



## MINUTES FOR MAY 20, 2009 MEETING

**COMMISSIONERS PRESENT:** Commissioners, Jeff Farley, Patrick Whitchurch, Jill Duffy, Bonnie Neely, Marty McClelland, Jeff Pauli, and Alternates Virginia Graziani and Bob McPherson.

**COMMISSIONERS ABSENT:** Commissioner Kevin McKenny, County Alternate Clif Clendenen and City Alternate Jeff Leonard.

**STAFF PRESENT:** George Williamson, Contract Executive Officer; Jennifer Longman, Contract LAFCo Administrator; and Jeff Guttero, Legal Counsel,

The meeting was called to order at 9:00 a.m. in the Humboldt County Board of Supervisors Chambers, Chairman McClelland presiding.

**George Williamson** pointed out that Virginia Graziani is voting in Kevin McKenny's absence.

**Chairman McClelland** welcomed Commissioner Jeff Farley, Mayor of the City of Ferndale, back to the Commission.

### 4. Approval of Minutes for March 18, 2009

**THE MOTION WAS MADE** (Neely/Duffy) to approve the March 18, 2009 minutes as submitted.

**THE MOTION PASSED BY A VOTE OF 6-0-0.**

### 5. Public Hearings

#### A. Protest Hearing – City of Rio Dell Sawmill and Blue Slide Road Annexations

**Jeff Guttero** explained that he will present staff report 5A in Daniel Hamilton's absence. He explained LAFCo's protest procedure and stated that a separate hearing is required for each annexation area. He stated that written protests were received from landowners in the Sawmill annexation area and that no written protests were received from landowners in the Blue Slide Road annexation area. Written protests were submitted by landowners whose properties amounted to 5% of the total assessed value of the Sawmill area. Therefore, the Commission's action is to order the annexations after receiving public comment.

**Chairman McClelland** opened the hearing for public comment / protests.

**Jim Evans**, Sawmill area landowner, addressed the Commission to protest the placement of the Rio Dell Wastewater Treatment Facility (WWTF) in the floodplain. He discussed the Eel River flood of 1964 that caused extensive damage in the area that the area where the WWTF is proposed. He suggested that the City of Rio Dell investigate other options for their wastewater.

**Commissioner Farley** asked Mr. Evans to clarify if he is opposed to the annexations, specifically, or if he is opposed to the placement of the WWTF.

**Jim Evans** replied that he does not oppose the annexations.

**Chairman McClelland** opened the floor to public comments. There were no further comments and Chairman McClelland closed the public hearing.



**THE MOTION WAS MADE (Pauli / Farley)** to adopt Resolution 09-17 approving the certificate of completion of the protest hearing for the annexation of the Sawmill area to the City of Rio Dell.

**THE MOTION WAS PASSED BY A VOTE OF 6-0-0.**

**Chairman McClelland** opened the floor for public comment / protest of the Blue Slide Road area annexation to the City of Rio Dell. There were no public comments. Chairman McClelland closed the public hearing.

**THE MOTION WAS MADE (Whitchurch / Duffy)** to adopt Resolution 09-18 approving the certificate of completion of the protest hearing for the annexation of the Blue Slide Road area to the City of Rio Dell.

**THE MOTION WAS PASSED BY A VOTE OF 6-0-0.**

**Commissioner Pauli** suggested that notification of the results of the protest hearing and LAFCo's final action regarding the annexations be sent to the protesting landowners as a courtesy.

**Commissioner Neely** agreed that LAFCo staff should notify the landowners of the decision.

**Commissioner Duffy** suggested that the notification include the Protest Hearing Staff Report and corresponding resolutions.

**George Williamson** agreed to send the materials to the protesting landowners.

## **B. Public Hearing – Municipal Service Reviews**

**George Williamson** explained that staff has completed a draft Municipal Service Review (MSR) and Sphere of Influence (SOI) update for the City of Blue Lake and recommended approval of the MSR. Mr. Williamson recommended that the Commission review the City of Blue Lake's SOI, to determine if a SOI reduction is in order. Mr. Williamson pointed to the areas of the City's SOI on the map that are in question and recommended that the Commission direct staff in addressing this issue.

**Chairman McClelland** opened the floor to public comment.

**Bob Brown**, Contract City Planner for the City of Blue Lake, commented that the City of Blue Lake has a new city manager and is undergoing various staffing changes. He stated that the City has attempted to obtain the original SOI report. He stated that the City would like to request a continuance of the Blue Lake MSR / SOI hearing to allow additional time to research the reasoning for the existing SOI and to collaborate more with LAFCo staff regarding the MSR.

