

MENDOCINO

Local Agency Formation Commission

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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 July 12, 2021

MINUTES

Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, June 7, 2021

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

1. CALL TO ORDER and ROLL CALL (Video Time 3:08)

Chair Orth called the meeting to order at 9:01 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 7:12)

3a) Approval of the May 5, 2021 Regular Meeting Summary

Commissioner Ward suggested corrections to the summary on pages 7 and 10 of the agenda packet.

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

May 2021 Claims totaling:	\$ 30,473.13
Hinman & Associates Consulting	\$ 20,981.70
P. Scott Browne	\$ 8,651.25
Ukiah Valley Conference Center	\$ 466.53
Streamline	\$ 50.00
Newspapers	\$ 282.52
Penny's Trophies	\$ 41.13

Questions from Commissioner Ward, Answers from EO Hinman:

Q Should the City of Ukiah (City) CEQA document referral be billed to an application? Has staff kept record of time spent on this item?

A The item, an agency referral, is part of the City's CEQA process for the project. Staff's time has been recorded.

Q Is payment from the City anticipated for application A-2021-01 related expenses?

A A full accounting, including legal fees, will be provided to the City for payment.

Q Should Legal Counsel hours related to the City of Ukiah's MSR/SOI Update MOU be allocated to the Work Plan rather than legal services?

A Agreement development is typically part of general services.

3c) Ratification of Corrected January 4, 2021, Meeting Summary (Video Time 14:46)

EO Hinman explained that when preparing the Proposed Budget Amendment (see item 5d) Staff noticed an error in the record. Staff originally recommended a budget amendment of \$184,193. Following discussion, the Commission decided to shift some of the funds from the Work Plan rather than adjust the budget for the full recommended amount. The result was direction to postpone the Covelo CSD, shifting the allocated funds to Basic Services for an amended budget totaling \$176,193. The corrections have been captured by strikethrough edits to the meeting summary and a note from the EO.

3d) Ratification of Corrected Resolution No. 2020-21-03

The same corrections noted in item 3c were made to the Resolution to accurately document the Commission's decision.

Commissioner Ward questioned Staff's decision to move forward with the Covelo CSD this fiscal year. EO Hinman explained that due to delays with the other three Work Plan projects (City of Ukiah, Ukiah Valley Sanitation District, and Ukiah Valley Fire Protection District), Staff moved forward with the Covelo CSD. Project expenses are well below budget and savings goals were maintained.

Motion by Commissioner Ward: Approve the Consent Calendar Items with noted corrections.

Second by Commissioner Gonzalez.

Approved by roll call vote: unanimous.

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

4. WORKSHOP ITEMS None

5. MATTERS FOR DISCUSSION AND POSSIBLE ACTION (Video Time 19:36)

EO Hinman noted that items 5a, b & c are all related to Sphere of Influence Updates.

Following distribution of the June 7th Agenda Packet, EO Hinman met with Sage Sangiacomo, Manager for the City of Ukiah (City) and Wing-See Fox, General Manager for the Ukiah Valley Sanitation District (District). She reported that all parties have committed to working together toward forward progress on all fronts. Based on this new information, Staff's updated recommendation is to delay consideration of items 5a-c to allow Staff time to collaborate and develop a plan to move all items forward.

Chair Orth invited comment from City Manager Sangiacomo and District Manager Fox.

City Manager Sangiacomo complimented EO Hinman's summary of the conversations and said that stepping back from all three items will allow for good policy and decision making.

District Manager Fox highlighted ways District and City staff are working together and acknowledged the dedicated work City Staff has invested into the joint sewer system. She looks forward to working together for the provision of sustainable sewer services in the Ukiah Valley.

In closing, EO Hinman thanked City Manager Sangiacomo and District Manager Fox for their collaboration and inclusion in their conversation(s) and is also looking forward to working together.

Commissioners Mulheren and McGourty expressed approval and support of the District and City's commitment to working together.

Chair Orth invited public comment.

