

**LOCAL AGENCY FORMATION COMMISSION
MENDOCINO COUNTY**

The Local Agency Formation Commission convened a meeting on Monday, January 10, 2011 at 10:00 a.m. at the City of Ukiah Council Chambers, 300 Seminary Ave., Ukiah, CA.

Chairman Melo called the meeting of the Local Agency Formation Commission of Mendocino County to order at 10:00 a.m.

AGENDA ITEM 4--OATH OF OFFICE FOR NEW COMMISSIONERS

Prior to Roll Call, Chair Melo administered the oath of office to Board of Supervisor appointees John McCowen, Dan Hamburg and Carre Brown.

AGENDA ITEM 1 - CALL TO ORDER / ROLL CALL

After the oath of office the following Commissioners were present and seated: Commissioners McCowen, Rodin, Shoemaker, Kisslinger, McFadden, Hamburg and Chair Melo. Alternate Commissioners Ward, Orth, Brown and Executive Officer McMichael were also present. Alternate Commissioner Madrigal was not present.

AGENDA ITEM 2 - PUBLIC EXPRESSION

There was no one in attendance from the public who indicated an interest in speaking on non-agenda items.

AGENDA ITEM 3 – APPROVALCORRECTION/ADOPTION OF MINUTES

Upon a motion by Commissioner Shoemaker, seconded by Commissioner Kisslinger, the minutes of December 6, 2010 were approved with the addition that E.O. McMichael was to provide an explanation of Line 16 in the budget for the next meeting: Ayes: Kisslinger, McCowen, Rodin, Shoemaker and Chair Melo: Nays: None; Abstain: Hamburg and McFadden

**REVIEW OF CITY OF UKIAH'S LETTER REQUESTING THE COMMISSION
AUTHORIZATION TO PERFORM SERVICE REVIEWS**

Chair Melo provided the opening presentation, explaining that the Commission had received a letter from the City of Ukiah requesting the authorization to proceed with their Service Review by funding the cost of a consultant. He further explained that he had directed that all agencies that could be affected by the City's proposed service review be provided a place on the agenda, so that they would have an opportunity to present, should they desire to do so. He then called on the City to proceed with their presentation.

City Presentation

City Manager Jane Chambers read a statement indicating the City's interest in getting the Municipal Service Reviews (MSR) completed so that the City could move forward with annexations and that the City was willing to fund the cost of a consultant to complete the City's MSR. She then asked Director of Planning Charley Stump to continue the City's presentation.

Director of Planning, Charley Stump, reviewed past efforts with LAFCO, reviewed recent proposed large urban developments within the Ukiah Valley, indicated that the City was best equipped to deal with large scale development because the City was in the business of providing efficient delivery of services. He further indicated that for the first time in 25 years, the City had received an application for annexation and the City wanted to move forward with this application, therefore the City was interested in assisting LAFCO in meeting its statutory obligations by funding the City's MSR, which would include all services provided by the City. He additionally indicated that the City wanted the MSR to be factual and objective, wanted the process of development of the MSR to be open and transparent and the City was prepared to work with special districts and staff of the affected agencies within the boundaries of the proposed Sphere of Influence (SOI).

After his presentation, comments and questions from the Commissioners were provided to Director Stump and City Manager Chambers: Commissioner Rodin wanted to know if the MSR would include other districts. (Director Stump indicated that it would); Commissioner McCowen wanted to know if a RFP would be developed prior to engaging a consultant firm and if the inter-relationships between the City and the districts would be described and explained. (City Manager Chambers indicated that would be the case); Commissioner Brown wanted information as to the City's Sphere of Influence. (Director Stump indicated that the City views their present SOI as from Burke Hill to Highway 20 and ridge-top to ridge-top, however the 1995 General Plan SOI made more sense as the City could not provide services in the larger SOI.) Chair Melo quoted G.C. 56430(b) which indicates: *"In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area."* He then asked Director Stump as to whether the City would meet this requirement. (Director Stump affirmed this was the intention of the City)

After this exchange, Chair Melo indicated that he would proceed to presentations by other agencies but that he may call on Director Stump for additional comment at the end of their presentations.

Ukiah Valley Sanitation District (UVSD)

UVSD Chair Jim Ronco indicated that while the District wanted the MSR to be completed, the process must be open, transparent and accountable; that all affected agencies have an ability to comment on the process and developed documents; that past documents go to the consultant including anything that LAFCO staff had developed and the MSR be developed in a fashion that is unbiased. At this point, Commissioner Hamburg questioned Chair Ronco as to whether the District would object to the hiring of a MSR consultant. (Chair Ronco replied that if the consultant was chosen by LAFCO independent of the City, the process of development of the MSR was open, transparent and unbiased and there was a role for all districts to be included in the MSR process, then he would be supportive of a consultant.)

