

# MENDOCINO

## Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482  
Telephone: (707) 463-4470 | E-mail: eo@mendolafco.org | Web: http://mendolafco.org

*Approved September 11, 2023*

### FINAL MINUTES

## Mendocino Local Agency Formation Commission

### Regular Meeting (Hybrid) of Monday, August 7, 2023

County Board of Supervisors Chambers 501 Low Gap Road, Ukiah, California

#### COMMISSIONERS

**Maureen Mulheren, Chair**  
County Member

**Gerald Ward, Vice-Chair/Treasurer**  
Public Member

**Gerardo Gonzalez**  
City Member

**Katharine Cole**  
Special District Member

**Candace Horsley**  
Special District Member

**Glenn McGourty**  
County Member

**Mari Rodin**  
City Member

**Francois Christen, Alternate**  
Special District Member

**Douglas Crane, Alternate**  
City Member

**John Haschak, Alternate**  
County Member

**Richard Weinkle, Alternate**  
Public Member

#### STAFF

**Executive Officer**  
Uma Hinman

**Clerk/Analyst**  
Larkyn Feiler

**Counsel**  
Scott Browne

#### REGULAR MEETINGS

First Monday of each month  
at 9:00 AM in the  
Mendocino County  
Board of Supervisors  
Chambers  
501 Low Gap Road, Ukiah

#### 1. CALL TO ORDER and ROLL CALL (Video Time 00:58)

Chair Mulheren called the meeting to order at 9:01 a.m.

**Regular Commissioners Present:** Maureen Mulheren, Gerald Ward, Gerardo Gonzalez, Glenn McGourty, Candace Horsley, Katharine Cole, and Douglas Crane (immediately seated)

**Regular Commissioners Absent:** Mari Rodin

**Alternate Commissioners Present:** Richard Weinkle and Francois Christen (remotely)

**Alternate Commissioners Absent:** John Haschak

**Staff Present:** Uma Hinman, Executive Officer; Larkyn Feiler, Clerk/Analyst; Marsha Burch, Legal Counsel

#### 2. PUBLIC EXPRESSION

None

#### 3. OTHER BUSINESS

None

#### 4. CONSENT CALENDAR (Video Time 3:04)

##### 4a) June 5, 2023 Regular Meeting Summary

##### 4b ) June 2023 Claims & Financial Report (Ratify)

<b>June 2023 Claims totaling:</b>	<b>\$ 26,044.30</b>
Hinman & Associates Consulting	20,969.42
P. Scott Browne	900.00
Commissioner Stipends	80.13
Streamline	50.00
Newspapers	438.02
Mendocino County	3,037.53
Ukiah Valley Conference Center	569.20

*(Continued...)*

**4c) July 2023 Claims & Financial Report**

<b>July 2023 Claims totaling:</b>	<b>\$ 22,249.65</b>
Hinman & Associates Consulting	16,046.43
P. Scott Browne	900.00
Streamline	63.00
Pehling CPA	2,000.00
CALAFCO	2,521.00
Ukiah Valley Conference Center	719.22

**4d) Contract with Pehling CPA Services for the FY 2022-23 Financial Audit**

Commissioner Ward noted that he was not present at the June 5, 2023 regular meeting of the Commission and inquired as to the 30% rate increase amount for the Clerk/Administrative Assistant position that was included in the June 5, 2023 approval of Amendment No. 3 to the Executive Officer Services Agreement with Hinman & Associates Consulting Inc. EO Hinman clarified that Hinman & Associates Consulting Inc. had hired an Administrative Assistant through The Works Temp Agency, which is billed to LAFCo as a subcontractor at cost plus a 5% administrative fee consistent with the contract between Hinman & Associates Consulting and LAFCo.

Commissioner Ward also inquired about the new Analyst hired by Hinman & Associates Consulting in May who is assisting with the Work Plan development. EO confirmed that both staff are employed and contracted by Hinman & Associates Consulting.

Commissioner Ward asked for clarification on the budget tracking for application processing. EO Hinman explained the difference in budget tracking, which is at the service rates, and the claims from Hinman & Associates Consulting, which is at the contract staff rates. The difference is the service rates include overhead fees that are collected by LAFCo and applied towards office administration and work plan expenses during the budget cycle.

