

**Local Agency Formation Commission  
Of Modoc County  
Regular Meeting**

**Minutes of February 14, 2012**

**1. Call to Order:**

Chairman Bullock called the meeting to order at 5:00 pm, in the City Council Chambers, Alturas City Hall. Commissioners Dederick, Schreiber, Neer, Bullock and Allan were present. Commissioner Alternate Jerry Shea and Shorty Crabtree were also present, as well as Planning Director Kim Hunter.

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

Pledge of Allegiance

**2. Approval of Agenda**

Commissioner Allan made the motion to approve the agenda as submitted; seconded by Commissioner Dederick. In favor: Unanimous.

**3. Correspondence**

Executive Officer Benoit reports on a proposed change to Government Code 56133 regarding services. The rules will allow districts and cities to do services outside their sphere of influence but requires a public hearing. They will lose a share of property taxes if they do this, and it will lessen the need of annexation to these agencies. There are pros and cons to the new rule, and when it goes through the legislation process we will need to decide where we stand.

Commissioner Neer asks where they can go online to investigate this further. He will send the redline version to the commissioners so they can see what is changing along with a report that explains it.

Another thing to report on is the Cal Fire fees. Most rural places are opposed to it, and there are some movements to appeal the fee. The Assemblyman in Lake Elsinore has put together an item to appeal the fee. We'll see where these go. There is a mounting movement to repeal the fees through litigation. The BOE will be collecting all of the data from around the state and will create a list of buildings that will get the fee, so we should see a couple of bills and a court case.

**4. Approval of Minutes: December 13, 2011 LAFCo Meeting**

Commissioner Dederick made the motion to approve the December 13, 2011 minutes as submitted; seconded by Commissioner Allan. In favor: Unanimous.

**5. Public Comment**

None.

## **Workshops:**

### **6. Adin Community Services District Municipal Service Review and Sphere of Influence**

- a. *Conduct workshop and provide direction to staff and schedule Public Hearing for the April 10, 2012 LAFCo meeting*

Executive Officer Benoit reports that on the Adin CSD they didn't send in their comments, but he did talk to their Secretary and she will be sending out information to all of their directors to gather comments. They exempt board members from paying their service fees, which he doesn't agree with. They developed some findings for the service reviews. Adin CSD isn't going to grow too much in the future, so the desperate need for new sewer service is as much as a priority as other districts. These districts are small and aren't able to put together a master plan and they really need to. They maintain a balanced budget, however, the fee schedule isn't adequate to balance the budget. The district board should pay themselves a meeting stipend instead of exempted them from paying the fees. Waste water treatment costs are not going to go down and they need to face that. Aside from sharing equipment you couldn't really share a sewer treatment plant. They should consider having a website, all districts should. There are other outreach items that could be used as well, such as a newsletter. The district was very cooperative with LAFCo. The end game is to develop a Sphere of Influence which for this district is the same as the district boundary.

Commissioner Neer asks about the communication with members of the district and the creation of a website. Would it be possible that districts could substitute emails instead of paper mailings which would help save costs? Is there any legislation that wouldn't allow that? The law states that they should have a website as practicable and if someone outside of the district wanted to gather information it would be available on a website. While on the topic, Executive Officer Benoit also asks if anyone is interested in receiving electronic packets for LAFCo meetings.

Planning Director Hunter reports she noticed a few updates in the portion of the MSR like the elementary school being closed and she will get that information to Benoit. He has given the districts deadline to turn in comments.

### **7. Surprise Valley and Last Frontier Health Care Districts Municipal Service Review and Spheres of Influence**

- a. *Conduct workshop and provide direction to staff and schedule Public Hearing for the April 10, 2012 LAFCo meeting*

Commissioner Dederick made the motion to schedule Public Hearings for the Adin Community Service District as well as the Surprise Valley and Last Frontier Health Care Districts on the April 10, 2012 LAFCo meeting; seconded by Commissioner Allan.

Executive Officer Benoit states with SV and LFHD it is the same thing. They will need to comment on this. The problem with rural healthcare is it is expensive and there isn't much of a tax base. The websites could be improved. He saw in the paper that fire districts are required to

have an audit and these two are also supposed to have an audit and should have funds set aside in their budgets. They work together with Meyers Memorial as well, and do joint training, share laboratory services. He discusses some other districts in other counties in comparison to these hospital districts. The two that we have are functioning and as of now they are fine.

All in favor, motion carries.

#### **Action Items:**

#### **8. Discuss outstanding issues regarding the Daphnedale CSD**

- a. *Changes to sewer payment charges and provide direction to LAFCO Staff and (or) referral to agencies responsible.*
- b. *Direction regarding the adoption of the District's Sphere of Influence.*

Executive Officer Benoit reports we needed an MSR for them about a year ago, but held off on the Sphere so they could work with the City or address the issues that had arisen. What is the pleasure of the Commissioners with the district? If it is functioning but don't want to be in the City what should we do? Does the city want them? We're flexible and we can discuss this.

Commissioner Dederick asks how many clients there are. Stephanie Hoover, Daphnedale resident, confirms they have over 40. The charges are on the tax bill and it would be nice if they could be billed monthly. Commissioner Dederick thinks the City would be open to helping. His concern would be that they wouldn't have anything in place to enforce this if someone didn't pay. Ms. Hoover would like it if everyone could be billed monthly and anything that is delinquent could be billed on the taxes. She also states that the fees haven't been increased. Commissioner Dederick feels they should run this through the City and the council to decide what can be done. Election issues are also discussed as that may have to be addressed as well.

Commissioner Alternate Shea states there was some discussion to have Daphnedale annexed with the City or do a Joint powers Agreement with the City, and the City could take over some of the administration duties.

