

MENDOCINO

Local Agency Formation Commission

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

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Approved by Commission April 2, 2018

COMMISSIONERS

Jerry Ward,
Chair & Treasurer
Public Member

Carre Brown, Vice Chair
County Board of Supervisors

Kevin Doble
Ukiah City Council

Gerardo Gonzalez
Willits City Council

John McCowen
County Board of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

Scott Ignacio, Alternate
Point Arena City Council

Dan Hamburg, Alternate
County Board of Supervisors

Carol Rosenberg, Alternate
Public Member

Vacant
Special District Seat, Alternate

STAFF

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
in the Mendocino
County Board
of Supervisors Chambers
501 Low Gap Road

MINUTES

Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, March 5, 2018

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

1. CALL TO ORDER and ROLL CALL (Video Time :53)

Chair Ward called the meeting to order at 9:01am.

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, John McCowen, Theresa McNerlin (arrived 9:03am), Tony Orth, and Jerry Ward

Members Absent: None

Alternate Members Present: Commissioners Dan Hamburg and Carol Rosenberg

Alternate Members Absent: Commissioner Scott Ignacio

Staff Present: Uma Hinman, Executive Officer
Elizabeth Salomone, Clerk

LAFCo Counsel, Scott Browne participated via telephone for Item 7a only.

2. PUBLIC EXPRESSION (Video Time 1:15)

No one from the public addressed the Commission.

3. OTHER BUSINESS (Video Time 2:14)

3a) City and County Representative Appointments

The City Select Committee met on February 20, 2018 and reappointed Commissioner Kevin Doble to the Regular City Seat and Commissioner Scott Ignacio to the Alternate City Seat. Commissioner Gerardo Gonzalez's Regular Seat expires December 2018.

4. CONSENT CALENDAR (Video Time 2:00)

4a) Approval of the February 5, 2018 Regular Meeting Summary Minutes

4b) Approval of the February 2018 Claims and Financial Report

4c) Ratification of the signed 2018 Lease Agreement between the City of Ukiah and Mendocino LAFCo for office space at the Ukiah Valley Conference Center.

An addition to the minutes that Carre Brown was also appointed to the Executive Committee was requested.

February 2018 Claims totaling:	\$ 13,563.98
Uma Hinman Consulting:	\$ 11,858.50
Ukiah Valley Conference Center:	\$ 510.73
P. Scott Browne:	\$ 600.00
Commissioner Reimbursement	\$ 178.07
County of Mendocino (audio/video, GIS, etc):	\$ 416.68

Upon motion by Commissioner Orth and second by Commissioner Gonzalez, Item 4a) Approval of the February 5, 2017 Regular Meeting Minutes, Item 4b) Approval of the February 2018 Claims and Financial Report, and Item 4c) Ratification of the signed 2018 Lease Agreement between the City of Ukiah and Mendocino LAFCo were approved as corrected by roll call vote:

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

5. PUBLIC HEARING ITEMS – (Video Time 3:15) No public hearings in March 2018.

6. WORKSHOP ITEMS (note: Items were taken out of order, check Video Time for clarification)

6a) Covelo Fire Protection District Draft Sphere of Influence (SOI) Update (Video Time 3:25)

EO Hinman presented. Comments and questions were offered by Commissioners McCowen, Orth, Rosenberg, and Gonzalez. Two Commissioners complimented staff on the high quality of the presented documentation. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document at the April 2, 2018 Regular Meeting.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating and notation for the next MSR update.

- Pg 1-3 1st para: edit “~~adjacent~~ in proximity” in several locations throughout all fire SOI documents
- Verification of enhanced funding from County to Fire Districts; when and to what entity the funds were issued. Commissioner McCowen offered to liaise with the County staff to clarify.
- Pg 1-6 #11: Is the phrase “lack of funding” accurate? Commissioner McCowen offered to liaise with the County staff to clarify.
- All references to membership in Mendocino County Special District Association updated to membership in Mendocino County Association of Fire Districts.
- Evaluate the recommendation of consideration in a Joint Powers of Authority.
- Pg 1-8: Evaluate the reference to the limited water access, storage, etc. and provide an update to Commission regarding the Legal Counsel comment on the relationships between Special Districts and Tribes.
- Evaluation of use of reserves in longevity of financial viability of District.
- It was offered that any consideration by the District for future SOI expansion would provide an opportunity to the District to conduct a local special tax election to potentially assist in their financial status.

6b) Potter Valley Community Services District Draft Sphere of Influence (SOI) Update (Video Time 42:45)

EO Hinman presented. Comments and questions were offered by Commissioners Brown and McCowen. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document at the April 2, 2018 Regular Meeting.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating and notation for the next MSR update.

- Pg 1-4: FY 14-15 column, add \$0 where appropriate.

