

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

COMMISSIONERS

Tony Orth, Chair

Brooktrails Township CSD

Scott Ignacio, Vice Chair

Point Arena City Council

Gerald Ward, Commissioner

Public Member

Matthew Froneberger

Special District Member

Gerardo Gonzalez

Willits City Council

Glenn McGourty

County Board of Supervisors

Maureen Mulheren

County Board of Supervisors

Jenifer Bazzani, Alternate

Ukiah Valley Fire District

John Haschak, Alternate

County Board of Supervisors

Mari Rodin, Alternate

City Member

Richard Weinkle, Alternate

Public Member

STAFF

Executive Officer

Uma Hinman

Analyst

Larkyn Feiler

Commission Clerk

Kristen Meadows

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

Approved by Commission on October 4, 2021

MINUTES

Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, September 13, 2021

Meeting held via Zoom due to COVID-19 Pandemic Emergency Conditions

1. CALL TO ORDER and ROLL CALL (Video Time 2:00)

Chair Orth called the meeting to order at 9:00 a.m.

Regular Commissioners Present: Tony Orth, Scott Ignacio, Gerardo Gonzalez, Matthew Froneberger, Maureen Mulheren, Glenn McGourty, and Gerald Ward

Regular Commissioners Absent: None

Alternate Commissioners Present: Jenifer Bazzani, Richard Weinkle, and Mari Rodin

Alternate Commissioners Absent: John Haschak

Staff Present: Uma Hinman, Executive Officer; Larkyn Feiler, Analyst; Kristen Meadows, Clerk; and Scott Browne, Legal Counsel

2. PUBLIC EXPRESSION None

3. CONSENT CALENDAR (Video Time 4:30)

3a) Approval of the July 12, 2021 Regular Meeting Summary

3b) Approval of the July 2021 Claims & Financial Report

July 2021 Claims totaling:		\$21,298.47
Hinman & Associates Consulting		14,961.63
P. Scott Browne		900.00
Ukiah Valley Conference Center		478.28
Pacific Internet		86.96
Streamline		50.00
Comcast		90.04
SDRMA		2,600.87
CALAFCO		2,220.00
County of Mendocino		180.69

3c) Approval of the August 2021 Claims & Financial Report

August 2021 Claims totaling:		\$20,750.34
Hinman & Associates Consulting		17,473.58
P. Scott Browne		900.00
PNP CPA		1,760.00
Comcast		90.04
Streamline		50.00
Ukiah Valley Conference Center		476.72

Motion by Commissioner Ignacio: Approve the Consent Calendar

Second by Commissioner Mulhern.

Approved by roll call vote: unanimous.

Ayes: (7) Froneberger, Gonzalez, Ignacio, Mulheren, Ward, McGourty, Orth

Abstain: (1) Commissioner Ward (Meeting Summary only)

4. **MATTERS FOR DISCUSSION AND POSSIBLE ACTION** (Video Time 5:48)

4a) Mendocino County Drought Coordination and Emergency Response

The Commission was presented with an update on current drought conditions in the county followed by a request from staff for direction on LAFCo's role in the drought emergency and authorization of temporary water hauling.

EO Hinman welcomed a presentation from Josh Metz of Regional Government Services – a joint powers authority providing senior advisory services to local government agencies and universities in California. He gave a presentation on his ongoing work with the Mendocino County Water Agency and the Mendocino County Board of Supervisor's Drought Ad Hoc Committee to support drought emergency response, future strategies, and implementation within Mendocino County.

Regular coordination meetings are held with both coastal and inland communities to assess water status and concerns, with priority focused on the Coast's immediate need for hauled water.

To address the emergency, following curtailment of all other water supplies, a mutual aid agreement was implemented to allow for long hauling of water from Ukiah to Fort Bragg. They are working closely with the State Division of Drinking Water to address water quality for health and human safety, and the Department of Water Resources to address funding, domestic vs commercial water end use, and concerns due to the Coast's economic dependence on the hospitality industry.

