

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482
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COMMISSIONERS

Carre Brown, Chair
County Board of Supervisors

Tony Orth, Vice Chair
Brooktrails Township CSD

Gerald Ward, Treasurer
Public Member

Gerardo Gonzalez
Willits City Council

John Huff
Mendocino Coast Recreation
and Park District

Scott Ignacio
Point Arena City Council

John McCowen
County Board of Supervisors

Jenifer Bazzani, Alternate
Ukiah Valley Fire District

Will Lee, Alternate
Fort Bragg City Council

Richard Weinkle, Alternate
Public Member

John Haschak, Alternate
County Board of Supervisors

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

Approved by Commission on June 1, 2020

MINUTES

Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, May 4, 2020

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

1. CALL TO ORDER and ROLL CALL (Video Time 10:00)

Chair Brown called the meeting to order at 9:06 a.m.

Regular Commissioners Present: Carre Brown, Tony Orth, Gerald Ward, Gerardo Gonzalez, Scott Ignacio, and John McCowen

Regular Commissioners Absent: John Huff

Alternate Commissioners Present: Jenifer Bazzani, Richard Winkle (at 9:40am)

Alternate Commissioners Absent: Will Lee, John Haschak

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

2. PUBLIC EXPRESSION (Video Time 14:36)

No one from the public indicated interest in public expression.

3. OTHER BUSINESS None

4. CONSENT CALENDAR (Video Time 17:04)

4a) Approval of the April 6, 2020 Regular Meeting Summary

Chair Brown noted that EO Hinman provided confirmation that LAFCo holds sufficient liability insurance to comply with the Sustainable Agricultural Lands Committee Agreement for Services.

Commissioner Ward clarified that the current Legal Counsel contract is for an average of three hours per month.

Commissioner McCowen requested that the Commissioners' straw poll taken during the 2020-21 Preliminary Budget Workshop discussion of apportionment fees be included in the meeting summary.

The April 6, 2020 meeting summary will be revised and considered during the June 1, 2020 regular meeting of the Commission.

4b) Approval of the April 6, 2020 Claims & Financial Report

| | |
|-----------------------------------|--------------|
| <u>April 2020 Claims totaling</u> | \$ 11,381.66 |
| Hinman & Associates Consulting | \$ 9,876.00 |
| P. Scott Browne | \$ 600.00 |
| Ukiah Valley Conference Center | \$ 434.00 |
| County of Mendocino | \$ 271.66 |
| Commissioner Stipends | \$ 200.00 |

Following a motion by Commissioner Orth and a second by Commissioner Gonzalez, the April 6, 2020 Claims & Financial Report were approved by roll call vote.

Ayes: (7) Orth, McCowen, Ward, Gonzalez, Bazzani, Ignacio, Brown

5. PUBLIC HEARING ITEM (Video Time 26:21)

5a) Proposed Budget and Work Plan for Fiscal Year 2020-21

EO Hinman presented the Proposed Fiscal Year (FY) 2020-2021 Budget and Work Plan. The Commission held two workshops on the Preliminary Budget and Work Plan for Fiscal Year (FY) 2020-21: March 2 and April 6, 2020. Staff and Treasurer Ward confirmed the year-end financial summary prior to distribution of the Preliminary Budget and Work Plan. The Preliminary Budget and Work Plan distributed to Special Districts, Cities and the County in April included \$167,150 in operating expenses funded by apportionment fees of \$160,000 and the remainder from operations reserves.

Following the distribution of the Preliminary Budget and Work Plan, staff continued to work with Treasurer Ward to further reduce the Proposed Budget and revise the Proposed Work Plan in recognition of the fiscal challenges due the COVID-19 emergency. Additional reductions amounting to \$5,500 were identified and presented, consisting of abstention from the CALAFCO annual conference and travel expense savings from holding virtual meetings during the COVID-19 emergency. Additionally, staff further refined projected expenses identifying an anticipated roll-over of approximately \$13,500 from the Work Plan.

Staff recommended a revised Proposed FY 2020-21 Budget and Work Plan of \$161,650 and apportionment fees of \$160,000.

