowledged that all current Board seats will be up for election at the 2026 Annual Conference.

25. Items of the Next Meeting

The Board discussed potential items for the August 7, 2026, agenda. Director Virginia Chang Kiraly requested that the Board formally consider creation and appointment of a standing Finance Committee to assist with budget structure, dues impacts, and ongoing financial support for the Executive Director and Treasurer. The Chair noted this request and directed that it be placed on the August 7 agenda, with the Executive Committee and staff to assist in preparing the related staff report.

CLOSED SESSION

26. Executive Director Employment Agreement

Counsel reported in open session that the Board voted to extend Interim Executive Director Michelle McIntyre's current agreement to December 31 or until an employment agreement is approved. Motion was approved unanimously.

ADJOURNMENT

Chair Root Askew adjourned the meeting at 12:06 p.m. to the CALAFCO Board of Directors Meeting, August 7, 2026, at 9:00 a.m., to be held virtually.

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 4a

Subject: **Committee Update - Conference Planning**

Meeting Date: August 7, 2026

Submitted By: Michelle McIntyre

RECOMMENDATION

Receive and file the Conference Planning Committee update.

DISCUSSION

Since the Board's May meeting, the Conference Planning Committee has continued preparing for the 2026 CALAFCO Annual Conference scheduled for October 21- 23, 2026, in Sacramento. Conference registration and hotel reservations opened on July 27, the Save the Date announcement has been distributed, and work is underway to finalize the conference program and speaker lineup.

The Committee will meet on August 6 to review speaker recruitment, confirm remaining speaker assignments, review draft session descriptions, and finalize the conference schedule before the draft program is published. The Committee will also discuss conference sponsorships and identify additional outreach opportunities for prospective Conference Partners.

The program includes general sessions and breakout sessions on topics such as growth and land-use planning, housing and infrastructure, fire services, public engagement, artificial intelligence, and legislative issues. Most speakers have been confirmed, though a few invitations remain pending. The Committee expects to complete speaker confirmations by August 14 and to receive speaker biographies and session summaries by August 18, in preparation for publication of the draft conference program.

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Conference planning remains on schedule, and the Committee will continue refining the program and completing the remaining assignments in the coming weeks.

ATTACHMENTS

None

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 4b

Subject: **Committee Update - Dues Committee**

Meeting Date: August 7, 2026

Submitted By: Virginia Chang Kiraly, Chair, Dues Committee

RECOMMENDATION

Receive and file the Dues Committee update.

BACKGROUND

At its May 15, 2026 meeting, the CALAFCO Board of Directors established the Dues Committee to review CALAFCO's dues structure and make recommendations to the Board. The Board appointed Directors Virginia Chang Kiraly (Chair), Joe Serrano, Anita Paque, Gay Jones, Rosemary Kamei, and Josh Susman as the initial committee members.

The Board also directed the Executive Director to issue a statewide call for volunteers from Member LAFCOs beginning July 1, 2026. The Board expressed its desire for the Committee to include representatives from throughout the state with a range of experience and perspectives. Commissioners, Executive Officers, and LAFCO staff were invited to participate, and CALAFCO's returning Member LAFCOs, Sonoma and Los Angeles, were encouraged to participate.

The Board also directed that the Committee be member-led and self-directed, with staff assisting in its initial organization. The Executive Director issued the call for volunteers on July 1, 2026. Fourteen committee members have since been confirmed, representing all four CALAFCO regions. Table 1 summarizes the Committee's membership.

DISCUSSION

The Committee has been charged with reviewing CALAFCO's dues structure, evaluating the factors used to calculate Member LAFCO dues, and considering whether changes or additional factors should be recommended to the Board.

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The Committee is currently organizing its work and expects to hold its first meeting in August. At that meeting, the Committee will develop its work plan and begin reviewing the current dues structure.

Because the Committee has not yet met, there are no recommendations for Board consideration at this time. The Committee will continue its work and report back to the Board as appropriate.

FISCAL IMPACT

There is no fiscal impact associated with this report. Any recommendation to revise CALAFCO's dues structure will include an analysis of the fiscal impacts before being presented to the Board.

Table 1. Dues Committee Membership

Region	Members	Total
North	Josh Susman (Nevada), Shannon Costa (Butte), Doug Libby (Sutter), Jennifer Stephenson (several LAFCOs)	4
Central	Gay Jones (Sacramento), Anita Paque (Calaveras), Jose Henriquez (Sacramento), JD Hightower (San Joaquin)	4
Coastal	Virginia Chang Kiraly (San Mateo), Rosemary Kamei (Santa Clara), Joe Serrano (Santa Cruz), Kai Luoma (Ventura)	4
Southern	Tyler Salcido (Imperial), Paul Novak (Los Angeles)	2
Total	14 Members	14

ATTACHMENTS

None

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 4c

Subject:	**Committee Updates – Legislative Committee**
Meeting Date:	August 7, 2026
Submitted By:	Michelle McIntyre, Chair, Legislative Committee Kai Louma, Vice-Chair, Legislative Committee

RECOMMENDATION

Receive and file the report.

BACKGROUND

Since the May 15, 2026, Board meeting, the CALAFCO Legislative Committee (Committee) has taken action on two bills under the Board-approved Legislative Committee Guidelines.

DISCUSSION

SB 1439 (Committee on Local Government) – Local Government Omnibus Bill
The Committee adopted a **Support** position on SB 1439. The bill would extend the deadline for Imperial LAFCO to complete the Municipal Service Review for the Imperial Valley Healthcare District from December 31, 2026, to December 31, 2027. The extension recognizes that voters will not consider the district's permanent funding mechanism until the November 2026 General Election. CALAFCO and several member LAFCOs submitted letters of support to the Assembly Local Government Committee.

SB 1312 (Richardson) – Cemetery and Funeral Bureau
The Committee changed CALAFCO's position from Watch to **Oppose Unless Amended** after the Committee's requested amendments to the author were not incorporated into the bill. CALAFCO requested amendments that would:

1. Clarify that proposals to form or annex a public cemetery district remain subject to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).
2. Require notice to the affected LAFCO when the abandonment process begins.
3. Confirm that nothing in SB 1312 modifies or expands a LAFCO's authority under CKH.

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Legislative Proposals for 2027

The Committee invited member LAFCOs to submit proposals for the 2027 legislative session using CALAFCO's Legislative Proposal Submission Form. As of the date of this report, staff anticipates receiving three proposals. The Legislative Committee will review the proposals at its August 20, 2026, meeting and determine whether to recommend any proposals to the Board for sponsorship or other legislative action under the Legislative Committee Guidelines.

FISCAL IMPACT

There is no fiscal impact associated with receiving this report. Any future legislative proposals that result in expenses for sponsorship or advocacy activities would be brought to the Board for consideration under the Legislative Committee Guidelines.

CONCLUSION

The Legislative Committee has continued implementing the Board-approved Legislative Committee Guidelines by taking positions on legislation affecting LAFCOs and initiating the process for consideration of potential CALAFCO-sponsored legislative proposals for the 2027 legislative session. The report is provided for the Board's information.

ATTACHMENTS

None

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 4d

Subject: **Staff Mentorship Program Update**

Meeting Date: August 7, 2026

Submitted By: Michelle McIntyre

RECOMMENDATION

Receive and file this update on the status of the CALAFCO Mentorship Program.

BACKGROUND

The Board supported the development of a CALAFCO Mentorship Program to provide professional development opportunities for LAFCO staff by connecting experienced professionals with staff who are newer to the profession or interested in expanding their knowledge and experience.

Working with the Mentorship Committee, staff developed the program guidelines, participant materials, online application, and webpage.

DISCUSSION

The CALAFCO Mentorship Program is open to staff from Member LAFCOs. The CALAFCO website features a dedicated Mentorship Program page with information about the program, participant expectations, frequently asked questions, and an online application for both mentors and mentees.

Board members (and CALAFCO members) may access the webpage at **https://calafco.starchapter.com/Mentorship_Program** using their CALAFCO member login.

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As applications are received, staff will coordinate with the Mentorship Committee to match mentors and mentees and to begin their participation. Staff will continue to promote the program through CALAFCO communications and at upcoming events.

FISCAL IMPACT

The Board approved $500 in the Fiscal Year 2026–27 Operating Budget to support the Mentorship Program, primarily to cover anticipated postcard printing costs. No additional funding is requested.

CONCLUSION

The Mentorship Program has been established and is available to staff from Member LAFCOs. Staff will continue administering the program and will provide updates to the Board as appropriate.

ATTACHMENTS

None.

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 5

Subject:	**Finance Committee Report and Authorization to Retain Accounting and Bookkeeping Consulting Services**
Meeting Date:	August 7, 2026
Submitted By:	Virginia Chang Kiraly, Chair, Finance Committee

RECOMMENDATION

Receive and file the Finance Committee report and authorize the Executive Director, consistent with the Executive Director's contracting authority and within the adopted FY 2026-27 budget, to retain accounting and bookkeeping consulting services in an amount not to exceed $9,000 to:

- Review and organize CALAFCO's QuickBooks accounting system;
- Review current accounting and bookkeeping practices;
- Recommend improvements to accounting procedures and financial reporting;
- Develop standard financial reports for the Board; and
- Prepare a bookkeeping procedures manual.
- Finance Committee Recommendation

At its July 22, 2026, meeting, the Finance Committee agreed to recommend to the Board that the Board authorize the Executive Director to retain accounting and bookkeeping consulting services to complete this project.

