

# MENDOCINO

# Local Agency Formation Commission

Ukiah Valley Conference Center ◊ 200 South School Street ◊ Ukiah, California 95482  
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## CHAIR & TREASURER

**Jerry Ward**  
Public Member

*Approved by the Commission on March 3, 2017*

## VICE CHAIR

**Carre Brown**  
County Board  
of Supervisors

## MINUTES LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

## MEMBERS

**Kevin Doble**  
Ukiah City Council

### Regular Meeting of Monday, February 6, 2017

**Gerardo Gonzalez**  
Willits City Council

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

**Dan Hamburg**  
County Board  
of Supervisors

### Call to Order

Chair Ward called the meeting to order at 9:05am.

**Theresa McNerlin**  
Ukiah Valley Sanitation District

### Roll Call

Members Present:

Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, Dan Hamburg, Theresa McNerlin, Tony Orth, and Jerry Ward

**Tony Orth**  
Brooktrails Township CSD

Members Absent:

None

## ALTERNATE MEMBERS

**John McCowen**  
County Board  
of Supervisors

Alternate Members Present:

Commissioners John McCowen, Carol Rosenberg, and Angela Silver

**Carol Rosenberg**  
Public Member

Alternate Members Absent:

None

**Angela Silver**  
Calpella County Water District

Staff Present:

Uma Hinman, Executive Officer  
Elizabeth Salomone, Clerk

City Alternate Representative  
to be announced March 2017  
by City Select Committee

## 1. COUNTY AND CITY REPRESENTATIVE APPOINTMENTS

The following appointments were announced:

- Kevin Doble and Gerardo Gonzalez were appointed by the City Select Committee as Regular members filling the City seats. Gerardo Gonzalez was sworn in to office.
- The Alternate City Member is anticipated to be appointed by the City Select Committee before the March 6, 2017 meeting.
- Dan Hamburg and Carre Brown were appointed by the Board of Supervisors Chair as Regular Members filling the County seats, with John McCowen as the Alternate.

## Executive Officer

Uma Hinman

## Analyst

Larkyn Feiler

## Commission Clerk

Elizabeth Salomone

## Counsel

Scott Browne

## Regular Meetings

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

## PUBLIC EXPRESSION (Video Time: 9:43)

2. Phillip Thomas, Anderson Valley Ambulance Board Member (Treasurer) spoke in regards to the AVCSD Annexation and Latent Powers application, expressing concern over delays in application processing, which was initiated in May 2016. He urged the Commission to find ways to expedite application.

Chair Ward noted this issue will be covered in Item 11, Status of Applications, Future Projects, MSR and SOI Updates and offered to bring the Item forward after the Consent Calendar.

**CONSENT CALENDAR** (Video Time: 14:35)

Chair Ward pulled all items from the Consent Calendar

3. Approval of the January 9, 2017 Regular Meeting Summary Minutes

Chair Ward noted there were a number of edits from January 2017 minutes. Commissioner Brown submitted several edits to the minutes to the Clerk in writing. Commissioner Brown also provided further clarification that the Potter Valley Cemetery District does have a CPA who reviews the District's financial records annually and provides a report to the County Auditor but the District does not currently conduct audits.

4. Approval of the January 2017 Claims

- Chair Ward asked for clarification on the invoice amount for the meeting recordings. Staff reported that it was higher than usual due to the fire drill meeting delay and editing necessary to adjust the video.
- It was noted the total for the Commissioner In-County Travel & Stipends is \$233.48, not \$241.39.
- Legal Counsel, P. Scott Browne, will be providing rate review in time for budget development preparation.

January 2017 claims totaling \$

Uma Hinman Consulting:	\$12,276.73
Ukiah Valley Conf Ctr:	\$470.77
P. Scott Browne:	\$500.00
Commission Reimbursements:	\$292.47
County of Mendocino, televising	\$453.69
County of Mendocino, A-87 (account transfer)	\$1,060.00

5. Acceptance of the Monthly Financial Report

- ◆ Commissioner In-County Travel & Stipends is \$233.48, not \$241.39.

Upon motion by Commissioner Brown and second by Commissioner Orth, Items 3, 4 and 5) were approved with corrections by roll call vote:

Ayes: (6) Brown, Doble, Hamburg, McNerlin, Orth, and Ward  
Abstain: (1) Gonzalez

**BUSINESS ITEMS**

6. Selection of Officers (Video Time: 19:00)

Chair: Upon motion by Commissioner Brown and second by Commissioner Orth, Gerald Ward was selected to serve as the Chair of Mendocino LAFCo by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

Vice Chair: Upon motion by Commissioner Orth and second by Commissioner McNerlin, Carre Brown was selected to serve as the Vice Chair of Mendocino LAFCo by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

Treasurer: Upon motion by Commissioner Brown and second by Commissioner Orth, Gerald Ward was selected to serve as the Treasurer (as well as Chair) of Mendocino LAFCo by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

7. Standing Committee Appointments (Video Time: 24:00)

a. Executive Committee

Chair Ward, Vice Chair Brown, and Commissioner Doble were appointed to the Executive Committee.

b. Policies & Procedures

Commissioners McNerlin, Hamburg, and Orth were appointed to the Policies & Procedures Committee.

