

**LOCAL AGENCY FORMATION COMMISSION (LAFCo)  
OF NEVADA COUNTY  
APPROVED MINUTES**

Regular Meeting  
June 17, 2021

**Commissioners Present:**

Ben Aguilar (Cities) **Vice-Chair** via Zoom  
Hardy Bullock (County) via Zoom  
Kurt Grundel (Districts) **Chair** via Zoom  
Ricki Heck (Districts)  
Sue Hoek (County) via Zoom  
Josh Susman (Public) via Zoom  
Jan Zabriskie (Cities) via Zoom

**Commissioners Absent:**

Dan Miller (County)  
Erin Minett (Cities)

**Alternates Present:**

Rich Johansen (Districts) via Zoom

**Alternates Absent**

Gloria Glenn (Public)

**Staff:**

SR Jones, Executive Officer via Zoom  
Scott Browne, Legal Counsel – via Zoom  
Deborah Gilcrest, Clerk – via Zoo

**Call to Order/Flag Salute/Roll Call**

Chair Grundel called the meeting to order and acknowledged that all Commissioners were attending remotely via Zoom. Chair Grundel participated via Zoom from the County Administrative Center, as did SR Jones, Executive Officer and Deborah Gilcrest, Commission Clerk.

Chair Grundel lead the Pledge of Allegiance, and then asked the Commission Clerk to call roll. Following roll call, the Clerk noted a quorum was present and that all action items would require a roll call vote per Brown Act Guidelines related to remote participation.

**Public Comment**

Chair Grundel announced Public Comment as the time for members of the public to address the Commission on any matter not on the agenda. There were no public comments.

**Consent Calendar**

Chair Grundel introduced Item 3.1, the Consent Calendar, which contained one item: the draft minutes of the April 15, 2021 meeting.

**MOTION** was made by Commissioner Bullock to approve the Consent Calendar as presented.

**MOTION** was seconded by Commissioner Heck, and passed unanimously by the following roll call vote:

Aguilar: Aye  
Bullock: Aye  
Heck: Aye  
Hoek: Aye  
Susman: Aye  
Zabriskie: Aye  
Grundel: Aye

**Public Hearings**

• **LAFCO Fiscal Year 2021-2022 Work Program & Final Budget**

Chair Grundel introduced Item 4.1 regarding the proposed final budget for FY 2021-22. As the Budget Committee Chair, Mr. Grundel thanked the committee (comprised of Commissioners Aguilar, Glenn and Hoek) and then explained that the preliminary budget had been considered by the Commission in April, and subsequently approved.

Also at the April 15th Commission meeting, LAFCO Counsel had presented information about a recent court decision that impacts LAFCO’s ability to require applicants to indemnify the Commission (this situation is discussed in more detail below). Subsequently , the Commission had asked the Policy Committee to review the matter and provide recommendations for limiting litigation risk for the Commission’s consideration. One of the recommendations was to increase the Commission’s Litigation Reserve. The Budget Committee agreed with the recommendation, which has been incorporated into the proposed Final Budget.

On behalf of the Budget Committee, Chair Grundel recommended an increase to the Litigation Reserve from \$50,000 to \$70,000. Chair Grundel added that in order to accomplish the increased reserve, the funding amounts allocated by LAFCo’s funding partners would be adjusted slightly from \$371,246 to \$391,246

**MOTION** was made by Commissioner Susman to adopt Resolution 21-02 approving the Final Budget for FY 2021-2022, including the addition of the most recent recommended changes. The **MOTION** was seconded by Commimssioner Aguilar, and passed unanimously by the following roll call vote:

Aguilar: Aye  
Bullock: Aye  
Heck: Aye  
Hoek: Aye  
Susman: Aye  
Zabriskie: Aye  
Grundel: Aye

**Business/Action Items**

Chair Grundel introduced Item 5.1, a Policy Committee report on possible future indemnification practices for Nevada LAFCo. He explained that the committee met on May 5 to develop options to limit potential financial risks related to decisions made by the Commission. Chair Grundel explained that the committee had made two recommendations:

- a. increase the litigation reserve; and/or
- b. develop a Voluntary Indemnification Agreement which would be incorporated into the application process.

Chair Grundel reminded the Commissioners that the first recommendation (increasing the litigation reserve) was adopted when the Final Budget for FY 2021/2022 was passed.

Commissioner Heck asked about any consequences should the applicant choose to not sign the indemnification agreement. LAFCO Counsel stated the applicant always has the option to decline but then too, all LAFCOs are free to not defend a decision to approve an unpopular annexation or a controversial Sphere Update.

Commissioner Susman noted that the increase to the Litigation Reserve is based on the fact that Nevada LAFCO has been subject to actual and threatened litigation; however, historically these lawsuits have been related to sphere updates.

**MOTION** was made by Commissioner Bullock to incorporate a Voluntary Indemnification Agreement into the application procedure. **MOTION** was seconded by Commissioner Aguilar, and passed by the following roll:

Aguilar: Aye  
Bullock: Aye  
Heck: Aye  
Hoek: Aye  
Susman: Aye  
Zabriskie: Aye  
Grundel: Aye

### **Election of Officers**

Commissioner Aguilar nominated Commissioner Susman as the new LAFCO Chair; and outgoing Chair Grundel called for a voice consensus on the appointment. All Commissioners indicated support.

Commissioner Susman nominated Commissioner Aguilar to continue in his current role as the Vice-Chair of LAFCO. Chair Susman called for a voice consensus on the appointment. All Commissioners indicated support.

### **Acknowledgements**

Newly appointed Chair, Josh Susman, presented a recognition plaque to Commissioner Grundel to honor his retirement.

Various commissioners commented on their experience working with Commissioner Grundel and expressed gratitude for his leadership.

### **CALAFCO Matters**

The Executive Officer explained that the CALAFCO Board was seeking nominations for persons who may wish to represent the Northern Region. Jones described the various regions (Central, Coastal, Southern and Northern), and added that Nevada LAFCO is part of the Northern Region. Commissioner Heck said she might be interested, but that she would want more information about the duties. Jones stated the deadline to make a nomination is September 7, 2021.

Chair Susman presented a few highlights of CALAFCO's legislative program. Commissioner Susman then reminded those in attendance that the Annual Conference was still being scheduled as an "in person" event, and he noted that registration will begin next month. Commissioner Susman encouraged attendance, especially for new commissioners, citing the value of the educational sessions, networking and the opportunity to learn both basic LAFCO policies and some of the challenges facing LAFCOs statewide.

**Announcements**

Commissioner Johansen discussed the ongoing drought and explained the Stage 1 has been elevated to Stage 2. Commissioner Grundel asked if the reduction in use will affect both raw and treated water. Mr. Johansen confirmed. Chair Susman commented that there are already significant impacts in the Bay Area and some parts of Southern California.

**Executive Officer's Activity Report**

Chair Susman asked if there were any additions to the EO's activity report. Jones responded there were no changes to her report.

**Closed Session**

The Commission met in Closed Session pursuant to Section 54957 (b)(1) of the Government Code which allows for the confidential performance evaluation of a public employee. The Zoom recording was placed on hold during this segment, and the Commissioners met via Conference Call.

**Adjournment**

LAFCO Counsel, Scott Browne, read the Commission back into session; he indicated no reportable action was taken. Chair Susman adjourned the meeting at approximately 10:30 a.m.