BACKGROUND

The Finance Committee met on July 13 and July 22, 2026, to begin its review of CALAFCO's financial operations, accounting practices, financial reporting, and financial management policies. During these meetings, the Committee reviewed CALAFCO's financial documents, discussed current accounting and bookkeeping practices, and began reviewing CALAFCO's financial policies and procedures.

During these discussions, the Committee determined that CALAFCO would benefit from organizing its QuickBooks accounting system and documenting its accounting and bookkeeping procedures. As CALAFCO continues to function with a single full-time Executive Director staffing model, the Committee believes this project will improve continuity, strengthen financial reporting, and ensure that CALAFCO's accounting procedures are documented for future staff and consultants.

DISCUSSION

The Finance Committee recommends a one-time project to review and organize CALAFCO's accounting system and document its accounting and bookkeeping procedures.

The scope of work would include:

- Reviewing and organizing CALAFCO's QuickBooks accounting system;
- Reviewing current accounting and bookkeeping practices and workflows;
- Recommending improvements to accounting procedures and financial reporting;
- Developing standard financial reports for the Board; and
- Preparing a bookkeeping procedures manual.

The project is intended to provide CALAFCO with:

- A clean, organized, and reliable QuickBooks accounting system;
- Standard financial reports for the Board;
- Written accounting and bookkeeping procedures; and
- Documented workflows to ensure continuity for future staff or consultants.

As part of the project, the consultant should ensure that CALAFCO can consistently produce the financial reports needed by the Board, including:

- Budget vs. Actual Report;
- Statement of Financial Position (Balance Sheet);
- Statement of Activities (Income Statement);
- Statement of Cash Flows, as appropriate; and
- Other financial reports requested by the Board.

Following the Committee's direction, the Executive Director requested recommendations from CALAFCO’s Member LAFCOs. Several qualified individuals and firms with governmental and nonprofit accounting experience responded, including professionals with experience serving LAFCOs and other local government agencies. If approved, the Executive Director will review the responses and retain the accounting and bookkeeping consulting services that best meet CALAFCO's needs, consistent with the Executive Director's contracting authority and the adopted budget.

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The Finance Committee will continue reviewing CALAFCO's financial policies and procedures and expects to return to the Board with additional recommendations as its work progresses.

FISCAL IMPACT

Funds were allocated as part of the Board's adopted FY 2026-27 budget for Accounting & Tax Preparation Services to complete this project. No additional budget appropriation is requested.

ATTACHMENTS

None

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 6

Subject:	**Approval of Updated General Counsel Services Agreement with Best Best & Krieger LLP**
Meeting Date:	August 7, 2026
Submitted By:	Michelle McIntyre

RECOMMENDATION

Authorize the Interim Executive Director to execute the Agreement for General Counsel Services between CALAFCO and Best Best & Krieger LLP (BB&K).

BACKGROUND

BB&K has served as CALAFCO's General Counsel for many years. The firm advises the Association on governance, nonprofit law, legislative matters, contracts, employment issues, and other legal matters as needed.

BB&K desires an update to the current agreement. The proposed agreement continues BB&K's representation of CALAFCO and designates Paula C. P. de Sousa as General Counsel.

DISCUSSION

Billing Rates. The agreement establishes separate billing rates for routine general counsel services and special counsel services. General counsel services will be billed at $250 per hour for attorneys and $175 per hour for paralegals, law clerks, and analysts. Special counsel services, such as litigation, labor and employment, election law, water law, housing, and other specialized matters, will be billed at $350 per hour for attorneys and $225 per hour for paralegals, law clerks, and analysts.

Annual Rate Adjustments. Beginning July 1, 2027, the agreement provides for annual adjustments based on the California Consumer Price Index, with a minimum adjustment of two percent. Either party may also request consideration of additional rate adjustments.

Billing Policies. The agreement incorporates BB&K's current Engagement Terms and Policies governing billing practices, invoicing, expenses, and payment procedures.

Administrative Updates. The agreement updates contract administration to reflect the Executive Director as CALAFCO's contract representative and continues Paula C. P. de Sousa as the designated General Counsel.

BB&K has provided legal services to CALAFCO under the same hourly billing rate since August 2018 with no rate adjustments. Staff also compared the proposed rates with legal services agreements used by other LAFCOs and found them to be consistent with current market rates for comparable services.

The agreement may be terminated by either party upon 30 days' written notice.

FISCAL IMPACT

Funding for legal services is included in the FY 2026-27 adopted budget.

The proposed agreement updates the hourly billing rates and establishes separate rates for routine general counsel and special counsel services. Actual legal costs will continue to depend on the amount and complexity of legal services requested during the year.

ATTACHMENT

A. Agreement for General Counsel Services between CALAFCO and Best Best & Krieger LLP

AGREEMENT FOR GENERAL COUNSEL SERVICES
BETWEEN
CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS (CALAFCO)
AND
BEST BEST & KRIEGER LLP

1. **PARTIES AND DATE**

This Agreement is made and entered into as of the __ day of August ___, 2026, by and between California Association of Local Agency Formation Commissions (CALAFCO) (the "Client") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BB&K").

2. **RECITALS**

2.1 Client wishes to engage the services of BB&K as its General Counsel to perform all necessary legal services for the Client on the terms set forth below.

3. **TERMS.**

3.1 Term. The term of this Agreement shall commence on August __, 2026 and shall continue in full force and effect until terminated in accordance with Section 3.12.

3.2 Scope of Services. BB&K shall serve as General Counsel and shall perform legal services ("Services") as may be required from time to time by the Client as set forth by this Agreement, unless otherwise agreed to by the Client and BB&K.

3.3 Designated General Counsel. Paula C. P. de Sousa shall be designated as General Counsel, and shall be responsible for the performance of all Services under this Agreement, including the supervision of Services performed by other members of BB&K.

3.4 Time of Performance. The Services of BB&K shall be performed expeditiously in the time frames and as directed by the Client.

3.5 Assistance. The Client agrees to provide all information and documents necessary for the attorneys at BB&K to perform their obligations under this Agreement.

3.6 Independent Contractor. BB&K shall perform all legal services required under this Agreement as an independent contractor of the Client and shall remain, at all times as to the Client, a wholly independent contractor with only such obligations as are required under this Agreement. Neither the Client, nor any of its employees, shall have any control over the manner, mode or means by which BB&K, its agents or employees, render the legal services required under this Agreement, except as otherwise set forth. The Client shall have no voice in the selection, discharge, supervision or control of BB&K's employees, representatives or agents, or in fixing their number, compensation, or hours of service.

3.7 Fees and Costs. BB&K shall render and bill for legal services in the following categories and at rates set forth in Exhibit "A" and in accordance with the BB&K Billing Policies, both of which are attached hereto and incorporated herein by reference. In addition, the Client shall reimburse BB&K for reasonable and necessary expenses incurred by it in the performance of the Services under this Agreement. Authorized reimbursable expenses shall include, but are not limited to, printing and copying expenses, mileage expenses at the rate allowed by the Internal Revenue Service, toll road expenses, long distance telephone and facsimile tolls, computerized research time (e.g. Lexis or Westlaw), research services performed by BB&K's library staff, extraordinary mail or delivery costs (e.g. courier, overnight and express delivery), court fees and similar costs relating to the Services that are generally chargeable to a client. However, no separate charge shall be made by BB&K for secretarial or word processing services.

3.8 Billing. BB&K shall submit monthly to the Client a detailed statement of account for Services. The Client shall review BB&K's monthly statements and pay BB&K for Services rendered and costs incurred, as provided for in this Agreement, on a monthly basis.

3.9 Annual Reviews. The Client and BB&K agree that a review of performance and the compensation amounts referenced in this Agreement should occur at least annually.

3.10 Insurance. BB&K carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California. A declaration page containing information about BB&K's errors and omissions insurance policy is available upon Client's request.

3.11 Attorney-Client Privilege. Confidential communication between the Client and BB&K shall be covered by the attorney-client privilege. As used in this article, "confidential communication" means information transmitted between the Client and BB&K in the course of the relationship covered by this Agreement and in confidence by a means that, so far as the Client is aware, discloses the information to no third persons other than those who are present to further the interests of the Client in the consultation or those to whom disclosure is reasonably necessary for the transmission of the information or the accomplishment of the purpose for which BB&K is consulted, and includes any legal opinion formed and advice given by BB&K in the course of this relationship.

3.12 Termination of Agreement and Legal Services. This Agreement and the Services rendered under it may be terminated at any time upon thirty (30) days' prior written notice from either party, with or without cause. In the event of such termination, BB&K shall be paid for all Services authorized by the Client and performed up through and including the effective date of termination. BB&K shall also be reimbursed for all costs associated with transitioning any files or other data or documents to a new law firm or returning them to the Client.

3.13 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements.

3.14 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Sacramento County.

3.15 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

3.16 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.