6c) Mendocino Fire Protection District Draft Sphere of Influence (SOI) Update (Video Time 15:44)

EO Hinman presented, thanking Captain Piasis for his assistance. Comments and questions were offered by Commissioners McCowen, Orth, Hamburg, and Ward. Two Commissioners complimented staff on the high quality of the presented documentation, specifically the presentation of financial information. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document at the April 2, 2018 Regular Meeting.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating and notation for the next MSR update.

- Pg 1-4 Financial Summary: Streamline categories across the various Fire District SOI's reporting, where possible.
- It was noted the District will provide the FY 15-16 Audit as soon as possible.
- Pg 1-5: Indicate Special Assessment Measure T funds on financial reporting information and further differentiation on tax revenue, as possible.
- Major Wastewater Treatment Plant update that is underway may impact the Fire District's capacity issues.

6d) Redwood Valley-Calpella Fire Protection District Draft Sphere of Influence (SOI) Update (Video Time 30:44)

EO Hinman presented, thanking Captain Dale for his assistance. Comments and questions were offered by Commissioners Ward, McCowen, Brown, Rosenberg, Orth, and Gonzalez. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document at the April 2, 2018 Regular Meeting.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating and notation for the next MSR update.

- Pg 1-7 1.2.4.2: Verify the census data for the next MSR update.
- It was noted there are new legal requirements for fire prevention upgrade requirements that will impact the Fire and Water District. It was suggested the impact of and changes initiated by the recent Valley Complex Fire be noted in future MSR updates, including notification systems, the need for more volunteers, and the interface between wildland and residential areas in the County.

6e) Hopland Fire Protection District Draft Sphere of Influence (SOI) Update (Video Time 24:05)

EO Hinman presented, thanking Captain Franklin for his assistance. Comments and questions were offered by Commissioners Ward, Orth, Rosenberg, and Brown. The Commission directed staff to address Commissioner comments and edit suggestions to the workshop draft and bring to Public Hearing with the full Fire District SOI Update document at the April 2, 2018 Regular Meeting.

Items for staff to address:

It was noted that some suggestions refer to the previously adopted MSR rather than the current SOI Update and staff will evaluate those items for appropriate updating and notation for the next MSR update.

- Pg 1-2: Verify the history of the District, including year of formation, name changes, etc.
- Pg 1-3 1.2.1.3: Evaluate possible mutual aid agreements with Lake County Fire Districts, verify Federal areas of responsibility. It was noted that the Mendocino County Association of Fire Districts is considering coordination with for Emergency Medical Services cooperation with Lake County.

A complete Public Hearing Draft is scheduled to be available two weeks prior to the April 2, 2018 Public Hearing and a map of all Fire Districts will be included.

6f) Preliminary Draft Budget and Work Plan for Fiscal Year 2018-19 (Video Time 49:30)

EO Hinman presented the draft budget, noting the Executive Committee has reviewed and recommends the proposed preliminary budget for discussion.

EO Hinman reviewed the process for adoption of the budget as follows:

1. A Public Hearing Notice for the Proposed Budget will be published, notice distributed to the Special Districts, Cities, and County, and held on April 2, 2018.
2. A Public Hearing Notice for the Final Budget will be published, notice distributed to the Special Districts, Cities, and County, and held in May or June 2018.

EO Hinman noted changes from the previous fiscal year budget total is \$11,455 less and reviewed the specific changes as described in the staff report. Additionally, the following points were highlighted:

- CEQA costs are not included in the budgeted work plan amount. It was recommended funds be identified to cover anticipated CEQA costs.
- Proposed Tasks for Consideration as outlined in staff report: items that would benefit LAFCo operations and require additional funding.
- Budgets over the last few years have been balanced by spending down reserves. Proposed operating revenue options were presented.
- The presented work plan is an estimate only of time and costs. It will be reviewed annually.

Comments and questions were offered by Commissioners Ward, McCowen, McNerlin, Brown, Orth, and Doble. Discussion was held on the following topics:

- Records retention, electronic recording of historical documents
- Proposed Potential State Funding Opportunity for consolidations.
- Training opportunities in cooperation with County Counsel.
- Enhance outreach to Special Districts.
- Transparency Action Plan election costs.
- Apportionment fee adjustments.

The Commission directed staff to add \$1,500 drawn from operational reserves to fund the potential state funding opportunities task and any other adjustments consistent with that direction to the proposed budget and notice it for Public Hearing at the April 2, 2018 Regular Commission Meeting.

Chair Ward called a break at 10:24 am and reconvened the meeting at 10:38 am.