Commissioner Doble complimented Commissioner McNerlin's service as Chair of the Policies & Procedures Committee.

## MATTERS FOR DISCUSSION/POSSIBLE ACTION

8. Commission Financial Reserve Policy (Video Time 38:30)

EO Hinman presented the staff report. LAFCo Legal Counsel has reviewed the proposed policy. Comments and questions were offered by Commissioners McNerlin, Orth, Doble, Brown, and Ward.

Commissioner McNerlin asked for clarification on the survey results of other LAFCo's reserve policy range. The staff report states the comparative results as 10-20% of annual operating budgets however, Commissioner McNerlin noted the Policies & Procedures Committee acted on information showing survey results of other LAFCo's reserve policy ranging 20-30%. EO Hinman noted the research was done by Planwest Partners during their Contract Services term and current staff would review the documentation.

Commissioner McNerlin noted the Policies & Procedures Committee discussed and unanimously agreed upon the recommendation of 25% of the annual operating budget as the operating reserve amount and, as a separate line item, \$50,000 for a legal reserve amount.

Chair Ward noted the reserve funds will be held in a savings account.

Commissioners Brown and Ward thanked the Policies & Procedures Committee for their work.

Upon motion by Commissioner Brown and second by Commissioner Orth, the recommended Commission Financial Reserve Policy (as shown below) was approved by roll call vote:

***Reserves for Fiscal Stability, Cash Flow, and Contingencies***

*Mendocino LAFCo will strive to maintain reserves for fiscal stability, unforeseen operating or capital needs, cash flow requirements, revenue source stability from revenue shortfalls, and unanticipated legal fees. The reserves consist of an Operating Reserve of 25 percent of the annual operating budget and a Legal Reserve of \$50,000 and are to be maintained in separate accounts.*

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

## INFORMATION/ REPORT ITEMS

9. Application Final Filing Procedures Policy (Video Time 45:00)

EO Hinman presented the staff report. LAFCo Legal Counsel has reviewed the proposed policy. Comments and questions were offered by Commissioners McNerlin, Ward, Gerardo and McCowen.

Commission consensus approved Commissioner McCowen's requested edit to the existing language in the current fee schedule:

*"All fees are considered to be an estimate and estimated fees received are considered to be a deposit. The estimated deposit is due at the time of application submittal to LAFCo. Final costs will be set, if different than the deposit, after all agency comments and invoices for services have been received. All fee estimates must be paid in full prior to the Certificate of Filing being issued, the environmental review documents being certified, the Resolution of Determination being recorded, or the Final Map being filed with the Board of Equalization, as ~~appropriate~~ applicable."*

Commissioner Ward asked for an update on the Policies & Procedures discussion regarding the outstanding account balance in the Moore's Annexation to Irish Beach Water District application. EO Hinman noted the cost of recovering the outstanding amount of \$610.56 would not prove cost effective and advised that if/when the applicant wishes to complete the application, this outstanding amount and an adequate deposit for continued application processing will be required. In the meantime, the outstanding amount will continue to appear on the monthly financial reports.

Upon motion by Commissioner Brown and second by Commissioner Orth, the recommended Application Final Filing Procedures Policy (as shown below) was approved by roll call vote:

***Final Filing*** [*new draft language underlined*]

1. The Executive Officer shall ensure final boundary maps comply with the following:
  - a. LAFCo resolution approving a proposal;
  - b. LAFCo, County and Board of Equalization mapping requirements;
  - c. All conditions of approval have been met; and
  - d. All application fees have been paid prior to filing the Certificate of Completion.A Final Filing checklist is included as Appendix A.
2. The effective date of the change of organization or reorganization is the date the signed Certificate of Completion is filed at the County Recorder's office unless otherwise specified by the Commission (G.C. 57202). If the Certificate of Completion has not been filed within one year after the Commission approves a proposal, the proceeding is deemed abandoned unless the Commission authorizes an extension prior the expiration of that year (G.C. 56895).
3. The Certificate of Completion, including the recording numbers affixed by the County recorder, will be distributed to affected agencies, County surveyor, County assessor, County auditor, and the State Board of Equalization. The State Board of Equalization will distribute relevant information to the Department of Finance, the Controller, and to the Secretary of State, as appropriate (G.C. 57203, 57204).

*Appendix A: Final Filing Checklist – See Resolution No. 16-17-05*

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

Staff will post an updated Policies & Procedures Manual including all approved revisions on the LAFCo website prior to the next regular meeting.

10. LAFCo 101 and Ethics Training

EO Hinman presented the various options and costs for conducting trainings. Comments and questions were offered by Commissioners Doble, Ward, McNerlin, Orth, Rosenberg, and Gonzalez.

