

MENDOCINO

Local Agency Formation Commission

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COMMISSIONERS

Tony Orth, Chair

Brooktrails Township CSD

Scott Ignacio, Vice Chair

Point Arena City Council

Gerald Ward, Commissioner

Public Member

Matthew Froneberger

Special District Member

Gerardo Gonzalez

Willits City Council

Glenn McGourty

County Board of Supervisors

Maureen Mulheren

County Board of Supervisors

Jenifer Bazzani, Alternate

Ukiah Valley Fire District

John Haschak, Alternate

County Board of Supervisors

Mari Rodin, Alternate

City Member

Richard Weinkle, Alternate

Public Member

STAFF

Executive Officer

Uma Hinman

Analyst

Larkyn Feiler

Commission Clerk

Kristen Meadows

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, Ukiah

Approved by Commission on September 13, 2021

MINUTES

Local Agency Formation Commission of Mendocino County

Regular Meeting of Monday, July 12, 2021

Meeting held via Zoom due to COVID-19 Pandemic Emergency Conditions

1. **CALL TO ORDER and ROLL CALL** (Video Time 0:56)

Chair Orth called the meeting to order at 9:00 a.m.

Regular Commissioners Present: Tony Orth, Scott Ignacio, Gerardo Gonzalez, Matthew Froneberger, and Maureen Mulheren

Regular Commissioners Absent: Glenn McGourty and Gerald Ward

Alternate Commissioners Present: Mari Rodin

Alternate Commissioners Absent: Jenifer Bazzani, Richard Weinkle, and John Haschak

Staff Present: Uma Hinman, Executive Officer; Larkyn Feiler, Analyst; Kristen Meadows, Clerk; and Scott Browne, Legal Counsel

2. **PUBLIC EXPRESSION** None

3. **CONSENT CALENDAR** (Video Time 2:53)

3a) Approval of the June 7, 2021 Regular Meeting Summary

3b) Approval of the June 2021 Claims & Financial Report

June 2021 Claims totaling:	16,614.66
Hinman & Associates Consulting	\$ 12,092.00
P. Scott Browne	\$ 2,294.30
Newspapers	\$ 275.73
County of Mendocino	\$ 1145.00
Ukiah Valley Conference Center	\$ 467.64
Streamline	\$ 50.00
Comcast	\$ 189.00
Commissioner Stipends	\$ 100.00

3c) Approval of SDRMA Insurance Payment for Fiscal Year 2021-22

Commissioner Gonzalez asked for clarification on the amount of increase in insurance premium to which EO Hinman responded approximately \$100. She explained it was listed as a separate agenda item so as to approve payment by the due date and to facilitate tracking in the fiscal year to which it applies.

3d) Ratification of AB 1581 CALAFCO Omnibus Bill Support Letter

Motion by Commissioner Gonzalez: Approve the Consent Calendar Items

Second by Commissioner Ignacio.

Approved by roll call vote: unanimous.

Ayes: (5) Froneberger, Gonzalez, Ignacio, Mulheren, Orth

4. WORKSHOP ITEMS (Video Time 4:56)

4a) Covelo Community Services District (CCSD or District) MSR/SOI Update

EO Hinman gave a brief overview of the Municipal Service Review and Sphere of Influence (MSR/SOI) Update development and public review process. The MSR/SOI Update is the second review of the Covelo CSD (CCSD), the first being in 2010. The District has had success in obtaining a number of grants over the years that has allowed them to update the water treatment plant (2008) and has been awarded a grant to improve its collection system (2021). Additional grant funding has been awarded for various improvements to the ozone unit and has been applications submitted for well and pump station replacement. The improvements will address a service moratorium on new connections due to capacity limitations and infiltration issues.

Staff is recommending a coterminous SOI based on service capacities, limited growth, and low demand for additional services projected over the next 5 years.

EO Hinman thanked Dane Downing, CCSD General Manager and Gail Cook, Board Secretary, for their assistance in preparing the document.

Questions (Q), Comments, and Corrections (C) from the Commission. (Video Time 10:38)

Commissioner Froneberger:

Q: What is the population served by the District?

A: Approximately 460.

Chair Orth:

C: Report indicates that there is only one wastewater service in the area. There are two including the Round Valley Indian Tribes Reservation's treatment plant. He also noted that the District receives many grants because it is a severely disadvantaged community. He asked EO Hinman to explain the difference between disadvantaged and severely disadvantaged communities.

A: Defined by the Department of Water Resources, severely disadvantaged communities are defined by communities with a median household income (MHI) of less than 60% of the State's average, whereas disadvantaged communities have less than 80% of the State's MHI.