Commissioner Ward inquired why the EO is doing bookkeeping rather than Administrative Assistant at lower staff rates. EO Hinman explained that it is beneficial, and in the long run is a cost savings, to have the EO perform the bookkeeping. In the past, having multiple users in Quickbooks has resulted in double entries and errors, which take the EO a substantial amount of time to track down and correct. Further, the Administrative Assistant is a temp employee and her longevity in the position is unpredictable.

At Commissioner Ward’s question, EO Hinman confirmed that LAFCo still requires two signatures on all checks, including checks transferring funds from checking to reserves.

Commissioner Horsley asked about the billing process for the coastal districts’ studies in the work plan and if LAFCo ever bills the larger agencies/district for report preparation. EO Hinman explained that LAFCo has a budget account specifically for the work plan that covers the preparation of MSR/SOI updates and does not typically receive compensation directly from agencies except under specific circumstances.

<b>Motion:</b> Approve the consent calendar.		
<b>Motion Maker:</b> McGourty	<b>Motion Second:</b> Gonzalez	<b>Outcome:</b> Passed unanimously
<b>Roll Call Vote:</b> Ayes: (7) Gonzalez, McGourty, Crane, Horsley, Cole, Ward, Mulheren		

**5. PUBLIC HEARING ITEMS**

None

**6. WORKSHOP ITEMS**

None

## 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

### 7a) Proposed Contract for General Legal Counsel Services with Marsha A. Burch Law Office (Video Time 12:50)

EO Hinman provided a brief summary of the 2023 solicitation for new counsel services. In early 2023, the Commission received notice from Scott Brown that he was scaling back his practice. At the direction of the Executive Committee, an RFP for legal services was issued, to which eight proposals were received. The firms were vetted and narrowed down to five firms that were interviewed by the Commission in closed session during the June 5, 2023 meeting.

After interviews and deliberations, the Commission selected Marsha A. Burch Law Office to provide General Legal Counsel services and directed staff to negotiate a contract. Marsha has served as backup General Counsel for the past year and a half under the contract with Scott Browne and is well acquainted with the County and issues facing LAFCo. Marsha proposed two options for billing (see page 27 of agenda packet): (1) \$1000/month retainer at an average of 4.5 hours per month with a quarterly true-up, or (2) hourly billing at a rate of \$225/hour. The Commission preferred the option of hourly billing. Ms. Burch and LAFCo Treasurer Ward have reviewed the attached contract and LAFCo staff recommends the contract for Commission approval.

Commissioner Ward expressed the desire to see a comparison of the billing summaries for the last 12 months and the legal bills moving forward as we will now be charged hourly.

No public comments were provided on the item.

<b>Motion:</b> Approve the contract with Marsha A. Burch Law Office to provide General Legal Counsel services and authorize the Chair to sign the contract.		
<b>Motion Maker:</b> McGourty	<b>Motion Second:</b> Gonzalez	<b>Outcome:</b> Passed unanimously
<b>Roll Call Vote:</b> Ayes: (7) McGourty, Crane, Ward, Gonzalez, Horsley, Cole, Mulheren		

### 7b) Proposed Contract for On-Call Special Legal Counsel Services with Sloan Sakai Yeung & Wong LLP (Video Time 17:45)

EO Hinman presented the proposed contract for On-Call Special Legal Counsel with Sloan Sakai Yeung & Wong LLP. During the interview process for legal counsel services the Commission determined to contract with Sloan Sakai Yeung & Wong LLP's attorney DeeAnne Gillick to act as On-Call Special Legal Counsel for the Commission. EO Hinman noted that it is common practice amongst LAFCOs statewide to contract for special counsel for more complex projects and/or to avoid conflicts of interest/availability issues, and to provide ready access to additional attorneys and specialists.

Sloan Sakai Yeung & Wong LLP and LAFCo Treasurer Ward have reviewed the attached contract and LAFCo staff recommends the contract for Commission approval.

Commissioner Horsley expressed support for both of the new legal contracts.

Alternate Commissioner Christen inquired about when the Special Counsel would be utilized and how that determination would be made. EO Hinman explained that Marsha A. Burch Law Office would be the main Legal Counsel for the Commission and in situations where additional staff or expertise is needed, Ms. Gillick would be utilized for that additional support. The decision to utilize Ms. Gillick would be made in coordination with Ms. Burch and the Commission Chair.

