

MENDOCINO

Local Agency Formation Commission

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COMMISSIONERS

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Brooktrails Township CSD

Scott Ignacio, Vice Chair

Point Arena City Council

Gerald Ward, Treasurer

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Special District Member

Glenn McGourty

County Board of Supervisors

Maureen Mulheren

County Board of Supervisors

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Ukiah Valley Fire District

Gerardo Gonzalez, Alternate

Willits City Council

John Haschak, Alternate

County Board of Supervisors

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 July 11, 2022

MINUTES

Local Agency Formation Commission of Mendocino County Regular Meeting of Monday, June 6, 2022

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

1. CALL TO ORDER and ROLL CALL (Video Time 1:17)

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

Regular Commissioners Present: Tony Orth, Gerald Ward, Glenn McGourty, Matthew Froneberger, Mari Rodin, and Maureen Mulheren

Regular Commissioners Absent: Scott Ignacio

Alternate Commissioners Present: Richard Weinkle and Gerardo Gonzalez (9:08, immediately seated for Commissioner Ignacio)

Alternate Commissioners Absent: John Haschak

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

2. AB 361 REMOTE TELECONFERENCING ACTION (Video Time 2:48)

The Commission adopted Resolution No. 2021-22-14 making continued findings pursuant to Assembly Bill 361 to conduct public meetings remotely due to the COVID-19 pandemic.

Commissioner Ward asked when meetings in the Board Chambers will resume. Commissioner Commissioners McGourty, Froneberger, Rodin and Orth discussed the safety of meeting in-person based on the recent increase in infections, hybrid meetings, and the potential use of City Council Chambers as an alternate to the County Board of Supervisors Chambers.

Motion by Commissioner Rodin to adopt Resolution No. 2021-22-14.

Second by Commissioner Froneberger.

Approved by roll call vote: unanimous.

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

3. PUBLIC EXPRESSION None

4. CONSENT CALENDAR (Video Time 12:05)

4a) May 2, 2022 Regular Meeting Summary

4b) May 2022 Claims & Financial Report

There were no comments from the Commission regarding the Consent Calendar.

May 2022 Claims totaling:	\$25,233.28
Hinman & Associates Consulting	21,700.67
P. Scott Browne	2,272.5
County of Mendocino	361.23
Comcast	93.67
Streamline	50.00
Ukiah Valley Conference Center	755.21

Motion by Commissioner Gonzalez to approve the Consent Calendar.

Second by Commissioner Rodin.

Approved by roll call vote: unanimous.

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

5. PUBLIC HEARING ITEMS (Video Time: 13:31)

5a) County Service Area No. 3 Municipal Service Review and Sphere of Influence Study

Chair Orth opened the Public Hearing at 9:12 a.m.. Analyst Feiler presented the item regarding a Public Hearing for the County Service Area No. 3 (CSA 3 or District) Municipal Service Review (MSR) and Sphere of Influence (SOI) establishment study. (Video Time 14:20-20:40)

The following are summary Commission discussion points for this item. Howard Dashiell, Mendocino County Director of the Department of Transportation, participated in the discussion.