Commissioner Neer asks if they have the same board as last year. Yes. How do they feel about this? Ms. Hoover isn't sure, the president hasn't been to a couple meetings and he hasn't addressed this. Commissioner Alternate Shea thought he was going to make an appointment with Chester Robertson to discuss options.

Executive Officer Benoit feels that they should go ahead with the sphere that is the same as the district boundaries instead of dissolving them at this time. The purpose was to get something moving on this issue, and to finish the sphere. In the meanwhile, they should work on an agreement with the City. He will set the public hearing for the sphere.

Commissioner Neer would like to speak in defense of Jesse Blair. She spoke with him after the last meeting and he stated he was discouraged with agreement among the Daphnedale Board. He

felt stymied as to any further progress with the Community Service District Board. She states in order to make any progress, no matter what they decide, it will need to be dealt with internally with the Daphnedale CSD before this Commission can do anything.

Ms. Hoover is asked to provide information including the original agreement along with number of users, and fee amounts to either John Dederick or John Schreiber.

**9. Ratify Claims for December 2011 and Authorize Payment of Claims for January 2012.**

- a. *Approve payment of expenses for December 2011 and ratification of the January 2012 expenses.*

Commissioner Allan made the motion to approve payment of expenses for December 2011 and ratify the January 2012 expenses; seconded by Commissioner Schreiber.

Commissioner Neer asks about the phone bill. There is always an overlap, do we pay on a certain schedule and Frontier doesn't coincide with us? Yes, by the time the bill is authorized to be paid it is behind.

All in favor, motion carries.

**10. Discussion regarding the Lassen-Modoc Flood Control District**

Executive Officer Benoit reports that the Lassen-Modoc Flood Control District wanted us to state that it wasn't subject to LAFCo's process, which is fine because the law does allow this type of district to not be a part of the process. However, that board will need to meet and make that request to us before we can take any action. There will also need to be some reorganization. What they need to do is, if the district provides retail services than it won't be subject to LAFCo, but they don't fall under that because they are more of a reclamation district. This isn't a priority item, and he will send information to Brian Dahle and Jim Chapman.

Commissioner Neer asks how this affects the average water user. Executive Officer Benoit explains that they aren't really active. Clerk Wellemeyer states they meet once a year to approve a budget.

**11. Discussion and Direction regarding the Work Program for FY 2012-2013 including Municipal Service Reviews and Sphere of Influence in 2012.**

Executive Officer Benoit wanted to discuss this because they will be working on this in the April meeting and if anyone had anything they wanted to put into the work program he would include that. He would like to progress on with the Service Reviews and continuously work on the maps that were done. He has done a lot with the fire districts maps and the City's sphere of influence. He feels there are three or four districts that they should initiate service reviews on, and they should be on a cycle. We are making progress slowly but surely. They City of Alturas is current right now. He asks if they have any ideas, or should we continue on the same course.

Commissioner Dederick asks about annexing city property. Executive Officer Benoit reports that is one he would like on the work schedule. He can meet with the City and discuss how to go about the process to get it done in the most efficient way as possible.

**12. Discussion regarding specific legislation adopted in 2012.**

- a. SB 244
- b. AB 54

Executive Officer Benoit states the first one; SB 244 is problematic for cities as it will require more mandates. This deals with disadvantaged unincorporated communities which include 10 acres, 12 registered voters or more and has 80% below the State's median income. The city would apply to LaFCo and go through the annexation process. It also requires the cities to update their General Plan, and that has to be updated every seven years. Before you can update the General Plan you have to update the Land Use Plan. When we do a Sphere of Influence we are supposed to work with these areas to decide if there are any disadvantaged communities. For cities, they will have to identify these communities along with a description and map along with the deficiencies. This will have a financial impact on the cities. Legislation won't give them reimbursement money because they can raise the fees. Who are they raising the fee on? They aren't allowed to charge members fees that will not benefit them. We'll wait for one of the larger cities to sue them and make this a reimbursable action. When we do a Sphere of Influence for cities we need to have some environmental document. This can be very expensive and LaFCo's are relying on cities for this when they update their EIR which is done every 7 years and SOI are required every 5 years. They would like to change SOI to be updated every 7 years along with the housing element. The league is trying to get this repealed or rescinded, which he doesn't think will happen.

On AB54, it requires mutual water companies to provide information to LaFCOs upon request. By the end of this year they have to provide LaFCo with a map of all their boundaries. They are also required to have ethics training which is quite onerous to them. There is a movement afoot that JPA's go through LaFCo. This shouldn't be a problem for areas like Modoc County. He's in a wait and see mode.

**13. Authorize Staff to attend Calafco Staff workshop in Calaveras County.**

Commissioner Schreiber made the motion to authorize staff to attend Calafco Staff workshop in Calaveras County; seconded by Commissioner Dederick. In favor: Unanimous.

**14. Executive Officer's Monthly Report**

*LAO report on Special Districts and LAFCO  
700 Forms due Monday, April 2<sup>nd</sup>, 2012*

There is an LAO report on the request from Roger Dickerson. They were asked to look at cases where bigger districts are better than smaller districts. The results were inclusive. They also

requested options for their consideration which would promote better efficiency and accountability. He discusses the opportunities. There will be a series of bills that will come out next year that will affect LAFCo. What may work in San Diego, will be different up here. Whatever legislation is passed will need to have a rural impact in it.

He reminds the Commissioners that the 700 forms are due Monday, April 2<sup>nd</sup>.

#### **10. Commissioner Reports - Discussion**

None.

There being no further business to come before this Commission; Commissioner Dederick made the motion to adjourn the meeting; seconded by Commissioner Allan. In favor: Unanimous

The next meeting will be held April 10, 2012 at 5:00 p.m.