

# MENDOCINO

## Local Agency Formation Commission

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

#### **Tony Orth, Chair**

Brooktrails Township CSD

#### **Scott Ignacio, Vice Chair**

Point Arena City Council

#### **Gerald Ward, Treasurer**

Public Member

#### **Matthew Froneberger**

Special District Member

#### **Glenn McGourty**

County Board of Supervisors

#### **Maureen Mulheren**

County Board of Supervisors

#### **Mari Rodin**

City Member

#### **Vacant**

Ukiah Valley Fire District

#### **Gerardo Gonzalez, Alternate**

Willits City Council

#### **John Haschak, Alternate**

County Board of Supervisors

#### **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 12, 2022*

## MINUTES

### Local Agency Formation Commission of Mendocino County

### Regular Meeting of Monday, July 11, 2022

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

#### 1. **CALL TO ORDER and ROLL CALL** (Video Time 3:15)

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

**Regular Commissioners Present:** Tony Orth, Gerald Ward, Glenn McGourty (at 9:02), Matthew Froneberger, Mari Rodin, Maureen Mulheren, and Scott Ignacio (at 9:50)

**Regular Commissioners Absent:** None

**Alternate Commissioners Present:** Gerardo Gonzalez (seated for Commissioner Ignacio until 9:50 am)

**Alternate Commissioners Absent:** John Haschak, and Richard Weinkle

**Staff Present:** Uma Hinman, Executive Officer; Larkyn Feiler, Analyst; Kristen Meadows, Clerk; and Marsha Burch, Legal Counsel

#### 2. **AB 361 REMOTE TELECONFERENCING ACTION** (Video Time 4:36)

The Commission adopted Resolution No. 2022-23-01 making continued findings pursuant to Assembly Bill 361 to conduct public meetings remotely due to the COVID-19 pandemic.

**Motion** by Commissioner Froneberger to adopt Resolution No. 2022-23-01.

**Second** by Commissioner Mulheren.

**Approved** by roll call vote: unanimous.

Ayes: (7) Froneberger, Gonzalez, Rodin, McGourty, Mulheren, Ward, Orth

#### 3. **PUBLIC EXPRESSION** None

#### 4. **CONSENT CALENDAR** (Video Time 7:33)

##### 4a) **June 6, 2022 Regular Meeting Summary**

##### 4b) **June 2022 Claims & Financial Report**

Treasurer Ward requested a meeting with EO Hinman to resolve issues surrounding signing checks and bank authorization. Chair Orth suggested that Treasurer Ward and EO Hinman visit the bank in-person.

Commissioner Froneberger asked for clarification regarding activity on Budget Account 6740 In-County Travel & Stipends. EO Hinman answered that Commissioners may submit claims for regular Commission meeting participation. Currently, Alternate Commissioner Weinkle is the only Commissioner who submits claims for meeting participation.

<b>June 2022 Claims totaling:</b>	<b>\$18,301.70</b>
Hinman & Associates Consulting	15,088.67
P. Scott Browne	900.00
County of Mendocino	1,116.84
Comcast	93.67
Newspapers	410.00
Streamline	50.00
Ukiah Valley Conference Center	592.52
Commissioner Stipends	50.00

**4c) Approval of Zach Pehling, CPA Contract for FY 2021-22 Audit Services**

**4d) Ratify Legislative Support Letter for SB 938**

**Motion** by Commissioner Rodin to approve the Consent Calendar.

**Second** by Commissioner Gonzalez.

**Approved** by roll call vote: unanimous.

Ayes: (7) Ward, Froneberger, Mulheren, McGourty, Rodin, Gonzalez, Orth

**5. PUBLIC HEARING ITEMS** (Video Time: 12:33)

**5a) CONTINUED: County Service Area No. 3 Municipal Service Review and Sphere of Influence Study**

Chair Orth opened the continued Public Hearing and Public Comment Period at 9:11 a.m. for the County Service Area No. 3 (CSA 3 or District) Municipal Service Review (MSR) and Sphere of Influence (SOI) establishment study. EO Hinman noted that Darcie Antle, Mendocino County Interim CEO, and Howard Dashiell, Mendocino County Director of the Department of Transportation, were present for the item. Analyst Feiler presented the item. (Video Time 14:04-17:49)

The following are summary Commission discussion points for this item.