- ◆ Mendocino County Counsel has scheduled a free training for Wednesday February 22, 2017 at 9:00am in the County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California. RSVP to Julie Chapman, Legal Services Supervisor at chapmanj@co.mendocino.ca.us

- ◆ California Fair Political Practices Commission (FPCC) offers a 2 hour online Ethics Training through their website ([www.fppc.ca.gov](http://www.fppc.ca.gov)).
- ◆ CALAFCO Conference in October offers multiple trainings, including LAFCO 101.
- ◆ CSDA has offered the entire board of directors and staff access to free AB1234 Ethics Compliance Training for renewing dues on time. This is an on-demand training that staff and board can take at their convenience on a computer of their choice. The training will be available until March 15, 2017.
- ◆ Brooktrails Township Community Service District periodically offers a Brown Act & Ethics Training on a Saturday, open to all interested parties. Commissioner Orth and staff will coordinate with the District for further information.

Staff were encouraged to include access for coastal agencies to attend the training, perhaps by webinar or video conferencing.

Commissioners McNerlin and Orth were assigned to an Ad Hoc Training Committee in order to assist staff in organizing the suggested additional evening training.

11. Status of Applications, Future Projects, MSR and SOI Updates (Video Time: 27:11)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners

*Anderson Valley CSD Proposed Reorganization (Annexation, Detachment, and Activation of Latent Powers to Provide Ambulance Services)*

LAFCo staff continues to work with the County Auditor Controllers and County Assessors offices in order to get the information needed for the baseline information for development of the tax share agreement. Auditor Controller provided information last week to LAFCo that now needs to be routed to the District and County. Once resolutions of the tax share agreement are received by LAFCo, the application will be scheduled for public hearing. She noted there has been some confusion within the Auditor Controller and Assessors offices as to what steps needed to be taken and assured the Commission that staff continues to cooperate with all the interested parties in order to move the project forward.

The Commission directed Staff to arrange a meeting with LAFCo staff, Commissioner Hamburg, County financial staff, AVCSO, and Ambulance Service representatives regarding the AVCSO application.

*Fort Bragg RFPD Detachment*

EO Hinman noted this project is now complete.

*Proposed Consolidation of the Five Water Districts in the Ukiah Valley area*

EO Hinman noted a correction to the staff report was submitted by the Russian River Flood Control General Manager, Tamara Alaniz. The proposed consolidation of water districts is not related to the SGMA process but is a separate purpose and process. The consolidation would be for functional efficiencies.

12. Correspondence (Video Time 1:09)

The CALAFCO Quarterly Report, January 2017 and CALAFCO 2017 Calendar were received and forwarded to Commissioners via email. CALAFCO Strategic Plan Dashboard Review was also received and will be forwarded.

13. Executive Officer's Report: (Video Time 1:09:42)

- *Association of Fire Districts Meeting, Boonville February 15<sup>th</sup>*. EO and Clerk will attend to present and answer questions regarding the SOI Process. Costal EMS is also presenting.
- Per SB 1266, Staff will be sending out a letter to all special districts notifying them of new filing requirements regarding JPAs.
- Comprehensive city/special district contact update is underway by staff and will be reviewed annually each January.
- CALFCO membership dues will be increasing.
- 700 Forms are due from Commissioners.

14. Committee Reports (Video Time 1:16:25)

Staff noted approved Committee meeting minutes are posted on the LAFCo website.

15. Commissioners Reports, Comments or Questions (Video Time 1:45:10)

*Commissioner Orth:* (Video Time 13:32) spoke of the importance of LAFCo's close examination of Harbor District SOP's to prepare for the future. He implored the City of Fort Bragg and the Board of Supervisors to also pay close attention in order to benefit citizens in the future by protecting the ocean resources of Mendocino County.

*Upper Russian River Water Agency JPA Update* was given by Commissioner Silver. Consolidation efforts continue, water rights are being resolved, and legal representation was secured. The URRWA JPA is participating in the Sustainable Groundwater Management Agency formation group. Responsibilities of funding over the short and long term are being examined. URRWA is working closely with the Mendocino Farm Bureau and RRFC to keep well informed of agricultural water issues. Comments and questions were offered by Commissioners Brown, Orth, Doble, McCowen, and Rosenberg.

*Commissioner Ward* reported the new Ukiah Valley Conference Center lease has been signed with a 5% increase in the future. He also confirmed that the County Auditor collected \$10,000 over the budgeted apportionment fees from Special Districts, Cities, and the County in Fiscal Year 2015-2016. The Executive Committee will discuss a plan for reconciliation.

16. Legislation Report

No report.

**ADJOURNMENT**

There being no further business, at 10:30am the meeting was adjourned. The next regular meeting is Monday, March 6, 2017 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

*Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.*

*February 6, 2017*

<https://www.youtube.com/watch?v=6LfPKbthsZ8&list=PLraKTU7AyZLS-y2htsLamY6DO6IFMHuwP&t=3949s&index=15>