

**LOCAL AGENCY FORMATION COMMISSION
MENDOCINO COUNTY**

The Local Agency Formation Commission convened a regular meeting on Monday, May 6, 2002 at 9:00 AM, at the City of Ukiah Council Chambers, 300 Seminary, Ukiah.

AGENDA ITEM 1—CALL TO ORDER / ROLL CALL

Chairwoman Ranker called the regular meeting of the Mendocino Local Agency Formation Commission to order at 9:00 AM. The following Commissioners were present and seated: Hebrard, Delbar Lucier, Melo, Simon and Chairwoman Ranker. Commissioner Ashiku was not present at role call.

Also present were Alternate Commissioners Oslund, and Ward as well as Executive Officer McMichael. Alternate Commissioners Oslund was seated at 9:02 AM.

Commissioner Ashiku and Alternate Commissioner Shoemaker arrived at 9:38 AM while the Commission was in closed session. At the completion of closed session at 10:05 AM they left. Commissioner Oslund continued to serve for the balance of the meeting.

AGENDA ITEM 2—PUBLIC EXPRESSION

Rosalind Peterson, P.O. Box 499, Redwood Valley provided Executive Officer McMichael a copy of a letter that she desired to place into the record for public expression along with minutes from the Redwood Valley County Water District for their April 19, 2002 meeting and a report dated April 2002 from the Department of Health Services, Drinking Water Field Operations Branch Mendocino District, titled, Drinking Water Adequacy Assessment, Ukiah Valley Mendocino County.

The letter from Rosalind Peterson along with reports was then given to Chairwoman Ranker who directed that this item be placed on the June agenda for discussion and response.

Lee Howard, 8900 Parducci Road, Redwood Valley questioned the reason for closed session and spoke to his beliefs that closed session was regarding the contract with Amy Beauchane.

He also provided the same report described above from Rosalind Peterson along with the following letters:

- November 2, 2001 letter from the SWRCB to the Willow Water District
- November 7, 2001 letter from the SWRCB to the City of Ukiah
- January 17, 2002 letter from the SWRCB to the Hopland Public Utilities District
- January 17, 2002 letter from the SWRCP to the Calpella County Water District
- February 8, 2002 letter from the SWRCB to the City of Ukiah
- March 6, 2002 letter from the SWRCB to the Millview County Water District
- March 6, 2002 letter from the SWRCB to the Willow County Water District
- March 14, 2002 letter from the SWRCB to the Mendocino Russian River Flood Control District
- April 8, 2002 letter from the SWRCB to Willow County Water District
- Aril 25, 2002 letter from the SWRCB to the Russian River Flood Control District

As this report had been directed by the Chair to be on the agenda for the following meeting the letters will also be included as part of that agenda item.

AGENDA ITEM 3—APPROVAL/CORRECTION/ADOPTION OF MINUTES

Upon a motion by Commissioner Melo and seconded by Commissioner Hebrard the minutes of December 3, 2001 were unanimously approved. (Ayes: Hebrard, Lucier, Delbar, Melo, Simon, Oslund, Ranker; Nays: None; Abstains: None)

Upon a motion by Commissioner Melo seconded by Chairwoman Ranker the Executive Committee minutes of March 28, 2002 were unanimously approved by vote of the Executive Committee. (Ayes: Melo, Lucier, Ranker; Nays: None; Abstains: None)

AGENDA ITEM 6—AUDIT REQUIREMENTS AND COST

Change of Agenda Sequence—Because Commission Counsel Klein had not yet arrived for the closed session for Agenda Item 4; Agenda Item 6 was taken upon direction by Chairwoman Ranker.

After review of the proposals from Bartig, Basler & Ray and from Michael A. Celentano direction was given to Executive Officer McMichael to prepare a RFP requesting audit proposals and to send the RFP to various CPA firms in the County.

AGENDA ITEM 4—CLOSED SESSION

Upon the arrival of counsel, the Commission went into closed session at 9:28 AM and returned from closed session at 10:05 AM.