Q: Of the funds available to the District, is the grant money dedicated to specific uses?

A: Yes, grant money is limited to the specified project; however, District Manager Downing can provide more detailed information.

(Although in attendance, due to technical difficulties with the microphone function of the Zoom meeting, Mr. Downing was unable to respond to questions. EO Hinman will follow up with him post meeting.)

Q: Are business that sustained fire damage/destruction subject to the moratorium or can they rebuild and regain access to the sewer system since they were a prior customer?

Q: What financial challenges does the District face that cause the enterprise services to operate at an annual net loss and how will it overcome them balance the budget?

C: Chair Orth noted that the report indicates, "no out of area services," however there is reference to accepting hauling from sewer trucks from outside of district boundaries. He suggested that the revenue may be listed under "other income" and separating that amount to identify earnings from that service.

Commissioner Rodin suggested a few grammar and punctuation edits.

Q: How does this report impact the community and/or help the District overcome its challenges? She noted the District's website compliance as an example.

A: When a District's update and review reveal issues that are concerning to the Commission, it will direct staff follow up and provide a report within a specific time frame to track progress toward reaching a resolution and/or improvement. Resources can be provided to the district, as in the case of the website, to help them regain compliance. State legislators and local agencies review these reports when development is proposed. (e.g., the Round Valley Area Municipal Advisory Committee (RVAMAC), created last year, may review the report when considering community needs.)

Commissioner Mulheren:

Q: Are there any plans to create consistent zoning in the area?

A: That may be something that the RVAMAC is looking into.

Commissioner Mulheren noted the importance for public agencies to refer to general plans when working on community planning items.

EO Hinman noted that accurate population data collection is a challenge for the District. The actual population is likely much higher than what is recorded in the census data and may affect the District's sewer capacity.

Additionally, the District's 2019-20 Audit should be completed within the next few weeks and will be incorporated into the Public Hearing Draft, if available.

Commissioner Gonzalez:

Q: Why does the District have trouble recruiting directors to serve on its board?

A: The District has a transient population, is in a very rural area, and many of the commercial property owners are not residents of the community, making them ineligible to serve on the board. Chair Orth added that the County Board of Supervisors can help recruit and/or appoint members to the board when necessary and asked EO Hinman to inform Commissioner Haschak, District Supervisor.

There was no comment from the public.

5. MATTERS FOR DISCUSSION AND POSSIBLE ACTION None

6. INFORMATION/REPORT ITEMS (Video Time 36:36)

EO Hinman presented the Executive Officer's report first. See item 6d. (Agenda item numbering issue noted.)

6a) Work Plan, Current, and Future Proposals (Video Time: 51:41)

Active Proposals:

1. City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas: Appeal filed by the City then placed on hold pending sphere policy amendments in progress.
2. City of Ukiah Annexation of City-Owned Properties: A letter identifying additional information needs was sent to the City of Ukiah on March 23, 2021. Waiting for response.
3. Ukiah Valley Fire District Annexation of the City of Ukiah: A portion of the annexation application and sphere amendment was received by LAFCo on June 29, 2021. The deadline to report jurisdictional changes to the State Board of Equalization is December 1. In recognition of time sensitivities, staff initiated the tax share agreement process on July 2, 2021.
4. City of Ukiah Pre-Application for Annexation of Areas North of the City: no change.
5. Millview County Water District Pre-Application for Annexation of Masonite Properties: no change.

Future Proposal(s):

1. City of Ukiah Annexation of the Western Hills Home Properties: no change

Work Plan:

- Ukiah Valley Sanitation District (UVSD) – Staff is working with the City and UVSD.
- City of Ukiah (City) - The MOU and draft contract are being negotiated between City and LAFCo attorneys.
- CSA 3 – Staff has received and is reviewing a draft map of the district from County GIS.
- Covelo CSD – Staff plans to notice and hold a public hearing during the September meeting.
- Ukiah Valley Fire District (UVFD) – The Administrative Draft MSR is in process and will track concurrently with the annexation application and the Sphere Amendment.

6b) Countywide Planning Activities Report None.

6c) Correspondence None.

6d) Executive Officer's Report (Video Time: 37:14)

EO Hinman shared a summary of the City of Pismo Beach (City) vs. San Luis Obispo (SLO) LAFCo Case ruling that ruled that LAFCo has no authority to require indemnification. SLO LAFCo requested support from CALAFCO which filed an

amicus letter to the State Supreme Court to consider the appeal request. The State Supreme Court denied the petition for review, as well as the depublication request.

