

LAKE LOCAL AGENCY FORMATION COMMISSION
MINUTES OF REGULAR MEETING
OCTOBER 14, 2015

Present:

Stacey Mattina, Chair
Jim Comstock, Vice-Chair
Ed Robey, Public Member
Anthony Farrington, County Member
Frank Gillespie, Special District Member
Gerry Mills, Special District Member
Suzanne Lyons, Public Alternate
Martin Scheel, City Alternate

Staff Present:

John Benoit, Executive Officer
Marsha Burch, Legal Counsel
Kathleen Moran, Clerk

Absent: Joyce Overton, City Member, Jeff Smith, County Alternate, & Jim Abell, Special District Alternate.

1. Call to Order/Roll Call

Chair Mattina called the meeting to order at 1:00 p.m. in the City of Lakeport Council Chambers. There was a quorum present.

2. Approval of Minutes for the July 15, 2015 Regular Meeting.

Motion by Commissioner Comstock, seconded by Commissioner Robey to approve the Minutes of the July 15, 2015 regular meeting. Motion carried.

3. Public Comment

Betsy Cawn asked that a discussion of financial impacts and revenue sources for fire districts be placed on the next Agenda.

4. Consent Agenda

Motion by Commissioner Robey. Seconded by Commissioner Comstock, to authorize payment of expenses for July and August 2015. Motion carried.

5. Consolidation of the East Lake and West Lake Resource Conservation Districts and Formation of the Lake County Resource Conservation District.

EO advised that staff has received a request to continue this item.

Motion by Commissioner Comstock, seconded by Commissioner Robey to continue the matter of consolidation of the East Lake and West Lake Resource Conservation Districts and Formation of the Lake County Resource Conservation District for an indefinite period of time. Motion carried.

6. Public Hearing on Sphere of Influence Update for the City of Lakeport.

This is a LAFCO initiated Sphere of Influence (SOI). EO stated that LAFCO is required by law to periodically review and update SOI's for local government agencies within its jurisdiction. Since the SOI update was not requested by the City as an amendment it does not require a City-County meeting to negotiate the Sphere of Influence. EO reported the update is in accordance with the environmental documents and General Plan amendments approved by the City on February 17, 2015, noting the update is not an annexation proceeding and that there may be some confusion on that matter. The SOI represents a reduction of approximately 600 acres. Discussion was held on prior revisions.

EO referenced letter from City of Lakeport dated October 8, 2015 in support of Staff Report Option. EO referenced letter from the County dated September 8, 2015 requesting removal of commercial corridor along South Main Street/Soda Bay Road, or Option 4 a coterminous SOI.

EO stated that the proposed Sphere is consistent with LAFCO's mission, and that a draft Resolution has been provided.

Commissioner Farrington referred to EO report page 13 re: residential land/housing needs and asked for clarification on the why the North Lakeport residential section was removed from the SOI and the commercial corridor left in. EO responded that the residential area is served by other agencies.

Commissioner Comstock asked if annexation could occur without the updated SOI. EO responded that LAFCO laws require all agency SOI's to be periodically reviewed and updated, that this action is separate from an annexation but does not prohibit annexation. He noted that should annexation be considered in the future, an SOI consistent with the general plan would be necessary.

Commissioner Mills referred to the last meeting and his decision to recuse himself and asked if there would be a quorum because the Special District Alternate is not present. EO confirms that there is a quorum should he recuse himself today. Commissioner Mills recused himself and moved to the audience.

Commissioner Farrington questioned the need for recusal based on merely owning property within the Sphere. Marsha responded that in light that he recused himself at the last meeting, then he likely should do it now. If there were Mills I live in the current SOI, under the new plan I would be excluded, that is the only conflict. Ms. Burch stated that she didn't see an actual or financial conflict for Commissioner Mills. Chair asked Commissioner Mills what he would like to do. Commissioner Mills stated that he did not feel he has a conflict. All commissioners concurred and Commissioner Mills returned to his seat.

Chair Mattina opened Public Hearing.

Matt Perry thanked LAFCO for extending the hearing. He spoke to recent wildfires, which have devastated the area and acknowledged the cooperative efforts of the County and City as well as all emergency workers and expressed appreciation to all.

Mr. Perry spoke to the comments presented in the EO's report and the County's letter. Mr. Perry concurred that annexation is not being discussed today, but is a future consideration. Mr. Perry spoke to the tax sharing agreements, the issue of revenue neutrality and the ability to deliver services in the subject areas. EO responded that the only revenue neutrality provision in the LAFCo law is for city incorporations, also Lake LAFCO has a revenue neutrality provision on annexations, noting that if the city were to annex to a revenue producing area LAFCO would look at the effect on other agencies to make sure they would not be negatively impacted by loss of revenue/inability to deliver services.