3.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.18 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.19 Delivery of Notices. All notices permitted or required under this Agreement notices shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Client:
Michelle McIntyre
Interim Executive Director
California Association of Local Agency Formation Commissions (CALAFCO)
1451 River Park Drive, Suite 185
Sacramento, CA 95815

BB&K:
Paula C. P. de Sousa
Partner
Best Best & Krieger LLP
655 West Broadway, Suite1500
San Diego, CA 92101

3.20 Indemnification.

BB&K agrees to indemnify Client its officers, employees and agents against, and will hold and save each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising from the negligent acts or omissions of BB&K hereunder, or arising from BB&K's negligent performance of any term, provision, covenant or condition of this Agreement, except to the extent such claims or liabilities arise from the negligence or willful misconduct of Client, its officers, agents or employees.

IN WITNESS WHEREOF, the Client and BB&K have executed this Agreement for General Counsel Services as of the date first written above.

(signatures contained on following page)

SIGNATURE PAGE TO
AGREEMENT FOR GENERAL COUNSEL SERVICES
BETWEEN
CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS
(CALAFCO)
AND
BEST BEST & KRIEGER LLP

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS (CALAFCO):

By: ______________________________
Name: Michelle McIntyre
Title: Interim Executive Director

BEST BEST & KRIEGER LLP:

By: ______________________________
Name: Paula C. P. de Sousa
Title: Partner

EXHIBIT A

TO
AGREEMENT FOR GENERAL COUNSEL SERVICES
BETWEEN
CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS
(CALAFCO)
AND
BEST BEST & KRIEGER LLP

BILLING ARRANGEMENTS

1. Basic Legal Services. For all work not considered Special Counsel Legal Services, as described below, our rates will be:

    $250 per hour for Attorneys

    $175 per hour for Paralegals, Law Clerks and Analysts

2. Special Counsel Legal Services. Special counsel services include areas of law such as, but not limited to: non-routine real property matters, labor and employment, employee and pension retirement benefits, taxes, fees and charges, water rights and water quality matters, election law, litigation and formal administrative or other adjudicatory hearing matters, land acquisition and disposal matters, housing matters, complex nonprofit law related matters, and other matters as mutually agreed upon between BB&K and the Executive Director.

    For special counsel matters, our rates will be:

    $350 per hour for Attorneys

    $225 per hour for Paralegals, Law Clerks and Analysts

3. Agreement Regarding Rate Categories. If BB&K believes that a matter falls within the Special Counsel Legal Services rate categories that are not listed in Section 2, above, BB&K shall seek approval from the Executive Director or his/her designee. The Executive Director or her designee's approval of such a request from BB&K shall not be unreasonably withheld.

4. Additional Services for an Additional Fee/ BB&K Trainings. BB&K offers a variety of trainings to public agency and private business leadership and staff on topics required by law, as well as preventative and educational legal topics. The trainings are interactive and can be given onsite, via live webinar or virtual on-demand. Some of our most popular trainings include AB 1234 Ethics, Workplace Civility and Sexual Harassment Avoidance Training, The Brown Act "Open Meetings Law," Crystalizing Your Agency's CPRA Policies & Procedures and SB 1343 Sexual Harassment Avoidance Training for Non-Supervisors.

5. Other Billing Personnel. If, as, and when BB&K employs additional or different billing personnel, this Agreement may be supplemented by written administrative memoranda,

providing for the categories and billing rates for such personnel, which memoranda may be approved by the Executive Director.

6. Annual Adjustments. The rates will be adjusted annually. Beginning July 1, 2027, and every July 1 thereafter with advanced written notice, the blended rates above shall be increased to reflect changes in the Consumer Price Index (CPI) for California based on data provided by the California Department of Finance provided, however, that such adjustment shall never be lower than two percent (2%). In addition to the automatic rate increases, either BB&K or the CALAFCO may initiate consideration of a rate increase at any time.

Our administrative processes associated with fees, costs, and billing are described in the memorandum attached to this letter, entitled "Engagement Terms and Policies." You should consider the Engagement Terms and Policies memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

BEST BEST & KRIEGER LLP
ATTORNEYS AT LAW

Paula C. P. de Sousa
Partner
(619) 525-1328
paula.desousa@bbklaw.com

Engagement Terms and Policies

Introduction

Best Best & Krieger's Engagement Terms and Policies applies to any current or future legal matters handled by Best Best & Krieger, LLP ("BBK") for the individual or entity ("Client") receiving legal services. Except as modified by an engagement letter or any future agreement, it summarizes BBK's billing practices and certain other terms that apply to your engagement with BBK.

The attorney-client relationship works best when there is a clear understanding of fees, expenses, billing, and payment terms. This statement explains BBK's billing policies and procedures. The Client is encouraged to raise any questions about these policies. Questions about a specific bill may be directed to BBK's Accounts Receivable Team at accounts.receivable@bbklaw.com. Any billing arrangements different from those described below will be confirmed in a separate written agreement between Client and BBK.

Notice to Texas Clients

Pursuant to Texas Government Code Section 81.079, Texas attorneys must provide notice to clients of the existence of the grievance process.

This notice can be accessed by accessing the following website: https://bbklaw.com/texasgrievanceprocess

Fees for Professional Services

Unless a flat fee is stated in the engagement letter, fees for legal work will be based primarily on the time spent by BBK personnel working on the Client's behalf. In certain circumstances, which will be discussed and agreed upon in writing, fees may also be determined by the complexity of the matter and the experience required of the team handling it. Hourly rates reflect the skill and experience of the attorney or other legal personnel providing services. All legal services are billed in one-tenth of an hour (0.10/hour) increments, equal to six minutes. Hourly rates are disclosed in the applicable agreement you sign with BBK, either as specific rates or as rate ranges. Hourly rates are reviewed periodically, typically on an annual basis. Any adjustments resulting from these reviews will take effect automatically and will apply to all affected clients. This document serves as written notice of such rate changes.

Because legal matters involve many variables, any fee estimates provided by BBK—whether for budgeting purposes or otherwise—are only approximations and are not binding.

BBK may employ non-attorney personnel under the supervision of a BBK attorney when reasonably necessary in the judgment of the responsible attorney. Common non-attorney roles include paralegals, municipal analysts, litigation analysts, paraprofessionals, law clerks, case clerks, specialty consultants, administrative assistants, and research assistants. Rates or rate ranges for these personnel are noted in written agreement between the Client and BBK. No separate charge is made for secretarial or word-processing services; those costs are included in the hourly rates. BBK charges for audit letter responses when these services are required for Client financial matters. Current rates and titles for non-attorney personnel are available upon request.

Fees For Other Services, Costs and Expenses

In addition to fees for professional legal services, BBK charges separately for certain other services and expenses used by each client. These charges may include, but are not limited to, mileage at the current IRS-approved rate per mile, document delivery charges, copy/scan/print charges, computerized research, court filing fees, and other court-related costs such as court reporter and transcription fees. BBK may advance costs and incur expenses on Client's behalf on an ongoing basis. These items are separate from attorneys' fees and are billed as out-of-pocket expenses.

BBK provides Electronically Stored Information Support and Storage ("ESI") services for matters with a document population over 1GB—typically litigation or threatened litigation matters. BBK's rates for basic ESI processing and storage are as follows, per month, based on the number of gigabytes ("GB") processed and stored:

Data Volume	Monthly Rate per GB
1GB -250GB	$10 per GB
251GB - 550GB	$8 per GB
551GB - 750GB	$6 per GB
751GB - 1TB	$4 per GB

These rates allow BBK to recover the costs of providing ESI services, plus a net profit. BBK believes these rates are lower than comparable services offered by third-party vendors. If Client wishes to contract separately with a third-party vendor for ESI processing and storage, written notice should be sent to PracticeSupportServices@bbklaw.com. BBK also provides advanced ESI processing services at hourly rates for personnel in its Litigation Support Group. A copy of BBK's current rates for these services is available upon request.

Advance Deposit Toward Fees And Costs

From time to time, BBK may require an advance deposit, the amount of which will depend on the circumstances of the representation and will be discussed with the Client. Additional advances may also be requested if the scope of work expands or significant costs are anticipated.

All advance deposits are held in BBK's client trust account (IOLTA). Monthly invoices will reflect any application of the deposit to fees and/or costs. At the time the Client engages BBK, the Client also authorizes BBK to withdraw funds from the trust account as fees and/or costs are incurred. Any unused balance will be returned to the Client at the conclusion of the matter.

Invoice and Payment Options

BBK issues monthly invoices for legal services and expenses. Each reflects professional fees and other charges for work performed through the prior month, plus expenses processed on Client's behalf. Time entries or expenses may occasionally appear on later invoices. All billed items are valid and payable.

Invoices are delivered through BBK's secure online portal, which also accepts payment. Other payment options appear on each invoice. If a W-9 is required, email accounts.receivable@bbklaw.com. Invoices are due upon receipt, and fees are not contingent on the outcome of any matter. Billing questions should be raised promptly after receipt so they can be addressed quickly. BBK may terminate its engagement and withdraw as attorney of record if invoices are not paid on time.

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BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 7

Subject:	**Professional Services Agreement with CV Strategies for Communications Consulting Services**
Meeting Date:	August 7, 2026
Submitted By:	Michelle McIntyre

RECOMMENDATION

Staff recommends that the Board approve the Professional Services Agreement with CV Strategies for communications consulting services, effective August 1, 2026, through July 31, 2027, and authorize the Executive Director to execute the agreement on behalf of CALAFCO.