Upon return from close session, direction was given to counsel to prepare a letter to Amy K. Beauchane, previously contracting as Amy Jones Consulting, now Beauchane Consulting regarding her interim services contract and her failure to provide the Policies and Procedures as required by her contract. The letter was to detail the demands of the commission that:

1. Amy Beauchane return the \$7,500 paid to her for the development of LAFCO Policies and Procedures, which she failed to produce by the contract deadline of December 31, 2001.
2. Amy Beauchane pay the \$468.16 in phone billings owed to Pacific Bell that she created while Executive Officer during her interim contract that was left unpaid by her after leaving office.
3. The Commission was demanding payment of the sums of money no later than 15 days from the date of the letter.
4. The Commission has authorized the filing of legal action against Amy Beauchane to recover all amounts owed if the payments were not received by the end of the fifteen-day period.

AGENDA ITEM 5—PROPOSAL FOR DEVELOPMENT OF POLICY AND PROCEDURES

Executive Officer McMichael completed an oral review of his written proposal to the Commission for the development of the Policies and Procedures.

After review of the written proposal, the outline of the Policies and Procedures that was to be used as a work plan and the contractual agreement for the work effort submitted by Executive Officer McMichael, Commissioner Simon moved acceptance of the proposal and the agreement as submitted. Commissioner Oslund provided the second.

The motion was approved unanimously upon a roll call vote of the Commission: (Ayes: Hebrard, Lucier, Delbar, Melo, Simon, Oslund, Ranker; Nays: None; Abstains: None)

AGENDA ITEM 7— PROVISION OF LEGAL SERVICES 2002-2003

Chairwoman Ranker asked for a motion for acceptance of the MOU from County Counsel Peter Klein. Commissioner Melo moved acceptance and Commissioner Oslund provided the second. The motion was then opened for discussion.

Commissioner Simon indicated his belief that counsel for the commission should be obtained from an attorney who specialized in LAFCO issues. Executive Officer McMichael volunteered that while he had received solicitations from out of area firms for legal advice, there were no local attorneys who had specialized

expertise regarding LAFCO law. Additionally, the out of area firms hourly rates were considerably higher than that quoted by Mr. Klein.

It was the general consensus of the other commissioners that while specialized LAFCO expertise would be considered a value, there was greater value in retaining Mr. Klein because of his overall knowledge of land use planning as well as LAFCO issues and his local accessibility. And that while his quoted fee per hour had increased over last year, his proposal provided a cap, a maximum known amount that would be paid for the year, and was less than the per hour fees indicated by other firms in their solicitations.

Upon a roll call vote the motion was approved by the following vote: Ayes: Hebrard, Lucier, Delbar, Melo, Oslund, Ranker; Nays: None; Abstains: Simon.

AGENDA ITEM 8—CSDA MEMEBERSHIP--INSURANCE

For purposes of discussion, Chairwoman asked for a motion. Commissioner Melo moved acceptance of the proposal from CSDA/SDRMA for the provision of insurance and risk management for LAFCO. Commissioner Simon provided the second.

Executive Officer McMichael then briefly reviewed the proposal from CSDA/SDRMA as provided in his written report.

Clarification was requested regarding a possible change in deductibility and if the complete package as proposed by SDRMA needed to be accepted as submitted. E.O. McMichael replied that this was a package deal and changes would not be available.

E.O. McMichael then indicated that there was an opportunity to reduce the cost of the insurance by participating in the Credit Incentive Program, which required attendance at certain risk management trainings provided by SDRMA. He indicated that he would be willing to attend the necessary training, when available, as his commitment to the cost of coverage for the Commission and Executive Officer.

With this understanding, the motion for acceptance was then modified to the motion as proposed in the written report, to wit: "Executive Officer McMichael is directed to proceed to obtain membership in CSDA and to obtain insurance coverage through SDRMA for the Commission and the Executive Officer, thus mutually meeting the requirements of our contractual agreement, and our contractual agreement is so modified for this purpose."

Upon a roll call vote the motion was unanimously approved: (Ayes: Hebrard, Lucier, Delbar, Melo, Simon, Oslund, Ranker; Nays: None; Abstains: None)

AGENDA ITEM 9—2002-2003 PROPOSED BUDGET

For purposes of discussion of Chairwoman Ranker asked for a motion on the proposed budget. Commissioner Simon moved acceptance of the budget as developed by the Executive Committee with the changes as indicated in the written report. Commissioner Melo provided the second.

Executive Officer McMichael then reviewed the proposed budget as presented in the written report.

Upon a roll call vote the proposed budget was unanimously approved. : (Ayes: Hebrard, Lucier, Delbar, Melo, Simon, Oslund, Ranker; Nays: None; Abstains: None)

AGENDA ITEM 10—CONFLICT OF INTEREST POLICY

Executive Officer McMichael reviewed the proposed Conflict of Interest Policy for LAFCO.