1. There currently is no relationship between CSA 3 and water districts throughout the County.
2. Figures 4.2 and 4.3 show the gaps between existing fire and water service providers which are proposed to be designated as Areas of Interest (AOI) for enhanced coordination in moving forward. An SOI and AOI are different.
3. There is interest in using CSA 3 to fund water services, such as building infrastructure or managing resources.
4. CSA Law allows for the creation of zones of benefit and Prop 218 funding to add benefits or service levels.
5. The feasibility of using CSA 3 to fund water services is important and complex and will require significant County staff effort, LAFCo staff guidance, and interagency coordination to determine once the study is adopted. For future applications to activate powers for CSA 3, two fundamental questions will need to be addressed related to any duplication of services with existing agencies and the financial ability of the agency to provide the new service in the proposed area. The purpose of the current study is to meet the statutory obligation to establish a sphere for CSA 3 since it does not currently have an SOI in place.
6. There are two areas in water that are very important to fund. One is the transfer of the Eel River diversions that PG&E owns and two is the Groundwater Sustainability Agency. In addition, Sonoma County Water Agency has received a grant to organize all Russian River water users to eventually monetize water diversions. Water has been inexpensive and only involved pumping costs because PG&E abandons water after the hydroelectric process.
7. The water intertie between the City of Willits and Brooktrails Township CSD is complex enough with the two agencies involved and adding another layer of bureaucracy with CSA 3 could interfere with implementation.
8. CSA 3 was completely inactive from November 1997 until November 2018, and likely fell off the radar due to staffing changes over those 11 years.
9. CSA 3 was determined to be active in 2019 and 2021 in response to notification from the State Controller's Office related to SB 448 (chaptered in 2017) and based on criteria that it had financial resources, which were contributed by Board of Supervisors' direction.

10. It seems that it would be better to secure grants funds for CSA 3 water projects, instead of relying on taxation from Zones of Benefit.
11. There were 22 comments made by the Commission in the minutes for the June 6<sup>th</sup> hearing that have not been addressed to date, the CSA 3 MSR/SOI does not follow the traditional process, and there is confusion about the entire County area for CSA 3 and the proposed reduction for the Sherwood Firewise Community (FWC) SOI for emergency access purposes.
12. CSA 3 service plans will be addressed in greater detail in future LAFCo applications to activate powers. There is also the option of forming a new CSA through a LAFCo application if sufficient community need and interest exists.
13. This MSR/SOI study is unique because CSA 3 does not provide any services and so there is very limited information to review or analyze. The purpose of the study is to establish a sphere for CSA 3 consistent with LAFCo Law. The countywide scale of CSA 3 was approved in 1985 and would require a boundary change application to change. The proposed SOI, which is the recommended future boundary for an agency, is focused on the Sherwood FWC emergency access project because there has been significant community effort over multiple years to address this need. The SOI for CSA 3 can change in the future based on additional community need and interest.
14. Water infrastructure is very expensive and currently our County is not very well organized to address major water project needs on a collective basis. The need to raise interim and long-term funding for planning and preparing studies is critical in order to have a seat at the table and be included in larger multi-county discussions related to water rights. The fear is that Mendocino County will again lose out on water rights to downstream users as in the 1950s in addition to missing out on the opportunity to monetize water to support a central agency. Grants and service costs are important funding sources, we need a thoughtful and cohesive plan for responding to prolonged drought conditions, and all options should be on the table.
15. There are many unanswered questions, particularly related to opening up the vast majority of the County to a single agency for activating fire and water powers without a plan.
16. County representatives on LAFCo are not required to recuse themselves on LAFCo actions associated with County-dependent districts. LAFCo law clarifies that such public service is not a conflict of interest for representatives of any LAFCo member-agency.
17. There is no difference between a Study Area and an Area of Interest (AOI) in the CSA 3 SOI portion of the study; however, sometimes there are specific study areas identified for a particular agency that do not need enhanced coordination in moving forward and so do not result in a recommendation for an AOI designation on the SOI map.
18. Funding for water needs in Inland County is a concern and the CSA 3 MSR/SOI leaves open the possibility of creating a future funding mechanism for water infrastructure and water rights needs in unserved areas.
19. It does not appear that the intent of CSA 3 is to block efforts of existing water providers and each time something is proposed for CSA 3 it will come back before the Commission for review and approval.
20. Former Supervisor Eddy was contacted for a historical perspective on why CSA 3 expanded from the South Coast area to the entire County but was unreachable.
21. The SOI map on page 77 of 142 (Figure 4.1) shows the Ukiah Eastern Hills AOI for purposes of emergency access routes similar to the Sherwood FWC pilot project. This project is still in early stages of development and therefore was not recommended for an SOI boundary at this time.
22. The County received a grant for CAL FIRE to study emergency access routes for the Ukiah Eastern Hills area since it is a one-way-in and one-way-out community and there have been recent fires that showed the vulnerability of this area for emergency evacuations.

