

MENDOCINO

Local Agency Formation Commission

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COMMISSIONERS

Jerry Ward, Chair & Treasurer
Public Member

Carre Brown, Vice Chair
County Board of Supervisors

Kevin Doble
Ukiah City Council

Gerardo Gonzalez
Willits City Council

Dan Hamburg
County Board of Supervisors

Theresa McNerlin
Ukiah Valley Sanitation District

Tony Orth
Brooktrails Township CSD

Scott Ignacio, Alternate
Point Arena City Council

John McCowen, Alternate
County Board of Supervisors

Carol Rosenberg, Alternate
Public Member

Angela Silver, Alternate
Calpella County Water District

STAFF
Executive Officer
Uma Hinman

Analyst
Larkyn Feiler

Commission Clerk
Elizabeth Salomone

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

Approved by Commission August 7, 2017

MINUTES LOCAL AGENCY FORMATION COMMISSION OF MENDOCINO COUNTY

Regular Meeting of Monday, May 1, 2017

County Board of Supervisors Chambers, 501 Low Gap Road, Ukiah, California

CALL TO ORDER and ROLL CALL

Chair Ward called the meeting to order at 9:03am.

Members Present: Commissioners Carre Brown, Kevin Doble, Gerardo Gonzalez, Dan Hamburg, Theresa McNerlin, Tony Orth, and Jerry Ward

Members Absent: None

Alternate Members Present: Commissioners Scott Ignacio, John McCowen, Carol Rosenberg, and Angela Silver

Alternate Members Absent: None

Staff Present: Uma Hinman, Executive Officer
Larkyn Feiler, Analyst
Elizabeth Salomone, Clerk

1. City Alternate Representative Appointment (Video Time: 0:6:15)
Newly appointed City Alternate Representative Scott Ignacio was sworn in to Mendocino LAFCo.

PUBLIC EXPRESSION (Video Time: 7:17)

2. Public Expression
No one indicated an interest in speaking.

CONSENT CALENDAR (Video Time: 7:41)

3. Approval of the April 6, 2017 Regular Meeting Summary Minutes
4. Approval of the March 2017 Claims

The following edits were requested:

- Page 3 of 6, Item 5, the second was Commissioner Brown, not Hamburg
- Page 9 of 105, County of Mendocino credit adjustment was noted.

<u>April 2017 claims totaling:</u>	<u>\$9,993.07</u>
Uma Hinman Consulting:	\$ 7,721.08
Ukiah Valley Conf Ctr:	\$ 605.21
P. Scott Browne:	\$ 650.66
Commission Reimbursements:	\$ 156.48
County of Mendocino, audio/video & GIS	\$ 646.59
Newspapers (public hearing notices)	\$ 35.00
Petty Cash Replenishment	\$ 178.05

Upon motion by Commissioner Hamburg and second by Commissioner Gonzalez, the April 6, 2017 Regular Meeting Summary Minutes and April 2017 claims were approved with corrections by roll call vote:

Ayes: (6) Brown, Doble, Gonzalez, Hamburg, McNerlin, and Ward
 Abstain: (1) Orth

MATTERS SET FOR HEARING

5. Public Hearing for Anderson Valley Community Services District (AVCSD)
Application for Activation of Latent Powers (Video Time: 10:00)

Analyst, Larkyn Feiler, presented the AVCSD application, noting the staff was revising the recommendation in the staff report to recommend scheduling the protest hearing during the June 5, 2017 Regular Commission meeting, rather than the Executive Officer conducting a separate Protest Hearing. Comments and questions were offered by Commissioners Hamburg, Orth, McCowen, and Brown.

Commissioner Hamburg complimented staff work and the clarity and breadth of the application presentation.

Commissioner Hamburg noted for the record that prior to AVCSD dropping the annexation portion of their original application, District attempts to initiate discussions with the County Executive Office regarding the tax share agreement were unsuccessful. The County Auditor-Controller’s office provided estimates of property tax revenue for the proposed annexation area, which were deemed by the District to be inadequate to sustain the proposed annexation. He noted the County Executive Office did not indicate willingness to enter into negotiations at this point or to share property tax revenue. Commissioner Hamburg shared his concern over the areas that will remain unserved with the withdrawal of the annexation/detachment application.