**Commissioner Graziani** stated that the growth projections stated in the MSR need to be reviewed and expressed a concern for the agricultural lands adjacent to the Mad River that are included in the City's SOI.

**Commissioner Duffy** stated that the agricultural lands in the SOI are in use and may be connected to the City of Blue Lake's water system. She suggested that the item be continued.



**Commissioner Pauli** inquired about why the Blue Lake Casino's hotel, which is under construction, is not included in the MSR.

**Commissioner Duffy and Chairman McClelland** replied that the Blue Lake Rancheria is not under the jurisdiction of LAFCo.

By the order of the Chair, staff was directed to continue the public hearing for the City of Blue Lake's MSR and SOI to the next regularly scheduled LAFCo meeting.

**George Williamson** confirmed that staff would follow the direction of the Commission.

**George Williamson** presented County Service Area No. 4's draft MSR and SOI to the Commission and recommended approval with no changes.

**Chairman McClelland** opened the item for public comment. There were no comments. Chairman McClelland asked for clarification regarding the need for a MSR in this case where the SOI was affirmed in 2007.

**George Williamson** replied that the staff's interpretation of the requirements indicates that a MSR and SOI update must be prepared for each district every five years.

**Chairman McClelland** directed staff to further research this item and report back to the Commission at the next meeting.

**THE MOTION WAS MADE (Neely / Duffy)** to adopt Resolution 09-19 approving the Municipal Service Review and Sphere of Influence update for County Service Area No. 4.

**THE MOTION WAS PASSED BY A VOTE OF 6-0-0.**

**Chairman McClelland** opened the next item, the MSR and SOI update for the Humboldt Bay Municipal Water District (HBMWD) for public comment. There were no public comments.

**Commissioner Graziani** noted that the HBMWD's MSR did not mention the district's current financial situation regarding the closure of the Samoa Pulp Mill, the district's only industrial customer.

**Chairman McClelland** noted that it is LAFCo's responsibility to report on the district's current operations and determine if the SOI is adequate. Since the district is currently operating adequately, the report does not need to include information about the implications of the Mill closure since they are yet to be determined.

**THE MOTION WAS MADE (Duffy / Whitchurch)** to adopt Resolution 09-20 approving the Municipal Service Review and Sphere of Influence update for the Humboldt Bay Municipal Service District.

**THE MOTION WAS PASSED BY A VOTE OF 6-0-0.**

### **C. Fiscal Year 2009-10 Draft Budget and Staffing Services Plan**

**George Williamson** presented the draft budget, explaining line items where reductions have been made. He presented the staffing services plan which includes continued MSR / SOI preparation, a Humboldt LAFCo Commissioners Handbook update, and a Humboldt LAFCo website update. He explained that the staffing services costs have been reduced by 15% and the contingency funds have been reduced by 5%. He stated that the county auditor's report received



on Monday May 18, 2009 indicates that LAFCo will have a budget surplus of approximately \$8,000 at the end of fiscal year 2008-09, which is money that could be rolled over to further reduce the fiscal year 2009-10 budget.

**Commissioner Graziani** inquired about the staffing services costs pointing out that there is a discrepancy between the figure shown on the proposed budget and the figure shown in the staff report's text.

**George Williamson** replied that the figure shown in the proposed budget is correct and that the staff report will be corrected to reflect the updated budget figure.

**Commissioner Farley** acknowledged staff for reducing the budget to ease the strain on local government agencies due to the current economic climate.

**Chairman McClelland** asked George Williamson what percentage of the staffing services costs would be apportioned to each of the set tasks.

**George Williamson** replied that of the \$20,000, \$12,000 would go toward MSR and SOI updates, \$3,500-\$4,000 would go toward the website update, and the \$5,000 would go toward the Commissioner's Handbook update.

**Chairman McClelland** suggested that the contingency fund be further reduced and that the fiscal year 2008-09 fund balance be included in the available contingencies resulting in a \$12,000 overall reduction. Chairman McClelland asked for a motion to approve the fiscal year 2009-10 budget with the amendments described above.