In response, the Board of Supervisors made the following actions: (Note: Listed below are emergency responses. A more sustainable solution is in progress.)

- 4/20/21 Declaration of Drought Emergency
- Initial funding of \$1.5M for water hauling with direction to pursue State and Federal grants
- 8/31/21 Direction to cover 100% of domestic and 80% of commercial water hauling

Status:

- Emergency contract is in place
- Hauling began 9/8/21
- Current Daily Volume: 10,000 gal (10-12 truckloads/day)

Overall, there are 36 drought projects identified within the County, for which grant funding will be sought.

Questions and Comments from the Commission, answered by Josh Metz: (Video Time 20:39)

Commissioner McGourty thanked Mr. Metz for his expertise and the work he is doing for the County. He believes the drought has revealed a need for development of a strong central policy for water purveyance.

Commissioner Gonzalez asked about restrictions to new construction. EO Hinman complimented his question and said that it would be discussed in the next item.

Commissioner Froneberger:

Q Where is the City of Ukiah drawing its water from?

A From surface water. Sean White, City of Ukiah Director of Water/Sewer Utilities, can provide further details.

Commissioner Ward:

Q Describe some of the 36 projects identified in the County and do any of them address water storage?

A There is a wide range of projects, many of them address water storage on both community and residential levels. Examples include the Town of Mendocino's application for two 500,000 gal. storage tanks, and a ground water monitoring system in the Ukiah Valley. The projects are categorized and ranked by cost, lead agency, ability to secure funding, speed of implementation, and ability to address near-future demands. Projects that meet a certain criterion will be recommended for funding, filtered through the Drought Ad Hoc Committee, and finally presented to the Board of Supervisors for direction by the end of

September. County Staff will lead the approved projects through the application process for funding from Department of Water Resources.

Q Could agricultural landowners be allowed to expand ponds to increase capacity?

A The project idea has not been presented, but it is a reasonable one to contemplate.

Chair Orth:

Q Could the National Guard haul potable water to Fort Bragg?

A Mobilizing that sort of response is complex. The question been raised in conversations with Cal OES and Diane Feinstein's office. Cal OES counseled that any request of a Federal Agency will require a description of outreach attempts to solve the problem locally. He confirmed the County's outreach has been extensive.

Q Have you worked with other County LAFCo's?

A Yes

Q Are you aware of County Service Area 3 and efforts to enable and leverage its latent waterpower to help coordinate and seek grant funding; similar to Sonoma County Service Area 41?

A No, but welcome any information.

Q To Commissioner McGourty: Has the Ad Hoc Committee investigated how much rain is needed to re-charge wells on the Coast?

A Typically, after 6-7 inches of rain the ground begins to perk. Inland, around late November/early December, when the leaves begin to fall off the Oak trees water demand is reduced, and ground water starts to rise. Condensed amounts of rainfall results in rapid replenishment vs. 1 in. increments of rainfall.

Correction: Agenda Packet, pg. 31 "Brooktrails is at 75% capacity and is doing a ~~portable reuse study~~ domestic water from sewer recycle study." He would like to see the study compared to desalination.

Commissioner McGourty said the practice of using water once is becoming outdated. For example, UC Davis's experimental winery reuses water seven times.

Following the discussion, Chair Orth invited EO Hinman to present Staff's request for direction on LAFCo's role in the drought emergency and authorization of temporary water hauling.

(Video Time 36:45)

EO Hinman informed the Commission that Counsel Scott Browne would only be available until 10:00 a.m. to answer questions on the topic. She thanked Mr. Metz for his presentation, his coordination efforts, and for including her in the drought meetings.

She explained that it is not LAFCo's intent to impede the delivery of necessary resources during an emergency, but to fulfill its government mandates while supporting the current and future needs of the community.

