

AGENDA ITEM 5A

SEPTEMBER 17, 2025 DRAFT MEETING MINUTES

1. CALL TO ORDER

The meeting was called to order at 9:00 a.m. in the City of Eureka Council Chambers and via Zoom video conference with Chair Madrone presiding.

2. FLAG SALUTE

3. ROLL CALL

Members Present: Heidi Benzonelli, Michelle Bushnell*, Cheryl Kelly, Steve Madrone, Meredith Matthews, Troy Nicolini, and Elaine Weinreb

Members Absent: None

Alternates Present: Gordon Johnson

Alternates Absent: David Couch, Debra Garnes, and Mike Wilson

Staff: Colette Santsche, Executive Officer
Krystle Heaney, Clerk/Analyst
Ryan Plotz, Attorney

*Commissioner Bushnell was present on Zoom and participated under AB2449 for "Just Cause". Commissioner Bushnell stated that she was away on business on behalf of the County at the Rural County Representatives of California (RCRC) conference. Her location was open to the public and there was no one over the age of 18 present in the same room.

4. PUBLIC COMMENT

No public comment was received.

5. CONSENT CALENDAR

A) Approval of September 3, 2025 Special Meeting Minutes

Motion Matthews/Nicolini to approve the consent calendar. Motion passed by 7-0-0 roll call vote.

6. PUBLIC HEARING ITEMS

A) Kneeland Fire Protection District Goodwill Annexation Reconsideration

Executive Officer (EO) Santsche introduced the staff report and provided an overview of the administrative record to date. The original Reconsideration Hearing was held on August 20, 2025, continued to September 3, during which the Commission held a closed session with legal counsel to discuss potential litigation. Following closed session, the Commission continued the matter to the September 17 regular meeting.

The Commission resumed its discussion regarding the Kneeland annexation and the status of Humboldt Redwood Company (HRC) parcels. Staff reported that HRC and Mendocino Redwood Company (MRC) have recently notified more than 30 districts

across three counties that they will no longer be paying parcel taxes or fees on their commercial timberlands within State Responsibility Areas (SRA), citing §13811 and the *Mendocino Redwood Co. v. County of Mendocino* (2019) appellate decision. The letters request removal of these parcels from future tax rolls, stating the companies will instead continue voluntary or land-based contributions.

EO Santsche also reviewed proposed conditional language requiring Kneeland FPD to adopt a policy addressing the treatment of commercial forestlands within the District and annexation area. The intent was to clarify compliance with §13811, establish a process for landowners to request exemptions from special taxes when allowed by statute, and reduce legal exposure. The condition also clarified the distinction between CAL FIRE's wildland suppression responsibilities and Kneeland FPD's authority over structural fire protection, EMS, rescue, and other all-risk response.

Public comment emphasized the complexity of the issue and the statewide implications of the timberland exclusion. Kneeland FPD representatives expressed concern that an exemption policy requirement could expose the district to legal and financial risk. They noted they during one of the hearings, Kneeland had been dispatched to an emergency medical call on HRC property, illustrating the ongoing need for local emergency response to those areas.

CAL FIRE Unit Chief McCray underscored the importance of structural fire and emergency response coverage in SRAs, which CAL FIRE is not legally obligated to provide, and recommended including the improved parcel in the annexation boundary, while noting he was speaking personally, not on behalf of CAL FIRE. Commissioners discussed the possibility of CAL FIRE supporting reform, with several emphasizing that legislative change is the only sustainable solution. Chief McCray stated he is elevating the issue within CAL FIRE's chain of command in Sacramento.

Humboldt Bay Fire Chief Citro echoed concerns, explaining that although fire departments respond regardless of payment, there are costs to providing services. They noted HRC's recent refusal to pay taxes in other districts and the potential impacts if additional landowners sought exemptions. Commissioners questioned whether rechartering districts as community services districts could avoid the statutory restrictions, but staff clarified that similar issues could still arise.

Public and agency comments highlighted both the inequities of exempting large timber companies while smaller landowners continue to pay, and the practical limitations of LAFCo and local districts in funding or sustaining litigation. Counsel explained that a legal challenge would likely be costly, requiring up to \$30,000 in upfront expenses, and would face the unfavorable precedent in the appellate court. Several commissioners indicated a preference to focus on legislative reform rather than litigation.

HRC's counsel, Steve Johnson, reaffirmed the company's position that the law clearly excludes their lands from district boundaries but emphasized their willingness to continue supporting local districts in other ways. Commissioners inquired whether HRC would consider voluntary contributions equivalent to their tax obligations or provide letters supporting legislative change. Johnson said he was not in a position to commit but would raise the requests with company leadership. Commissioners acknowledged HRC's willingness to cooperate, but reiterated concerns about fairness, precedent, and the broader statewide implications.

