

Local Agency Formation Commission
Of Modoc County
Regular Meeting

Minutes of February 15, 2010

1. Call to Order:

Chairman Schreiber called the meeting to order at 5:00 pm, in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Schreiber, Neer and Bullock were present. Commissioner Alternates Jerry Shea was also present, as well as City Public Works Director Chester Robertson. Commissioners Allan was absent.

Staff Present: John Benoit, Executive Officer and Stephanie Northrup, Clerk

Pledge of Allegiance

2. Approval of Agenda:

Commissioner Dederick made the motion to approve the agenda as submitted; seconded by Commissioner Bullock. In favor: All that was present.

3. Correspondence:

Executive Officer Benoit states there is none to report at this time.

4. Approval of Minutes: December 14, 2010

Commissioner Bullock made the motion to approve the minutes as submitted; seconded by Commissioner Dederick. In favor: Commissioners Dederick, Schreiber, and Bullock. Abstain: Commissioner Neer. Motion carries.

5. Elect Vice-Chair to complete term vacated by Commissioner Bradshaw.

Commissioner Dederick made the motion to elect Commissioner Bullock as the Vice-Chair; seconded by Commissioner Neer. In favor: All that was present.

6. Public Comment: None.

Workshop

7. Municipal Service Review and Sphere of Influence Update for the Daphnedale Community Service District.

- a. Receive Executive Officer's Report and conduct workshop on the Municipal Service Review and Sphere of Influence for the Daphnedale Community Service District located north of the City of Alturas.*
- b. Schedule Public Hearing for the April 12, 2011 LAFCO meeting.*

Executive Officer Benoit states this is a small district. The CSD was formed in 1966 as a cease and desist order from the State. They do wastewater collection only, having no other function as

a CSD. They are in a 120-acre residential area located to the north of the City and within the sphere. The district has a five-member board and a secretary.

If you look at the MSR there are several irregularities. Districts must ensure the members are appropriately elected or appointed at large. The Secretary acts as the manager and they have a residency requirement for the job, which shouldn't be the case. There were concerns if the Secretary is an employee or contractor, and they should be weary of that. They need to post agendas to comply with the Brown Act and he believes they are doing that. They need to provide adequate training for staff.

The district has a gravity system serving 42 homes at present. There is an old agreement with the City to treat the wastewater and he feels they should update a JPA on this. There is some confusion as to how a wastewater collection should be approved. There should be standard criteria and it should be inspected by an engineer. There was a lateral, which was more of a diagonal that was irregular. The city is under an NPDES permit and has to be renewed every five years and it is getting more and more difficult to comply with permit conditions.

Planning Director Hunter enters the meeting.

Executive Officer Benoit states these people are not paying the same rate as those in the city. The district has never done an audit. There is a process they could go through that would require an audit every five years instead of annually. One serious issue is the district doesn't have any liability insurance, which could come back to those that serve on the board. It shouldn't be all that expensive for a small district like this. The district is within the City's Sphere and there needs to be consistency with establishing new connections. The district residents may want to consider annexation into the City, but he understands they aren't interested in that. The County isn't set up for wastewater treatment. Adequate fees need to be assessed.

Commissioner Alternate Shea asks if the City with a JPA could be the manager if they decided to go that route. Yes. He asks what the result would be for a vote on an annexation. Executive Officer Benoit states he doesn't think it would pass. A revised JPA would be the way to go.

Commissioner Dederick states he doesn't think the rates should be raised because they have to maintain their own waste management system and those in the city pay a higher rate because it covers the maintenance of the city's waste management system.

Commissioner Alternate Shea states with an audit being required, with a JPA in place, it might help with the things the district has been lacking in all this time. Discussion ensues regarding a JPA between the City of Alturas and the Daphnedale CSD.

Commissioner Dederick states at the very least a new contract should be put in place to clear up all of these questions.

Executive Officer Benoit states they really need to get insurance because that is very important.

Commissioner Alternate Shea asks if a public hearing in April is enough time to complete some of these items such as a JPA. Executive Officer Benoit states LAFCo can give a recommendation and leave it up to the district whether they want to do a JPA or not.

Commissioner Schreiber asks about there being a problem with someone wanting to hook up to a line and they couldn't for some reason. Stephenie Hill, CSD Secretary, states most of this is based on a plan that is being waited on and the plans have been submitted to everyone for review.

Executive Officer Benoit states there have been people up there threatening litigation and the rate payers will be the ones paying for this. He thinks back when this was formed it could have all been done differently. He thinks we have too many levels of government going on in this situation. He states his recommendation is that we should annex the district and it should be part of the city. He states there is a problem with liability and the cost to the rate payers out there. All of this will take time and money. He states they just don't have the number of people out there to manage this.

