

MENDOCINO

Local Agency Formation Commission

Ukiah Valley Conference Center | 200 South School Street | Ukiah, California 95482
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Approved July 1, 2024

COMMISSIONERS

Maureen Mulheren, Chair
County Member

Gerald Ward, Vice-Chair/Treasurer
Public Member

Gerardo Gonzalez
City Member

Candace Horsley
Special District Member

Glenn McGourty
County Member

Mari Rodin
City Member

Vacant
Special District Member

Francois Christen, Alternate
Special District Member

Douglas Crane, Alternate
City Member

John Haschak, Alternate
County Member

Vacant, Alternate
Public Member

STAFF

Executive Officer
Uma Hinman

Clerk/Analyst
Larkyn Feiler

Counsel
Marsha Burch

REGULAR MEETINGS

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

FINAL MEETING MINUTES Regular Commission Meeting

Regular Meeting (Hybrid) of Monday, June 3, 2024

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

1. CALL TO ORDER and ROLL CALL (Video Time 8:34)

Chair Mulheren called the meeting to order at 9:05 a.m.

Regular Commissioners Present: Maureen Mulheren, Gerald Ward, Gerardo Gonzalez, Candace Horsley, Glenn McGourty, Mari Rodin

Regular Commissioners Absent: None

Alternate Commissioners Present: Douglas Crane (remotely)

Alternate Commissioners Absent: Francois Christen, John Haschak

Staff Present: Uma Hinman, Executive Officer; Larkyn Feiler, Analyst; Marsha Burch, Legal Counsel

2. PUBLIC EXPRESSION (Video Time 9:22)

None

3. OTHER BUSINESS (Video Time 10:08)

None

4. CONSENT CALENDAR (Video Time 10:10)

4a) May 7, 2024 Regular Meeting Summary

4b) May 2024 Claims & Financial Report

May 2024 Claims totaling:	\$24,585.67
Hinman & Associates Consulting	22,330.08
Commissioner Stipends	100.25
Marsha Burch Law Office	720.00
Streamline	63.00
Newspaper	350.43
Mendocino County IS	178.36
Mendocino County Clerk	121.00
Ukiah Valley Conference Center	722.55

4c) Ratify Legislative Support Letter for AB 3277 - Ad Valorem Property Tax Analysis

4d) Ratify Legislative Support Letter for SB 1209 - LAFCo Indemnification

- Counsel Burch confirmed for Commissioner Horsley that the general public and public agencies have legal recourse related to Commission decisions on applications, and that indemnification agreements are a common requirement to ensure that applicants are responsible for the legal defense of LAFCo in such situations.

Motion: Approve the Consent Calendar (Items 4a - 4d).		
Motion Maker: McGourty	Motion Second: Gonzalez	Outcome: Passed unanimously
Roll Call Vote: Ayes: (6) McGourty, Gonzalez, Ward, Rodin, Horsley, Mulheren		

5. PUBLIC HEARING ITEMS

5a) PUBLIC HEARING Pacific Reefs Water District Municipal Service Review and Sphere of Influence Study

(Video Time 14:38)

Chair Mulheren opened the public hearing at 9:11 a.m. EO Hinman presented the final draft of the Pacific Reefs Water District Municipal Service Review (MSR) and Sphere of Influence (SOI) Update Study for adoption as required by LAFCo law. The final report includes written determinations on the level and scope of services provided by the Pacific Reefs Water District (Video Time 15:08-18:30). The following is a summary of discussion points for this item.

EO Hinman clarified the list of revisions that were made since the prior version of the study, including recommendations.

Commissioner Ward:

- Asked for clarity on how to better keep track of and follow-up on MSR/SOI study recommendations. EO Hinman referred to the development of a continuity plan included in the work program for next fiscal year that will track follow-up items from MSR/SOI studies and applications, and other Commission directions. what recourse there is when districts who do not respond to LAFCo recommendations. As an example of LAFCo’s recourse for non-responsive districts, MSR/SOI study determinations are reviewed during the processing of applications and considered in staff recommendations to the Commission.

Commissioner McGourty:

- Asked if consolidation of smaller water districts was considered in the study since there is currently no plan. EO Hinman noted that LAFCo has no jurisdiction over private utilities such as mutual water companies, other than to request information. However, because the State Water Board has the authority to mandate consolidation of water services providers, staff have included identification and descriptions of private water companies in the vicinity of the water districts being studied on the coast. The intent is to bring awareness to the proximity and to lay some groundwork for potential consolidations in the future.

Commissioner Rodin:

- Recommended clarifying the statement about the District adopting a hardship resolution related to not having a website; and
- Noted she had a few grammatical changes that she would share with EO Hinman later.