<b>Motion:</b> Approve the contract with Sloan Sakai Yeung & Wong LLP to provide on-call Special Legal Counsel services and authorize the Chair to sign the contract.		
<b>Motion Maker:</b> McGourty	<b>Motion Second:</b> Cole	<b>Outcome:</b> Passed unanimously
<b>Roll Call Vote:</b> Ayes: (7) Ward, Gonzalez, McGourty, Crane, Horsley, Cole, Mulheren		

## **8. INFORMATION AND REPORT ITEMS**

### **8a) Work Plan, Current and Future Proposals (Video Time 22:18 )**

EO Hinman presented the item. Reporting that a tax share agreement had been adopted by both the Ukiah City Council and the Board of Supervisors for the City's proposed Annexation of City-Owned Properties (LAFCo File No. A-2021-01). The required Certificate of Filing was sent to the City on June 18, 2023 and the proposal scheduled for the Commission's consideration on September 11, 2023. The CKH has a provision that allows the Commission to consider annexations of city-owned properties without a public hearing and subsequent protest hearing. The streamlined approach was announced in the agency referral for the application and no requests for public hearing were received.

All other applications on file are pending tax share agreements, which is a process conducted by the County Assessor, Auditor, County Executive Office, and Board of Supervisors. Both the agency and the County Board of Supervisors must adopt the agreement by resolutions.

Responding to questions from Commissioners Ward and Christen, EO Hinman summarized the tax share agreement process, which is initiated by LAFCo and is completed by the County. For this application, the tax share agreement is for a zero transfer of taxes because the properties are all city-owned. EO Hinman also referenced the Revenue and Tax Code Section 99, which provides a fixed process for developing tax share agreements.

EO Hinman noted that LAFCo staff is conducting research and developing information requests and a template for the seven coastal water/wastewater agencies MSR/SOI studies. Staff will present a plan and schedule of tasks for implementation of the work plan to the Commission at its next regular meeting.

Commissioner McGourty asked how information is gathered for the studies and which agencies are interviewed, as well as responses from the mutual water companies regarding consolidation and who regulates those private water companies. EO Hinman responded that staff has so far met with staff from the Mendocino County Water Agency and the State Water Board. She also confirmed that mutual water companies do not fall under LAFCo's jurisdiction but that coordination with these private entities are important to gain an understanding of the region's water supply and demands. EO Hinman confirmed that the County Department of Environmental Health, the State Department of Public Health, and State Water Board monitors and regulates the private water companies.

Commissioner McGourty expressed a long-term desire to see a program that oversees the water management for both the inland and coastal area in Mendocino given the recent drought emergencies.

Commissioner Horsley asked about the complexity of the coastal MSR/SOI updates given previous statements that implied they would be simpler due to the small size of districts. EO Hinman responded that each study will vary given that it can be more difficult to obtain information from the smaller districts due to their lack of staffing and capacity.

Commissioner Ward inquired about the work plan budget, which was approximately \$20,000 in the previous fiscal year budget and which is now \$100,000 for the current fiscal year. EO Hinman responded that the work plan was reassessed and more agencies were added. Further, the previous (first-round) studies were abbreviated studies and this round will be more comprehensive, delving more deeply into the adequacy and coordination of water supplies particularly given the recent drought emergencies. Also, this fiscal year's budget reflects an amount sufficient to allow for outsourcing the studies if necessary. EO Hinman explained that a more comprehensive update on implementing the work plan is planned for the next Commission meeting.

Commissioner McGourty advised that as of January 2024 the Commission will have access via the UC Cooperative Extension to a hydrogeologist and climate change specialist as a resource for technical questions and assistance.

### **8b) Correspondence (Video Time 38:50)**

None

### **8c) CALAFCO Business and Legislation Report (Video Time 38:58)**

EO Hinman provided an announcement that the nomination period for the CALAFCO Board of Directors Recruitment is open until September 18, 2023.

The Northern Region is soliciting CALAFCO Board nominations for county and special district representatives. As of now Bill Connelly from Butte LAFCo is the incumbent and has been nominated for the county seat. Also, Nevada LAFCo has nominated commissioner Ricki Heck who is a special district member from Nevada Irrigation District. EO Hinman detailed that this is informational as well as an opportunity to nominate a Mendocino County or Special District Commissioner for the CALAFCO Board. EO Hinman asked if any Commissioners were interested in nomination; no Commissioners expressed interest. EO Hinman also mentioned that during the September meeting, the Commission will choose one of its attendees to the 2023 Annual Conference to act as a voting delegate.

