



COMMISSIONERS

Maureen Mulheren
Chair
County Member

Gerald Ward
Vice Chair/Treasurer
Public Member

Gerardo Gonzalez
City Member

Candace Horsley
Special District Member

Glenn McGourty
County Member

Mari Rodin
City Member

Vacant
Special District Member

Francois Christen
Alternate Special District Member

Douglas Crane
Alternate City Member

John Haschak
Alternate County Member

Raghda Zacharia
Alternate Public Member

STAFF

Executive Officer
Uma Hinman

Clerk/Analyst
Jen Crump

Counsel
Marsha Burch

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 February 3, 2025

FINAL MEETING MINUTES

Regular Commission Meeting

Regular Meeting of Monday, December 2, 2024

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

- 1. CALL TO ORDER and ROLL CALL** (Video Time 02:56)
Chair Mulheren called the meeting to order at 9:03 a.m.

Regular Commissioners Present: Maureen Mulheren, Douglas Crane, Glenn McGourty, Candace Horsley, Gerardo Gonzalez, Gerald Ward, Francois Christen

Regular Commissioners Absent: Mari Rodin

Alternate Commissioners Present: Raghda Zacharia

Alternate Commissioners Absent: John Haschak

Staff Present: Uma Hinman, Executive Officer; Jen Crump, Clerk/Analyst; Marsha Burch, Legal Counsel

- 2. PUBLIC EXPRESSION** (Video Time 03:41)
None

- 3. OTHER BUSINESS** (Video Time 04:12)
None

- 4. CONSENT CALENDAR** (Video Time 04:15)
4a) November 4, 2024 Regular Meeting Summary
4b) November 2024 Claims & Financial Report
4c) 2025 Calendar of Regular Commission Meetings
4d) Certificate of Appreciation for Commissioner McGourty
4e) Certificate of Appreciation for Commissioner Christen

November 2024 Claims totaling:	\$ 15,805.64
Hinman & Associates Consulting	11,446.44
Commissioner Stipends – Raghda Zacharia	68.76
Marsha Burch Law Office	2,047.50
Streamline	115.00
Newspapers	451.35
Ukiah Valley Conference Center	602.20
Mendocino County Information Services (GIS and Televised Meetings)	1,074.39

The following discussion points were made by members of the Commission:

Commissioner Ward

- Item 4b: requested clarification on the breakdown of service fees for Item 4b; Executive Officer (EO) Hinman confirmed that charge out fees are \$86 and \$110 per hour and service rates are \$125 and \$160 per hour.
- Item 4b: Inquired whether legal counsel fees for staff report review are charged to LAFCo or to the applicant; EO Hinman explained that legal counsel fees were charged to LAFCo under general services for the Western Hills application review because legal counsel was addressing questions related to process and presentation of findings.
- Item 4c: Proposed to change the start time for the regular commission meetings from 9:00 a.m. to 10:00 a.m.; EO Hinman will provide a report on Chambers availability at the next regularly scheduled meeting.

Commissioner Gonzalez:

- Items 4d-4e: Expressed appreciation for the time and service performed on the Commission by Commissioner McGourty and Alternate Commissioner Christen.

Commissioner Horsley:

- Item 4b: Commented that work performed to determine LAFCo processing and procedures should be charged to LAFCo because it is not directly related to responding to the applicant.
- Items 4d-4e: Expressed appreciation for the time and service performed on the Commission by Commissioner McGourty and Alternate Commissioner Christen.

Commissioner Christen:

- Item 4c: Commented that setting the meeting start time later would facilitate participation in the meetings for commissioners and community members traveling from outside of Ukiah.

Motion: Approve the Consent Calendar (Items 4a – 4b).		
Motion Maker: McGourty	Motion Second: Christen	Outcome: Passed unanimously
Roll Call Vote: (7) Conzalez, Christen, Crane, McGourty, Ward, Horsley, Mulheren		

5. **PUBLIC HEARING ITEMS** (Video Time 13:47)

None

6. **WORKSHOP ITEMS** (Video Time 13:50)

None

7. **MATTERS FOR DISCUSSION AND POSSIBLE ACTION**

7a) Proposed Amendments to Indemnification Policies (Video Time 13:54)

EO Hinman presented the item. Craig Schlatter, Community Development Director of the City of Ukiah, was in attendance of the meeting and provided public comment.

