

LOCAL AGENCY FORMATION COMMISSION MENDOCINO COUNTY

The Local Agency Formation Commission convened a regular meeting on Monday, June 3, 2002 at 10:00 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 10:02 AM. The following Commissioners were present and seated: Melo, Simon, and Chairwoman Ranker. Commissioner Ashiku, Lucier, Delbar and alternate Commissioner Shoemaker and Oslund were not present at role call.

Also present were alternate Commissioners Orth and Ward as well as Executive Officer McMichael. Alternate Commissioners Orth was seated 10:02 AM as the district representative. Alternate Commissioner Oslund arrived at 10:06 AM and was seated as the city representative.

AGENDA ITEM 2—PUBLIC EXPRESSION

Lee Howard, 8900 Parducci Road, Redwood Valley questioned the reason handouts provided to the Commissioner were not available to the public. Executive Officer McMichael indicated that he did not bring sufficient copies for public handout. Mr. Howard reminded the Commission that this was a requirement of the Brown Act. The Commission agreed that they would make sure handouts were available from now on.

Later in the meeting, after temporarily leaving the meeting, Mr. Howard asked to speak again whereby he quoted portions of Section 54957.5 as to the requirements of providing any handouts provided to the Commission to the public. At this point in time, Chairwoman Ranker indicated that because several Commissioners had not arrived at the meeting, Mr. Howard could have the copies that were to be given to one of them. Mr. Howard then angrily left the room indicating that he did not want the copies and he would get them later.

AGENDA ITEM 3—APPROVAL/CORRECTION/ADOPTION OF MINUTES

Upon a motion by Commissioner Melo and seconded by Commissioner Simon the minutes of May 6, 2002 were unanimously approved. (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

AGENDA ITEM 4—SPECIAL DISTRICT REPRESENTATION

Upon a motion by Commissioner Oslund seconded by Commissioner Orth, the Commission received Commissioner Hebrard's letter of resignation and officially accepted his resignation with regrets. The motion was unanimously approved (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

Direction was given to E.O. McMichael to develop a resolution of appreciation of service for former Commissioner Hebrard for the next agenda.

District Alternate Commissioner Orth indicated that he would not seek to be elected to the Commissioner seat and that he thought that someone from the Ukiah Valley area should represent the Districts in that many of the issues soon before the Commission would come from this area. Alternate Commissioner Orth indicated that he would be willing to serve until a duly elected Commissioner became available.

Upon a motion by Commissioner Orth and seconded by Commissioner Oslund, direction was given to E.O. McMichael to wait a few months before beginning the process for finding nominees and holding an election such that the successful candidate would be seated for a full term of office. The motion was unanimously approved (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

AGENDA ITEM 5—RESPONSE TO PUBLIC EXPRESSION SUBMITTAL AT MAY 2, 2002 MEETING

At the May 6, 2002 meeting Rosalind Peterson and Lee Howard provided the following:

- A. Letter from Rosalind Peterson asking if LAFCO approval is needed for the Redwood Valley County Water District to seek water rights from the Mill Creek Dam and; if LAFCO approval was needed for the City of Ukiah, Millview County Water District, Willow County Water District and Calpella County Water District to enter into a emergency water interconnection agreement.
- B. Drinking Water Adequacy Assessment Report for the Ukiah Valley from the State Department of Health Services, Drinking Water Field Operations Branch, Mendocino District.
- C. Various letters from the State Water Resources Board to various districts as follows:
 - 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
- April 25, 2002 letter from the SWRCB to the Russian River Flood Control District

At the initiation of the discussion, Commissioner Orth supplied a letter dated May 15, 2002 that Brooktrails Township had received from the State Water Resources Control Board that were similar in nature to the letters indicated above.

E.O. McMichael upon request of Chairman Ranker reviewed the letter from Rosalind Peterson and the Drinking Water Adequacy Assessment Report. He stated that based on his reading of C-K-H and an opinion from County Counsel the Redwood Valley effort to obtain water rights outside their district was not a LAFCO issue in that agencies may receive the source of their water from outside the district as long as the water service is provided within the district boundaries. He indicated that any oversight for this effort rightfully belonged under the purview of the State Water Resources Control Board. He also indicated that it was not unusual for water agencies to obtain water from outside the boundaries of the area that they served; City of Willits and City of Ft. Bragg being examples that came to mind.

