LAFCo
of Merced County

Local Agency Formation Commission
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MINUTES FOR THE REGULAR MEETING OF MAY 21, 2026

LOCAL AGENCY FORMATION COMMISSION MERCED COUNTY, CALIFORNIA

Chairman Bertao called the regular meeting to order at 10:03 a.m. in the Board of Chamber, Third Floor, Room, of the Merced County Administration Building.

I. **CALL MEETING TO ORDER**

II. **PLEDGE OF ALLEGIANCE**

III. **ROLL CALL**

Commissioners Present:	**Commissioner Bertao (Chairman)** **Commissioner McDaniel** **Commissioner Amabile** **Commissioner Reed**
Commissioners Absent:	**Commissioner Silveira (Vice Chair)** **Commissioner Pedrozo (Alternate Non-Voting Member)** **Commissioner Raymond**
Staff Present:	**Bill Nicholson, Executive Officer** **Malathy Subramanian, Legal Counsel (Online)** **Danielle Bettencourt, Recording Secretary**

IV. **CONSENT CALENDAR**

A. Approval of the minutes from the April 16, 2026 meeting.

MOTION: M/S MCDANIEL – AMABILE, AND CARRIED BY A VOTE OF 4-0, THE COMMISSION APPROVES THE MINUTES OF THE MEETING OF APRIL 16, 2026.

V. **CITIZEN COMMUNICATION**

Public comment opened 10:04 am

None

Public comment closed 10:05 a.m.

VI. **PUBLIC HEARING** (Testimony limited to 5 minutes or less per person

A. **Annexation No. 2025-3 to the Franklin County Water District (FCWD) - LAFCO File No. 0708- and the associated Amendment to the FCWD Sphere of Influence- LAFCO File No. 1050 F:** Involving annexation of the new 18.5-acre Franklin/Beachwood County Park site, located on the north side of Lobo Avenue and the east side of Ranchero Lane, and an adjacent one-acre homesite located at 2724 Lobo Avenue, into the Franklin County Water District's boundary. The same territory is proposed to be added into the district's sphere of influence (SOI) boundary, consistent with State requirements for annexations. The actions requested are to make a determination that the applications are exempt from environmental review in accordance with CEQA Guidelines section 15301 "Existing Facilities" and approve, modify or deny the applications.

Executive Officer Bill Nicholson provided an overview of the Franklin County Water District (FCWD) application to annex the new Franklin-Beachwood County Park into their district to provide wastewater treatment services for public restrooms and potentially a future community center.

Executive Officer Nicholson noted the park property is located outside the District's current Sphere of Influence (SOI), and a sphere amendment is also required to annex the property.

Public comment opened at 10:08 am

No public comment received.

Public comment closed at 10:09 am

MOTION: M/S MCDANIEL – REED, AND CARRIED BY A VOTE OF 4-0, THE COMMISSION APPROVED AND FINDS THE EXPANSION OF THE SPHERE OF INFLUENCE AND ANNEXATION OF APPROXIMATELY 20.0 ACRES IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER CEQA PURSUANT TO THE CEQA GUIDELINES SECTION 15303 – "NEW CONSTRUCTION OR CONVERSION OF SMALL STRUCTURES," AND SECTION 15183 – "PROJECTS CONSISTENT WITH A COMMUNITY PLAN OR ZONING."

MOTION: M/S MCDANIEL – REED, AND CARRIED BY A VOTE OF 4-0, THE COMMISSION ADOPTED RESOLUTION NO. 1050F APPROVING REVISION NO. 6 TO THE FRANKLIN COUNTY WATER DISTRICT SPHERE OF INFLUENCE BASED ON THE FOUR DETERMINATIONS PRESENTED ON PAGE 5 OF THE EXECUTIVE OFFICER'S REPORT AND ADOPTED RESOLUTION NO. 0708 APPROVING ANNEXATION 2025-3 TO THE FRANKLIN COUNTY WATER DISTRICT BASED ON THE TEN DETERMINATIONS PRESENTED ON PAGES 5 AND 6 OF THE EXECUTIVE OFFICER'S REPORT.