Commissioner Orth commended the Mendocino County Board of Supervisors on its recent decision to share the Proposition 172 Sales Tax Funds with Mendocino County fire districts who have little financial incentive to annex.

Commissioner McCowen commented for the record that the lack of property tax revenue available in the proposed annexation area resulted in the low revenue estimates given by the County and that tax share negotiations between AVCSD and the County Executive Office were never held. Commissioner Brown stated her consensus with Commissioner McCowen’s comments.

**Chair Ward opened the Public Hearing for the Anderson Valley Community Service District
 Application for Activation of Latent Powers at 9:22am**

Chief Andres Avila of AVCSD addressed the Commission, thanking the LAFCo and AVCSD staff for their work on the application. Chief Avila shared his frustration with the process; especially the unwillingness of the County Executive Office to communicate with the District regarding tax share negotiations or discussion of alternative

funding options, which delayed their ability to conclude the annexation was not a financially viable endeavor. He noted it is unlikely the AVCS D will initiate annexing the unserved areas in the future due to lack of financial offset. He also stated his frustration with the LAFCo process and encouraged the Commission to review the efficiency of the annexation procedures. Chief Avila also clarified that the Inter-Governmental Transfer Funding, which reimburses government agencies for the difference between Medicare and Medical Insurance payments and the actual cost of service, is not a secured source of revenue for AVCS D. However, the approval of this application will make the District eligible for the funding.

Commissioner McNerlin asked Chief Avila who will respond to the out-of-District boundary areas in question now that the annexation application has been dropped. Chief Avila confirmed that AVCS D will continue to respond to calls in the area according to the mutual aid agreements in place and remain unpaid for these services. He shared his concern of limited resources to cover both the District boundaries and the out-of-District area in question.

Commissioner Rosenberg stressed the need to review the resources of the fire districts to provide the essential services needed. Commissioner Ward acknowledged there is not enough tax revenue in the area in question and asked what the Board of Supervisors and LAFCo could do to encourage more funding that would prevent reduction of vital public services. Commissioner McCowen noted steps being taken by the County to increase tax sharing with districts. Commissioner Brown commented on the difficulty to balance all the vital needs within the County when County revenue, based on property taxes, has not increased significantly in the years since the recession.

Philip Thomas, Boonville resident and Board Member of Anderson Valley Ambulance Services, addressed the Commission, stressing frustration that the response to the District's efforts to communicate with the County were almost non-existent throughout this LAFCo process. He also asked the Commission, when considering the final application costs to AVCS D, to consider that direction was given to the District from the former LAFCo Executive Officer staff that the annexation/detachment was required to activate latent powers. (49:34 on video)

EO Hinman noted the Executive Committee would be reviewing the AVCS D Application fees at their May 1, 2017, 11:15am meeting.

Chair Ward closed the Public Hearing for the Anderson Valley Community Service District Application for Activation of Latent Powers at 9:46am

Upon motion by Commissioner Hamburg and second by Commissioner McNerlin, the following actions were approved by roll call vote:

- (1) Find the Anderson Valley Community Services District application to activate latent powers for ambulance services is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Class 20 (CCR Section 15320); and
- (2) Adopt LAFCo Resolution 16-17-10, thereby approving the activation of ambulance services authorized by California Government Code Section 61100(d) as detailed in the Plan for Services prepared by the Anderson Valley Community Services District.
- (3) Direct the Executive Officer to schedule a protest hearing pursuant to Government Code Section 57075.

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

6. Public Hearing for the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Russian River Flood Control & Water Conservation Improvement (RRFC) District (Video Time: 52:18)

Clerk Salomone presented the RRFC MSR/SOI, reviewing the staff report. Comments and questions were offered by Commissioners Ward, Doble, McCowen, Brown, McNerlin, and Silver.

Commissioners Ward and McNerlin asked for clarification on the financial summary tables and a notation regarding the most current audit available. He also noted a bad debt showing in Fiscal Year 13/14 of \$27,000.

Commissioner Doble noted a very recently vacated board seat.