As far as the discussion between the City of Ukiah and Millview, Willow and Calpella County Water Districts regarding an emergency water interconnection agreement, he stated that he did not believe that this was a LAFCO issue either, as long as the agreement was for emergency purposes and not for the purpose of providing services outside their jurisdictional boundaries. He indicated that he agreed in substance with the letter from City of Ukiah Counsel David Rapport, which had been supplied to the Commission.

As to the Drinking Water Adequacy Assessment Report he believes that there are issues raised in the report having to do with boundaries, service levels, ability to serve and consolidation that are LAFCO issues and should be addressed with service reviews. However, many of the issues raised in this report and the various letters are presently being addressed by the various agencies, therefore it would seem to make sense that any service reviews be delayed until completion of this process.

Commissioner Orth indicated his belief that it would difficult to delay service reviews and that the Commission should proceed soon with that process and that the Commission should develop an action plan for beginning the process.

Commissioner Melo indicated that there are issues of consolidation and that beginning service reviews soon would seem to make sense.

Lee Howard, 8900 Parducci Road, Redwood Valley, spoke to his beliefs that supplying water for peak demands through the intertie circumvents the process for emergency water only and that because of the issues raised in the Drinking Water Adequacy Report,

LAFCO is required to begin a review of the water issues in the Ukiah Valley even though it would be extremely costly to do so. He cited the Carmel Valley cost of CEQA process being approximately \$1.5 million dollars to do a study similar that needed for the Ukiah Valley.

Rosalind Peterson, P.O. Box 499, Redwood Valley, reiterated her thoughts provided in her letter that the various agencies indicated above are applying for a change of place of use for their water so that the City could supply water to the other districts for peak demand and that this would be growth inducing and therefore would become a LAFCO issue.

Commissioner Simon indicated that he believed that the Commission should start the Sphere Amendment and Service Review process for the Ukiah Valley soon.

After more discussion, E.O. McMichael was directed to prepare a letter to the City of Ukiah and the Willow, Calpella and Millview County Water Districts for Chairwoman Ranker's signature that would make the following points:

1. That the Commission did not view the emergency water interconnection agreement as a LAFCO issue as long as it was for emergency purposes and there was no water being provided for service outside of jurisdictional boundaries.
2. If there were to be any changes in the agreement for other than emergency use then LAFCO would like to be notified of those changes.
3. If there were a CEQA process for this agreement then LAFCO would like the opportunity to comment.
4. A copy of this letter was to be sent to the State Water Resources Control Board.

Additionally, because Charlie Stump of the City of Ukiah had recently indicated some interest in conducting a sphere amendment and service review, E.O. McMichael was directed to contact the City to see if there was continuing interest in going forward with that possibility.

Finally, it was agreed that the Executive Committee would meet in July to begin setting priorities for recommendation to the Commission for the beginning of service reviews.

AGENDA ITEM 6—LAYTONVILLE COUNTY WATER DISTRICT

E.O. McMichael briefly reviewed the written report provided to the Commission to wit: The map and legal description for the annexation approved by the Commission in December, subsequently filed with the Auditor, Assessor, Surveyor and Board of Equalization, did not include 12 parcels that should have been on the map and legal description. Eleven of those parcels were on a list submitted to me as part of the annexation and that was sent to the Auditor, Assessor and the Board of Equalization. The eleven parcels will be taxed according to the submitted list, if there is a future assessment by the District.

These parcels were also included on the parcel list submittal to Rau and Associates and were included on the parcel map given to Rau and Associates by the Laytonville County Water District for purposes of drawing the final map. They were inadvertently left off the final map and the legal description. One of the eleven parcels left off the map/legal description is owned by the Laytonville Unified School District and will be where the new high school will be located (AP# 014-060-40-00). They will be breaking ground next month and are anticipating being supplied with water from the District. The Laytonville County Unified School District also owns the twelfth parcel. This parcel should have been submitted as part of the annexation but was not because of reasons explained below.

The map and legal description approved by the Commission and filed by me to the respective agencies did correlate with each other so there was no way to know of the error by looking at these two documents. However, when looking at the original submittal map and the list of parcels submitted, there is a clear error regarding the mix up of Assessor Parcel numbers and legal description and the map.

The twelfth parcel in question raises a more complex question but I believe it can be handled according to my recommendation below and be included in the new description and map, if the Commission so authorizes.

It turns out that part of the land of the existing high school has a different parcel number than previously known. When the awareness of the error of not including the above mentioned 11 parcels became known, follow up research at the Assessor's office indicated that a small amount of land (.72 acres) at the existing school site had a separate parcel number (AP# 014-060-39-00). This was not known previously. This parcel has part of the old gym, a small parking lot, track, outdoor basketball court and 2 classrooms. The District has serviced the existing high school since the District's inception, including this parcel. The total area of the high school has always been considered to be part of the District as one parcel.

