RIVERSIDE LAFCO

2.a.
5/28/2026

MINUTES
April 23, 2026

Present Commissioners:	Agustin Arreola, Vice-Chair Steve Sanchez Bruce Underwood Stephen Corona V. Manuel Perez Michael M. Vargas
Absent Commissioners:	Yxstian Gutierrez, Chair
Present Staff:	Gary Thompson, Executive Officer Elizabeth Valdez, Commission Clerk Sydney Jackson, Temp. Administrative Services Assistant Melissa Cushman, Legal Counsel

1.1. CALL TO ORDER AND SALUTE TO THE FLAG.

Vice-Chair Arreola called the meeting to order at approximately 9:00 a.m.

1.2. ROLL CALL.

1.3. POTENTIAL REQUEST BY ONE OR MORE COMMISSIONERS TO PARTICIPATE REMOTELY.

Commissioner Vargas participated remotely under SB 707. He stated he was at a conference on city business.

1.4. ANNOUNCEMENT CONCERNING CONTRIBUTIONS TO COMMISSION MEMBERS.

Counsel Cushman made a statement to the public regarding the disclosure of contributions made to Commissioners.

Mr. Thompson introduced Sydney Jackson to the Commission. He then requested that item 6.a. be moved before item 5.a. on today’s agenda.

2. APPROVAL OF THE MINUTES:

a. February 26, 2026

Moved (Underwood) seconded (Perez) to approve the Minutes of the February 26, 2026, meeting as recommended by staff.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Underwood, Perez, Vargas, and Arreola.
NOES: None.
ABSENT: None.
ABSTAINED: None.

3. PUBLIC COMMENTS ON ANY ITEMS NOT ON THE AGENDA.

There were no public comments.

4. CONSENT CALENDAR (NON-HEARING ITEMS):

a. LAFCO Monthly Expenditure Review.

Moved (Perez) seconded (Underwood) to approve the Consent Calendar as recommended by staff.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Perez, Underwood, Vargas, and Arreola.
NOES: None.
ABSENT: None.
ABSTAINED: None.

The Commission heard item 6.a. at this time.

6. OTHER BUSINESS:

a. Recommended Revisions – LAFCO Policy A-9, General Reserve and Policy A-12, Pension/OPEB Unfunded Liability Reserve.

Mr. Thompson reviewed two revised policies. He stated that due to increases in expenditures and to minimize the increase to the Local Agency Share he is proposing decreasing the amounts to be transferred into reserves. He stated the revised General Reserve Policy would reduce the contribution made for one year to offset one-time expenditures related to office move and other one-time budgeted items. He stated it would also limit the total General Reserve to no more than $250,000. Mr. Thompson stated the revised Pension Liability Policy contributions would be lowered for the next four years but would still meet the 80% threshold. Mr. Thompson stated that the Administrative Review Committee reviewed and approved the revised policies.

Moved (Perez) seconded (Corona) to approve the revised LAFCO Policy A-9: General Reserve and Policy A-12: Pension/OPEB Unfunded Liability Reserve.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Perez, Vargas, Underwood, and Arreola.
NOES: None.
ABSENT: None.
Abstained: None.

The Commission heard item 5.a. at this time.

5. PUBLIC HEARINGS:

Continued: There were no continued public hearing items.

New:

a. LAFCO Proposed Budget for Fiscal Year 2026-27.

Mr. Thompson shared a PowerPoint presentation. He reviewed the overall status of revenues and expenditures currently budgeted at $1,660,200. He stated there is an increase of $24,242 over the current year's adopted budget, primarily due to many one-time costs due to the office move. Mr. Thompson reviewed expenditure highlights including salaries, benefits, and payroll taxes. He stated that the Proposed Budget includes the addition of a proposed Local Government Analyst position in the second quarter. Mr. Thompson also reviewed the costs associated with technology upgrades and support, consultant services, travel and lodging for commission meetings. Mr. Thompson reviewed revenue highlights, including an increase to the Local Agency Share of 6.7 percent from the Fiscal Year 2025/26. He also discussed projected fee revenue, end-of-year carryover, and reserve funding.

Commissioner Sanchez asked if there is a succession plan in place given his upcoming retirement. Mr. Thompson replied he has a plan that will be shared as the time draws closer to his retirement date.

Commissioner Sanchez asked what the expectations will be for the proposed Local Government Analyst position or when recruitment will take place.

Mr. Thompson responded that he and Ms. Craig will need to revise the classification and recruitment will take place in the October to December months.

Commissioner Sanchez asked if staff has looked into AI to help analyze applications or prepare staff reports. Mr. Thompson replied no, but it could be something to consider in the future.