Commissioner McFadden asked; "What are you worried about, what suffering would occur if the proposal went forward?" (Chair Ronco indicated that there had been past difficulties with the City as to transparency, not getting information and other issues that were described in the LAFCO Wastewater Report.) Commissioner Orth commented that if the Commission goes forward with the City's request, it was critical that a level of transparency be maintained but a partnership with the City would be good. Chair Melo then repeated his quote of G.C. 56430(b) and asked if Chair Ronco generally supported that all agencies should be comprehensively reviewed. (Chair Ronco affirmed that he did.)

UVSD Board Member Teresa McNerlin indicated that there were sufficient difficulties between the City and the District because of communication issues that a professional facilitator was hired to help resolve the difficulties. She indicated that she was worried that if this process went forward, as requested by the City, the District would have no input or basis for comment; that the system between the two agencies is broken; that the City wanted to help themselves over the District; that she had no confidence with the City's proposal because she believes that the City had a predetermined outcome; that the City would want to annex areas within the District which would cause a negative financial affect on the District; that annexations must consider impacts on other agencies and that the District considered the Wastewater Report developed by LAFCO staff to be a superior report.

UVSD District Manager, Rick Kennedy indicated that the MSR process and development of an SOI is statutory responsibility of LAFCO and that this responsibility could not be delegated to another agency. He stated that G.C. 56378 allows LAFCO to seek grants and that 56380 allows LAFCO to contract for its responsibilities under the guidance of the Commission. Commissioner McCowen then questioned Mr. Kennedy that if the City provides the funding but LAFCO provides oversight and control would that be acceptable? (Mr. Kennedy responded that that would be a decision of his Board and that he could not speak for them.) At this point, Commissioner Rodin provided a cautionary note that while she was not discounting disagreements between the City and the District, their issues were not relevant to the agenda and that the City proposes to prepare a comprehensive MSR that would make any past MSR efforts moot. Commissioner Kisslinger commented that the MSR process is for LAFCO and LAFCO must make the determinations. He then questioned as to whether the City proposed to review City services only or would it include a regional approach as previously decided by the Commission for the Ukiah Valley. Commissioner Rodin commented that the City would review all services that the City provides and would include all agencies within the City's Sphere. Commissioner Hamburg then suggested that E.O. McMichael develop a motion for the Commission's consideration. Chair Melo declined that suggestion indicating that he was going to move forward to other agencies on the agenda.

Russian River Flood Control (RRFC)

Sean White, General Manager for RRFC, indicated the impacted districts would like to see the MSRs completed and the District was not opposed to hiring a consultant funded by the City but that LAFCO must not delegate its authority and responsibility to the City for oversight and control of the MSR process. Chair Melo, again quoting G.C. 56430(b), inquired of Mr. White if the District supports the comprehensive review process indicated by this section. (Mr. White replied that he did but that while City can pay for the process, LAFCO must maintain oversight.)

Ukiah Valley Fire District

Chief Grebil indicated that provided that LAFCO retained control, the Fire District was not opposed to the City funding the MSR process. However, the District did worry about detachments from the District. He then indicated that he thought that LAFCO should hire one consultant to do all fire districts in the County.

Willow CWD

Dave Redding, General Manager for Willow, indicated that Willow is concerned about how the process moves forward and that LAFCO must maintain control and provide oversight and that LAFCO should allow the individual affected agencies take a leadership role in the process. Chair Melo then asked if he was in agreement with G.C. 56430(b) as previously quoted. (Mr. Redding indicated that he was.)

Lee Howard

Lee Howard speaking as a private individual indicated that he had one major question which was, "would the proposed MSR include the ridge-top to ridge-top sphere or the '95 sphere"? He stated that it should be identified for the record which SOI that was being considered by the City.

Chris Neary

Chris Neary speaking as a private individual indicated that he was concerned that the City's proposed process would be a precedent which would lead to each agency preparing their MSRs and that this should not happen. He further indicated that while the MSR process can be a messy process; it is best compared to an environmental review process whereby the cost of an EIR is paid by the applicant but the applicant agency is the lead agency for the process. The agency retains control for the selection of a consultant and the document development. He indicated that LAFCO is to be the neutral lead agency to prepare MSRs, not the agency being reviewed.