Elizabeth Salomone, General Manager for the Russian River Flood Control and Water Conservation Improvement District (RRFCD) thanked Staff for facilitating forward movement on the three items. She looks forward to a resolution of issues and clarification of the Sphere of Influence Policy amendments for the betterment of all agencies under LAFCo jurisdiction.

Motion by Commissioner Ignacio: Delay consideration of items 5a-5c to allow for collaboration and plan development.
Second by Commissioner Gonzalez.

Approved by roll call vote: unanimous.

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

5a) Development of Sphere of Influence Policy Amendments

See above.

5b) City of Ukiah Appeal of Executive Officer Determination for 2014 Amended Ukiah Valley Sanitation District Detachment Application (LAFCo File No. D-2020-01)

See above.

5c) Update on the City of Ukiah (City) and Ukiah Valley Sanitation District (UVSD) Consultant Prepared Municipal Service Review and Sphere of Influence Update Process

See above.

5d) Proposed Budget Amendment for Fiscal Year 2020-21 (Video Time 29:16)

EO Hinman presented the second budget amendment request for FY 2020-21 to address increased staffing levels for Basic Services and Legal Counsel. Over 100% of both the Basic Services and Legal Services budget accounts have been expended. An increase of \$15,000 for Basic Services (Account 5300) and \$4,450 for Legal Services (Account 6300) is necessary to carry out the responsibilities and direction of the Commission. The budget amendment shifts funds between accounts, with no increase in the overall budget total.

Commissioner Ward ask what contributed to the \$35,000 increase in Basic Services. EO Hinman said it was related to policy development, development of the MOU for the City of Ukiah and the agreements for the City of Ukiah's SOI update with Planwest Partners, and responding to agency referrals for other applications. He asked if \$107,000 for Basic Services would be sufficient. EO Hinman responded in the affirmative.

Commissioner McGourty requested use of the share screen feature when reviewing budget documents in the future.

Motion by Commissioner Gonzalez: Adopt Resolution No. 2020-21-07 authorizing a budget amendment to shift unutilized budget from several accounts to increase Basic Services (Account 5300) to \$107,060 and Legal Services (Account 6300) to \$19,150 to meet projected staffing needs, and with no overall increase to the current budget operating expenses total of \$176,193.

Second by Commissioner Ignacio.

Approved by roll call vote: unanimous.

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

PUBLIC EXPRESSION (Video Time 34:16)

Elizabeth Salomone, RRFCD General Manager requested clarification of the postponement of items 5a-c. EO Hinman said that she will be following up with the City of Ukiah and UVSD Managers this month and will report back to the Commission at the next meeting.

RRFCD Manager Salomone asked if the item will then go before the Policies and Procedures Committee or the full Commission. EO Hinman responded that following a report to the full Commission, Staff will be working with the Policies and Procedures Committee to determine the next steps. In closing, Salomone thanked staff for communicating and sharing of information with the member agencies.

Chair Orth reminded staff of the Ad Hoc Committee created to assist with work load related matters.

UVSD Manager Fox commented, confirming the District's commitment to hard work and forward progress. She believes a step back provides an opportunity to shift from a narrow, defensive focus to a more cooperative perspective, which will ultimately facilitate results more quickly.

City Manager Sangiacomo recognized that a narrow focus is counterproductive when considering long term policies that effect all agencies under LAFCo jurisdiction. Ultimately, the goal is to coordinate agencywide engagement in a workshop setting that allows for and encourages participation from all agencies.

6. PUBLIC HEARING ITEMS (Video Time 40:28)

6a) Final Budget and Work Program for Fiscal Year 2021-22

EO Hinman presented the item with a PowerPoint Presentation.

On May 3, 2021, the Commission adopted a proposed budget of \$208,500. Since then, most of the budget has been expended due to increases in legal fees and Staff workload. The table below summarizes three options presented for consideration and determination of the Final Budget.

	Option 1 As presented on May 3.	Option 2 Meets reserves policy and intent	Option 3 Reflects Staff workload increase trend
Budget	208,500	208,500	227,000
Apportionment	225,000	245,000	265,000
Increase to Reserves	16,600	36,600	38,000
Operations Reserves (25%)	16%	26%	25%
Legal Reserves (\$50,000)	100%	100%	100%

Commissioner Rodin asked when Legal Counsel’s contract is renewed. EO Hinman said the contract continues indefinitely until a review is requested either from the Commission or Legal Counsel.