B. **Adoption of the Final LAFCO Budget for the 2026-27 Fiscal Year and Status of Vacancies and Recruitment and Retention Efforts**

Executive Officer Nicholson provided a complete summary of the LAFCO 2026-2027 fiscal year final budget in the amount of $239,064 noting this includes an "appropriations for contingencies" account based on 4% of the total budget. Executive Officer Nicholson noted the total amount represents a $14,452 increase

from the current 2025/26 fiscal year, allowing for preparation of a Municipal Service Review (MSR) update for either special district or for a city.

Executive Officer Nicholson noted with passage of AB 2561 last year, Government Code Section 3502.3 requires local governments to report on the status of vacancies in the organization and related recruitment and retention efforts. Executive Officer Nicholson provided an overview of the staff support and related vacancies, retention and recruitment efforts, noting there is no anticipated change in status of the Executive Officer during the upcoming Fiscal Year and no vacancy or recruitment is expected. However, he indicated he is considering retirement in two years and in next year's budget consideration for hiring a deputy Executive Officer for transition planning may be appropriate.

Public comment opened at 10:10 am

No public comment received.

Public comment closed at 10:10 am

MOTION: M/S AMABILE – MCDANIEL, AND CARRIED BY A VOTE OF 4-0, THE COMMISSION ADOPTED THE FINAL FISCAL YEAR 2026/27 BUDGET AND DIRECTED THE EXECUTIVE OFFICER TO FORWARD THE BUDGET TO THE COUNTY, THE SIX CITIES WITHIN THE COUNTY, AND ALL INDEPENDENT SPECIAL DISTRICTS IN CONFORMANCE WITH THE CORTESE-KNOX-HERTZBERG ACT.

VII. GENERAL BUSINESS

A. Approval of Memorandum of Understanding with Merced County for Staff Support for the 2026-27 Fiscal Year

Executive Officer Nicholson provided a complete overview of the Memorandum of Understanding with Merced County for Staff support for the 2026-27 Fiscal Year and noted the total dollar amount of the MOU is $11,230, reflecting the support staff costs budgeted under the Administrative Services Account.

Public comment opened at 10:15 am

No public comment received.

Public comment closed at 10:15 am

MOTION: M/S MCDANIEL – REED, AND CARRIED BY A VOTE OF 4-0, THE COMMISSION APPROVED THE MEMORANDUM OF UNDERSTANDING BETWEEN THE COMMISSION AND MERCED COUNTY AND AUTHORIZE THE COMMISSION CHAIRPERSON OR ACTING CHAIR TO SIGN THE DOCUMENT AND DIRECT STAFF TO FORWARD IT TO THE COUNTY FOR APPROVAL.

B. Election of Commission Chairperson and Vice-Chairperson

Chairman Bertao made the request to postpone election of the Chairperson and Vice Chairperson until the election for County Supervisor's has been completed, as two current seats are in contested re-election campaigns."

MOTION: M/S BERTAO – MCDANIEL, AND CARRIED BY A VOTE OF 4-0, THE COMMISSION APPROVED ELECTION OF COMMISSION CHAIRPERSON AND VICE CHAIRPERSON TO THE JUNE LAFCO MEETING OR THE NEXT LAFCO

MEETING.

VIII. EXECUTIVE OFFICER AND COMMISSIONERS' COMMENTS

A. Executive Officer's summary of California Association of Local Agency Formation Commissions (CALAFCO) Staff Workshop in Pismo Beach

Executive Officer Nicholson attended the CALAFCO Staff Workshop that was held on May 6-8, 2026, in Pismo Beach and noted there was a mobile workshop to an organic farm within the San Luis Obispo City Limits and updated the topics covered in the sessions were Climate Change and LAFCOs, with a focus on SLO LAFCO efforts, a focus on CALAFCO's Future: "Is Our Regional Structure still Working?", engaging the public when it matters the most – public outreach strategies, fiscal analysis made practical, write to be believed-clear, credible LAFCO report, and Executive Officer peer exchange.

IX. Commissioner Comments

Commissioner Reed requested an update status of the Dos Palos annexation process from Executive Officer Nicholson.

X. ADJOURNMENT

There being no further business, Chairman Bertao adjourned the meeting at 10:51 a.m.