The following discussion points and questions were made by members of the Commission:

Commissioner Ward:

- How will the proposed amendments affect existing indemnification agreements made with previous applicants. Counsel Burch responded that the proposed amendments to the indemnification policies wouldn't change an existing indemnification agreement that was entered into voluntarily (e.g., Anderson Valley Community Services District application).
- How many existing indemnification agreements were entered into involuntarily versus voluntarily and have there been any instances where an applicant did not want to enter into an agreement. EO Hinman explained that a change to existing agreements is not anticipated because all applications on file entered

into the voluntary indemnification agreement; Anderson Valley Community Services District and Elk County Water District have open applications.

- Is LAFCo obligated to notify the applicant about the indemnification agreement and should that be included in the proposed policy amendments. Counsel Burch responded that the description in Senate Bill (SB) 1209 is standard language in any indemnification agreement and further explained that the indemnified party has an obligation to immediately notify the indemnifying party that its obligation has been triggered. Counsel Burch added that it is interpreted that the notification requirement arises at the time when the indemnification obligation is triggered.

Commissioner Horsley:

- Does the indemnification agreement cover every action made by LAFCo. Counsel Burch responded that the indemnification agreement policy applies to and is mandatory for the application processing.
- Does the indemnification agreement cover every decision made by LAFCo regarding the application. Counsel Burch stated that any approvals made on the application by LAFCo would be covered by the indemnification agreement; any legal challenge to the LAFCo approval is covered by the indemnification agreement.
- If LAFCo denies an application and the applicant takes legal action against LAFCo, the applicant doesn't indemnify their legal challenge. Counsel Burch responded that agencies attempt to address these actions when developing indemnification agreements but, generally, an applicant doesn't indemnify for their own legal challenge.
- Shared concern regarding the broad scope of the indemnification policies and requested further clarification on why the scope should be narrowed down in the application process rather than in the policies. EO Hinman responded that applications require an agreement to pay form (previously called an agreement to pay and indemnify) and the form included an indemnity clause that was removed in 2021 and changed to a voluntary indemnity agreement as a result of a court case at the time. Counsel Burch explained that the proposed amendments revert to the language that was removed in 2021, which specified language regarding reasonable expenses and attorney fees incurred from proceedings brought by a third party in connection with the application. Counsel Burch further responded that this is consistent with language being adopted by other LAFCOs.

Public comment: Craig Schlatter, Community Development Director of the City of Ukiah:

- The proposed amendment wasn't agendaized at the most recent Policies and Procedures Committee meeting and requested the Commission table the item and continue discussion at the next regularly scheduled meeting.
- Requested the Commission duplicate the language from State law if the amendment must be adopted prior to January 1, 2025.
- Commented that the language in the proposed amendments is too broad and not specific to the application approval actions compared to the language required by cities and counties; cited the County of Mendocino and City of Ukiah as examples.

Counsel Burch responded that the language in the proposed amendments is broad, but the indemnification agreement provides specifications for the LAFCo approval. She further affirmed that staff will ensure that the indemnification agreement is consistent with what is provided in the new State legislation.

Chair Mulheren responded that staff had communicated with her on the topic and had agreed to bring the item to the Commission hearing instead of a Policies and Procedures Committee meeting.

Commissioner Gonzalez:

- Can the agreement be uploaded onto the LAFCo website so prospective applicants can review it before beginning the application process. EO Hinman responded that the current agreement is available on the LAFCo website and with adoption of the policy, staff would update the indemnity clause within that agreement to pay form which is available on the website.
- Commented that from a LAFCo perspective, the indemnification policies should be broad.

Commissioner Crane inquired if the proposed amendments to the policies exceeded the scope of the State legislation. Counsel Burch responded no.

Commissioner Ward asked for further clarification of the decision to bring the item to the Commission meeting and not the Policies and Procedures Committee meeting. Chair Mulheren responded that it was previously discussed, and it was an effort to reduce the number of meetings and that it can be discussed at the meeting. EO Hinman explained that it was recommended to Chair Mulheren to bring the item directly to the Commission meeting rather than going through the Policies and Procedures Committee because the proposed language is reverting to the language in the 2021 policy with minimal updates to the indemnity clause in the agreement to pay form. Counsel Burch suggested that the proposed amendments can be revised to duplicate the language from the State legislation and that it would already be included in the indemnification agreement itself.

Commissioners Horsley and McGourty support adopting the precise language established in the State statute.