Commissioner Ward introduced a discussion on the financial health of the proposed consolidation of five water districts, including RRFC. Commissioners and staff offered comments. EO Hinman noted that when the application for the consolidation of water districts is brought before the Commission, it will include a detailed plan of services, including the finances of the proposed new district.

Chair Ward opened the Public Hearing for the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Russian River Flood Control & Water Conservation Improvement (RRFC) District at 9:58am.

Tamara Alaniz, General Manager of RRFC, thanked LAFCo for moving forward with the District MSR and SOI. She noted a primary goal of the consolidation effort is to ensure each district remains either at status quo or in a better condition. GM Alaniz noted that the bad debt referred to by Commission Ward may have been credit memos and unapplied payments. The District QuickBooks records have recently been reconfigured to address these issues.

Chair Ward closed the Public Hearing for the Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for Russian River Flood Control & Water Conservation Improvement (RRFC) District at 9:59am.

Upon motion by Commissioner Gonzalez and second by Commissioner Brown, the following actions were approved by roll call vote:

- (1) Find the Russian River Flood Control & Water Conservation Improvement District Municipal Service Review and Sphere of Influence Update is exempt from the California Environmental Quality Act (CEQA) pursuant California Code of Regulations Sections 15306 and 15061(b)(3); and
- (2) Adopt LAFCo Resolution 16-17-08, thereby approving the Russian River Flood Control & Water Conservation Improvement District Municipal Service Review and Sphere of Influence Update and affirming the SOI for the District.

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

7. Public Hearing for the Proposed Budget for Fiscal Year 2017-18 (Video Time: 1:21:22)

EO Hinman presented the staff report for the proposed budget, noting total operating costs of \$160,225 with a decrease of expenses from the current fiscal year of \$10,000. She noted anticipated rollover funds from unutilized account budgets. Comments and questions were offered by Commissioners Silver, McCowen, Ward, Hamburg, Orth, Rosenberg, Gonzalez, and Doble.

Commissioners Silver and McCowen supported Commission discussion on the apportionment fees, reserve fund amounts, and adequate staff budgeting.

Upon motion by Commissioner Gonzalez and second by Commissioner McNerlin, Resolution No. 16-17-09 approving the Proposed Budget for Fiscal Year 2017-18 was passed and staff was directed to schedule a public hearing for the Final 2017-18 Budget by roll call vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

MATTERS FOR DISCUSSION & POSSIBLE ACTION

8. LAFCo Legal Services (Video Time:1:41:14)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Brown, Orth, McNerlin, McCowen, and Gonzalez. Commission consensus was to remain with current LAFCo legal counsel, Scott Browne.

9. Upper Russian River Water Agency (URRWA) Joint Powers of Authority Letter of Support Request (Video Time 1:04:50)

EO Hinman presented the request from URRWA to provide a letter of support to Governor Brown for the voluntary consolidation of water districts in the Ukiah Valley. Comments and questions were offered by Commissioners Orth, Silver, Ward, Brown, Rosenberg, and Doble.

Commissioner Brown noted the Board of Supervisors has a letter of support on the agenda for their next meeting and Commissioner Doble noted the City of Ukiah is considering a letter of support at their next meeting as well.

EO Hinman shared that a call was received by the State Water Board area representative working with the consolidation efforts, encouraging LAFCo staff to participate early on in the process and meetings. The State Water Board would like to see the consolidation move along concurrently with the State Water Resources Control Board approval.

Upon motion by Commissioner Gonzalez and second by Commissioner McNerlin, the letter to Governor Brown regarding the voluntary consolidation of water districts in the Ukiah Valley was approved by unanimous vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

Chair Ward called a break from 10:08 – 10:23 am.

10. Legislative Letters of Support from CALAFCO (Video Time: 1:49:15)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners Ward, Brown, and Silver. Commissioner Brown asked for copies of the letter, if approved, to be sent to Senator McGuire and Assembly Member Wood.