My recommendation to you is to allow me to attempt to correct the record with the various agencies by treating this as a record keeping error, including the twelfth parcel. Having said this, I am not absolutely certain that the Board of Equalization will accept changes because I have received their letter acknowledging receipt of the legal description, map, list, etc. It is possible that any changes may require a new set of fees, I will not know until I make the submittal, if I am so authorized by the Commission.

Upon a motion by Commissioner Orth seconded by Commissioner Melo E. O. McMichael was authorized to attempt to correct the errors including the twelfth parcel if possible. He was additionally authorized to enter into an out of area service agreement for the twelfth parcel if it was disallowed by the BOE. The motion was unanimously approved (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

AGENDA ITEM 7— FINAL HEARING ON 2002-2003 PROPOSED BUDGET

Commissioner Melo seconded by Commissioner Oslund moved acceptance of the proof of publication for public hearing. The motion was unanimously approved (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

Chairwoman Ranker opened the public hearing at 11:07 and asked for anyone who cared to speak to come forward. At that point time the only person in the room was Assistant County Counsel Frank Zotter.

E.O. McMichael indicated that there were a few changes in the budget from that which was presented at the May meeting namely that the Fund Balance Carryover estimate was now listed at \$29,000 instead of \$29,400 and that because of interest received and possible collection of moneys paid previously for the Policies and Procedures that balance would change again. He recommended that whatever the final balance would be above the \$29,000 indicated on the budget be retained in Contingency Reserve for possible needs for service reviews.

Having no one come forward to speak, Chairwoman Ranker closed the public hearing at 11:19 AM.

Commissioner Melo provided the following motion seconded by Commissioner Oslund:

That the budget is approved as submitted and that any fund balance carryover in excess of \$29,000 be retained as Contingency Reserve and that the apportioned amount for the County, Cities and Special Districts was to be \$45, 916.67 as indicated on line 25 of the Proposed Budget and that this budget was to be forwarded to the Auditor with these directions.

The motion was unanimously approved (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

AGENDA ITEM 8—SENATE LOCAL GOVERNMENT COMMITTEE C-K-H SURVEY

Upon a motion by Commissioner Orth seconded by Commissioner Melo, E.O. McMichael was directed to use the responses provided by Commissioner Melo for replying to this survey. The motion was unanimously approved (Ayes: Melo, Simon, Oslund, Orth and Ranker; Nays: None; Abstains: None)

AGENDA ITEM 9—CLOSED SESSION

Pursuant to Government Code 54956.9: Initiation of Litigation for one case the Commission went into closed session at 11:25 AM. They returned from closed session at 11:45 AM, whereupon they gave the following direction to Commission Counsel Frank

Zotter: He was to prepare a letter to Amy Beauchane providing acceptance of her offer to accept \$3,922.00 from her to be paid by June 21, 2002 and that the \$1875.00 still retained by the Auditor for percentage set aside would be retained as LAFCO funds.

Further direction was given that those funds once received would be deposited with the auditor in the Policy and Procedures account. E.O. McMichael was directed to deposit a check received from Amy Beauchane for payment of past due phone bills with the auditor and that upon payment of that amount by E.O. McMichael he was to submit for reimbursement to the auditor.

AGENDA ITEM 10—REPORTS

Executive Officer McMichael reported that the Audit RFP had gone out to 29 different CPA firms in Mendocino County and that he had asked for a response from any interested firm by July 15, 2002; that the CEQA Policies and Procedures were near completion and that the Commission should be receiving a copy within a week or so; that he would be attending a CEQA intensive seminar Thursday and Friday of this week; that the Policies and Procedures were proceeding but that he necessarily had to cease most work on them while completing the CEQA P& P's as directed by the Commission at the previous meeting; the letter to CSDA-SDRMA had gone out indicating the Commission's desire to proceed and that he was waiting for a response.

There were no Commissioner reports.

AGENDA ITEM 11—CORRESPONDENCE

Commissioner Melo indicated that he had received a phone call from Dave Redding of the Calpella Water District indicating that Mr. Redding thought that E.O. McMichael's responses to their Proposed Negative Declaration and Initial Study was extreme. Other Commissioners indicated that they appreciated the letter as sent and that it was exactly the kind of response that they wanted when asked to comment on environmental review documents.

AGENDA ITEM 12—ADJOURNMENT

Having no other business the Commission adjourned at 12:05 AM.