Commissioner Ward supported bringing the item to the Policies and Procedures Committee before Commission action and adopting the precise language established in the State statute.

Motion: Approve Resolution No. 2024-25-05 amending Policy 11.4.3 <i>Fees and Indemnification</i> , revised to reflect the precise language established in the State statute, and rescinding 11.4.8 <i>Voluntary Indemnification Agreement</i> to align with new legislation (GOV 56383.5) granting LAFCo authority to require indemnification.		
Motion Maker: Gonzalez	Motion Second: Crane	Outcome: Passed unanimously
Roll Call Vote: (7) Conzalez, Christen, Crane, McGourty, Ward, Horsley, Mulheren		

7b) Round Valley County Water District Review (Video Time 34:57)

EO Hinman presented the item. The following discussion points and questions were made by members of the Commission:

Commissioner Horsley:

- Requested clarification of which agencies require municipal service reviews (MSRs), noting that the Round Valley CWD's services include the remediation of streams and flood control. EO Hinman responded that LAFCo is mandated to study all special districts within the County, including those that do not provide municipal services as defined in local policies.
- Regarding the streamlined process conducted for the Round Valley CWD, if no significant hardships or concerns were identified in the initial review process, would LAFCo still conduct a comprehensive study. The streamlined review process is intended for those agencies that have had no substantive changes or challenges since the last review.

Commissioner Ward:

- Are other LAFCOs implementing a streamlined review process. EO Hinman responded that Yolo LAFCo has utilized a similar review process. Legal Counsel has reviewed our streamlined review process with to ensure we are meeting the intent of State statute.
- How many special districts would be eligible for the streamlined review process, noting the lack of change most cemetery districts experience. EO Hinman noted that within the current work plan, the Laytonville

County Water District may qualify; staff will be able to make that determination once an interview is conducted.

- Shared concern regarding accountability and follow-up on MSR determinations for special districts; examples included special districts that aren't current on their financial audits or don't maintain a website during MSR development. Recommended following up on special districts one year after adoption of the studies. EO Hinman responded that a continuity plan is identified in the annual Work Program. The continuity plan would be an annual progress report and tracking of Commission direction. EO Hinman suggested the Commission can recommend a one-year follow-up in the action on this item.

Commissioner Gonzalez supported Commissioner Ward's comment on the development of a follow-up process and the possibility of bringing it to a Commission meeting and/or posting an update on the LAFCo website. With everything being online, community members have improved access to their service providers and informational resources.

Commissioner McGourty:

- Shared concern regarding water security, access to safe potable water, and drought events; the Round Valley County Water District (RVCWD/District) is the only water service provider in Round Valley noting the only publicly accessible water source is the well located near the fire house. EO Hinman clarified that Round Valley CWD does not provide water services, and does not currently own or maintain any infrastructure and has recently installed monitoring wells. The RVCWD works with the California Department of Water Resources (DWR) on data collection for the California Statewide Groundwater Elevation Monitoring system (CASGEM).
- Can LAFCo recommend that the District explore the development of additional water sources.
- Is the District interested in or currently in collaboration with other regional agencies to secure grant funding. EO Hinman responded that the District collaborates with other agencies and organizations through grant projects. The District works closely with the Upper Eel River Watership Forum and the California Department of Fish and Wildlife (CDFW). The District has been successful in securing grants through cannabis remediation funding and CDFW funding. Additionally, the District works closely with the Covelo Community Services District (CCSD) that owns and maintains a wastewater system. The CCSD is working with a non-profit organization to develop feasibility studies to provide water service; provision of water services would require activation of latent powers through LAFCo.
- Can a webpage be created to display hardships or concerns identified in the MSR, allowing community members to stay informed about their service providers. EO Hinman responded that all the special districts are listed on the LAFCo website with web links or contact information. EO Hinman also added that the Round Valley Area Municipal Advisory Committee maintains a website that has information on special districts within Round Valley, including contact information and a calendar outlining all community meetings.

Chair Mulheren supports the implementation of a follow-up process to ensure that agencies are current on their financial audits and web-based platforms.