Upon motion by Commissioner Orth and second by Commissioner Gonzalez, CALAFCO requested letters of support to Governor Brown on AB464 and AB 1725 were approved by unanimous vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

11. Legislative Process (Video Time:1:53:04)

EO Hinman presented the staff report, noting that there are times when time-sensitive requests for legislative support letters are forwarded by CALAFCO, not always allowing time to bring forward at the next Commission

meeting. Staff requests direction or direction to the Policies and Procedures Committee to develop a policy for handling such requests. Comments and questions were offered by Commissioners Gonzalez, McCowen, McNerlin, Brown, Rosenberg, and Hamburg.

Upon motion by Commissioner Brown and second by Commissioner Orth, direction to the Policies & Procedures Committee to develop a policy regarding time sensitive legislative support letter requests was approved by unanimous vote:

Ayes: (7) Brown, Doble, Gonzalez, Hamburg, McNerlin, Orth, and Ward

INFORMATION/ REPORT ITEMS

12. Status of Applications, Future Projects, MSR and SOI Updates (Video Time: 2:00:00)

EO Hinman presented the staff report. Comments and questions were offered by Commissioners.

Anderson Valley CSD Activation of Latent Powers to Provide Ambulance Services

Application was discussed in Agenda Item 5. A protest hearing will be held at the June 5, 2017 during the Regular Commission meeting. Provided that less than 25% of the registered owners protest, the application can be finalized at the June meeting and a certificate of completion recorded.

City of Ukiah Detachment of Ukiah Valley Sanitation District (UVSD) Served Areas

Commissioner Ward noted that a deposit is being held on this application, which the City requested be placed on hold. Commissioner Doble noted a new Planning Director has been hired at the City and there was no indication the application would be withdrawn at this point.

Fort Bragg RFPD North of 10 Mile Annexation

EO Hinman reported steps being taken to clarify mapping issues for final completion.

Status of MSR/SOI Updates

EO Hinman reported the fire district SOI updates workshop has been delayed to accommodate the urgency of the AVCSO application. LAFCo staff is waiting for the City of Willits to respond with their input on the SOI. The City of Fort Bragg SOI workshop has been rescheduled for a later date in order to give city staff ample opportunity to review the document thoroughly.

13. Correspondence (Video Time: 2:05:00)

No correspondence to report.

14. Executive Officer's Report: (Video Time: 2:05:05)

- Information/Report Items: Attachment in packet includes the SB 1266 JPA letter from LAFCo to the special districts, cities, and the County, as well as a legislative update report. Commissioners were asked to provide staff with known JPA contact information to assist in compiling a complete list for the County.
- CALAFCO Staff Workshop in Fresno was attended by EO Hinman and Analyst Feiler, April. 5th-7th.

15. Committee Reports (Video Time: 2:13:15)

No reports offered.

16. Commissioners Reports, Comments or Questions (Video Time: 2:14:00)

Upper Russian River Water Agency (URRWA) JPA Update was provided by Commissioner Silver. She thanked the Commission for approval of the support letter to Governor Brown on behalf of URRWA.

Commissioner Silver shared information on Women of Water (WoW), a group developed to conduct public outreach on water issues in the Ukiah valley.

Commissioner Orth shared that the Brooktrails Township CSD maximized one of their reservoirs by restoring storage capacity.

Commissioner Orth noted that many districts in the County will be reviewing and choosing to change their election cycles by 2022, per state law requiring modification of their election cycles. Commissioner Brown offered further information on election scheduling changes.

Commissioner Ward reported that he authorized \$50,000 be transferred from the County-held LAFCo account to the checking account, noting three districts that have not yet paid apportionment fees. He requested the final audit be distributed to Commissioners.

Commissioner Ignacio thanked the Commissioners and staff for the warm welcome.

17. Legislation Report

EO Hinman noted that there was a legislative summary in the agenda packet and requested that Commissioners let her know if there were any of interest and she would follow up on those in particular.

ADJOURNMENT

There being no further business, at 11:20am the meeting was adjourned. The next regular meeting is scheduled for Monday, June 5, 2017 at 9:00am in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah, California.

Live web streaming and recordings of Commission meetings are now available via the County of Mendocino's YouTube Channel. Links to recordings and approved minutes are also available on the LAFCo website.

May 1, 2017

<https://www.youtube.com/watch?v=CYTEJFXmF6E>