To clarify Staff's request for Commission direction and to facilitate the discussion, she gave an overview of LAFCo's charge, the relevant laws and policies, and LAFCo's review process. Options identified by staff for Commission consideration and direction are as follows:

- Develop a policy for temporary emergency water hauling
- Develop a blanket out of area service agreement (OASA) for consistency
- Require an application for each hauling instance. This option would fall under the LAFCo's urgency policy and would be reviewed by the EO for approval – a much faster process than a regular application for an OASA.
- Waive application requirements for emergency water hauling associated with the current drought. Because LAFCo relies on data and documentation to make determinations for its agencies, EO Hinman strongly recommended that staff work closely with the County Drought Ad Hoc Committee and the agency in question to obtain data necessary for reporting and decision making if this option is chosen.

Comments and Questions from the Commission:

Commissioner Froneberger

Q Has a drought been used in the past as a health and safety exemption? Droughts are common in California. Is this a standard response?

A Counsel Browne responded that there have been similar situations, but none as comprehensive as Mendocino County's. The current decision is for a longer provision of service than other LAFCo's have had to address - water hauling potentially into January (+/- 5 months). There is no existing standard, so the Commission will have to set the standard.

Q What strategies are in place that ensure that affected agencies adequately prepare for future emergencies?

A EO Hinman responded, emphasizing the importance for LAFCo to receive related data for inclusion in MSR/SOI updates which require determining agency adequacy of resources for provision of services within an agency's jurisdiction and when reviewing applications for annexation.

Counsel Browne agreed, stating that the key point is properly considering these issues when conducting agency MSR/SOI updates. For example, in the recent preparation of the Mendocino City CSD MSR/SOI update, and the subsequent drought emergency, the need to emphasize the development of new facilities was underestimated. The sharing of resources is a critical issue when determining the development and capacity of an agency.

Q Could a similar application initiate an early MSR/SOI study and would that be warranted in an emergency?

A EO Hinman responded that it was at the Commission's discretion, adding that while working on the Mendocino City CSD's review and update, there was no mention of supportive water hauling between agencies along the coast. The situation highlights the need for accurate data surrounding available resources (water supply) and demand. Staff would have emphasized water services if given the knowledge of demand on the resource.

Commissioner McGourty shared the standard for LAFCo involvement of water hauling in California for information. He explained that the amount of water under discussion is relatively small (25–50-acre feet), which is less than what a vineyard owner has on hand, in comparison. He noted that when he shared Mendocino LAFCo's interest with the State Water Resources Control Board, they were surprised: LAFCos typically don't join the discussion due to the small amount in question.

Chair Orth commented that Mendocino has always been a leader in public policy. He supports policy development for future emergencies waiving application requirements with the submittal of relevant data.

Commissioner Gonzalez thanked Commissioner Froneberger for his questions. He also expressed support of waiving application requirements with data collection. He expressed concern of allowing new construction/growth and the capacity to serve.

Commissioner Ward

Q Have any Out of Area Service Agreements (OASA) been approved?

A EO Hinman noted that an application from the City of Fort Bragg had been received, which requested water service to two parcels that are within its SOI but out of its jurisdiction, due to dry wells. The application will be approved administratively this week and brought to the Commission for ratification at the October meeting.

Q Will the options proposed for consideration be assigned to one of the Committees?

A EO Hinman noted that depending on the Commission's direction today, next steps may be taken by a committee.

Commissioner Froneberger, in response to Commissioner McGourty's comments, reiterated that the County's water situation is unique.

EO Hinman added that the discussion has been ongoing for months among LAFCo Executive Officers and most likely will be addressed by CALAFCo working with the State Water Board. Examples that the issue is state-wide include Butte LAFCo's consideration of two water hauling applications and Riverside LAFCo's experience dealing with similar issues.

Commissioner McGourty questioned the amount of LAFCo involvement in water hauling in the County. He welcomes Staff's collaboration with the Ad Hoc Committee.

Chair Orth clarified that LAFCo is only interested in domestic potable water hauling.

Commissioner Ignacio

Q According to the CKH, does LAFCo have an option to address the situation?

A Counsel Browne recommended the Commission consider development of a blanket OASA rather than waiving the application process. Simply waiving the application process lacks legal clarity, creates ambiguity, and would necessitate detailing very tight conditions.