1. The study should include information about whether CSA 3 could be used to help with long-term funding needs, such as staffing, for the Ukiah Valley Basin Groundwater Sustainability Agency or whether the member-agency funded JPA model would preclude such an option.
2. CSAs are a tool available to the County to create areas of benefit for specific services through a LAFCo application process, and new CSA areas can be established in addition to CSA 3, and parcel taxes can be pursued for services.
3. There are multiple options available to the County for moving forward with CSA 3 service provision and it is premature to clearly define how this dependent district will be utilized to support water/fire services at this time.
4. The State Water Resources Control Board (SWRCB) has funding available for consolidation of districts and that could be a good funding source for implementing the Groundwater Sustainability Plan (GSP) in the Ukiah Valley Basin; however, SWRCB grants do not fund on-going expenses such as staffing. GSP tasks include monitoring groundwater levels, preparing management plans, and increasing groundwater storage capacity.
5. The study should confirm whether CSA 3 complies with submittal of financial transaction reports required under GOV §53891 (Page 50 of 128).
6. The study should address how the \$50,000 in one-time funding transferred to CSA 3 in 2019 and 2020 to keep the District active has been utilized, since there are no financial statements to review.
7. CSAs are intended for smaller geographical areas and it is unclear why the study covers the entire County area.
8. The study seems premature because there are no services, budgets, or any operations to review for this agency.
9. It is unclear what happens if Prop 218 is not approved for the Sherwood Firewise Community (FWC) emergency access route and why the County cannot provide this service since it has been needed for a long time.
10. It is unclear why the Ukiah Eastern Hills emergency access route is proposed for an Area of Interest when it is not described in much detail in the study.
11. The expenses for CSA 3 to date have been for County staff time and consultant activities to prepare the Sherwood FWC and Eastern Hills emergency access routes for grant submittal to fund necessary studies and to define the project scope for implementation. The Sherwood FWC is waiting on the MSR/SOI process for next steps.
12. The study is a way to describe a tool available to the County with potential layers of benefit throughout the County. An example is fire providers considering creating a Fire Warden position to benefit all areas of the County. Most benefits would likely be directed to smaller areas and would be reviewed through a LAFCo application for service.
13. It is unclear what potential services might be offered through CSA 3 and what the County intent is beyond including a large area of the County in a single government-controlled unit. Not all areas necessarily need all the functions that CSAs can provide, and it is unclear what happens if a fire or water district proposes to expand and annex adjacent CSA area. It appears that we are moving forward without knowing where we are headed.

14. The provision of CSA 3 services would be driven by a LAFCo application in the future. In 2019 it was confirmed that CSA 3 was not ripe for dissolution and Zones of Benefit are available to the County to develop a higher level of benefit to its citizens.
15. It is unclear why the County was not told about their options instead of going through this process and activating this dependent district, thus giving the County uncontrolled access to unincorporated areas for service provision.
16. CSA 3 is not intended as an overreach. The CSA Zones of Benefit approach is a tool to help fund specific things that benefit community areas that want County help. The Sherwood FWC and Eastern Hills areas are organized and interested in moving forward, and approval of the Prop 218 process is required in order to move forward.
17. The study proposes to reduce the countywide CSA area to the Sherwood FWC Sphere of Influence for emergency access purposes and the Area of Interest for the Ukiah Eastern Hills, Fire Service Gaps, and Water Service Gaps Study Areas, and would require an activation of powers through a LAFCo application to proceed.
18. It does not seem like the Sherwood FWC and Eastern Hills emergency access projects should be controversial because these communities have requested help from the County and CSA Zones of Benefit are a tool available.
19. The Sherwood FWC and Eastern Hills emergency access projects make sense because they are defined, small, and have an endpoint, and these pilot projects can help to determine what works and what constituents really want.
20. It is unclear what happens if the property tax is not approved in Brooktrails since there are many renters that would not get to vote.
21. There is a protest process and if protest succeeds then the vote goes to the registered voters for a final decision. In Brooktrails, there would be no charge against unimproved properties.
22. Any Commission approval granted for an activation of latent powers through a LAFCo application is contingent upon successful completion of the Prop 218 process unless funding is already in place.

A motion was made by Commissioner Rodin, seconded by Commissioner Froneberger, to continue the public hearing to July as detailed in the staff recommendation. Chair Orth held the vote until after public comments received.

Chair Orth opened the Public Comment Period for the Public Hearing at 9:46 a.m. (Video Time 46:02).

Michael Schaffer noted that it has cost LAFCo over \$15,000 to prepare the MSR/SOI study and requested clarification regarding the cost for each subsequent LAFCo application to activate latent powers. Staff clarified that it is a statutory mandate for LAFCo to establish a Sphere of Influence for every agency under LAFCo purview, and so LAFCo-initiated MSR/SOI studies are funded from the LAFCo budget. Staff confirmed that applications are at-cost services paid for by the applicant, and the initial deposit amount based on the fee schedule for an activation of latent powers is \$2,500. Chair Orth clarified that CSA 3 is a County-dependent district, and so the study for this agency is supported by the County apportionment fees paid to LAFCo. Mr. Schaffer inquired about the estimated timeframe for submittal of an activation of latent powers application after completion of the MSR/SOI study, and Chair Orth confirmed that it is currently unknown as the Brooktrails community is working through resolution of final issues.