Mr. Perry expressed concern with the SOI's fiscal implications as the South Main/Soda Bay corridor generates approximately 25% of the county's general purpose tax revenue noting that the county has a larger scope of responsibility than the city. He further questioned the removal of the residential area and retention of the commercial area. Commissioner Mattina stated that services are already being provided to the north area by the Special Districts.

Richard Coel, Community Development Director for Lake County, stated that county staff has a number of concerns with the proposed SOI; primarily the amount of existing vacant commercially zoned land currently within the city with a high vacancy rate. He advised focusing on infill rather than expansion and stated that if the county loses that commercial area it would create a significant loss that would be difficult to recover from. Mr. Coel stated that the business owners in the south area do not support future annexation. He stated that he has been hearing complaints on the city's business processes for some time and that he hopes that the city will allow the new director to address these critical issues. He stated that the County wants to be as helpful as possible and share what has worked for them with the city.

Commissioner Robey restated that the commercial corridor is already in the SOI and it has been for many years, we are not adding it in, and the matter being heard today is not an annexation proceeding.

Jan Coppinger, Compliance Coordinator for Lake County Special Districts, spoke to the City of Lakeport's letter and stated that the County has identified a well and has had a hydrologic survey taken and a well pump test. She stated that the County is able to provide water to the corridor area. Ms. Coppinger stated that the Special Districts has made an application to the Department of Resources to fund a water system with the understanding that several small water districts would be consolidating and some inadequate or contaminated wells would be abandoned. The funding agreement has not been approved yet by the Lake County Board of Supervisors or the State.

Bob Bridges made statement in support of a reduced sphere, and in opposition to expansion/annexation. He stated that he feels city services have been diluted and have declined.

Kevin Ingram, Community Development Director for the City of Lakeport addressed the Commission. He restated that the proposed SOI is not an expansion, but a reduction of approximately 600 acres of land from the existing Sphere. He stated that the commercial corridor has been in the SOI for many years, and the city has operated on the fact that it is in the city's sphere. The city provides wastewater treatment as well as first responder emergency services to that area when needed. The City has the ability to provide water to that area. Mr. Ingram stated the retention of the corridor within the City of Lakeport's SOI is consistent with the basic principles for establishing spheres of influence, i.e. a logical boundary for the orderly pattern of growth to effect the most efficient delivery of public services. Mr. Ingram thanked the county for their work on the building inventory report. He recommended that the Commission adopt Option 1, noting that the coterminous option has consequences with other public agency spheres. Mr. Ingram stated that the reason for removing the North Lakeport area is that it is already being served by the county with basic public services, however, if the Commission determined the area should remain in the sphere, the city would likely not oppose.

Mark Brannigan, Public Works Director, City of Lakeport, clarified that the State's objective is to consolidate small water districts into one regulatory body. He stated that the city's water rates are average and on the question of storage their data shows it to be adequate for at least 20 years.

Chair Mattina called for a recess at 2:30 p.m. and reconvened meeting at 2:40 p.m.

Paul Racine, business owner, stated that he does not want the corridor area to be part of the city. He spoke against annexation, and stated that the north residential area should be left in the SOI.

Nancy Ruzicka asked that north area section be left in the SOI and not removed.

EO noted that he does not believe the north area was included in the city's Environmental Document and will need to be included in the Environmental Document.

Scott Lauder owner of Lakeport Cinema speaks to the County's poor water quality, costs, etc. and made statement in support of his property remaining within the Sphere of Influence.

David Ruderman, City Attorney for the City of Lakeport, reminded those present that the issue on the table is the updated SOI as required by LAFCO law. Mr. Ruderman reviewed the role of LAFCO. He stated that Option 1 best balances all interests. He recommended the Commission approve SOI option 1, noting that the city has done everything it has been asked to do in order to proceed with the SOI. He noted that a Sphere of Influence creates boundaries, which can be used in an actual annexation, and brings forth issues to discuss, but annexation cannot take place without public input.

Margaret Silveira, City Manager, City of Lakeport, stated that the county has widespread water problems. She recounted previous actions and agreements between the county and the city re: future annexation plans.

Commissioner Farrington responded and that the purpose of the pre-annexation agreement was to give the Board of Supervisors a comfort level for their actions to invest in infrastructure in the corridor area.

Chair Mattina called for other comments or statements. None being heard, Chair closed Public Hearing at 3:23 p.m.

Commissioner Mills asked EO about information presented at the recent conference in Sacramento on the issue of groundwater. EO noted that a discussion of groundwater issues should be placed on a near future agenda, and Mr. Browne could also present information to LAFCO.