Commissioner Underwood asked why the Local Agency Share is not itemized in the budget. Mr. Thomspon stated that the amounts due from each agency are not available until the Auditor-Controller's office starts the billing process.

Commissioner Arreola asked if there is technical assistance provided to applicants. Mr. Thompson stated yes, 30 minutes for free and then there is a fee charged per our fee schedule.

Commissioner Perez stated that he would like any new employee to be well qualified as he stated that he is seeing potential growth of special districts.

Mr. Thompson replied that the qualifications and recruitment process would include experience with not just special districts but all agencies.

Vice-Chair Arreola opened the public hearing, there being no one wishing to speak he closed the public hearing.

Moved (Perez) seconded (Underwood) to approve the LAFCO Proposed Budget for Fiscal Year 2026-27 as recommended by staff.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Perez, Vargas, Underwood, and Arreola.
NOES: None.
ABSENT: None.

ABSTAINED: None.

The Commission resumed with item 6. Other Business.

6. OTHER BUSINESS:

b. Agreement with Vasquez & Company LLP for Audit Services.

Mr. Thompson stated that Riverside, Imperial, San Joaquin, and Fresno LAFCOs issued a joint RFP for selection of an audit firm. He stated collectively they selected Vasquez & Company LLP for audit services. He stated he was recommending approval of the contract.

Commissioner Perez left the meeting at 9:33 a.m.

Moved (Corona) seconded (Sanchez) to approve the Agreement with Vasquez & Company LLP for Audit Services as recommended by staff.

Vice-Chair Arreola called for the vote.

AYES: Corona, Sanchez, Vargas, Underwood, and Arreola.
NOES: None.
ABSENT: Perez.
ABSTAINED: None

7. INFORMATION ITEMS: No action to be taken by the Commission.

a. Proposals Received and/or LAFCO Initiated (Government Code Sections 56751 and 56857):

i. LAFCO 2026-01-5-Request for Extra-Territorial Service Provision - High Valleys Water District (Water) (Silent Valley Campground).

Gary Thompson reviewed the new proposal received.

b. Report on Conducting Authority Proceedings.

Mr. Thompson gave an update on the conducting authority proceedings.

8. LEGISLATIVE UPDATE AND POTENTIAL POSITIONS.

Mr. Thompson gave an update on current legislation. He reviewed AB 2083 (Jackson) and stated that it has been amended but not where it should be. He stated that CALAFCO is opposing the bill but that he is not recommending the Commission take a position yet. He stated that he would be scheduling a meeting of the LAFCO Legislative Review Committee to further review of the bill. Mr. Thompson stated staff will continue to monitor SB 1312. He stated there are another 16 bills still being watched by CALAFCO.

9. EXECUTIVE OFFICER REPORTS.

Mr. Thompson stated staff will be attending the CALAFCO Staff Workshop May 5th through the 8th and he will be presenting with Ms. Craig a session on Financial Analysis and Fiscal Indicators for MSR’s. He stated that Riverside LAFCO was offered the opportunity to host the 2029 CALAFCO Annual Conference, which he plans to accept. He gave some brief updates on the office move, which would hopefully be finalized towards the end of May. Mr. Thompson also stated the Special District Selection Committee Election ballots are due today.

10. COMMISSIONER COMMENTS/FUTURE ITEMS.

Commissioner Sanchez suggested Riverside LAFCO host the 2029 CALAFCO Conference in La Quinta.

Commissioner Underwood asked when the policy for adding a voting member for CALAFCO business meetings will be added to the agenda. Mr. Thompson stated he will be working on that soon.

Commissioner Underwood stated he attended CALAFCO 201 and they discussed how LAFCO's review the financial aspect of an agency, and he asked if LAFCO could do more. Mr. Thompson stated that staff does review audits and budgets of agencies.

Commissioner Underwood asked if CALAFCO or LAFCO will do any lobbying with legislative people during an upcoming meeting in Sacramento. Mr. Thompson stated he has no plans to do so.

Commissioner Sanchez asked about the selection of an auditor and how long LAFCO contracts with a firm. Mr. Thompson reviewed the process.

Commissioner Sanchez asked if agencies have an issue with paying for an audit to be completed. Mr. Thompson stated that he was not aware of it being an issue.

Commissioner Sanchez then asked about the special district election. Mr. Thompson stated that quorum was met and reviewed the process.

11. ADJOURNMENT.

The Commission adjourned the meeting at approximately 9:57 a.m.

Respectfully submitted,

Elizabeth R Valdez

Elizabeth R. Valdez
Commission Clerk