According to a summary provided by CALAFCO, the matter is being referred to its legal committee and Board for a potential future fix. Additionally, SLO LAFCo and SDRMA (Special District Risk Management Authority) are considering alternative administrative options.

Each individual LAFCo with its legal counsel must decide how to move forward. Mendocino LAFCo has chosen to process applications with a voluntary indemnification clause.

Following EO Hinman's invitation to comment, Scott Browne (Legal Counsel) responded that he does not foresee any possible appeal to the court's decision and no potential relief for the next two years.

Upon Commissioner Mulheren's request for clarification on what was meant by "relief," Counsel Browne responded that he was referring to the "administrative options" being considered by SDRMA. However, as far as he knows, there is no further appeal of the judicial decision. The only available potential relief is through the legislature, which will take time. The statute needs to be clarified to support LAFCo's ability to seek indemnification.

EO Hinman continued her informational report. (Video Time: 42:33)

A recent rash of cyberattacks on special districts and agencies that provide utilities (water, wastewater, power, etc.) have triggered discussion amongst LAFCOs statewide as to whether MSR/SOI reviews should include determinations addressing cybersecurity protection measures. The topic will most likely be discussed at the CALAFCO Conference.

Staff level discussions with the Mendocino City Community Services District have occurred regarding provision of water to residents during the drought. Staff's response has been that since the District is already providing water to some residences, they may continue to assist additional residences with dry wells during the emergency.

Chair Orth noted a current proposal for water hauling by railway from Willits to Fort Bragg to support coastal communities during the drought emergency and invited Commissioner Gonzalez to comment. Commissioner Gonzalez noted that staff is still exploring the possibility. Chair Orth noted the potential need for an emergency ordinance for water service support.

Commissioner Froneberger asked how the customers are getting water if no infrastructure is being added. EO Hinman answered that water is being provided from the existing well and storage tank and the District is looking into options including securing temporary water tanks for customers use. She clarified that the District is authorized to provide water services as a latent power, however, they do not have water storage, supply, or infrastructure. Commissioner Froneberger asked how the need is determined. EO Hinman responded that she will follow up with the District.

The County is waiving residential permitting requirements for 5,000-gallon water tank placement, underscoring the severity of the water issue in Mendocino County.

Discussions with the UVSD and City are taking place on how to best move forward with the projects on hold over the past few months.

The office is open for scheduled appointments on Tuesday and Friday mornings between 9 a.m. and 1 p.m. Staff has been making the transition from Pacific Internet service to separate service providers for phone, internet, and email hosting.

EO Hinman presented item 6a (see above)

6e) Committee Reports (Executive Committee/Policies & Procedures) None.

6f) Commissioners Reports, Comments or Questions (Video Time: 55:58)

Chair Orth reported that Brooktrails Township CSD received a planning grant to recycle water for domestic use as an alternative to expensive dam reconstruction.

Commissioner Rodin commented on the City's recycled water system that provides three times the amount of surface water, significantly reducing water taken from Lake Mendocino. Chair Orth asked if the City is looking to provide domestic recycled water. Commissioner Rodin said that currently the City is looking to expand the use of recycled water (e.g., the golf course).

Following EO Hinman's invitation, Commissioner Rodin announced that on July 13, 2021, at 9 a.m. she will host the pilot episode of *Citizen U*, a new radio show on KZYX Mendocino County Public Broadcasting. She and EO Hinman will talk about LAFCo – what it is and its impact on the community. Chair Orth requested a link to a recording of the interview be shared with the Commission.

6g) CALAFCO Business and Legislation Report (Video Time: 1:01:50)

EO Hinman referenced the items included in the agenda packet:

- Annual Conference in Newport Beach, October 6-8, 2021: Early registration is the end of August. The budget allows for 3-4 Commissioners to attend. Commissioner Mulheren expressed interest in attending.
- Nominations for CALAFCO Board of Directors: Two seats are available for the Northern area
- CALAFCO Legislative Report: included in packet
- CALAFCO U Fire 2021 Series Flyer: EO Hinman and Analyst Feiler will participate
- CALAFCO Announcement of its Executive Director retirement at the end of the year and recruitment

ADJOURNMENT (Video Time: 1:05:57)

There being no further business, the meeting adjourned at 10:06 a.m. The next regular meeting is scheduled for Monday, August 2, 2021, at 9:00 a.m. The location is to be determined based on guidelines recommended by the Mendocino County Public Health Officer and Executive Orders regarding the COVID-19 pandemic.

Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the [LAFCo website](#). [July 12, 2021, meeting recording on YouTube](#)