After review, Commissioner Hebrard stated that he disagreed with the requirement that "Statements of Economic Interest shall provide disclosure in all of the following categories: All sources of income, interests in real property, and investments and business positions in business entities located in or doing business in Mendocino County." Commissioner Lucier stated that he disagreed with that requirement as well.

Upon a motion by Commissioner Delbar seconded by Commissioner Simon the Conflict of Interest Policy as submitted was approved 5/2 by the following roll call vote: Ayes: Delbar, Melo, Simon, Oslund, Ranker; Nays: Hebrard, Lucier; Abstains: None

AGENDA ITEM 11—SPECIAL DISTRICT ELECTION RESULTS

The Commission received the results of the election as presented and acknowledged that Chairwoman Camille Ranker had won an additional 4 year term as the Special District Representative to LAFCO. It was noted that because of the delay in the election process Commissioner Ranker's service date ends in May of 2005. The election results are as follows:

Camille Ranker received 12 votes as follows:

- Hopland Public Utility District
- Mendocino Coast Recreation and Park District
- Noyo Harbor District
- Little Lake Fire Protection District
- Elk County Water District

Mendocino Coast Health Care District
Westport Ten Mile Cemetery District
Brooktrails Township Community Services District
Long Valley Fire Protection District
Little River Cemetery District
Albion Little River Fire Protection District
Redwood Coast Fire Protection District

Wayne Pittman received 6 votes as follows:

Mendocino Fire Protection District
Russian River Flood Control and Water Conservation District
Russian River Cemetery District
Ukiah Valley Fire District
Covelo Public Cemetery District
Covelo Fire Protection District

The Redwood County Water District submitted a ballot within the required time frame but voted for NONE.

The Covelo Community Services District submitted a ballot but it was not within the required time frame. However, their vote was for NONE.

AGENDA ITEM 12—LEAD AGENCY FOR CEQA PROCESS

County Counsel opinion titled, Lead Agency for LAFCO Projects such as Annexations; #02-289 addendum to #01-931 was received and discussed.

Upon motion by Commissioner Delbar and seconded by Commissioner Melo, E.O McMichael was directed to develop a policy whereby the applicant agency remains the lead agency but LAFCO retains the opportunity for early comment, the ability to refuse acceptance of the environmental review and the ability for LAFCO to conduct the environmental review if needed. Once developed, such policy was to be brought back to the Commission for review, modification and/or approval.

The motion passed unanimously. (Ayes: Hebrard, Lucier, Delbar, Melo, Simon, Oslund, Ranker; Nays: None; Abstains: None)

AGENDA ITEM 13—CALPELLA COUNTY WATER DISTRICT PROPOSED NEGATIVE DECLARATION AND INITIAL STUDY

Commissioner Oslund provided written comments to E.O. McMichael for transmission to Leonard Charles for their draft Initial Study. Commissioners Hebrard and Melo had previously provided comments before this meeting. No other Commissioner had comments for purpose of transmittal.

Upon a motion by Commissioner Melo seconded by Commissioner Hebrard, E.O. McMichael was directed to leave the CEQA process with the Calpella County Water District and to transmit the comments received from the Commissioners to the CEQA consultant.

The motion passed unanimously. (Ayes: Hebrard, Lucier, Delbar, Melo, Simon, Oslund, Ranker; Nays: None; Abstains: None)

AGENDA ITEM 14—REPORTS

Chairwoman Ranker reported on the status of AB 1948 which will change the funding process for Special Districts, especially affecting health care districts by changing the formula for determination of proportionate share. If passed and signed by the Governor the change in funding formula will most likely affect the FY 2003-2004 budget.

There were no other reports by Commissioners.

AGENDA ITEM 15—CORRESPONDENCE

The Commission received the following correspondence without comment:

- A. Public records request by law office of Donald B. Mooney re City of Ukiah annexation
- B. Reply to letter from Donald B. Mooney
- C. City of Ukiah—Notice of Document Availability and Intent to Adopt a Negative Declaration—Received April 17, 2002.
- D. Letter from Anderson Valley Community Services District
- E. Reply to letter from Anderson Valley Community Services District

AGENDA ITEM 16—ADJOURNMENT

Having no other business the Commission adjourned at 11:58 AM.