Commissioner Ward asked for clarification regarding the Operational Reserves account balance. EO Hinman responded that it is anticipated that just under \$25,000 will need to be withdrawn from reserves to meet FY 2020-21 operational costs. With the adoption of the proposed budget, revenues would exceed expenses, yielding \$16,000 which would be deposited into the account to increase reserves.

Motion by Commissioner Gonzalez: Adopt Resolution 20-21-08 with (Option 3) Exhibits A and B, approving the Final Budget and Work Plan for Fiscal Year 2021-2022 per Option 3, which reflect the priorities for the coming fiscal year; and direct the Executive Officer to transmit the Final Budget and Work Plan for FY 2021-2022 to the funding agencies and others as specified in Government Code §56381.

Second by Commissioner McGourty.

Approved by roll call vote.

Ayes: (6) Ignacio, Gonzalez, Froneberger, Mulheren, McGourty, Orth

No: (1) Ward

Commissioner Ward expressed opposition to Option 3. Although he would like to see increased progress on the Work Plan and advocates for increased staff time, he expressed concern for the impact increased apportionment fees may have on some of the smaller districts.

Chair Orth, Commissioners, McGourty, Froneberger and Rodin also expressed concern for the financial impact of increased apportionment fees to the districts and suggested different ways of determining each agency’s contribution amount in the future.

7. INFORMATION/REPORT ITEMS

7a) Work Plan, Current, and Future Proposals (Video Time: 56:45)

Five Active Proposals:

1. City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas: see item 6a.
2. City of Ukiah Annexation of City-Owned Properties: Staff is waiting on additional information to complete the application submittal. The tax-share agreement process has been initiated with the County.
3. City of Ukiah Pre-Application for Annexation of Areas North of the City: no change.

4. Ukiah Valley Fire District Pre-Application for Annexation of the City of Ukiah: Staff has been coordinated with Mr. Williams and has encouraged the UVFD/City to submit the application as soon as possible so that staff can initiate the tax share negotiation process with the County.
5. Millview County Water District Pre-Application for Annexation of Masonite Properties: Staff are anticipating an application submittal.

Future Proposal(s):

1. City of Ukiah Annexation of the Western Hills Home Properties: Staff has provided comments to the initial referral and is reviewing the draft initial study.

Work Plan:

- Ukiah Valley Sanitation District (UVSD) – Staff is working with the UVSD and Legal Counsel to develop a plan for funding and implementing the UVSD MSR/SOI Update for the Commission’s consideration.
- City of Ukiah (City) - The MOU is being negotiated between City and LAFCo attorneys. Additionally, LAFCo’s draft contract with the consultant is also under review by LAFCo and City attorneys.
- Ukiah Valley Fire District (UVFD) – In anticipation of an application for annexation from the District and City, staff has begun drafting the Administrative Draft MSR/SOI report, which is anticipated to track with the application once it is submitted.
- CSA 3 – Staff is working with County GIS to develop a current map of the CSA.
- Covelo CSD – Staff has received comments from district on the Administrative Draft. Next steps are complete the Public Draft and host a workshop hopefully at the next meeting.

Questions from Commissioner Ward, response from EO Hinman (Video Time 1:1:06)

Q Will the Millview County Water District Pre-Application affect the City’s SOI?

A Staff will review the provision of services in that area during the SOI process for the City and UVSD.

Q Will the UVFD’s application for annexation be reviewed before completion of the MSR/SOI.

A Staff plans to process the two concurrently.

Q When will the Ukiah Valley Fire District Pre-Application for Annexation of the City of Ukiah be presented to the Commission for review?

A The application needs to be reviewed by the Commission in early fall to meet the Board of Equalization’s December 1st deadline.