Discussion ensued regarding extensive efforts by the County to prepare and start the Prop 218 process involving roughly 6,500 parcels and the necessity to place the election on hold for the MSR/SOI process, the likelihood of the first LAFCo activation application to be more costly and future applications to be smaller in scale and less costly, the high priority of the Sherwood FWC emergency access project since it was tested in the Oak Fire and proved to be highly successful, and the careful consideration by the County to ensure valuable use of limited financial resources.

Commissioner Froneberger inquired about whether continuing the public hearing will result in additional public noticing, and EO Hinman confirmed that State law does not require re-noticing if the hearing is continued to a time and date specific, which is the case in the situation. EO Hinman confirmed that staff would send informal electronic notification of the hearing continuance to the interested agencies and individuals list.

Discussion ensued regarding when the public notice process would begin for the Sherwood FWC benefit assessment, the governance structure model for CSA 3 whereby the Board of Supervisors sits as the CSA 3 Board of Directors and make decisions that impact the Brooktrails Township CSD constituency, and a mailing that was already sent first-class to property owners related to the Prop 218 process that was delayed pending completion of the MSR/SOI process.

Tamara Alaniz, General Manager for Brooktrails Township CSD, commented that there has been substantial public response received indicating that the CSA 3 property fee public notice had been received by many property owners.

Motion by Commissioner Rodin to continue the public hearing to the July 11th Commission meeting at 9 a.m., or as soon thereafter as possible, and held either remotely or in person in the Board of Supervisors Chambers as identified on the meeting agenda posted at least 72 hours in advance.

Second by Commissioner Froneberger.

Approved by roll call vote: unanimous.

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

Chair Orth continued the Public Comment Period and the Public Hearing at 10:03 a.m. (Video Time 1:04:07).

5b) Final Budget and Work Program for Fiscal Year 2022-23 (Video Time: 1:04:34)

EO Hinman presented the Final Budget and Work Program for FY 2022-23 reviewing the budget development process; budget revenues and the new service rates that will go into effect July 1, 2022; reserves and the new work plan contingency; expenditures; and the work program which consists of the City of Ukiah, Ukiah Valley Sanitation District, six coastal water districts and eight inland water districts. Staff recommended no changes to the current apportionment fees and noted that no changes were made to the Adopted Proposed Budget, and no public comments were received prior to the meeting.

Commissioner Rodin asked EO Hinman to discuss the collaboration for the planned MSR/SOI studies for the inland and coast water districts and the ongoing discussions regarding water agency consolidation. EO Hinman explained that Staff strives to update each agency's MSR/SOI every five years as outlined in the Cortese-Knox-Hertzberg Act. Although consolidation of the inland water agencies is uncertain, staff will continue to work closely with the State Water Resources Control Board, City of Ukiah, and Upper Russian River Water Agency (URRWA) staff and maintain flexibility while working with the water agencies.

Commissioner Rodin asked if the expenses for coordinating with agencies are budgeted for under Basic Services. EO Hinman answered, yes, until an application is received the expenses fall under Basic Services; however, some expenses may be allocated to the work plan as staff prepares the MSRs for the water agencies.

Commissioner Froneberger anticipates minimal expenditures beyond staff's time attending meetings and follow up on discussions.

Following Chair Orth's invitation for public comment, Elizabeth Salomone, manager for the Russian River Flood Control District expressed support and thanked staff for the budget.

Motion by Commissioner McGourty to Adopt LAFCo Resolution 2021-22-18 with Exhibits A and B approving the Final Budget and Work Program for Fiscal Year 2022-23; and directing the Executive Officer to transmit the Final Budget and Work Program for FY 2022-23 to the funding agencies and others as specified in Government Code §56381.

Second by Commissioner Rodin.