BACKGROUND

In July 2025, the Board approved a Professional Services Agreement with CV Strategies to provide transition messaging services and communications consulting services. The transition messaging services have been completed.

The agreement expired on July 31, 2026. The proposed agreement continues the communications consulting services through July 31, 2027. The proposed amended agreement largely retains the original July 2025 agreement. However, transition messaging services are not included in the proposed agreement.

DISCUSSION

The proposed agreement maintains the existing monthly retainer of $2,000 per month ($24,000 annually). Consistent with the previous agreement, CV Strategies will continue to provide $6,000 in annual in-kind sponsorship support, reducing CALAFCO's net annual cost to $18,000.

Fiscal impact

Funding for the agreement was included in the Board-adopted FY 2026–27 Operating Budget within the Communications Consulting, Website Support Services, and Publications &

Member Resource budget categories. Those budget categories also include funding for printing and production costs associated with CALAFCO publications and communications materials.

ATTACHMENT

A. Professional Services Agreement with CV Strategies - Redline

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

IDENTIFICATION

This PROFESSIONAL CONSULTANT SERVICES AGREEMENT, hereinafter referred to as "Agreement," made and entered into this 7th~~1st~~ day of August, 2026~~5~~, by and between the California Association of Local Agency Formation Commissions, hereinafter referred to as "CALAFCO," a California nonprofit corporation, and CV Strategies, Inc., a California corporation, hereinafter referred to as "Consultant."

RECITALS

2.1 CALAFCO requires professional outreach and marketing services.

2.2 Consultant has demonstrated expertise in various aspects of strategic outreach programs related to the promotion and publicity of the association.

2.3 CALAFCO and Consultant desire to enter into a contract for the provision of professional consulting services for strategic outreach.~~, with two components: transition messaging support and an ongoing monthly retainer for communications and outreach services.~~

AGREEMENT

NOW THEREFORE, in consideration of the promises and covenants hereinafter contained, it is mutually agreed as follows:

3.1 CALAFCO hereby retains Consultant to perform professional consulting services for strategic outreach as described in the Scope of Work attached hereto as Attachment A and by this reference incorporated herein. Consultant agrees to perform such services in a timely and professional manner and with due diligence. Services performed under the terms of this Agreement shall be assigned to Consultant through written scopes of work to be issued by CALAFCO.

3.2 CALAFCO shall pay for such services in accordance with Attachment B attached hereto and by this reference incorporated herein. Compensation shall be as follows:

- ~~A not-to-exceed amount of $10,000 for transition messaging services performed between August 1, 2025 and December 31, 2025.~~
- A monthly retainer of $2,000 for ongoing services from August 1, 202~~5~~6 through July 31, 2027~~6~~ (12 months, totaling $24,000).

Total contract amount shall not exceed $2~~3~~4,000 without express written authorization by CALAFCO.

ATTACHMENT A

3.3. If changes to the services seem merited by Consultant and CALAFCO, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to CALAFCO by Consultant with a statement of estimated charges in fee or time schedule. An amendment to this Agreement shall be prepared by CALAFCO and executed by both parties before performance of such services, or CALAFCO will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

3.4 Consultant's Project Managers shall be Erin LaCombe, Tara Mulally and Lynn Oliva, who shall manage and direct the technical effort of Consultant and be the Consultant's liaison(s) with CALAFCO.

3.5 Consultant shall, at its sole cost, procure and maintain at all times during this Agreement: (a) statutory Workers' Compensation Insurance coverage pursuant to Section 3700 of the California Labor Code together with employer's liability coverage no less than $1,000,000, (b) Commercial General Liability Insurance (insuring against bodily injury and property damage) with a minimum coverage of $1,000,000 for each occurrence and a $2,000,000 aggregate, and naming CALAFCO as an additional insured, (c) Automobile Liability Insurance with a minimum coverage of $1,000,000 per accident for bodily injury and property damage, and (d) Professional Liability Insurance with a minimum coverage of $1,000,000 per claim and annual aggregate.

The policy or policies of insurance so provided shall contain a contractual liability endorsement covering the liability assumed by the Consultant by the terms of this Agreement. The above-referenced insurance policies shall be furnished at the Consultant's expense, in a form and with insurance companies authorized to do business and having an agent for service of process in California and have an "A-" policyholder's rating and a financial rating of at least Class VII in accordance with the most recent Best's Insurance Guide, or as otherwise approved by CALAFCO. If Best's is no longer published, comparable ratings must be provided from a service acceptable to CALAFCO. Such insurance policies shall have provisions providing that insurance furnished thereunder shall be considered primary as to Consultant's services with respect to any policies of insurance maintained by CALAFCO. Said policy(ies) shall also contain provisions requiring that the coverage cannot be reduced or canceled without giving CALAFCO thirty (30) days prior written notice. Any deductibles or self-insured retentions are subject to written approval by CALAFCO. Defense costs shall be payable in addition to the limits.

Before performing any work, Consultant shall furnish certificates of insurance evidencing the foregoing insurance coverage.

3.6 To the fullest extent permitted by law, Consultant shall defend (with counsel of CALAFCO's choosing), indemnify and hold CALAFCO, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death (collectively, "Claims"), in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by CALAFCO, its Board, members of the Board, employees, or authorized volunteers.

Consultant shall defend, with counsel of CALAFCO's choosing and at Consultant's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against CALAFCO or its Board, members of the Board, employees, and authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against CALAFCO, or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse CALAFCO for the cost of any settlement paid by CALAFCO, its Board, members of the Board, CALAFCO employees and/or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for CALAFCO's attorneys' fees and costs, including expert witness fees. Consultant shall reimburse CALAFCO and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by CALAFCO, its Board, members of the Board, employees, and/or authorized volunteers.

3.7 CALAFCO and Consultant shall have the right to terminate this Agreement at any time upon thirty (30) days written notice to the other party. In the event of such termination, CALAFCO shall compensate Consultant through the notice date for services actually performed hereunder in accordance with the rates set forth in Attachment B, but in no event shall CALAFCO be obligated to pay more than the maximum compensation set forth in Attachment B.

3.8 This Agreement shall not be assigned by Consultant without the written consent of CALAFCO.

3.9 Consultant shall procure, at its expense, all permits required by governmental authorities and shall comply with all applicable local, state and federal regulations and statutes including Cal-OSHA requirements.

3.10 Consultant shall not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age, medical condition, marital status, ancestry, or sexual orientation.

3.11 Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment under the Agreement for inspection by CALAFCO.

3.12 CALAFCO will make available to Consultant such materials from its files as may be required by Consultant to perform these services. Such materials shall remain the property of CALAFCO while in Consultant's possession. Upon termination of the Agreement or completion of work under the Agreement, Consultant shall turn over to CALAFCO any CALAFCO property or materials in its possession and any calculations, notes, reports, electronic files or other materials prepared by Consultant in the performance of these services.

CALAFCO may utilize any material prepared or work performed by Consultant in any manner, which CALAFCO deems proper without additional compensation to Consultant. Consultant shall have no responsibility or liability for any revisions, changes or corrections made by CALAFCO or any use or reuse pursuant to this paragraph unless Consultant accepts such responsibility in writing.

3.13 Consultant shall not make public information releases or otherwise publish any information obtained or produced by it as a result of, or in connection with, the performance of services under the Agreement without prior written consent of CALAFCO.

3.14 Consultant shall not publish or use any advertising, sales promotion or publicity in matters relating to services, equipment, products, reports, and material furnished by Consultant in which CALAFCO's name is used or its identity is implied without prior written approval by CALAFCO.

3.15 Consultant shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government, including Cal/OSHA requirements.

3.16 Consultant's services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

3.17 In the event any action or proceeding is brought by either party to enforce any term or provision of this Agreement, the prevailing party shall recover its reasonable attorneys' fees and costs.

3.18 Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CALAFCO

Attn: ~~Jose Henriquez~~Michelle McIntyre, Interim

Executive Director 1451 River Park Dr # 185,

Sacramento, CA 95815 CONSULTANT:

CV Strategies

Attn: Erin LaCombe

73700 Dinah Shore Drive #402 Palm Desert, CA. 92211

and shall be effective upon receipt thereof.

3.19 At all times during the term of this Agreement, Consultant shall be deemed to be an independent contractor and not an employee of CALAFCO.

3.20 No official or employee of CALAFCO shall be personally liable to the Consultant in the event of any default or breach by CALAFCO or for any amount which may become due to the Consultant or for any breach of the terms of this Agreement.

3.21 This Agreement, with its attachments, contains the entire agreement between the parties hereto and supersedes any prior or concurrent written or oral agreement between said parties concerning the subject matter contained herein.

3.22 Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than CALAFCO and the Consultant.

3.23 The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California. The parties hereto do hereby consent to the jurisdiction of the California courts in the event any dispute arises in conjunction herewith.

3.24 If any provision of this Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement, or the application of such provision under other circumstances, shall not be affected thereby and shall remain valid and enforceable.