Chair Brown called on each Commissioner in turn for comments and questions. (Video Time 31:26)

- Commissioner McCowen expressed continued support of \$150,000 in apportionment fees and proposed that the remaining balance of expenditures be withdrawn from reserves. He noted that it is a prudent approach that protects the financial sustainability of LAFCo, acknowledges the significant budget impact to the member agencies in the coming year, and limits the increase in apportionment fees.
- Commissioner Bazzani concurred with Commissioner McCowen.
- Commissioner Orth expressed support of \$160,000 in apportionment fees.
- Commissioner Ward stated that \$150,000 would be best given the financial impact of COVID-19, utilizing \$2,500 of reserves, and raising fees next year as needed. In response to the notice from the Special District Risk Management Agency (SDRMA) of substantial increases in insurance (174%), he also requested staff research the possibility of lowering insurance coverage and cost.
- Commissioner Gonzalez concurred with Commissioner Ward.
- Chair Brown asked about the increase in general liability insurance. EO Hinman explained that the SDRMA had noted that the increase is a general increase across the board due to recent catastrophic events around the world (i.e. wildfires, global catastrophes).
- Commissioner Ignacio expressed concern with the \$150,000 in apportionment fees stating that spending from a reserve should not be a line item in the budget. He encouraged the Commission to rely on the recommendations from Staff and Legal Counsel and supported \$160,000 in apportionment fees.

Upon motion by Commissioner McCowen and second by Commissioner Ward, Resolution No. 19-20-03 was adopted thereby approving the Proposed Budget and Work Plan for FY 2020-2021 for \$161,650 in operating expenses, funded by apportionment fees of \$150,000 and the difference being withdrawn from reserves and directing staff to notice a public hearing for the Final Budget and Work Plan for FY 2020-2021 for June 1, 2020.

Ayes: (4) Gonzalez, Ward, Bazzani, McCowen

Nays: (3) Ignacio, Orth, Brown

6. WORKSHOP ITEMS (Video Time 51:50)

6a) Mendocino City Community Services District MSR/SOI Update

Chair Brown introduced the Workshop item and called for staff presentation. EO Hinman noted that Alternate Commissioner Weinkle joined the meeting at 9:40 a.m., and EO Hinman briefly introduced the item. Analyst Feiler presented the Mendocino City Community Services District (MCCSD) Workshop Draft Municipal Service Review and Sphere of Influence (MSR/SOI) Update and noted that the District was not able to attend the meeting due to preparations for a District Board of Directors meeting that same day.

Chair Brown invited members of the public to provide comments. Public comments were received from Ed Powers, Barbara Reed, Steven Gomes, Paul Clark, and Trey Strickland (Mendocino County Environmental Health Director).

Mr. Powers inquired as to why the sphere is being reduced instead of expanded to include the north end of Lansing Street and Road 500D and noted that the District's wastewater system has excess capacity available, there is a 4-inch pressured wastewater line from Russian Gulch State Park that runs through this area to the District, and there are non-standard septic system failures on Road 500D.

Ms. Reed noted that Section 2.1.1.1 did not mention the three private Mutual Water Companies within the District named Point of View Estates, Hills Ranch, and Big River Vista; the population estimate during tourist season in Section 3.3.2 was inaccurate and recommended an alternate estimate based on capacity of lodging facilities from the Mendocino Town Plan; and expressed concerns regarding questionable noticing by the District for special public meetings in April to adopt new ordinances that were recently subject to a lawsuit and a short time frame to submit registered voter protest in the middle of a pandemic. Ms. Reed also inquired as to whether the District has applied to LAFCo to form a water replenishment district.

Mr. Gomes summarized the 2015 lawsuit he filed against the District in which he was recently awarded \$128,000 in attorney fees, and explained that there needs to be a fair allotment program for the area that needs it. He also stated that the groundwater management plan is not effective because there is low connectivity between the hydrologic zones; Mendocino needs a municipal water system and there is a water source on State property; and until the District forms a water replenishment district they may not lawfully adopt a groundwater management program.

Mr. Clark expressed concerns regarding private property rights issues and a deed restriction required by the District when he purchased his property based on an ordinance that the Court has since stricken.

Mr. Strickland explained that there are very marginal septic systems in different areas of the County due to poor soil conditions, the problem typically does not improve, and in those cases Environmental Health encourages connecting to a municipal system when possible.