Mary Ann Landis

Ms. Landis, speaking as a resident of the City urged that the process go forward.

At 11:25 a.m., Chair Melo declared a ten minute break. At 11:35 the Commission reconvened, at which point Chair Melo asked if the City had additional comments regarding their proposal.

Director of Planning Charley Stump indicated that he wanted to clarify that the City was not proposing to create a detailed MSR for the affected special districts located in the City's proposed SOI. Instead the City was proposing that they review how services are provided in the City's sphere but would not review the complete agencies. Additionally, the City was not proposing to take away LAFCO's oversight but it was their intent to create an RFP and retain a consultant to be paid for by the City.

Commissioner McCowen stated that the document would be prepared by the consultant to assist in determining the SOI and should consider impacts on other districts of City annexations but the immediate use of the MSR is to determine the City's SOI.

Commissioner Orth commented that if the City does its own MSR, LAFCO still has to move forward with other districts. Additionally, he thought that a scoping meeting for the RFP conducted by a LAFCO committee should occur. City Manager Chambers indicated that the City would work with LAFCO.

Commissioner Rodin indicated that LAFCO needs to be a leader in regional planning for the Valley and that a great void exists in regional planning and LAFCO should do it.

Commissioner Hamburg asked why there was no time line in the City's proposal. City Manager Chambers indicated that she thought the process would take six months but a more detailed timeline was not developed until it was seen if LAFCO would authorize the City to proceed.

Commissioner Kisslinger emphasized that he thought that the MSR should have a regional perspective.

Upon permission of the Chair to speak, E.O. McMichael referred to Chris Neary's earlier comparison to the EIR process and stated that while the Commission can accept the City's offer to pay for the consultant, the Commission cannot give up its statutory authority for service reviews. He recommended LAFCO staff be fully engaged in the process and that a fully noticed and agendized committee of the Commission be formed for development of an RFP to be recommended to the full Commission for their review and approval. He stated that affected agencies should have an opportunity for input during the committee meetings so that no one could complain that the process was not open and transparent. Additionally, he indicated that a similar committee process could be utilized for review of proposals received, hiring of the consultant and review of the administrative draft when completed.

Director of Planning Charlie Stump indicated that the City encourages such an approach and positive things would come.

Councilmember Benj Thomas indicated that it was incumbent on LAFCO to not allow delay, not include a massive engagement of people, that the City wants an SOI limited to the '95 SOI and must not go further afield.

There was additional discussion about the possibility of LAFCO funding a regional study or Ukiah Valley area study as an add-on to the City's study. There was also discussion about the value of an ad hoc committee that would not include the public as opposed to a standing committee that required published agendas and allowed the public to attend and participate. It was the general conclusion of the Commission that an ad hoc committee could move forward much faster in developing an RFP, if the public and other agencies other than the City were not included.

At this point, Chair Melo indicated that he would entertain a motion to work with the City via an ad hoc committee to create an RFP for the City's MSR to include the '95 SOI for the Commission's review and approval. Commissioner Shoemaker/seconded by Commissioner Hamburg so moved. The motion was approved on the following roll call vote: Ayes: Shoemaker, Hamburg, Rodin, McFadden, McCowen and Chair Melo; Nays: Kisslinger; Abstain: None; Absent: None. Upon conclusion of the roll call, Chair Melo announced that the motion had been approved on a 6/1 vote.

Upon conclusion of the vote, Chair Melo requested volunteers for the ad hoc committee. Commissioners McCowen, Orth and Kisslinger initially volunteered. Upon Commissioner Kisslinger volunteering, Commissioner McFadden indicated that he had a problem with Commissioner Kisslinger being on the subcommittee because he had voted against the motion. Commissioner Kisslinger indicated that his vote reflected his interest in a more regional approach and that he would cooperatively work with the committee process. After further comments and some minor discussion, Commissioner Kisslinger withdrew his request to be on the Committee. At that point, Commissioner Shoemaker indicated that he would serve, at least through the development of the RFP. Commissioner Hamburg indicated that he had concerns that Commissioner Shoemaker would not serve for the complete duration of the committee.

With that, Chair Melo stated that LAFCO's committee members would be Commissioners McCowen, Orth and Shoemaker. And that if possible, the ad hoc committee should work toward having the draft RFP on the February agenda and as well he directed the E.O. to provide an explanation of Line 16 in the budget for the February agenda.

AGENDA ITEM 6—ADJOURNMENT

Having no further business, the meeting adjourned at 1:16 p.m.