Commissioner Dederick states the City didn't instigate this and they don't want to put restrictions on the people in Daphnedale, but they are here to help.

Commissioner Schreiber asks that Executive Officer Benoit schedule the public hearing for April 12, 2011.

8. Authorize Staff to attend the Calafco Staff Workshop in Ventura County April 6, 7 and 8th.

Executive Officer Benoit didn't go last year, so he figured he should go this year and he will apportion the costs.

Commissioner Dederick made the motion to authorize Executive Officer Benoit to attend the Calafco Staff Workshop in Ventura County April 6, 7 and 8th; seconded by Commissioner Neer. In favor: All that was present.

9. Agreement with the City of Alturas for Financial Services and release of funds held by the County.

Executive Officer Benoit states in October they had set up accounts within the City and the following items are things he has been discussing with the City Treasurer. He reads over the four items that will need action from the Commissioners. This doesn't change the Auditor's requirements of how LAFCo funds are apportioned.

- a. Action:** Consider agreement with the City of Alturas and Modoc LAFCo for the provision of accounting and financial services (The City of Alturas has reviewed this agreement)

Commissioner Dederick made the motion to approve the agreement with the City of Alturas and Modoc LAFCo for the provision of accounting and financial services; seconded by Commissioner Neer. In favor: All that was present.

b. Action: Consider Resolution 2011-0001 of Modoc Local Agency Formation Commission authorizing the release of LAFCO funds held by the County of Modoc Treasury to the City of Alturas for deposit into the City's LAFCO account effective July 1, 2011.

Commissioner Neer made the motion to adopt Resolution 2011-0001 authorizing the release of LAFCO funds held by the County of Modoc Treasury to the City of Alturas for deposit into the City's LAFCO account effective July 1, 2011; seconded by Commissioner Dederick. In favor: All that was present.

c. Action: Consider Resolution 2011-0002 authorizing investment of monies in the Local Agency Investment Fund.

Commissioner Bullock made the motions to adopt Resolution 2011-0002 authorizing investment of monies in the Local Agency Investment Fund; seconded by Commissioner Neer. In favor: All that was present.

d. Action: Authorize the Chair to send a letter upon final execution of items "a" "b" and "c" above to the County Treasurer requesting release of remaining LAFCO funds retained by the County of Modoc to the City of Alturas for deposit into a special LAFCO fund effective June 30, 2011.

Commissioner Dederick made the motion to authorize the Chair to send a letter to the County Treasurer requesting release of the remaining LAFCO funds retained by the County of Modoc to the City of Alturas for deposit into a special LAFCO fund effective June 30, 2011; seconded by Commissioner Bullock. In favor: All that was present.

10. Update on progress related to mapping and verification of mapping of districts in Modoc County (Continued from December 2010)

Executive Officer Benoit reports that after every meeting he reviews more maps. His goal is to create a new map book. They have used Vestra in the past. He would like to provide decent maps showing the boundaries and reports that this will take a couple of years to complete. We will have some annexations to the Cedarville District so they will need a new map. He wants to spread the costs over the years so that it's not in one lump sum. He reports that mapping is a problem and it needs to be rectified.

11. Approve meeting schedule for 2011 calendar year

Commissioner Bullock made the motion to approve the meeting schedule for the 2011 calendar year; seconded by Commissioner Neer. In favor: All that was present.

12. Review and Authorize payment of claims.

a. Ratify payment of claims for Dec 2010 and authorize payment of claims for Jan 2011.

Commissioner Dederick made the motion to ratify payment of claims for December 2010 and authorize payment of claims for January 2011; seconded by Commissioner Neer. In favor: All that was present.

13. Executive Officer's Monthly Report – General Discussion

Executive Officer Benoit met with Paul Lemke from the Adin Fire District and they discussed consolidation. He told him that they don't want to do that, but they could work with Lookout and Bieber to help support each other, and is going to send them information on JPAs. He is trying to encourage them to think long and hard before combining into one district. He states they need to be aware of AB8 factors as well.

He reports there are a couple upcoming projects with the Cedarville Water District for annexation. He states he's also waiting to see what Hot Springs Valley is going to do.

He reports that the 700 forms are due April 1st and they can turn them in to Stephanie.

He has been invited to a meeting and they have been discussing annexations. Many LAFCOs are pretty zealous about annexations and he doesn't agree with that. He doesn't think it will work. He states they want to change all of the SRA lands to LRA which could cause problems for the local districts. That might work well in some districts, but up here it could be quite a burden.

14. Commissioner Reports – Discussion

Commissioner Neer apologizes for her unannounced absence from the last meeting.

There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting, seconded by Commissioner Bullock, and the meeting was adjourned at 6:00 p.m.

The next meeting will be held April 12, 2011 at 5:00 p.m.