

**AGENDA ITEM 6A**

**MARCH 17, 2021  
DRAFT MEETING MINUTES**

**1. CALL TO ORDER**

The meeting was called to order at 9:00 a.m. via Zoom video conference with Chair Bass presiding.

**2. FLAG SALUTE**

**3. ROLL CALL**

Members Present: Stephen Avis, Virginia Bass, Debra Lake, Ali Lee, Mike Losey and Mike Wilson

Members Absent: Troy Nicolini

Alternates Present: David Couch\*, Gordon Johnson and Skip Jorgensen

Alternates Absent: Michelle Bushnell

Staff: Colette Santsche, Executive Officer

Ryan Plotz, Legal Counsel

Krystle Heaney, Clerk/Analyst

*\*Alternates seated as voting member*

**4. NEW APPOINTMENTS**

**A) Status of Commissioner Terms**

Executive Officer Santsche provided an overview of current commissioner terms. City Alternate Gordon Johnson from the City of Rio Dell was recently appointed by the City Selection Committee.

**B) Certificates of Appreciation for Estelle Fennell and Paul Pitino**

Executive Officer Santsche presented a certificate of appreciation to outgoing city alternate Sue Long for her exemplary service on the Humboldt LAFCo Commission. Commissioners expressed their gratitude for the outgoing member's service and dedication to LAFCo.

**5. PUBLIC COMMENT – none**

**6. CONSENT CALENDAR**

**A) Approval of January 20, 2021 Regular Meeting Minutes**

Commissioner Lee requested that the minutes be changed to state that several Commissioners requested more information on annexed agricultural land in Humboldt County.

**Motion Avis/Lake** to approve consent calendar with modifications. Motion passed by 7-0-0 voice vote.

## **7. BUSINESS ITEMS**

### **A) Budget Report and Amendment for FY2020-21**

Executive Officer Santsche provided the Commission with an overview of expenditures for FY 2020-21. MSR preparations are exceeding the budgeted amount due to continuation of work being completed from the previous fiscal year. As such, a budget amendment was requested that would transfer \$5,900 from the Transportation and Travel account, which has not been utilized in FY 2020-21, to the MSR/SOI Preparation account. Overall expenditures for FY 2020-21 are anticipated to be under budget. Minimal discussion was held by Commissioners about current expenditures.

**Motion Avis/Couch** to adopt Resolution 21-03 approving the budget amendment as proposed. Motion Passed by 7-0-0 roll call vote.

## **8. PUBLIC HEARING ITEMS**

### **A) Proposed Budget for FY 2021-22**

Executive Officer Santsche introduced the staff report for the Proposed FY 2021-22 budget. LAFCo's are required to adopt a proposed budget by May 1<sup>st</sup> and a final budget by June 15<sup>th</sup>. Staff is not proposing an increase to last fiscal year's budget in an effort to keep costs down for member agencies. Also included with the proposed budget is a proposed work plan. The work plan includes regular administrative activities, processing applications, and four MSR/SOI updates including the City of Eureka, Riverside CSD, Manilla CSD, and South County Regional Water/Wastewater MSR (regional in nature and including multiple water/wastewater providers).

Commissioners briefly discussed the proposed budget and expressed appreciation for keeping costs down. A discussion was also held about the pros and cons of conducting a regional MSR instead of individual MSRs for each District. No public comment was received.

**Motion Wilson/Avis** to adopt Resolution 21-04 approving the proposed budget for FY 2021-22. Motion passed by 7-0-0 roll call vote.

### **B) Reconsideration of Creekside Homes Annexation to the City of Arcata**

Chair Bass opened the public hearing. Executive Officer Santsche introduced the staff report the reconsideration request. She provided a presentation on the history of the Creekside Homes development project including an overview of the environmental review process and the LAFCo action from January which approved the modified annexation boundary. She then presented the reconsideration request which asked that only the Creekside Homes development parcel be annexed to the City of Arcata. The reconsideration request was comprised of several letters from affected property owners within the modified annexation boundary. Comments were summarized and separated into information that was not considered new evidence, procedural objections, and new evidence. Executive Officer Santsche also provided a summary of comment letters that were received by the Commission in regard to the project. All comments were included within the staff report and attachments for this agenda item.

Chair Bass then asked for questions and comments from Commissioners. Discussion included: clarification on principally permitted land uses for agricultural lands inside and outside of the City and ownership of lands; description of RE 2.5 lands near the annexation area which allows a higher density on county lands than the surrounding agricultural exclusive lands; clarification of where current City water and sewer services are located within the modified annexation boundary; road maintenance responsibility within the originally proposed and modified annexation areas; extent of public participation in county versus city areas; challenges with split law enforcement jurisdiction which can lead to problems during follow-up investigations; clarification that property taxes will not increase for modified annexation boundary parcels as taxes are re-assessed when parcels are sold; clarification that both the originally proposed and modified annexation parcels are all within the Arcata Fire Protection District; and a statement that the City of Arcata does not want to annex the parcels within the modified boundary.