Following Counsel's comments, he expressed support of a blanket OASA.

Chair Orth invited Public Comment and acknowledged Sage Sangiacomo, City of Ukiah City Manager.

Mr. Sangiacomo stated that emergency services are governed separately under the California Emergency Services Act, therefore Government Code (GC) 56133 is not addressing emergency services. Also, the code is not limited to water service, rather it refers to all extended OASAs. He agrees that LAFCo's role is collecting and reviewing the data through MSR/SOIs, ensuring orderly growth, and determining long-term OASAs. He does not believe that LAFCo has a role in determining emergency temporary mutual aid agreements.

Commissioner Ignacio responded that mutual aid agreements are typically agreements that have been in place for decades. He pointed out that this conversation is about new services in an unprecedented state. He suggested the matter be assigned to one of the Committees and invited Manager Sangiacomo to participate in the conversation.

Chair Orth acknowledged the recommendation of a blanket OASA and suggested a policy to address any mutual aid agreements and declared emergency to clarify LAFCo's role.

Commissioner Ward encouraged the Commission to focus on its responsibilities. Chair Orth invited final comments. Mr. Browne added that further discussion won't produce a legal resolution. Development of a Blanket approval solves the issue and, most importantly, the water continues to flow.

5. PUBLIC HEARING ITEMS (Video Time 1:11:14)

5a) Covelo Community Services District MSR/SOI Update

EO Hinman thanked the Covelo Community Services District (CCSD/District) staff for their assistance in developing the document for the hearing and informed the Commission that General Manager Dane Downing was available to answer any questions.

A Workshop on the item was held on July 12, feedback from the Commission was received, and EO Hinman provided answer to the questions and comments:

- There are two wastewater treatment facilities in the valley. One managed by the district and the other owned and operated by the Round Valley Tribes.
- The downtown lots that burned in a fire last year are not subject to the moratorium.
- The district's financial statements use a depreciation expense method giving the appearance of deficit operations and further clarification was included in the agenda packet. The district continues to operate under a balanced budget.

Treasurer Ward indicated that the budget was missing total liabilities and equity, possibly a missing page. EO Hinman will investigate.

He also commented on the population growth in the valley and asked about the impact to the CCSD. EO Hinman replied that a note is included addressing the discrepancy between the US Census record and actual population and invited the General Manager to provide comment.

Commissioner Gonzalez asked if an MOU exists between the Tribe and the District in case of emergencies, to which Manager Downing responded there was not. There has been discussion about combining the water treatment plants or providing mutual support in the past; however, the regulatory requirements aren't compatible (State vs. federal).

Commissioner McGourty asked the General Manager if the CCSD has investigated developing a water system. Manager Downing responded that while the District has not, the Round Valley County Water District has discussed the issue, but was met with great resistance. The infrastructure, management and maintenance of a water system has been thought to be prohibitive.

Commissioner McGourty asked about efforts to provide legally potable water in Round Valley. Manager Downing answered that the Covelo Fire Protection District has a well with potable water that is available to residents without water.

Chair Orth asked if anyone in Covelo has expressed interest in developing a hydrant system for the downtown area following the recent fire. EO Hinman responded that the Round Valley Area Municipal Advisory Committee (RVAMAC) has been discussing the issue and invited Manager Downing to comment. Manager Downing, who is also Treasurer of the RVAMAC, confirmed lengthy discussions and explained that the challenge is infrastructure, community capacity, and identifying an agency to lead the project. Chair Orth encouraged tracking of CSA 3 and its ability to help communities with water issues.

In response to the previous question of population, Manager Downing reported that issues with the local phone system generated investigation into causes of overwhelmed cell towers. It was determined that 14-16,000 cell phone users would cause a breakdown in service, a significant difference from the posted population of 1,400. In closing, he reported no significant change is expected to the Census report.

Motion by Commissioner Gonzalez: Find the Covelo Community Services District Municipal Service Review and Sphere of Influence Update exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations §15306 and §15061(b)(3) and approve the Notice of Exemption for filing.