EO Hinman provided an update on the CALAFCO Conference which will be held in Monterey on October 18 – 20<sup>th</sup>. Commissioners Rodin and Cole expressed interest in attending the Conference, and tentative interest was expressed from Commissioners Weinkle and Christen. Commissioner Gonzalez expressed interest if other Commissioners withdraw.

Lastly, EO Hinman provided an update that the CALAFCO sponsored omnibus bill has been signed by the Governor and has passed into Legislation.

### **8d) Executive Officer's Report (Video Time 42:45)**

EO Hinman advised that the Alternate Public Member term, which is currently held by Commissioner Weinkle, will expire at the end of the year; the recruitment process will begin in September.

EO Hinman noted staff's work on the task identified in the annual Work Program to develop a streamlined review process to guide the level of review necessary for sphere updates moving forward. Staff plans to present a template for Commission feedback in the coming months.

EO Hinman informed the Commission that an Administrative Assistant has been hired by Hinman & Associates Consulting to assist in the office two days a week with a focus on providing office support and developing organizational efficiencies.

EO Hinman noted the two CSDA publications that are available to the Commission members.

EO Hinman reminded that the Commission that the next meeting will be held on the second Monday of the month (September 11, 2023) because of the Labor Day holiday.

### **8e) Committee Reports (Executive Committee, Policies & Procedures) (Video Time 44:15)**

None

### **8f) Commissioners Reports, Comments or Questions (Video Time 44:25)**

Commissioner McGourty provided an update on the discussions related to consolidation between the water agencies serving the Ukiah Valley area, noting they are ongoing and making progress. Additionally, he advised that discussions related to the continued diversion of Eel River water into the Russian River through the Potter Valley Project are also ongoing and are making progress.

Commissioner Ward inquired about the water levels of Lake Mendocino and why they are so high (his larger concern being the recreation uses as the campgrounds have been closed all summer). Commissioner Horsley responded that the US Army Corps of Engineers (USACE) was holding approximately 10,000-acre-feet of water over what has been held in previous years; it is now being drawn down. Commissioner Mulheren advised the damage to the sewer treatment plant from the Capella fires is underway, so the campgrounds on north end of the lake will be opening soon.

Commissioner Cole reported that the cemetery special districts have all completed their annual budgets and the smaller districts are under distress. The template for small cemeteries isn't functioning anymore like it used to;

Hopland Cemetery District has already used all of this fiscal year's budget for maintenance purposes (primarily due to fallen/hazard trees). Hopland Cemetery District is currently seeking options or alternatives to maintain the cemeteries, including potentially being absorbed by Mendocino Parks. There is already substantial coordination between the more proximate cemetery districts for maintenance and operations. Commissioner Cole urged the Commission to pay attention to this issue as there are complaints about the cemeteries coming in. She further noted that the recent trends towards cremations result in a significant loss of revenue over burials; however, the environmental effects are lesser with cremation. Commissioner Cole would like to see this issue addressed in the MSRs, requesting a short review of the cemetery districts. Commissioner McGourty suggested annual volunteer 'work days' to help with maintenance and clean up. Commissioner Mulheren directed staff to include a future agenda item for an update on the previous MSRs. She also suggested working with the County who has an emergency declaration for tree mortality.

Commissioner Christen provided an update on the planned water system for Boonville, noting that issues related to the water system near the airport in an area known as Meadow Estates are currently being worked out. If/when approved, the provision of water services will come before LAFCo to activate latent powers for water and sewer. McGourty expressed his support of the project.

**ADJOURNMENT** (Video Time 1:01:36)

There being no further business, the meeting adjourned at 10:00 a.m.

The next regular meeting of the Commission is scheduled on Monday, **September 11, 2023** at 9:00 a.m. The meeting will be conducted in a hybrid format to accommodate both in-person and remote participation. The in-person meeting will be held in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah.

*Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel [August 7, 2023 YouTube meeting recording](#). Links to recordings and approved minutes are also available on the [LAFCo website](#).*