Chair Mulheren opened the public comment period at 9:20 a.m. No public comments were received. Chair Mulheren closed the public comment period and public hearing at 9:22 a.m.

Motion: (1) Find the Pacific Reefs Water District Municipal Service Review is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations (14 CCR)§15306 (Class 6 Exemption), and find the Pacific Reefs Water District Sphere of Influence Update is exempt from CEQA pursuant to 14 CCR §15061(b)(3) (General Rule), and approve the Notice of Exemption for filing; and (2) Adopt LAFCo Resolution 2023-24-06, approving the Pacific Reefs Water District Municipal Service Review and Sphere of Influence Update Study and adopting the proposed sphere of influence..		
Motion Maker: Rodin	Motion Second: Gonzalez	Outcome: Passed unanimously
Roll Call Vote: Ayes: (6) Rodin, Gonzalez, Ward, McGourty, Horsley, Mulheren		

5b) PUBLIC HEARING Final Budget and Work Program for Fiscal Year 2024-2-25 (Video Time 26:52)

Chair Mulheren opened the public hearing at 9:23 a.m. EO Hinman presented the final proposed budget and work program (Video Time 27:04-36:07). The following is a summary of discussion points for this item.

Commissioner McGourty:

- Inquired about how consolidation efforts under the Ukiah Valley Water Authority (UVWA) would affect the MSR/SOI studies for the Ukiah Valley water districts. EO Hinman responded that staff would work with the UVWA and special districts to determine the best approach for development of studies that would be most beneficial for the Commission and the agencies’ efforts to consolidate and create efficiencies of service. She also noted that JPAs themselves are not subject to LAFCo, and that LAFCo is still required to review and update spheres of influence for individual special, regardless of their membership in the JPA.

Commissioner Rodin:

- Asked, in the context of the shifting regulatory environment, the best timing for the preparation of MSR/SOI reports. EO Hinman responded that the work plan is prioritized each year based on multiple factors and staff has discussed the proposed work plan with the Ukiah Valley Water Authority and district representatives.

Commissioner Horsley:

- Requested clarification regarding the use of cash balance. EO Hinman responded that cash balance consists of unreserved funds at year end that are used to offset the need to increase apportionments and to address work plan roll-over in the next fiscal year.

Commissioner Ward:

- Asked for clarification on when next fiscal year’s work plan would begin, particularly given the increase in application processing anticipated with approval of the new master tax share agreement, and if there was enough staff capacity for the workload. EO Hinman responded that Hinman & Associates has hired a new Analyst to increase staff capacity and also has the option to use contract consultants as needed for the work plan.

Chair Mulheren opened the public comment period at 9:36 a.m. No public comments were received. Chair Mulheren closed the public comment period and public hearing at 9:36 a.m.

Motion: (1) Adopt LAFCo Resolution 2023-24-07 with Exhibits A and B approving the Final Budget and Work Program for Fiscal Year 2024-25, which reflect the priorities for the coming fiscal year, and (2) direct the Executive Officer to transmit the Final Budget and Work Program to the funding agencies and others as specified in Government Code §56381.		
Motion Maker: McGourty	Motion Second: Gonzalez	Outcome: Passed unanimously
Roll Call Vote: Ayes: (6) McGourty, Gonzalez, Ward, Rodin, Horsley, Mulheren		

6. WORKSHOP ITEMS

6a) Gualala Community Services District Municipal Service Review (MSR) and Sphere of Influence (SOI) Study (Video Time 40:54)

EO Hinman presented the Draft Gualala Community Services District MSR and SOI Study (Video Time 41:12 – 48:40). The following is a summary of discussion points for this item.

Commissioner Horsley:

- Inquired if the municipal advisory committee was comprised of public members; EO Hinman confirmed it was.
- Clarify the number of full-time versus part-time staff for the District; staff will confirm.
- Provide clarity on the statements related to the agreement with MCWWD (Anchor Bay); staff will include in next draft of the study.

- Asked how the recommendation to participate in the local watershed groups would benefit the District; EO Hinman responded that is primarily for increasing community outreach and opportunities for grant opportunities and collaborations.
- Asked if the District had received recent grant funds referenced in the report; staff will confirm.
- Requested clarity on the newly adopted rates, particularly the negotiated rates with the Sea Ranch Sanitation Zone; staff will include in the next draft of the study.

Commissioner Gonzalez:

- Noted that the Board of Directors information is still forthcoming from the District.

Commissioner McGourty:

- Commented that the recommendation to expand the District is a good idea.