Chair Bass then asked for public comment on the reconsideration. Comments were received from 12 individuals including: Carol McFarland, Don Nielsen, Sean Armstrong, Karen Davidson, Monica Coyne, Eve DeBord, David Loya, Shail Pec-Crouse, Lisa Brown, Portia Bramble, Kathleen Marshall, and Kelly Mottershead. Comments were generally against the modified annexation boundary and expressed concern about the transparency of the LAFCo process.

McFarland: Thanked LAFCo for courteous and professional handling of reconsideration request.

Nielsen: City does not want to annex additional parcels to City. Affected property owners do not want to be annexed to City. Modified annexation boundary landowners and neighbors did not receive notice of potential annexation. Litigation could result if modified annexation is maintained.

Armstrong: Owns agricultural lands that are proposed for annexation. Previously worked with DANCO. Requests that Commission consider Reconsideration Option 3 which would only annex the Creekside Homes parcel. Provided a list of correspondence between City and LAFCo planning staff about the Creekside Homes annexation.

Davidson: Corrected letter she had sent to LAFCo quoting Judith Mayer from the City's Planning Commission in which she said there were serious problems with the process between the City and LAFCo. Read remainder of letter submitted. Feels it is curious that none of the landowners knew what was going on. Considered process semi-transparent.

Coyne: Recently purchased parcel within the modified annexation boundary. Feels that process has been rushed and that neighbors and the City do not have the information they need to support the modified annexation boundary. Her and her husband do not support the modified annexation boundary because they feel there are more protections in the County.

DeBord: Urges LAFCo to reconsider the modified annexation. Supports the landowners in opposition of the modified boundary. Lives and works on Tule Fog Farm. Landowners were not considered during the process. Two years of protection from zone changes is not enough to protect agricultural lands. Concern that current land uses at Tule Fog Farm would become illegal if annexed into the City. Asked that the Commission only annex the Creekside Homes parcel.

Loya: The City focused on policies from both agencies when drafting a letter to the Commission. Stated that the City has not changed its position from the January 20<sup>th</sup> meeting and the City's letter should not be considered new evidence. The City previously considered additional parcels in the annexation boundary but chose to minimize the annexation area. Wanted to clarify that LAFCo process is different from the City process. Would like the Commission to reconsider the annexation area. Stated that the City has annexed resource lands previously but feels that these agricultural lands would be subject more development pressure than community forests and tidal lands.

Pec-Crouse: Farmer and owner of Tule Fog Farm. Supports Creekside Homes annexation but not farmland annexation. None of the owners were consulted during the annexation process and it was a complete surprise. Believes that current farming practices and densities on Tule Fog Farm would become illegal under City zoning. Grandfathering uses by considering them existing non-conforming uses is not sufficient to protect farming as it must be done continuously without a break and is afraid she would lose her right to farm. Believes that LAFCo is funded by development companies, not taxes, and that the land grab is for the benefit of these development companies. LAFCo is supposed to protect farmland and this annexation does not do that. Urged Commission to only annex Creekside Homes parcel.

Brown: Acknowledged that City has many policies to protect agricultural land that remains within the City. Many years ago, there was a development proposal for hundreds of acres in the subject area and it was met with large public opposition. Since then, City policy has been set to protect agricultural lands and keep them in the county. Thinks that the January LAFCo decision was a mistake that was made with good intentions but would like the Commission to reconsider since all the landowners within the modified boundary are opposed to annexation. Expanded annexation is in conflict with City policy.

Bramble: Executive Director of the North Coast Growers Association, thinks that non-conforming uses is a temporary guarantee. Concerned about conservation parcel. Would like a guarantee that conservation parcel will remain available for agricultural production as this is vital to sustaining the community.

Marshall: Long term Arcata resident who has followed the whole Creekside process. Is opposed to modified annexation boundary as none of the property owners have requested it.

Mottershead: Does not support the expanded annexation boundary and feels that further annexation will increase traffic concerns and change the aesthetic of the neighborhood. Also concerned about transparency of process.

Further discussion was held by the Commission that covered several topics addressed during the public comment period. Commissioner Wilson discussed the different land use policies between the County and the City and expressed that the City has a stronger track record for preservation of agricultural lands than the County which has recently rezoned large portions of agricultural land. He went on to note that the intent of the Commission was and continues to be preservation of agricultural land in the area; however, the way in which that is accomplished may be different between agencies. Commissioner Lake inquired about the financial and time obligation for farms to get proper zoning clearance from the City. Director Loya indicated that most of the uses would likely be principally permitted and for those that would be non-conforming legal uses the property owner would need to submit an application to the City at which point they would conduct a site visit to discuss existing uses on the property. The fee and time required would be minimal as most of the work would be conducted by the City.

Chair Bass requested clarification on how LAFCo is funded. Executive Officer Santsche provided an overview of application deposits and cost recovery for applications. Additional Commission discussion included support for creating more logical boundary lines and encouraging protection of agricultural land under the City rather than the County; the importance of listening to the desires of property owners and the City; appreciation for the public's support for agricultural land preservation; and concern that this issue will likely come up again at a later time as the area is substantially surrounded by the City and additional City services may be requested from the area in the future. It was also noted that LAFCo could work on increasing transparency and go beyond what is required in order to provide a better understanding of what LAFCo is and how it operates.