3.25 This Agreement may not be amended except by a subsequent writing which is signed by the parties.

3.26 Time is of the essence for each and every provision of this Agreement.

3.27 CALAFCO reserves the right to employ other consultants in connection with this project or other projects.

3.28 The signatories to this Agreement represent that they have the authority to execute this Agreement.

3.29 This Agreement has been prepared jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

The parties hereto have caused this Agreement to be duly executed by its authorized officers.

CALAFCO	CV STRATEGIES
BY: ______________________________	BY: ______________________________
~~Jose Henriquez~~Michelle McIntyre	Erin LaCombe
Interim Executive Director	President/CEO
DATE: ___________________________	DATE: ___________________________

ATTACHMENT A: Scope of Work

~~Component 1 – Transition Messaging Services (August 1, 2025 – December 31, 2025)~~

- ~~Develop and implement internal and external messaging to support CALAFCO's executive transition~~
- ~~Draft and distribute member and stakeholder communications~~
- ~~Provide consultation to CALAFCO Board and Interim Executive Director~~
- ~~Advise on stakeholder communications and other outreach~~
- ~~Finalize development of the Strategic Communications Framework, Communications Code of Conduct, and other transition-related deliverables~~

~~Component 2 – Ongoing Communications Retainer (August 1, 2025 – July 31, 2026)~~

• Serve as CALAFCO's on-call strategic communications advisor
• Create messaging and collateral to support annual conference, sponsorship efforts, and member outreach
• Assist with updates to CALAFCO's website, social media, member communications and digital presence
• Participate in regular planning and status meetings with ~~CALAFCO leadership~~the Executive Director
• Support branding, content development, and reputation management

ATTACHMENT B: Compensation Schedule

~~***Component 1 (August 1 – December 31, 2025):***~~

~~Transition messaging services not to exceed $10,000 (time and materials basis).~~

~~» President - $240/hour~~

~~» Vice-President- $200/hour~~

~~» Account Manager /Specialist - $175 /hour~~

~~» Design/Video/Photographer - $150/hour~~

~~» Translator - $125/hour~~

~~» Support Staff- $100/hour~~

~~Component 2~~ Term: ~~(~~August 1, 202~~5~~6 – July 31, 202~~6~~7~~)~~:

Monthly retainer of $2,000 per month (flat rate), for a total of $24,000.

Total contract value not to exceed $2~~3~~4,000 without written amendment.

Future Work:

It is understood by both CALAFCO and Consultant that this Agreement has been prepared for a twelve (12)-month period, and that it is critical to evaluate services, costs, terms and value before any future agreements are prepared and/or agreed to. Both parties will participate in the evaluation process in July of 2027~~6~~ and reach agreement whether or not to move forward with an ongoing relationship.

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 8

Subject:	**Approval of Professional Services Agreement with Hurst Brooks Espinosa, LLC for Legislative Advocacy Services**
Meeting Date:	August 7, 2026
Submitted By:	Michelle McIntyre

RECOMMENDATION

Staff recommends that the Board authorize the Executive Director to execute the Professional Services Agreement between CALAFCO and Hurst Brooks Espinosa, LLC for legislative advocacy services for the period of August 1, 2026, through July 31, 2027.

BACKGROUND

In July 2025, the Board approved a Professional Services Agreement with Hurst Brooks Espinosa, LLC (HBE) to provide legislative advocacy services. At that time, the Board authorized the Chair of the Board of Directors to execute the agreement on behalf of CALAFCO.

The proposed agreement continues those services and authorizes the Executive Director to execute the agreement on CALAFCO's behalf.

DISCUSSION

The proposed agreement provides legislative advocacy services for the period from August 1, 2026, through July 31, 2027. The scope of services and monthly compensation remain unchanged from the current agreement. The other administrative change is that the agreement authorizes the Executive Director, rather than the Board Chair, to execute the agreement on behalf of CALAFCO, consistent with all other professional services agreements.

FISCAL IMPACT

Funding for the agreement was included in the Board-adopted FY 2026–27 Operating Budget.

ATTACHMENTS

A. Professional Services Agreement with Hurst Brooks Espinosa, LLC (redline)

AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS AND HURST BROOKS ESPINOSA, LLC

This agreement for professional services (this "Agreement") is made and entered into this ~~July 25~~August 7, 202~~5~~6 by and between the California Association of Local Agency Formation Commissions ("Client") and Hurst Brooks Espinosa, LLC ("HBE"), collectively referred to as "the parties."

RECITALS

A. Client is in need of consulting and/or advocacy services with the California Legislature, Executive Branch, and/or another state government agency.

B. HBE is qualified to provide such professional services.

C. The parties desire by this agreement to establish the terms for the Client to retain Hurst Brooks Espinosa, LLC to provide the services described herein.

TERMS AND CONDITIONS

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Description of Services

HBE shall provide the Client with consulting and advocacy services with the California Legislature, Executive Branch, and/or another state government agency ("Services") pursuant to the attached scope of work in **Attachment One**, which is incorporated herein by this reference.

HBE shall subcontract with Nielsen Merksamer, LLP to assist with the provision of Services. Specifically, Nielsen Merksamer will serve as a partner to HBE in working with the CALAFCO Executive Director, Legislative Committee, and Board to identify legislative matters of concern, to provide strategic advice regarding advocating for CALAFCO legislative priority matters, and to assist in engaging the Legislature on CALAFCO priority matters, including meetings, stakeholder outreach, and testimony, as needed.

2. Payment for Services

a. Client shall pay HBE for Services rendered at the rate of $3,333.33 per month.

b. HBE shall submit monthly billing statements to Client for Services rendered. Client shall remit payment (**made payable to Hurst Brooks Espinosa, LLC**) within 30 days of receipt.

3. Expenses

Client shall reimburse HBE for reasonable and necessary expenses (travel, lodging, copying services, express mail, etc.) incurred in the performance of Services for Client. HBE will include expenses in monthly billing statements. Any other special expenses shall be pre-approved by Client.

4. Time of Performance

HBE shall perform Services in a prompt and timely manner. Time is of the essence for each and every provision of this Agreement.

5. Warranties

HBE shall furnish Services in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. HBE makes no other warranty, either expressed or implied, as to its findings, recommendations, specifications, or professional advice.

6. Insurance

HBE shall, at its sole cost, procure and maintain at all times during this Agreement: (a) statutory Workers' Compensation Insurance coverage pursuant to Section 3700 of the California Labor Code, together with employer's liability coverage no less than $1,000,000, if applicable; (b) Commercial General Liability Insurance (insuring against bodily injury and property damage) with a minimum coverage of $1,000,000 for each occurrence and $2,000,000 aggregate; (c) Automobile Liability Insurance with a minimum coverage of $1,000,000 per accident for bodily injury and property damage; and (d) Professional Liability Insurance appropriate to the Services with a minimum coverage of $1,000,000 per claim and annual aggregate. Client shall be named as an additional insured for the Commercial General Liability and Automobile Liability Insurance policies.

The policy or policies of insurance so required shall contain a contractual liability endorsement covering the liability assumed by HBE by the terms of this Agreement. The above-referenced insurance policies shall be furnished at HBE's expense, in a form and with insurance companies authorized to do business and having an agent for service of process in California and have an "A-" policyholder rating and a financial rating of at least Class VII in accordance with the most recent Best's Insurance Guide, or as otherwise approved by Client. If Best's is no longer published, comparable ratings shall be provided from a service acceptable to Client. Said policy or policies shall also contain provisions requiring that the coverage cannot be reduced or cancelled without giving Client thirty (30) days prior written notice. Any deductibles or self-insured retentions are subject to written approval of Client. Defense costs shall be payable in addition to the limits.

Before performing any Services, HBE shall furnish certificates of insurance evidencing the foregoing coverage and policy endorsements adding Client as an additional insured for the Commercial General Liability and Automobile Liability Insurance policies.

7. Indemnification

To the fullest extent permitted by law, HBE shall defend (with counsel of Client's choosing), indemnify and hold Client, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death (collectively, "Claims"), in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of HBE, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the HBE's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. HBE's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Client, its Board, members of the Board, employees, or authorized volunteers.

HBE shall defend, with counsel of Client's choosing and at HBE's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against Client or its Board, members of the Board, employees, and authorized volunteers. HBE shall pay and satisfy any judgment, award or decree that may be rendered against Client, or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. HBE shall also reimburse Client for the cost of any settlement paid by Client, its Board, members of the Board, Client employees and/or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for Client's attorneys' fees and costs, including expert witness fees. HBE shall reimburse Client and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. HBE's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Client, its Board, members of the Board, employees, and/or authorized volunteers.

The provisions of this Section 7 shall survive the termination of this Agreement.

8. <u>Assignment or Transfer of Agreement</u>
HBE shall not assign or transfer all or a portion of this Agreement or any rights under or interest in this Agreement without the written consent of Client, which may be withheld for any reason.

9. <u>Relationship of the Parties</u>
HBE is an independent contractor and will maintain complete control of and responsibility for the methods and operations involved in performing the Services. This Agreement shall not be construed so as to create a partnership, other joint venture or undertaking, or any agency relationship between the Parties, and neither Party shall become liable for any representation, act or omission of the other Party or have the authority to contractually bind the other Party. Any fees, expenses or other amounts paid by Client to HBE shall not be considered salary for pension or wage tax purposes. Client shall not be responsible for deducting or withholding from fees or expenses paid under this Agreement any taxes, unemployment, social security or other such expense.