Second by Commissioner Froneberger.

Approved by roll call vote: unanimous.

Ayes: (7) Froneberger, Gonzalez, Ignacio, Mulheren, Ward, McGourty, Orth

Commissioner Ignacio asked for clarification of the Resolution number. EO Hinman clarified the correct Resolution No. 2021-22-01.

Motion by Commissioner Ignacio: Adopt LAFCo Resolution 2021-22-01, approving the Covelo Community Services District Municipal Service Review and Sphere of Influence Update and affirming a coterminous sphere.

Second by Commissioner Gonzalez.

Approved by roll call vote: unanimous.

Ayes: (7) Froneberger, Gonzalez, Ignacio, Mulheren, Ward, McGourty, Orth

Chair Orth thanked Staff for a very well-prepared document.

6. WORKSHOP ITEMS (Video Time 1:29:17)

6a) Ukiah Valley Fire District MSR/SOI Update

Before inviting Analyst Feiler to present the draft update, EO Hinman offered a special thank you to Craig Schlatter and Fire Chief Hutchison for their assistance in review and development of the report. She noted that this is a crucial step in the Fire District's application for annexation of the City of Ukiah as it sets the framework for a sphere amendment. She also recognized and thanked the Chief for his presence considering the recent fire activity in Calpella.

Analyst Feiler introduced the Workshop Draft MSR/SOI for the Ukiah Valley Fire District. This is the second MSR for the District, the first review was adopted in 2013. Formed in 1947, the District provides fire protection and emergency medical services to the greater Ukiah Valley area of approximately 17,000 people and is 80-square miles in size. A 2017 Joint Powers Agreement (JPA) is in place with the City of Ukiah; the two agencies operate together as the Ukiah Valley Fire Authority.

In June 2021, the District, with the City's support, applied for annexation of the Ukiah City limits for fire service only and including a concurrent amendment of its SOI. More details will be provided during the Public Hearing scheduled for the October meeting.

She informed the Commission that the Fire Chief and the City Community Development Director are present to answer questions.

Questions and Comments from the Commission:

Commissioner Froneberger asked why the application for annexation is only for fire services and if the District provides solely fire services in the other areas it serves.

Analyst Feiler clarified that the term “Fire Services” includes a range of services listed under section 2.1.3 of the study. Chair Orth added that the description is limited by state code terminology; however, the operational capacity of the District is extensive.

Commissioner Gonzalez asked the Chief if the annexation will affect its ISO rating. Chief Hutchinson replied that the annexation is more of a business arrangement and the ISO will not be affected.

Commissioner McGourty ask about the financial implications of the annexation, specifically the fees. Chief Hutchinson responded that the District has been struggling to maintain its cost share for the current arrangement with the City. The District tax measures are not indexed and have not changed since they were passed in 1997 and 2003, making it challenging to keep up with increasing costs of doing business. The annexation will allow for equitable distribution of fees across the entire service area.

City Manager Sangiacomo added that, currently, fire services are not adequately funded. Although the annexation will not solve the problem entirely, it is a step toward the final goal of standardizing contributions for fire services in the area. Following the completion of the annexation, the next steps are to index the District tax measures to further equalize the payments collected for fire services. He noted that a key aspect of the JPA outlines the orderly development of fire services.

Chair Orth pointed out additional revenue streams for fire services noting that a portion of sales tax from the unincorporated areas goes toward fire services and work is being done to increase the amount. He requested that the Transient Occupancy Tax (TOT) campground tax revenue stream be added to the list of revenues included in section 2.4.1.3 and pledged his continued support of distribution of equal shares going to the District and the City. He again solicited support for the review of CSA 3 MSR/SOI process underway.

City Manager Sangiacomo also identified potential revenue from the 1% Bradley-Burns General Sales tax that goes toward public safety. In closing, he thanked the Commission for the timely review of the item because if the deadlines are not met the District taxes will not be allocated to fire services in the next fiscal year. Additionally, the City has already budgeted for service enhancements based on anticipated revenue generated from the annexation.