Chair Orth welcomed participation in the continued Public Comment Period at 10:00 a.m. and no public comments were received.

Commissioner Ignacio joined the meeting at 9:54 a.m. and was not immediately seated as a City voting-member because Alternate Commissioner Gonzales participated in the hearing, and Counsel Burch confirmed such approach.

Chair Orth closed the Public Comment Period and the Public Hearing at 10:04 a.m. (Video Time 1:06:34).

Commissioner Ward noted that questions remain that need answers or explanations in the future.

Commissioner Rodin motioned, with a second by Commissioner Mulheren, to approve the study as outlined in the staff recommendations. Commissioner Froneberger inquired about whether the CEQA component should be voted on separately and Counsel Burch so confirmed.

The maker of the motion, and seconder, confirmed that the motion will be broken into two parts; the question of CEQA exemption for the study and the question of adoption of the resolution approving the study.

**Motion** by Commissioner Rodin to find the County Service Area No. 3 Municipal Service Review and Sphere of Influence Study is exempt from CEQA pursuant to 14 CCR §15061(b)(1) & (2), §15306, §15301(c), and §15269(b) & (c) and approve the Notice of Exemption for filing.

**Second** by Commissioner Mulheren.

**Approved** by roll call vote: one dissenting vote.

Ayes: (7) Ward, Mulheren, Gonzalez, Froneberger, Rodin, McGourty, Orth

**Motion** by Commissioner Rodin to adopt LAFCo Resolution 2022-23-02, approving the County Service Area No. 3 Municipal Service Review and Sphere of Influence Study and establishing a Service Specific Sphere of Influence for CSA 3 that is limited to the future Sherwood Firewise Community Zone of Benefit for road maintenance of emergency access routes, and designating an Area of Interest for the Ukiah Eastern Hills, Fire Service Gaps, and Water Service Gaps Study Areas.

**Second** by Commissioner Mulheren.

**Approved** by roll call vote: unanimously.

Ayes: (6) Mulheren, McGourty, Gonzalez, Ward, Rodin, Orth

Noes: (1) Froneberger

Commissioner Ignacio was seated as a City voting-member for the remainder of the meeting.

## 6. WORKSHOP ITEMS None

## 7. MATTERS FOR DISCUSSION AND POSSIBLE ACTION (Video Time: 1:12:47)

### 7a) Future Format of Commission Meetings

EO Hinman presented three options for meeting format: virtual, in-person or a hybrid model. The Mendocino Board of Supervisors Chambers will be available in August or soon thereafter. As requested by the Commission, alternative meeting locations were presented for discussion; a list with associated costs was included in the agenda packet.