(Video Time: 1:23:00- 1:35:25)

7. MATTERS FOR DISCUSSION & POSSIBLE ACTION

7a) Proposed Executive Officer Services Contract Amendment and Agreement (Video Time: 1:35:28)

EO presented, noting the two points to this item:

1. Modification of the current Executive Officer Services contract: Section 17 on Subcontracting.
2. Authorization of the contract for Executive Officer Services Agreement

Modification of Current Contract RE: Subcontracting

Comments and questions were offered by Commissioners Doble, McCowen, and Brown. It was suggested that the intent is for any subcontracting to be funded from the Executive Officer contracted and budgeted amount should be stated clearly in contract. It was also suggested to include the proposed stricken section regarding contracting on behalf or in the name of the other party. Legal Counsel suggested wording for an additional item.

Termination Clause to New Executive Officer Services Agreement

The proposal of six month written notice of termination to Executive Officer from Commission was discussed, with the suggestion of shortening the length. Commission consensus was to retain the proposed six month notice and Legal counsel noted the inclusion of a provision for short term release for cause. The Commission requested wordsmithing to clarify the clause.

Upon motion by Commissioner Doble and second by Commissioner Gonzalez, the authorization of the LAFCo Chair to sign the proposed Executive Officer Contract Amendment No. 1 to the agreement with Hinman & Associates dated July 1, 2016 with the edits as shown below and the authorization of the LAFCo Chair to sign the proposed Executive Officer Contract Agreement with Hinman & Associates which expires June 30, 2018 with the edit as shown below was approved by roll call vote:

Contract Amendment No. 1 changes:

- 17e. Any subcontracting should be paid out of contractor funds and not out of LAFCo funds unless otherwise agreed.
- 17f. Neither part shall, on the basis of this Agreement, contract ~~on behalf of or~~ in the name of the other party. Any agreement that violates this Section shall confer no rights on any party and shall be null and void.

Contract Agreement starting July 1, 2018 changes:

- 18b. COMMISSION may terminate the contract with CONTRACTOR without cause at any time upon giving to CONTRACTOR six (6) months prior written notice. CONTRACTOR may terminate the contract with COMMISSION without cause at any time upon giving to COMMISSION six (6) months prior written notice.

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

7b) Recommendation of New Financial Institution for Reserve Fund (Video Time: 1:49:27)

EO presented. Comments and questions were offered by Commissioners McNerlin. It was suggested to include three Commissioners on the signature card.

Upon motion by Commissioner Gonzalez and second by Commissioner Orth, the authorization of the LAFCo Chair and Executive Officer to move reserves account from Community First Credit Union to Westamerica Bank, Ukiah Branch with the three members of the Executive Committee on the authorized signature card was approved by roll call vote:

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

7c) LAFCo's Evolving Mission; New Laws, Requirements, and Transparency (Video Time: 1:53:08)
EO presented a summary of the highlights from the CALAFCO course, specifically the action items for Mendocino LAFCo. Comments and questions were offered by Commissioners Ward, Orth, McNerlin, Brown, and McCowen. An update on the progress of implementation of the action items was provided and discussed.

8. INFORMATION/ REPORT ITEMS (Video Time 3:11:53)

8a) Work Plan, Current, and Future Proposals

Public Hearing for the 13 Fire District SOIs is scheduled for the April 2, 2018 Regular Meeting. Progress is being made on the other reports, with some rolling in to the 2018-19 Fiscal Year. It was noted the Anderson Valley CSD is continuing to pursue the feasibility of providing water/wastewater services and is currently in the process of preparing a CEQA document; application to LAFCo for activation of latent powers will follow the CEQA process and feasibility report.

8b) Correspondence

Special District Risk Management insurance rates are increasing and will be reflected in proposed budget.

8c) Executive Officer's Report

EO Hinman reported on the following:

- CALAFCO White Paper on Agriculture Preservation was published.
- No nominations were received for the Alternate Special District Seat and staff will conduct an extension process as advised by Legal Counsel.
- State Controller request for list of special districts was completed.
- EO met with Piercy FPD and Covelo FPD regarding their SOI updates.
- EO participated in webinar by CALAFCO and CSDA on the RDA Oversight Board special district seat election process.
- EO and Analyst will be attending the CALAFCO Staff Workshop in April.

8d) Committee Reports

The Executive Committee held two meetings and it was noted all items were addressed on the agenda. No further comments or questions were offered.

8e) Commissioners Reports, Comments or Questions

Commissioner Orth provided a handout titled Boulevard District Fact Sheet; attached for the record.

8f) CALAFCO Business and Legislation Report

CALAFCO issued their 2018 Legislative Platform. The Policies & Procedures Committee will meet to discuss the annual review of the Commission's 2018 Legislative Platform.

ADJOURNMENT

There being no further business, at 11:12 am the meeting was adjourned. The next regular meeting is scheduled for Monday, April 2, 2018 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.

<https://www.youtube.com/watch?v=vHozBiKFkbb&list=PLraKTU7AyZLTmV-2PpmufbzvvpN3QCnog&index=3>