10. <u>Compliance with Laws</u>
HBE shall procure, at its expense, all permits, licenses, or registrations required by governmental authorities and shall comply with all applicable local, state, and federal laws and regulations, including Cal-OSHA requirements, in the performance of this Agreement.

11. <u>HBE Books and Records</u>
Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by HBE and made available at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment under the Agreement for inspection by Client.

12. <u>Integration; Amendment</u>
This Agreement represents the entire understanding of Client and HBE as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters contained herein. This Agreement may not be modified or altered except in writing signed by both parties.

13. <u>Client's Property</u>
Any documents developed by HBE under this Agreement shall, upon payment in full for Services, be furnished to and become the property of Client. Any documents made available to HBE by Client for the performance of Services shall remain the property of Client while in HBE's possession. Upon termination of this Agreement or the completion of work under this Agreement, HBE shall promptly return such documents to Client.

Client may utilize any material prepared or work performed by HBE in any manner that Client deems proper without additional compensation to HBE. HBE shall have no responsibility or liability for any revisions, changes, or corrections made by Client or any use or reuse pursuant to this paragraph unless HBE accepts such responsibility in writing.

14. <u>Nondisclosure</u>
HBE shall not make public information releases or otherwise publish any information or materials obtained or produced by it as a result of, or in connection with, the performance of Services without the prior written consent of Client.

15. <u>Conflict of Interest Statement</u>
HBE shall not accept employment or contract during the term of this Agreement with any firm or individual for the provision of services which would conflict directly with services provided to Client under this Agreement.

16. <u>Laws and Venue; Attorneys' Fees</u>
This agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the actions shall be brought in a state or federal court situated in the County of Sacramento, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

17. <u>No Personal Liability of Client Representatives</u>
No officer or employee of Client shall be personally liable to HBE in the event of any default or breach by Client or for any amount which may become due to HBE or for any breach of the terms of this Agreement.

18. <u>Termination of the Contract</u>
Client may terminate this Agreement by giving HBE thirty (30) calendar days' written notice. In such event, the Client shall be given title immediately to the portion of Services completed and/or being abandoned. Client shall pay HBE for Services rendered prior to termination, but in no event shall Client be obligated to pay more than the maximum annual compensation set forth in Section 2. Upon termination, Client shall not be liable for any costs other than the fees, expenses, or portions thereof, which are specified herein.

HBE may terminate its obligation to provide Services upon providing thirty (30) calendar days' written notice to Client.

19. Non-Discrimination
During the term of this Agreement, HBE shall not deny the Agreement's benefits to any person on the basis of religion, color, ethnic group identification, gender, sexual orientation, age, physical or mental disability, nor shall they discriminate against any employee or applicant for employment because of their race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age, sexual orientation or gender.

20. Service Provider(s)
Jean Kinney Hurst for HBE and Geoff Neill for Nielsen Merksamer shall perform Services and shall not be removed from or reassigned without Client's prior approval.

21. Effective Date
This Agreement shall become effective upon the signing by both Parties and shall terminate by mutual agreement or as specified in this Agreement.

22. Notice
Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, registered or certified, postage prepaid, addressed to:

CALAFCO
1451 River Park Drive, Suite 185
Sacramento, CA 95815
Attention: ~~Jose C. Henriquez~~Michelle McIntyre, Interim Executive Director

Hurst Brooks Espinosa, LLC
1127 11th Street, Suite 1005
Sacramento, CA 95814
Attention: Jean Kinney Hurst

And shall be effective upon receipt thereof.

23. No Third Party Beneficiaries
Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than Client and HBE.

24. Severability
If any provision of this Agreement, or the application thereof under certain circumstances, is held invalid, the remainder of this Agreement, or the application of such provision under other circumstances, shall not be affected thereby and shall remain valid and enforceable.

25. Other Consultants

Client reserves the absolute right to employ other consultants, including consultants providing similar services as those provided by HBE.

26. Construction of Agreement

This Agreement has been prepared jointly by the parties. Any uncertainty or ambiguity shall not be construed for or against any party based on attribution of drafting to any party.

27. Signatures

The signatories to this Agreement represent that they have the authority to execute this Agreement.

IN WITNESS WHEREOF, the Parties hereby execute this Agreement.

~~Gay Jones~~Michelle McIntyre
California Association of Local Agency Formation Commissions

By: ______________________________ Date: ________________

~~Chair, Board of Directors~~Interim Executive Director

Jean Kinney Hurst
Hurst Brooks Espinosa, LLC

By: ______________________________ Date: ________________

Partner

ATTACHMENT ONE

SCOPE OF WORK

~~DRAFT~~ Scope of Service – CALAFCO

1. **Strategic Advice**
   - Work with CALAFCO's Executive Director and Legislative Committee to identify priority issues for the organization.
   - Develop strategic approaches and communication strategies to help facilitate resolution to CALAFCO priority issues.
   - Assist CALAFCO in securing meetings and preparing for meetings and interactions with state officials.
   - Develop supportive materials, such as letters, talking points, or other follow-up resources, as needed.
   - Assist in drafting materials related to legislative priorities and platform for consideration by CALAFCO leadership.

2. **State Legislative and Budget Advocacy**
   - Advocate for CALAFCO priorities before the state Legislature and Administration.
   - Assist CALAFCO in identifying legislative issues of concern.
   - Testify on priority bills and budget issues before the state Legislature.
   - Meet with legislators, their staff, and administration officials about issues of importance to CALAFCO.
   - Coordinate and collaborate with other organizations, local governments, companies, and firms on CALAFCO priorities and other efforts to advance CALAFCO's interests.
   - Provide timely written analysis of the January and May state budget releases and identify issues and opportunities for CALAFCO.
   - Provide written updates on policy and political issues of interest, including state ballot measures.
   - Provide a written annual report of advocacy efforts related to CALAFCO's legislative priorities and platform.

3. **CALAFCO Membership Engagement**
   - At the request of the Executive Director, present at meetings of the CALAFCO Executive Committee and/or Board of Directors on legislative issues of concern.
   - At the direction of the Executive Director, work with the CALAFCO Legislative Committee to provide input and engagement on legislative matters.
   - Participate in regular communications with CALAFCO to discuss legislative and budget issues of interest as well as policy objectives.
   - Distribute HBE's weekly legislative update that covers news and developments on activities in and around Sacramento.

Term: August 1, 2026 to July 31, 2027
Monthly retainer of $3,333.33 (flat rate), for a total of $40,000.

- The contract value is not to exceed $40,000 without written amendment.

ATTACHMENT A

California Association of
Local Agency Formation Commissions
CALAFCO
SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 9

Subject:	**Proposed Approval of Proposed Amendment to the CALAFCO Bylaws Clarification of Associate Member Eligibility**
Meeting Date:	August 7, 2026
Submitted By:	Michelle McIntyre

RECOMMENDATION

Adopt the proposed amendment to Article II of the CALAFCO Bylaws, which clarifies Associate Member eligibility, and direct staff to submit it to the Member LAFCOs for consideration at the **Annual Business Meeting on October 22, 2026.**

If approved by the membership, direct staff to return with proposed conforming amendments to the CALAFCO Policies & Procedures governing Associate Membership administration.

BACKGROUND

CALAFCO's Bylaws establish two primary membership categories: Member LAFCOs and Associate Members.

Member LAFCOs provide the Association's primary financial support through annual membership dues. Those dues fund CALAFCO's year-round operations, including legislative advocacy, education and training, publications, communications, governance, member services, and administrative support. Associate Members also contribute to the Association through professional expertise, sponsorships, educational programs, and other partnerships that benefit California's LAFCO community.

At its May 15, 2026, meeting, the Board approved updated Associate Member dues. As staff has continued reviewing Associate Member dues, it has become clear that the Association's governing documents do not clearly address Associate Member eligibility in certain situations. Staff believes this is an appropriate opportunity to clarify the distinction between Member LAFCO membership and Associate Membership.

Associate Member eligibility is outlined in the CALAFCO Bylaws; thus, any substantive change must be approved by the Member LAFCOs through a bylaw amendment. If approved, staff will return with proposed amendments to the Policies & Procedures to address implementation and administration.

DISCUSSION

CALAFCO's membership structure recognizes two distinct yet complementary membership categories. Member LAFCOs provide the financial foundation for the Association through annual membership dues and govern the Association through their commissioners and executive officers. Associate Members support the Association through their expertise, sponsorships, educational programs, and other partnerships. Both membership categories are important to the Association and serve distinct, complementary purposes.

As part of the broader review of CALAFCO's membership structure, staff identified that the current Bylaws do not specify whether individuals representing a LAFCO that is eligible for Member LAFCO membership but has elected not to become a Member LAFCO may instead participate as an Associate Member. Although the number of such situations has been limited, they demonstrate that the governing documents do not clearly address this issue.

Staff recognizes that reasonable people may hold different views on Associate Member eligibility. Likewise, each LAFCO decides whether to become a Member LAFCO. The proposed amendment does not affect that choice, nor does it diminish the important role Associate Members play within CALAFCO. Instead, it clarifies the distinction between the Association's membership categories and establishes a consistent eligibility standard moving forward.