A central question was whether one improved and habitable HRC parcel should be included in the annexation; however, HRC's counsel advised that the law does not distinguish between improved and unimproved parcels, and existing statute clearly excludes commercial timberlands from fire district boundaries. Staff recommended excluding all 17 HRC parcels.

Motion Bushnell/ Nicolini to adopt Resolution No. 25-06, approving the Kneeland Fire Protection District Goodwill Response Area Reconsideration, with the removal of condition 5e concerning an exemption policy for Kneeland FPDs special tax, and directing the Executive Officer to pursue special legislation regarding commercial timberlands. Motion passed by 6-1-0 roll call vote as follows:

AYES: Commissioners: Bushnell, Kelly, Madrone, Matthews, Nicolini, Weinreb

NOES: Commissioner Benzonelli

ABSTAIN: None

8. BUSINESS ITEMS

A) Designation of Voting Delegates for CALAFCO Annual Business Meeting and Board Elections

EO Santsche noted that an annual business meeting will be held at the upcoming CALAFCO Conference in October and there will be important items regarding the CALAFCO bylaws. Chair Madrone and Commissioner Bushnell will be attending the conference on behalf of Humboldt LAFCo.

Motion Kelly/ Matthews to appoint Chair Madrone as voting delegate and Commissioner Bushnell as alternate voting delegate for Humboldt LAFCo. Motion passed by 7-0-0 roll call vote.

9. INFORMATIONAL AND CONTINUING ITEMS

A) Preview of Proposed Humboldt Community Services District North McKay Ranch Annexation

EO Santsche provided an overview of the annexation project, noting its long history beginning with initial meetings in 2017 and the Commission's approval of a single out of agency (OAS) connection in 2018. The County, serving as lead agency, prepared and adopted the Environmental Impact Report (EIR), while LAFCo staff has worked closely with the Humboldt Community Services District (HCSD) since 2022 to develop the application package.

The project site is currently undeveloped and has long been planned for Residential Low (RL) development in the Eureka Community Plan. The approved project includes a General Plan Amendment, Rezoning, and a Planned Development (PD) overlay to allow for lots smaller than the minimum parcel size for the zone. Staff discussed the phasing and scope of the subdivision development, noting a portion of the project area is already within HCSD's boundary and that one of two Redwood Fields parcels will require annexation.

As part of the proposal, service to the existing Out-of-Agency connection would be maintained as a condition of approval. Fire and EMS services would be provided by Humboldt Bay Fire, while the County would remain responsible for road maintenance and law enforcement. HCSD has requested several conditions

of approval concerning the provision of water, wastewater, and street lighting, with lighting funded through a separate assessment zone. LAFCo will act as a responsible agency under CEQA, relying on the County's previously certified EIR.

In discussion, Commissioner Kelly sought clarification on LAFCo's role, confirming that the Commission is responsible only for annexation decisions and not for land use authority, which rests with the County. EO Santsche explained that the County has executed a development agreement with the project developer, and future project actions such as submitting a lighting and landscaping plan will be reviewed and approved by the County pursuant to that agreement. HCSD General Manager TK Williams noted the HCSD Board had already discussed and adopted a resolution of application earlier in the year. Subdivision landowner Kurt Kramer offered no further comments due to technical issues.

Next steps in application processing is completion of the property tax exchange between the County and HCSD. Once complete, staff will return the annexation to the Commission for consideration and action. The Commission received and filed the report, and no further action was taken.

B) Status of Municipal Service Review Preparations

Clerk Brogna introduced the staff report and provided an overview of current MSR preparations. Staff is continuing to work on the City of Eureka MSR/SOI Update and has started the review process for Scotia Community Services District.

The Commission received and filed the report and no action was taken.

C) Status of Current and Future Proposals

EO Santsche introduced the staff report and provided a brief update on current and anticipated proposals. The Kneeland FPD Annexation and Humboldt CSD Annexation are the only current proposals and were covered previously in the meeting.

EO Santsche continues to coordinate with fire service providers and recently met with Fire Chiefs Association representatives for each region to review the Measure Z work plan to ensure that the tasks outlined in the workplan still align with the goals of chiefs.

The Commission received and filed the report and no action was taken.

10. EXECUTIVE OFFICER'S REPORT

A) CALAFCO Legislative Update

EO Santsche noted that legislative items currently being tracked by CALAFCO have been included in the agenda packet for review. Commissioner Madrone asked about the status of CALAFCO. EO Santsche noted that several LAFCOs have left CALAFCO and that the organization is continuing to work diligently on restructuring and is hoping to regain the trust of its members.

The Commission received and filed the report and no action was taken.

11. WRITTEN CORRESPONDENCE - None

12. ADJOURNMENT

The meeting was adjourned at 11:04 am. The next meeting of the Commission will take place on November 19, 2025 at 9:00am at the City of Eureka Council Chambers located at 531 K Street, Eureka, CA 95501.