Chair Orth asked which agencies are involved in approval of the tax share agreement. Analyst Feiler answered that approval is required from the City and District prior to approval from the County.

EO Hinman added that she and Analyst Feiler have been meeting with the Fire Chief and City of Ukiah Community Development Director on a weekly basis to coordinate on expedited application processing. In addition, staff is in close contact with the County Assessor and Auditor staff for facilitation of the tax share agreement process. She thanked the Board of Supervisors Tax Share Ad Hoc Committee for their help as well.

Chair Orth asked if a special meeting would be necessary to meet the application deadlines. EO Hinman responded that Staff has initiated public noticing of the hearing to be held at the October 4th meeting. If changes occur, she will contact him regarding scheduling a special meeting.

Analyst Feiler noted the December 1st deadline for the State Board of Equalization to process the boundary change to take effect for the following fiscal year and expressed appreciation for great collaboration and flexibility.

7. INFORMATION AND REPORT ITEMS

7a) Work Plan, Current, and Future Proposals (Video Time: 1:54:17)

Active Proposals: There has been no movement on proposals 2-5; item 6 is a new proposal.

1. Ukiah Valley Fire District Annexation of the City of Ukiah
2. City of Ukiah Annexation of City-Owned Properties
3. City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas
4. City of Ukiah Pre-Application for Annexation of Areas North of the City
5. Millview County Water District Pre-Application for Annexation of Masonite Properties
6. City of Fort Bragg Application for an Out of Agency Service Agreement for water services

Future Proposal(s):

1. City of Ukiah Annexation of the Western Hills Home Properties – City Council to consider later this week.
2. Elk Community Services District Activation of Latent Powers for Wastewater Services

Work Plan:

The Fiscal Year 2021-22 Work Plan includes the following agencies:

1. Covelo Community Services District – complete with today’s approval
2. Ukiah Valley Fire District – workshop completed; will be scheduled for October 4, 2021 public hearing
3. County Service Area 3 – administrative draft in process
4. City of Ukiah - pending
5. Ukiah Valley Sanitation District - pending

Commissioner Rodin asked Mr. Sangiacomo to provide an update on the City’s progress resolving differences with the UVSD. He replied that monthly meetings are held by Ad Hoc Committees and potential options are discussed.

Commissioner Ward asked for an update on the Sustainable Lands Grant Project. EO Hinman stated the LAFCo’s role has been minimal; however, she will receive an update at a meeting later today. The project is to be completed at the end of this year and LAFCo may not utilize all the grant funds per contract.

7b) Countywide Planning Activities Report None.

7c) Correspondence None.

7d) Executive Officer’s Report (Video Time: 2:00:00)

EO Hinman reported that Staff has been working on the annual audit materials, participating in the drought coordination meetings, processing an Out of Agency Service Agreement, and coordinating with the County on the transition to hybrid meetings.

Treasure Ward asked when he could expect the audit documents for review, to which EO Hinman responded she hoped by mid-month.

7e) Committee Reports (Executive Committee/Policies & Procedures)

The Executive Committee met in August and was updated on application processing and staff workload.

7f) Commissioners Reports, Comments or Questions

Commissioner Ignacio recognized Chair Orth for his efforts.

7g) CALAFCO Business and Legislation Report

The Annual Conference was canceled due to COVID Delta variant concerns. It will be held in Newport Beach in 2022. Commissioner Mulheren has been selected as the voting delegate for Mendocino LAFCo for the CALAFCO Annual Board of Directors Election.

ADJOURNMENT (Video Time: 2:08:36)

There being no further business, the meeting adjourned at 11:07a.m. The next regular meeting is scheduled for Monday, October 4, 2021, at 9:00 a.m. The location is to be determined based on guidelines recommended by the Mendocino County Public Health Officer and Executive Orders regarding the COVID-19 pandemic.

Live web streaming and recordings of Commission meetings are available via the County of Mendocino’s YouTube Channel. Links to recordings and approved minutes are also available on the [LAFCo website](#). [September 13, 2021, YouTube meeting recording](#).