Member LAFCO dues remain CALAFCO's primary source of recurring operating revenue and provide the financial foundation for the Association's ongoing work. Conferences, workshops, webinars, and other educational programs offer valuable opportunities and are intended to recover a substantial portion of program costs. **They are not intended to fund the Association's year-round operations.** Staff believes the Association's governing documents should reflect this distinction.

The proposed amendment is not intended to affect an organization's eligibility to become an Associate Member. Rather, it addresses individual eligibility for persons representing a LAFCO that has elected not to become a Member LAFCO. Organizational Associate Membership and individual Associate Membership serve different purposes and will continue to be addressed through the Association's membership program.

Accordingly, staff recommends clarifying that Associate Membership is intended to support and complement Member LAFCO membership and is not intended to serve as a substitute for Member LAFCO membership.

If approved by the membership, staff will return with proposed amendments to the Policies & Procedures addressing implementation, including procedures for administering Associate

Member eligibility and providing flexibility for the Executive Director and Board to address unique situations that may arise.

PROPOSED BYLAW AMENDMENT

Article II – Membership

Add the following paragraph to the Associate Member section:

Associate Membership Eligibility. *Associate Membership is intended to support and complement Member LAFCO membership and is not intended to serve as a substitute for Member LAFCO membership. Individuals who are commissioners or employees of a LAFCO that is eligible for Member LAFCO membership but is not a Member LAFCO are not eligible for Associate Membership.*

Please note: For this amendment, the eligibility restriction applies only to individuals who are Commissioners, Alternate Commissioners, or employees of a LAFCO that is eligible for Member LAFCO membership but is not a Member LAFCO. The restriction is based on an individual's position or employment with the LAFCO. It is not intended to apply to independent legal counsel, consultants, or other professionals who qualify for Associate Membership through their own organizations. This explanatory statement is provided for the Board's and membership's understanding of the proposed amendment. If approved, conforming amendments to the CALAFCO Policies & Procedures will provide additional administrative guidance regarding Associate Membership eligibility.

CONCLUSION

The proposed amendment clarifies Associate Member eligibility by establishing a clear distinction between Member LAFCO membership and Associate Membership in the CALAFCO Bylaws.

If recommended by the Board and subsequently approved by the Member LAFCOs, staff will return with proposed conforming amendments to the CALAFCO Policies & Procedures governing implementation and administration.

FISCAL IMPACT

California Association of
Local Agency Formation Commissions
CALAFCO
SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

The proposed amendment has no immediate fiscal impact.

Over time, clarifying the eligibility criteria for Associate Members will help ensure that CALAFCO's membership structure remains consistent with the Association's governance and funding models.

ATTACHMENTS

Attachment A – Proposed Redline of Article II of the CALAFCO Bylaws

Article II
Members

2.1 Classification and Qualifications of Members. The Corporation shall have three (3) classes of members as follows: Member Local Agency Formation Commissions ("Member LAFCOs"); Officers of Member LAFCOs; and Associate Members.

2.1.1 Member LAFCOs shall be any local agency formation commission ("LAFCO"), which have paid the required annual membership dues and assessments and have indicated by appropriate action their desire to join the Corporation.

2.1.2. Officers of Member LAFCOs shall be any regular or alternate Commissioner, executive officer, deputy executive officer, legal counsel, or deputy legal counsel of any Member LAFCO in good standing as a Member LAFCO.

2.1.3 Associate Membership is intended to support and complement Member LAFCO membership and is not intended to serve as a substitute for Member LAFCO membership. Associate Members of the Corporation shall be any member of the public, a government agency, a business, or an educational institution, either who or which has paid the required annual membership dues and assessments and has indicated by appropriate action their desire to join the Corporation; provided, however, ~~.~~ individuals who are commissioners or employees of a LAFCO that is eligible for Member LAFCO membership but is not a Member LAFCO are not eligible for Associate Membership.

~~Associate Members of the Corporation shall be any member of the public, a government agency, a business, or an educational institution, either who or which has paid the required annual membership dues and assessments and has indicated by appropriate action their desire to join the Corporation.~~ Notwithstanding any other provision in these Bylaws to the contrary, the terms generally meaning "approval of members or the membership" or "ratification by the members or membership" or "adopted by the members or membership" shall mean such approval or ratification or adoption by Member LAFCOs eligible to vote.

California Association of
Local Agency Formation Commissions
CALAFCO
SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

BOARD OF DIRECTORS MEETING STAFF REPORT

Agenda Item No. 10

Subject:	**Regional Restructuring Working Group Update**
Meeting Date:	August 7, 2026
Submitted By:	José Henríquez, Executive Officer, CALAFCO

RECOMMENDATION

Consider how a revised regional map fits into the dues process and provide direction to staff. The Regional Restructuring Working Group (Working Group) respectfully submits this report to the Board for consideration and review.

BACKGROUND

The Board entrusted the Working Group with completing this segment of the 6-9 Month Plan created by Consultant Pamela Miller. The Working Group has finished its work and submits its results. What became evident is that whichever metric the Board chooses to anchor representation on (dues paid, population, or number of LAFCOs) will be a determining factor about how regions should be derived and balanced.

The Board directed the Working Group to reevaluate the regional map. To that end, the Working Group held several meetings, sought input from LAFCO staff at the Staff Workshop, and reviewed the regional breakdown from sibling associations. The attached map to this staff report reflects the Committee's analysis. It closely mirrors the regional maps for the California Special District Association. In essence, the Southern Region remains the same; the Northern Region remains largely intact but would lose a few counties; and the Coastal and Central Regions would each be split into two. This creates a CALAFCO organizational structure of six (6) regions, with the recommendation that no more than two to three (2-3) directors represent each region to keep the size of the Board manageable.

In creating the map, the Committee took population and number of counties in each region into consideration. Still, the most important factor in creating the proposed regions was to create regions that had a strong sense of identity and place. Six regions were created because some regions have an unwieldy number of LAFCOs and/or infrastructure limitations that make it more difficult to network and caucus, as compared to, for example, the Southern Region with six LAFCOs all within approximately an hour drive.

The Working Group then tasked the Regional Officers to discuss the attached map with staff at their respective regions. The overwhelming feedback from the Coastal, Central, and Northern staff was that they agreed the revised map is an improvement but did not want to pursue it unless there was consensus amongst the other regions. The Southern Region staff also noted concerns that expanding from four regions to six could dilute their representation.

CONCLUSION

While the Committee believes the revised regional map offers a more coherent and functional structure, feedback from the regions indicates neither strong support nor clear opposition at this stage. The Committee generally views the map as an improvement, but also emphasizes the importance of broad consensus before moving forward. Accordingly, the Committee recommends continued outreach to ensure the membership overwhelmingly supports any new regional configuration before implementation.

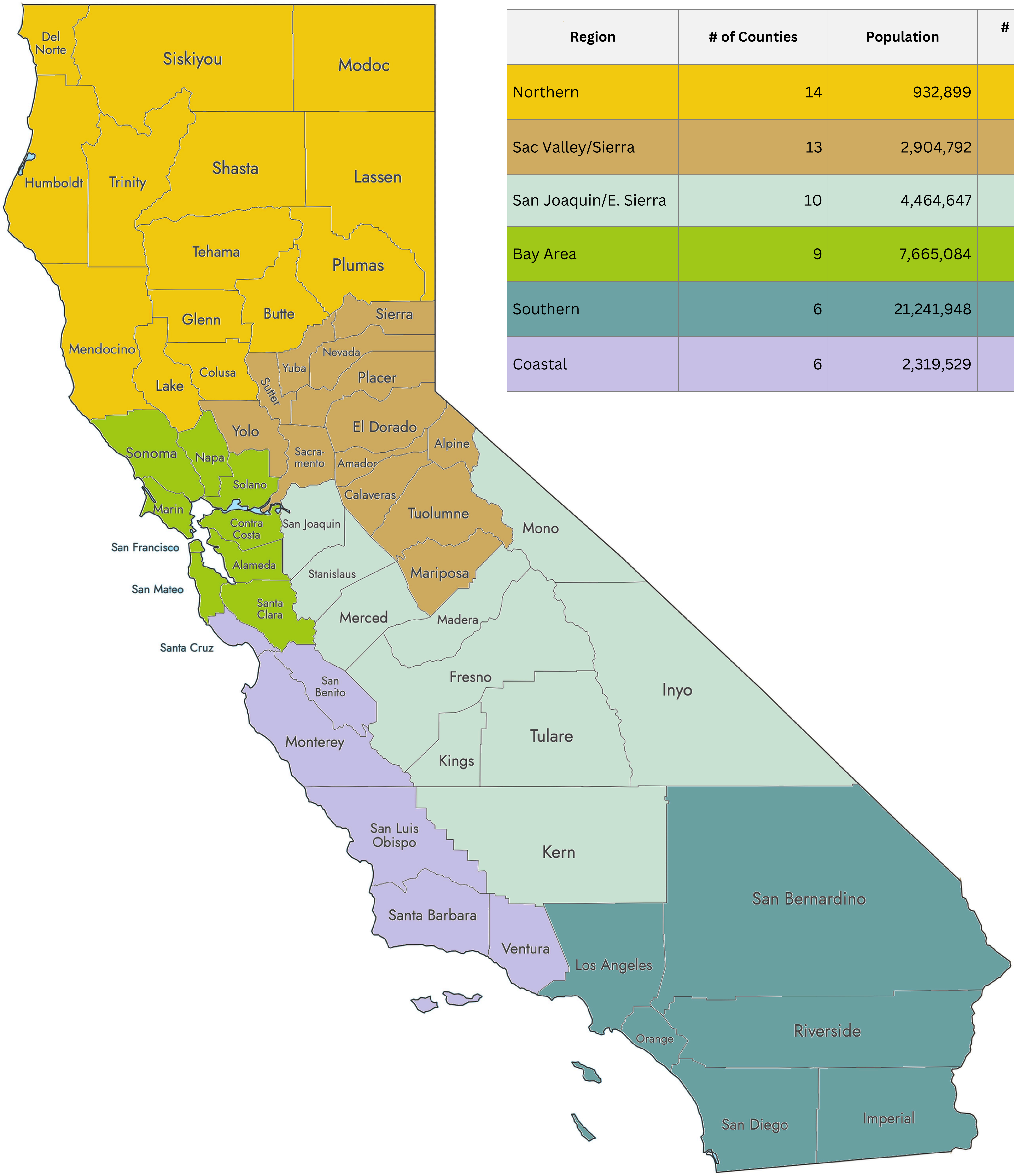
This map is presented to the Board for its consideration and deliberation, with the recommendation that it also keep the new map in mind in the upcoming discussion of dues.