Chair Orth invited City Manager Sangiacomo to answer Commissioner Ward’s questions:

A He anticipates submitting the paperwork to LAFCo within the next two weeks. The City has supported joint operations with the Fire District in the amount of \$1.5 million each year to sustain Fire and EMS services in inland Mendocino County. If the City and Fire District are not successful in completing the annexation there is a risk of collapsing all Fire and EMS services in the area.

7b) Countywide Planning Activities Report (Video Time 1:08:47)

EO Hinman invited RFFCD Manager Salomone to provide an update on local drought conditions.

She facilitated discussion on various agency collaboration efforts and activities to address the situation including the Board of Supervisors Drought Ad Hoc Committee and its selection of a project manager, the Groundwater Sustainability Agency and the Potter Valley Project, leveraging district water rights, State funding resources, and collection of groundwater, underflows, and off river flows etc.

Commissioners Froneberger and Ignacio reported that the headwaters in the watershed and on the coast are remarkably reduced and rapidly decreasing. One of the watershed sources is expected to run dry by next month.

Following the discussion RFFCD Manager Salomone shared the most recent significant impacts to the County’s water supply. A recent reduction of flows from Lake Pillsbury of about 5,000 ac/ft has been placed entirely on the East Fork of the Russian River cutting off its flow into Lake Mendocino. The Federal Energy Resources Commission (FERC) issued a temporary variance proving the disproportionate reduction. Many county representatives provided public comment informing FERC of the implications of the reduction. It is not yet known what can be done to remedy the situation. If further reductions are made, Potter Valley will suffer.

In addition, the State Water Resources Control Board has issued notices of water unavailability restricting certain water right holders from diverting water from the system. The remaining senior right holders will be further restricted if the board passes emergency regulations (based on the storage level of Lake Mendocino) which are scheduled for consideration on June 15 and could be implemented on July 1.

She reported that the RRFCD has rights to stored water in Lake Mendocino and has been working with the State Water Board to develop a water demand program that stabilizes the flow of the Russian River. Efforts are in place to potentially save 20,000 acre/ft by October to hopefully carry through the winter should we have another drought year.

(Video Time: 1:34:37) Phil Williams, attorney for the City of Ukiah, commented on the Mendocino County water situation. As leaders, he said, it is important to understand the different types of water rights holders in the area – specifically the Riparian and Pre-1914 diverters, and the implications of curtailments and emergency regulations imposed by the State Water Board on Mendocino County water resources. Understanding how they work together will allow leaders to engage meaningfully to protect as much water for Ukiah Valley as possible.

7c) Correspondence None.

7d) Executive Officer's Report (Video Time: 1:32:27)

EO Hinman reported that the LAFCo office is again open to the public on Tuesdays and Fridays from 9 a.m. – 1 p.m. Work includes updating the Agency Directory and establishing new service providers for internet, phone, website domain and email hosting to replace Pacific Internet. The switch will be completed this month.

In closing EO Hinman thanked the Commission for the adopted budget which will provide the resources needed to support Staff as they carry out state mandates, directives from the Commission and the functions of the office.

7e) Committee Reports (Executive Committee/Policies & Procedures) (Video Time 1:38:58)

EO Hinman reported that Staff will be working with the Policies and Procedures committee to host a 2nd workshop with the member agencies.

7f) Commissioners Reports, Comments or Questions (Video Time: 1:39:52)

Commissioner Mulheren clarified that the Tax Share Ad Hoc Committee is a resource for all four cities of the County.

Commissioners Rodin and McGourty requested that all Commissioners and staff turn on video for future meetings unless it is impossible.

7g) CALAFCO Business and Legislation Report

EO Hinman referenced page 76 of the agenda packet for the following report items:

1. Office of the Governor – Transitional Period Prior to Repeal of COVID-related Executive Orders
2. 2021 CALAFCO Achievement Award Nominations – Due the end of June
3. May 2021 CALAFCO Legislative Report
4. CALAFCO Quarterly Report

ADJOURNMENT (Video Time: 1:46:52)

There being no further business, the meeting adjourned at 10:44 a.m. The next regular meeting is scheduled for Monday, July 12, 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](#). [June 7, 2021, meeting recording on YouTube](#)