Commissioner McCowen noted that the public had raised complicated legal issues that cannot necessarily be resolved in the study and requested clarification regarding LAFCo's role in addressing such legal disputes in the MSR/SOI Update. Counsel Browne explained that under LAFCo Law the MSR should consider accountability to the public as a core issue of governance and noted that staff will also need to research whether the District is proposing to provide a new service subject to the requirement of LAFCo approval. Commissioner McCowen concluded that there should be some discussion of these issues in the MSR.

Commissioner Orth inquired as to whether there are any technical or other feasibility issues related to hook-up of additional wastewater connections from Road 500D and Lansing Street to the 4-inch pressure main from Russian River State Park. Commissioner Ward requested that the study include information regarding the lawsuit, updated information from Mr. Powers, and noted that he will provide additional questions to staff. Chair Brown requested that the study be revised to address the mutual water companies in the District and the 3,500 population estimate, and requested more information on the public notice concerns and the water replenishment district questions.

Commissioner McCowen made a motion to continue the Workshop to the June 1 meeting to allow staff time to address additional public comments received and the District to participate in the workshop. Commissioner Orth seconded, and the motion passed unanimously by roll call vote.

Ayes: (7) Orth, McCowen, Ward, Gonzalez, Bazzani, Ignacio, Brown

SHORT BREAK (Video Time 1:43:48)

At 10:42 a.m. Chair Brown called for a five-minute break.

Following the break, Chair Brown confirmed Commissioners and Staff had returned before proceeding to the next agenda item.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION None

8. INFORMATION/ REPORT ITEMS

8a) Work Plan, Current, and Future Proposals (Video Time: 1:49:02)

EO Hinman presented and update:

Active Proposals

- Staff is coordinating with the applicant for the Weger Detachment to finalize the remaining list of requirements to complete the Certificate of Completion and Board of Equalization submittal. Staff is waiting for additional fee deposit before proceeding.
- Since distribution of the agenda packet, the City of Ukiah submitted application materials and a request to amend and initiate its application for detachment of overlap areas from the Ukiah Valley Sanitation District.

Future Proposals

- The Anderson Valley CSD has obtained two state planning grants to prepare a feasibility study and CEQA review for wastewater and water treatment plants and infrastructure to serve the community area of Boonville. No changes to the status at this time.

Work Plan

- The County Service Area No. 3 and Ukiah Valley Sanitation District MSR/SOIs have been delayed due to the pandemic.
- Due to delays noted above, Staff initiated the data collection efforts for the Covelo Community Services District. Response was received and the Administrative Draft MSR/SOI is in process.

8b) Correspondence None

8c) Executive Officer's Report (Video Time: 1:53:50)

EO Hinman thanked everyone for their patience as Staff worked through the bugs of hosting the meetings via Zoom and noted that this is the first meeting with live participants from the public. She then reported the following:

- Staff completed a public records request.
- The LAFCo office remains closed due to COVID-19; however, staff is working remotely, corresponds via phone and email, and the Clerk visits the office twice a week to check for correspondence and messages.
- EO Hinman participated in a conference call with the Mendocino County Farm Bureau regarding spheres of influence, process for adoption of SOIs, and state and local policies regarding agricultural preservation.

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

8e) Commissioners Reports, Comments or Questions (Video Time: 1:56:52)

- Commissioner Ward requested staff research with SDRMA the possibility of reducing general liability insurance from \$2.5 to \$1 million. He also requested the Legal Services Agreement be added to the next Commission agenda for discussion. In particular for clarification regarding the Legal Services

Agreement Amendment 2 regarding special projects and process for passing on legal fees to applicants and entities that require legal involvement. Commissioner Orth noted his support. EO Hinman confirmed she will work with legal counsel to prepare and present at the next meeting.

- Chair Brown expressed her appreciation and congratulated Staff on a successful second meeting including bringing in live public comment.

8f) CALAFCO Business and Legislation Report (Video Time: 1:59:40)

EO Hinman reported that CALAFCO is moving forward with plans and preparations for the CALAFCO Conference in October. It continues to provide support to its member agencies including sharing of virtual resources and providing a weekly virtual meeting for LAFCo staff to discuss issues and resources.

ADJOURNMENT (Video Time: 2:01:00)

There being no further business, the meeting was adjourned at 11:00 a.m. The next regular meeting is scheduled for Monday, June 1, 2020 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 now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.

<https://www.youtube.com/watch?v=zYKzppzF4g0&list=PLraKTU7AyZLQXUgRLLzYuAU9eq1qMFheb&index=5&t=0s>