ALTERNATIVE RECOMMENDATION OPTION

Direct staff to continue exploring the regionalization structure, including but not limited to its correlation with the upcoming dues structure review, and receive updates periodically.

ATTACHMENTS

A. Proposed New Regional Map with Six Regions



Region	# of Counties	Population	# of Board Members Proposed
Northern	14	932,899	2
Sac Valley/Sierra	13	2,904,792	2
San Joaquin/E. Sierra	10	4,464,647	2
Bay Area	9	7,665,084	2
Southern	6	21,241,948	2
Coastal	6	2,319,529	2

ATTACHMENT A

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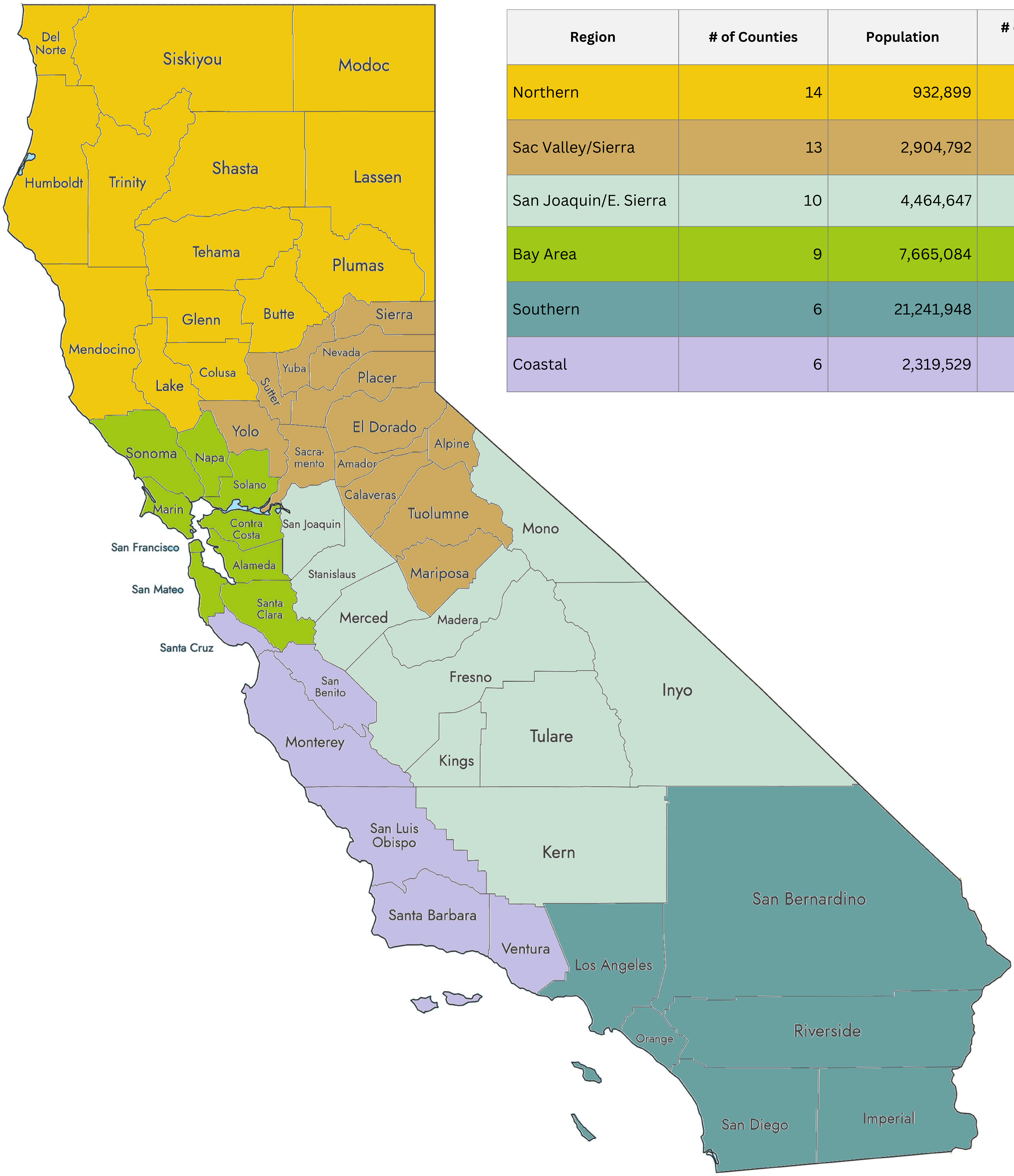

ATTACHMENT B

California Association of
Local Agency Formation Commissions

CALAFCO

SUPPORTING SUSTAINABLE
COMMUNITY GROWTH

NOTICE OF 2026 CALAFCO ANNUAL BUSINESS MEETING AND PROPOSED BYLAW AMENDMENT

Date: October 22, 2026
Time: 9:00 AM
Location: Grand Nave Ballroom, Sheraton Grand Sacramento, Sacramento, California

CALAFCO will hold its 2026 Annual Business Meeting on Thursday, October 22, 2026, during the CALAFCO Annual Conference in Sacramento.

At its August 7 meeting, the CALAFCO Board of Directors unanimously approved forwarding a proposed amendment to Article II of the CALAFCO Bylaws to the Member LAFCOs for consideration at the Annual Business Meeting.

The proposed amendment clarifies Associate Member eligibility and the distinction between Member LAFCO membership and Associate Membership. It provides that Associate Membership is intended to support and complement Member LAFCO membership and is not intended to serve as a substitute for Member LAFCO membership. It also provides that commissioners or employees of a LAFCO eligible for Member LAFCO membership but not a Member LAFCO are not eligible for Associate Membership.

The proposed amendment is attached for review and will be presented to the Member LAFCOs for consideration and action at the Annual Business Meeting.

Each Member LAFCO in good standing is entitled to one vote, cast by its designated Voting Delegate. Associate Members are welcome to attend the Annual Business Meeting but are not eligible to vote.

We will provide the Annual Business Meeting agenda and additional meeting materials closer to the meeting.

Please contact me at mmcintyre@calafco.org with any questions.

Attachment:
Proposed Amendment to Article II of the CALAFCO Bylaws – Associate Member Eligibility

Article II
Members

2.1 Classification and Qualifications of Members. The Corporation shall have three (3) classes of members as follows: Member Local Agency Formation Commissions ("Member LAFCOs"); Officers of Member LAFCOs; and Associate Members.

2.1.1 Member LAFCOs shall be any local agency formation commission ("LAFCO"), which have paid the required annual membership dues and assessments and have indicated by appropriate action their desire to join the Corporation.

2.1.2. Officers of Member LAFCOs shall be any regular or alternate Commissioner, executive officer, deputy executive officer, legal counsel, or deputy legal counsel of any Member LAFCO in good standing as a Member LAFCO.

2.1.3 Associate Membership is intended to support and complement Member LAFCO membership and is not intended to serve as a substitute for Member LAFCO membership. Associate Members of the Corporation shall be any member of the public, a government agency, a business, or an educational institution, either who or which has paid the required annual membership dues and assessments and has indicated by appropriate action their desire to join the Corporation; provided, however, ~~.~~ individuals who are commissioners or employees of a LAFCO that is eligible for Member LAFCO membership but is not a Member LAFCO are not eligible for Associate Membership.

~~Associate Members of the Corporation shall be any member of the public, a government agency, a business, or an educational institution, either who or which has paid the required annual membership dues and assessments and has indicated by appropriate action their desire to join the Corporation.~~ Notwithstanding any other provision in these Bylaws to the contrary, the terms generally meaning "approval of members or the membership" or "ratification by the members or membership" or "adopted by the members or membership" shall mean such approval or ratification or adoption by Member LAFCOs eligible to vote.