**Motion Wilson/Couch** to adopt Resolution 21-05 making determinations and approving the request for reconsideration for the City of Arcata Creekside Homes Annexation, with amendment and conditions (thereby including only those parcels originally proposed by the City of Arcata be included within the annexation boundary), and recession of prior Resolution No. 21-01. Motion passed by 7-0-0 roll call vote.

**C) Municipal Service Review and Sphere of Influence Update for the City of Trinidad (continued from January 20<sup>th</sup> meeting)**

Clerk Heaney provided the staff report on the City of Trinidad MSR/SOI Update. Based on Commissioner and public comment from the January 20<sup>th</sup> meeting the MSR was updated in redline/strikeout as provided in the staff report. Changes included updating the Median Household Income for the Westhaven community, confirming current City Council members and terms, and clarifying concerns regarding the provision of water and fire/emergency response services to Trinidad Rancheria's proposed hotel and casino project.

Minimal discussion was held by the Commission which included clarification of wastewater discharge coordination efforts between the City of Trinidad and the Trinidad Rancheria, Bureau of Indian Affairs loan insurance for the proposed Trinidad hotel and casino, and correction of minor typographical errors. No public comment was received.

**Motion Wilson/Avis** to adopt Resolution 21-06 approving the City of Trinidad MSR/SOI Update with noted minor modifications. Motion passed by 7-0-0 roll call vote.

**D) Municipal Service Review and Sphere of Influence Update for the Big Lagoon Community Services District**

Clerk Heaney introduced the staff report for the Big Lagoon CSD MSR/SOI update. She provided a presentation on the District which included a discussion of water services, recent board activities to improve District transparency and overall water system resilience, and current District financial practices. The SOI for the District was discussed including proposed changes which would exclude beach and bluff areas from the District as well as Big Lagoon Park Company parcels to the north. Executive Officer Santshce noted that Bill Wegner from the Big Lagoon CSD Board of Directors was available for comment and questions.

Commissioners requested clarification on the current and proposed SOI including the exclusion of a large parcel in between the current District boundary and the Big Lagoon School. It was clarified that this excluded parcel belongs to the Big Lagoon Park Company, which is serviced by a separate water system, and is intended for relocation of cabins that are currently located on the bluff next to the beach. No public comment was received on the MSR/SOI update.

**Motion Losey/Avis** to adopt Resolution 21-07 approving the Big Lagoon CSD MSR/SOI update. Motion passed by 7-0-0 roll call vote.

**E) Municipal Service Review and Sphere of Influence Update for the Westhaven Community Services District**

Clerk Heaney introduced the staff report for the Westhaven CSD MSR/SOI update and provided the Commission with an overview of the District. The District currently provides water service to the Westhaven community and has a waitlist for additional service connections. The District is working towards increasing treatment capacity in order to extend service to those on the waitlist. The District has been successful in obtaining several planning and implementation grants to improve infrastructure and is working with the City of Trinidad on a possible intertie for emergency purposes.

Staff received additional written comments from the District and recommended continuing the hearing to the May meeting to incorporate revisions and allow for further discussion and public comment. Chair Bass requested public comment. John Friedenbach, General Manager of the Humboldt Bay Municipal Water District commented on HBMWD's feasibility study and clarified that the waterline extension to the Trinidad Rancheria would not be sized to have additional capacity that could potentially serve Westhaven CSD.

**Motion Wilson/Avis** to continue the public hearing for the Westhaven MSR/SOI update to the May 19, 2021 regular commission meeting. Motion passed by 7-0-0 roll call vote.

## **9. INFORMATIONAL AND CONTINUING ITEMS**

### **A) Status of MSR Preparations**

Executive Officer Santsche introduced the staff report for MSR preparations. Staff is continuing to work on multiple MSRs and prepare for next fiscal year's MSRs.

### **B) Status of Current and Future Proposals**

Executive Officer Santsche presented the staff report for Current and Future Proposals. Additional updates will be provided at the next regular Commission meeting.

## **10. EXECUTIVE OFFICER'S REPORT**

### **A) CALAFCO Board of Directors Meeting Report Out (January 21&22)**

Executive Officer Santsche stated that the Board meet in January and information was available online. Commissioner Couch, a current Board member, had no additional comments about the meeting.

### **B) CALAFCO Quarterly (February 2021)**

Executive Officer Santsche stated the CALAFCO Quarterly is available for review.

### **C) CALAFCO Daily Legislative Report (March 2021)**

Executive Officer Santsche introduced the legislative report which is also available online.

### **D) Form 700 Reminder**

Executive Officer Santsche reminded Commissioners to submit their Form 700 if they have not already done so.

## **11. WRITTEN CORRESPONDENCE**

The Commission received written correspondence from Elaine Weinreb regarding the proposed extension of water service by the Humboldt Bay Municipal Water District to the proposed Trinidad Rancheria hotel and casino project.

## **12. ADJOURNMENT**

The meeting was adjourned at 12:04 p.m. The next regular meeting of the Commission will be held on Wednesday, May 19, 2021, at 9:00 a.m. via Zoom webinar.