Commissioner Farrington submitted a set of letters which were sent out to landowners/business owners in the South Main Street/Soda Bay Road Commercial and Industrial Area which asked the recipients "Assuming the County provides a community water system, please indicate your preference below: [] I prefer to stay in the County of Lake unincorporated area, or [] I prefer to annex the South Main Street/Soda Bay Road area. The letter asked recipients to return the letter within 10 days in an enclosed postage paid envelope. Commissioner Farrington stated that 45 out of 46 responded indicated they prefer to remain in the unincorporated area.

Commissioner Farrington made extensive statement regarding the proceedings. He expressed opposition to annexation, and asked the commission to consider public input.

Chair Mattina stated that the survey asked about annexation, which is not the issue before the Commission today and further, the information was not presented to the Commission or the public in a timely manner for consideration today.

Chair Mattina asked the Commission what they wished to do with the information. The consensus was to reopen the Public Hearing for this item only. Mr. Scheel and Mr. Ingram concur made statements in concurrence.

Mr. Ingram pointed to flaws in the "survey" format, i.e. misinformation and incomplete information, and that the information was not brought forward in a timely manner for the commission or the public.

Discussion was held. Ms. Burch advised that the Brown Act requires that any documents made available to the staff and Commission must be made available to the public. She stated that the documents submitted today were not available prior to the meeting; therefore the public had no opportunity to review the information in advance of the meeting. Ms. Burch stated that the survey was directed toward the question of annexation and the Commission can disregard it, as it does not apply to today's agenda item.

4:00 p.m. Chair closed Public Hearing. Chair asked Commissioners how they would like to proceed.

Commissioner Comstock stated he didn't mind disregarding the survey, as the issue is the Sphere of Influence.

Suzanne Lyons agreed that the Sphere is the issue and that is all that should be considered.

Martin Scheel stated he favors Option 1.

Commissioner Mills and Gillespie favor Option 1.

Commissioner Robey stated that he favors Option 1.

Commissioner Farrington stated that he favors Option 4.

Commissioner Scheel made a motion to adopt Resolution 2015-0009 adopting a Sphere of Influence Update for the City of Lakeport Option #1 by LAFCO staff, per the request LAFCO made to the City to amend its Environmental Impact Report and General Plan. Commissioner Robey seconded the motion. Resolution passed and adopted by the following vote:

AYES: Commissioners Robey, Gillespie, Scheel, Mills and Mattina.

NOES: Commissioners Farrington and Comstock.

ABSENT: Commissioner Overton.

7. Follow-up letter and request for the Watershed Protection District (WPD) Board of Directors to provide LAFCo with a written progress report with respect to items included in the WPD Service Review

a. Discussion and possible action regarding the Watershed Protection District follow up regarding items addressed in the WPDMSR.

EO stated this matter has been agenda item at the request of Mr. Dunlap. He stated that when LAFCO adopted the MSR for the Watershed Protection District a letter was sent to the county and we have never received a response. EO stated that with today's adoption of the City of Lakeport SOI, he wants to start on the Watershed Protection District SOI and begin discussions at the next meeting.

Mr. Dunlap made extensive statement regarding the importance and urgency in activating the district in light of the recent wildfires. He stated that the fires have created potentially toxic and caustic ash, which will affect the waterways via heavy rainfall and mudslides. He made extensive statement regarding the impact of the ash, cleanup plans, and the need to keep the materials such as the ash out of the watershed. The MSR approval called for a response from the county, and he urges the county to do so.

Commissioner Farrington stated that the county will revisit the request.

Betsy Cawn noted that the agency has not met for over two years and needed services have not been provided. She spoke to the need for compliance with the water quality permit, and with the fires the need for an effective Watershed Protection District is critical.

Commissioner Lyons asked if the letter was a request to meet. Commissioner Farrington stated he had no response other than he would look into the matter. Chair Mattina asked Commissioner Farrington if it would be soon. Commissioner Farrington stated he would look into the matter.

8. Executive Officer's report

Clearlake Oaks County Water district and CSA #16
Rancheria Annex to the Callayomi Co. Water District
Hidden Valley Lakes CSD MSR and SOI update

9. Calafco Annual Conference in Sacramento.

Meeting and workshops discussed. EO reported on legislation effecting LAFCO's and recent bills signed into law by the Governor, as well as vetoed.

10. Commissioner Reports – none.

11. Correspondence - none.

Meeting adjourned at 4:35 p.m.

The next meeting will be held on Wednesday November 18, 2015 in Lakeport at 1:00 p.m.

By: _____
Kathleen Moran, Clerk