Chair Orth suggested waiting until the Board of Supervisors Chambers are made available in August. Following the discussion, the Commissioners agreed to conduct hybrid meetings from the Chambers, when available.

## INFORMATION AND REPORT ITEMS

### 8a) Work Plan, Current and Future Proposals (Video Time: 1:23:27)

EO Hinman reported on the following projects:

#### Current Proposals:

New Application: City of Ukiah Annexation of the Western Hills Properties

Applications in Tax Share Negotiation process with the County: Elk CSD Activation of Latent Powers for Wastewater Services, City of Ukiah Annexation of City-Owned Properties

#### Future Proposal:

Anderson Valley Annexation of Existing SOI

#### Work Plan:

CSA 3 MSR/SOI: Complete with today's action

Ukiah Valley Sanitation District (UVSD) & the City of Ukiah (City): A joint workshop is tentatively planned for late August/early September. Staff is working with both agencies on their respective administrative drafts. An updated project schedule was included in the agenda packet.

Commissioner Ward inquired about the Agreement between the City of Ukiah and the UVSD that was approved in June 2022. EO Hinman provided a general summary of the agreement that states that the City will not pursue detachment of UVSD-served areas until certain thresholds are met. Once met, the agreement states the UVSD will either support the City's application for annexation and merger or establishment as a subsidiary district. Commissioner Ward asked if the remaining balance in the account for the City's detachment of UVSD served areas should be refunded. EO Hinman responded that a formal letter of withdrawal from the City should be submitted to LAFCo to close the account and issue a refund.

**8b) Correspondence** (Video Time: 1:29:52)

LAFCo Staff submitted a comment letter in response to the City of Ukiah's Notice of Preparation of the Ukiah General Plan Draft EIR. The comments were included in the agenda packet (pg. 104).

**8c) CALAFCO Business and Legislation Report** (Video Time: 1:31)

EO Hinman highlighted the following CALAFCO Events and Notices. Further details were included in the agenda packet.

- CALAFCO U Webinar July 21, 2022: Sharing the Wealth, Tax Exchange Under R&T Code Section 99
- CALAFCO Conference October 19-21, 2022 in Newport Beach. The budget allows for 5-6 Commissioners and the EO to attend. Early registration deadline is July 31. Chair Orth asked if the conference breakout sessions will be recorded and made available following the conference. EO Hinman responded that it is her understanding that the meetings will not be recorded, however, the presentation materials will be made available. Commissioners Mulheren, Gonzalez, Rodin, and Ignacio expressed interest in attending the conference.
- CALAFCO 2022 Board Recruitment and Nomination Notice. The public and city member seats are available for the Northern region.
- CALAFCO Achievement Award Nomination Notice
- SB 938 and AB 2957 were both signed by the Governor

**8d) Executive Officer's Report** (Video Time: 1:39:18)

EO Hinman reported on Staff's activities:

- Finalizing fiscal year-end financials and reporting
- Application processing and Work Plan tasks
- Responding to numerous inquiries regarding reorganization proposals for the provision of park and recreation services on the South Coast

EO Hinman noted that the August agenda is light. Chair Orth suggested canceling the meeting. No Commissioners expressed opposition; therefore, the decision was made to cancel the August Regular Meeting.

**8e) Committee Reports (Executive Committee/Policies & Procedures)** None

**8f) Commissioners Reports, Comments or Questions** None

**ADJOURNMENT** (Video Time: 1:42:25)

There being no further business, the meeting adjourned at 10:40 a.m. The next regular meeting of the Commission will be held on Monday, September 12, 2022 at 9:00 a.m. The location will be determined based on the availability of a public meeting place and the continued state of emergency, guidelines adopted 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. [July 11, 2022, YouTube meeting recording](#). Links to recordings and approved minutes are also available on the [LAFCo website](#).*