**THE MOTION WAS MADE (Farley / Duffy)** to adopt Resolution 09-21 approving the fiscal year 2009-10 budget.

**THE MOTION WAS PASSED BY A VOTE OF 6-0-0.**

## **6A Budget Status Report**

**George Williamson** explained that the budget status report was presented with the staffing services plan.

**Chairman McClelland** asked staff to review previous LAFCo decisions regarding the need for MSRs for agencies whose SOIs do not need to be updated.

**Jennifer Longman** commented that according to her research of the Cortese Knox Hertzberg Act, an MSR and SOI update is needed for every agency under LAFCo's jurisdiction every five years.

**BY ORDER OF THE CHAIR,** with the concurrence of the Commission, the budget status report was received and filed as presented by staff.

## **7. Compliance Work Plan Update**

**Chairman McClelland** directed staff to review the compliance work plan to ensure that the MSRs listed for completion in 2009 are necessary.

**George Williamson** agreed to review the compliance work plan.

**BY ORDER OF THE CHAIR,** with the concurrence of the Commission, the compliance work plan update was received and filed as presented by staff.



## **8. Ongoing Items**

### **8A. Scotia CSD Formation**

**George Williamson** notified the Commission that the Scotia LLC submitted a final environmental impact report (FEIR) to the County. He stated that this item will be heard by the County Planning Commission on June 4. He explained that Humboldt LAFCo submitted comment letters to both the draft and final EIRs and that subsequent to county review the item will be coming to LAFCo for a mechanism of providing services.

**Frank Bacik**, of the Scotia LLC, informed the Commission that a new version of the MSR, containing a financial analysis and engineering reports is available and that he has copies available for staff and the Commission.

### **8B. Hearing on Extension of Services & Prior Humboldt LAFCo Actions**

George Williamson requested more time to review this matter and suggested presenting a staff report at the next scheduled meeting.

The Commission concurred.

## **9. Inquiries:**

### **9A. Garberville Sanitary District Expansion/ Potential Change of Form**

**George Williamson** informed the Commission that the Garberville Sanitary District continues to work on a district expansion/potential change of form and there is no update to report at this time.

### **9B. Samoa Peninsula Services – Potential Manila CSD**

**George Williamson** informed the Commission that there has been no known action regarding the town of Samoa and the potential annexation to the Manila CSD.

### **9D. City of Arcata – Creek Side Homes Annexation**

**George Williamson** informed the Commission that the Arcata City Council hearing on the Creekside Homes Annexation was scheduled for May, but was continued to their June 3<sup>rd</sup> meeting.

## **10. Correspondence, Referrals, and Review Requests:**

### **10A. Senate Bill 215 (Wiggins)**

**George Williamson** informed the Commission that Senator Wiggins has asked for support of this legislation and the legislation is supported by CALAFCo. He asked for direction from the Commission regarding this request.

**Commissioner Duffy** asked if this bill would affect Humboldt LAFCo since the bill is in regards to Metropolitan Planning Organizations (MPOs), which Humboldt County does not have.

**George Williamson** replied that Humboldt County does not have any MPOs.

**THE MOTION WAS MADE** (Whitchurch / Pauli) to take no position of the proposed Senate Bill 215.

**Commissioner Duffy** asked for further clarification on the bill.



**George Williamson** explained that the bill requires that climate change legislation (SB 375) be considered by LAFCo.

**Commissioner Neely** stated that the Commission should respond with a letter to acknowledge Senator Wiggins' request.

**BY ORDER OF THE CHAIR**, with the concurrence of the Commission, the correspondence update was received and filed as presented by staff.

**BY ORDER OF THE CHAIR**, with the concurrence of the Commission, the staff report was received and filed as presented by staff.

**10B. City of Arcata – LAFCo approved the emergency extension of sewer services**

**George Williamson** explained that a letter was sent to the City of Arcata regarding the annexation of the residential parcel on Shirley Boulevard, which LAFCo approved the emergency extension of sewer services to in 2007. The letter was a reminder that a condition of LAFCo's approval if this service extension was that the City annex the parcel within 18 months.

**Commissioner Pauli** asked if there were consequences to the City for not meeting this condition of approval.

**George Williamson** explained that there are no known actions that LAFCo may take to enforce their action.

**Chairman McClelland** asked when the City of Arcata's MSR and SOI update will be completed.

**George Williamson** replied that the item would be heard at the next LAFCo meeting.

**10. PUBLIC APPEARANCES**

**Chairman McClelland** opened the floor to the public. There were no public appearances.

**11. ADJOURNMENT**

The meeting was adjourned at 9:59 AM.