Commissioner Ward:

- Asked if CEQA was an element of this project; EO Hinman confirmed it was not;
- Asked how it works when the SOI is located partially in another County; EO Hinman clarified that in this case Mendocino LAFCo is the principal LAFCo and has been coordinating with Sonoma LAFCo; and
- Expressed concern over the financial standing of the District.

Commissioner Rodin:

- Recommended that the list of acronyms be moved towards the beginning of the document;
- Requested clarification of the agreement with Anchor Bay.
- Commented on the redundancy throughout the MSR/SOI studies.
- Clarified that The Sea Ranch is not proposed to be included in the SOI because of their current planning efforts to internalize their operations.

No public comments were received. Commissioner Mulheren noted that a public hearing for the GCSD MSR/SOI would be held at a future meeting.

7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION

7a) Proposed Amendment to Policy 12.2 Outside Agency Services (Video Time 1:14:31)

Analyst Feiler gave a brief presentation on the proposed policy amendment (Video Time 1:15:10-1:18:51). The following is a summary of discussion points for this item.

Commissioner Ward:

- Requested an example of what would change with implementation of the amended policy. Analyst Feiler responded that the proposed policy amendment provides greater explanation/guidance and will result in more standardization of information, and clarified that coordination with other agencies was primarily related to water hauling and exemptions.

Commissioner Horsley:

- Thanked all those that were involved in this process.

Commissioner McGourty:

- Inquired about the issues related to emergency water hauling and mutual aid agreements between public agencies. Analyst Feiler noted that for water hauling in drought emergencies, the policy amendment recommends streamlining such that LAFCo would receive notice and data reporting instead of requiring the standard permit process in order to expedite emergency response and allow for LAFCo to effectively perform its MSR function.

Chair Mulheren:

- Thanked everyone involved in developing the proposed policy amendment, recognizing the high level of flexibility and collaboration between public agencies to improve the process and end result.

No public comments were received.

Motion: Adopt LAFCo Resolution No. 2023-24-08 approving the amendment to Policy 12.2 for Outside Agency Services.		
Motion Maker: Horsley	Motion Second: Gonzalez	Outcome: Passed unanimously
Roll Call Vote: Ayes: (6) Horsley, Rodin, Ward, Gonzalez, McGourty, Mulheren		

8. INFORMATION AND REPORT ITEMS

8a) Work Plan, Current and Future Proposals (Video Time 1:30:21)

EO Hinman provided an update that all applications on file are pending tax share agreements, the work plan is progressing with Gualala CSD MSR/SOI and Anchor Bay WD MSR/SOI public hearings soon, and the MSR/SOI studies for Irish Beach WD, Elk CWD, Westport CWD will be scheduled for workshop in the next few months.

8b) Correspondence (Video Time 1:34:12)

EO Hinman noted that Commissioner Cole submitted a letter of resignation to the Hopland Cemetery District Board of Directors and therefore is no longer eligible to serve as the regular special district member for LAFCo.

8c) CALAFCO Business and Legislation Report (Video Time 1:34:32)

EO Hinman noted that there were two items in the agenda packet from CALAFCO. First, the Nomination Period is now open for the fall election of the CALAFCO Board of Directors, as well as the CALAFCO achievement award nominations. Second, the 2024 CALFCO conference has been announced for October 16-18, 2024 in Yosemite.

8d) Executive Officer's Report (Video Time 1:36:49)

EO Hinman reported that:

- Alternate Commissioner Christen will be seated as the Regular Special District Member until the recently vacated seat is filled through an election process.
- The new Alternate Public Member nomination period deadline is July 1, 2024.

8e) Committee Reports (Executive Committee, Policies & Procedures) (Video Time 1:37:45)

None

8f) Commissioners Reports, Comments or Questions (Video Time 1:37:47)

- Commissioner Ward asked for an update on the rate study for the Ukiah Valley Groundwater Basin. Commissioner McGourty noted that the rate study report has been completed, they are in the process of determining the best option to move forward, and ideally the study will be adopted in August 2024.
- Chair Mulheren provided an update that the Master Tax Share Agreement between the cities and County is on the Board of Supervisors meeting agenda for June 5, 2024 and Commissioner Ward suggested there be a summary presentation provided to the Commission.

ADJOURNMENT (Video Time 1:41:56)

There being no further business, the meeting adjourned at 10:38 a.m.

The next regular meeting of the Commission is scheduled for Monday, **July 1, 2024** at 9:00 a.m. The meeting will be conducted in a hybrid format to accommodate both in-person and remote participation. The in-person meeting will be held in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah.

Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel [June 3, 2024 YouTube meeting recording](#). Links to recordings and approved minutes are also available on the [LAFCo website](#).