Commissioner Christen:

- Is there value to having agencies commit to addressing the determinations identified in the MSR. EO Hinman responded that all special districts are required to submit annual financial reports to the County Auditor's office. Staff should be able to obtain copies of financial reports through that office or the State Controller's website. Agencies meeting the exemption requirements under the statute may annually adopt a hardship resolution stating financial inability to host and maintain a website.
- Is there value in tracking whether agencies comply with the recommendations identified in the MSR. Commissioner Ward followed up on whether LAFCo has the purview to not approve an SOI if an agency

doesn't provide the requested information. Counsel Burch confirmed, noting the difficulty in conducting the study if an agency does not provide the requested information. The purpose of the five-year MSR and SOI updates is to identify significant problems and if those items aren't remedied, then there are processes, including potential dissolution of a district if warranted, that LAFCo has authority to pursue. LAFCo staff can provide support and guidance on ways to address identified issues in a one-year follow-up.

There were no public comments.

Motion: The Commission (1) finds the Executive Officer conducted an interview with district staff, including reviewing the previous MSR/SOI determinations, finding that no substantial change in governance, finance, and services has occurred since the last review, and in so doing, satisfies the intent of GOV 56425(g) that requires SOIs for municipal service providers be reviewed every five years; (2) affirms no change to the Round Valley County Water District's 2016 Sphere of Influence and direct staff to schedule the next review for five years, or as needed; and (3) directs staff to schedule a follow-up in one year to review financials with the district and report back to the Commission.		
Motion Maker: Gonzalez	Motion Second: McGourty	Outcome: Passed unanimously
Roll Call Vote: (7) Conzalez, Christen, Crane, McGourty, Ward, Horsley, Mulheren		

8. INFORMATION AND REPORT ITEMS

8a) Work Plan, Current and Future Proposals (Video Time 01:03:14)

EO Hinman provided an informational update on applications and the Work Plan.

Commissioner Ward inquired about the delay on the Elk County Water District MSR and SOI Update. EO Hinman explained that the Irish Beach Water District and the Elk County Water District previously shared a general manager, and the general manager is working on a response to the information request before his retirement at the end of 2024.

Commissioner Ward also inquired about the current application proposal with Anderson Valley Community Services District. EO Hinman responded that progress on the application depends on the Tax Share Agreement between the County and district and requested revisions to the map.

At Commissioner Christen's inquiry regarding the Anderson Valley Community Services District water/wastewater project, EO Hinman explained that last communications were that the project was still in the CEQA preparation stage.

8b) Correspondence (Video Time 01:07:06)

None

8c) CALAFCO Business and Legislation Report (Video Time 01:07:09)

EO Hinman reported that the CALAFCO Legislative Committee has been reinstated and will provide a verbal report on CALAFCO business at the next regular meeting.

8d) Executive Officer's Report (Video Time 01:07:22)

EO Hinman reported that initiating the Grand Jury-requested MSR for the Mendocino Coast Health Care District (MCHCD) has been delayed at MCHCD's request because they are in the middle of contract negotiations with Adventist Health. EO Hinman will follow up with MCHCD Agency Administrator Kathy Wylie to coordinate the study. At Commissioner Ward's inquiry, EO Hinman explained that LAFCo's response to the Grand Jury committed to beginning the MSR process by the end of 2024; a written response to the Grand Jury explaining the delay would be appropriate.

8e) Committee Reports (Executive Committee, Policies & Procedures) (Video Time 01:08:41)

None

8f) Commissioners Reports, Comments or Questions (Video Time 01:08:50)

The following comments were provided by commissioners regarding recognition of the time and service of Commissioner McGourty and Alternate Commissioner Christen:

- Commissioner McGourty commented on the efficient functioning of LAFCo as an organization and the importance of maintaining a record of concerns/identified issues in Mendocino County for institutional knowledge and accountability to the public. He expressed his gratitude and appreciation for fellow commissioners and staff during his time and service as a commissioner.
- Commissioner Ward recognized Commissioner McGourty's service.
- Chair Mulheren recommended the cancellation of the January 6, 2025 regular Commission meeting.

ADJOURNMENT (Video Time 1:16:00)

There being no further business, the meeting adjourned at 10:16 a.m.

The next regular meeting of the Commission is scheduled for Monday, **February 3, 2025** at 9:00 a.m. The meeting will be conducted in a hybrid format to accommodate both in-person and remote participation. The in-person meeting will be held in the County Board of Supervisors Chambers at 501 Low Gap Road, Ukiah.

Live web streaming and recordings of Commission meetings are available via the County of Mendocino's YouTube Channel [December 2, 2024](#) YouTube meeting recording. Links to recordings and approved minutes are also available on the [LAFCo website](#).