Approved by roll call vote:

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

6. WORKSHOP ITEMS None

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION (Video Time: 1:18:50)

7a) Letter of Support to the State Water Resources Control Board

EO Hinman presented the item. During the May meeting, the Commission received a presentation from Michelle Frederick of the State Water Resources Control Board on current state programs supporting and potentially funding

water coordination efforts to increase efficient provision of water services. The City of Ukiah and the Upper Russian River Water Agency (URRWA) are interested in pursuing funding for potential consolidation where appropriate and asked for a letter of support from the Commission. The Commission approved the request and directed staff to draft a letter of support. Both Sean White, City of Ukiah Water and Sewer Director, and Jared Walker, Water District General Manager, were invited to provide feedback on the draft letter. Supporting documents included in the agenda packet were letters of interest from the City of Ukiah and the URRWA and a public comment letter from the Russian River Flood Control District.

Following Chair Orth's invitation for public comment, Sage Sangiacomo, City Manager, encouraged the Commission's authorization of the letter and expressed support of water system consolidation in the Ukiah Valley.

Commissioner Froneberger expressed his opinion that LAFCo should support general ideas and concepts rather than specific projects, therefore he does not approve of the letter of support.

Motion by Commissioner Rodin to authorize the Chair's signature on a letter of support to the SWRCB, City of Ukiah, and URRWA for potential reorganization of water service providers in the Ukiah Valley.

Second by Commissioner McGourty.

Approved by roll call vote:

Ayes: (6) Ward, Mulheren, Gonzalez, Rodin, McGourty, Orth

Noes: (1) Froneberger

INFORMATION AND REPORT ITEMS

8a) Work Plan, Current and Future Proposals (Video Time: 1:24:29)

EO Hinman provided an update on the two active proposals: the City Owned Properties Annexation, and the Elk CSD Activation of Latent Powers for Wastewater Services. Both applications are incomplete pending the tax share agreement process with the County.

She informed the Commission that Staff plans to complete the Administrative Drafts for the City of Ukiah and the Ukiah Valley Sanitation District by the end of June and continues to work towards the tentatively scheduled joint workshop in August.

Commissioner Rodin asked why Elk CSD is interested in a leach field. EO Hinman answered that the Elk CSD purchased the property and the previous owner of the community leach field requested the District to take ownership and manage the field.

Commissioner Rodin asked how tax sharing fits into this specific situation. EO Hinman responded an agreement of "no exchange of taxes" is anticipated. She explained that charges for wastewater services are considered fees rather than taxes. Despite the absence of tax exchange, the Revenue and Tax Share Code does not provide an exemption from the process and LAFCo cannot continue with its process until the negotiation is complete.

Commissioner Froneberger asked how the Commission deals with inactive applications. EO Hinman responded that the Commission adopted an Inactive Applications Policy that allows an agency 18 months to respond or make progress before the application expires.

8b) Correspondence None

8c) CALAFCO Business and Legislation Report (Video Time: 1:32:31)

EO Hinman highlighted the following from CALAFCO:

- 2022 Annual Conference – October 19-21, 2022 in Newport Beach, CA
- 2023 Staff Workshop April 26-28, 2023 in Murphy's CA
- SB938 has progressed to the Assembly
- Data collection regarding local applications of Government Code 56133 is in progress and will support the Legislative Committee's effort to revise and clarify roles for out-of-agency service extensions in the code.

8d) Executive Officer's Report (Video Time: 1:34:40)

EO Hinman shared the following updates on Staff's activities:

- Applicant notifications of the new service rates that will go into effect July 1st were sent out in early June.

- Responses to inquiries regarding reorganization proposals including a new recreation & park district on the south coast and extension of sewer services outside the City of Fort Bragg. Extensive file research on the Fort Bragg Municipal Improvement District and its sewer services.
- Coordination with County staff regarding Board Chambers availability for returning to in-person meetings.

8e) Committee Reports (Executive Committee/Policies & Procedures) None

8f) Commissioners Reports, Comments or Questions None

ADJOURNMENT (Video Time: 1:37:17)

There being no further business, the meeting adjourned at 10:36 a.m. The next regular meeting of the Commission will be held on Monday, July 11, 2022 at 9:00 a.m. and will be conducted remotely due to the continued state of emergency, guidelines adopted 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. [June 6, 2022, YouTube meeting recording](#). Links to recordings and approved minutes are also available on the [LAFCo website](#).