

Local Agency Formation Commission of Modoc County
Meeting Minutes
April 13, 2021

1. Call to order / Pledge of Allegiance

Chair Coe called the meeting to order at 4:00 p.m. in City Council Chambers at 200 W. North Street in Alturas, CA. Commissioner Rhoads, Commissioner Nelson, Commissioner Steffek, Commissioner Neer, and Chair Coe were present. Commissioner Lewis and Commissioner Byrne were absent. Public attending 1.

Staff Present: John Benoit, Executive Officer, and Macey Binning, Clerk.

2. Approval of the Agenda (Additions and Deletions)

Commissioner Rhoads made the motion to approve the agenda as presented; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe. Motion passed unanimous

3. Correspondence:

Executive Officer Benoit informed the Commissioners of a lawsuit that occurred in San Luis Obispo County that he would like to make them aware of. This case has the potential to cost LAFCo as well as the City and County who would have to pay additional costs in the event of a lawsuit brought against LAFCo for an applicant initiated project. The California Supreme Court has been asked to review this case. More information will be available at future meetings.

Chair Coe asks if this was the County of San Luis Obispo vs. The City of Pismo case.

Executive Officer Benoit confirms that is the case.

4. Consider Minutes for the February 9th, 2021 LAFCO meeting

Commissioner Rhoads made the motion to approve the February 9, 2021 LAFCO meeting minutes; seconded by Commissioner Steffek. In favor were Commissioners Rhoads, Nelson, Steffek, and Chair Coe. Commissioner Neer abstained from this item due to being absent for the February 9, 2021 meeting.

Motion passed

5. Public Comment – None

6. Authorize payment of Claims for February, 2021 and March, 2021

Commissioner Steffek made the motion to authorize the payment of claims for February, 2021 and March, 2021; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

7. Public Hearing – Proposed 21-22 LAFCo Budget

Chair Coe opened the public hearing at 4:13 p.m.

Executive Officer Benoit presented the Commissioners with a report and identified key factors to the budget and reviewed these with the Commissioners. These items included planned Municipal Service Review, Sphere of Influences, and potential district consolidations. The City of Alturas will need a review. However, Modoc County may receive grant funding that will conduct this review. Calpines will also need a review. Mr. Benoit suggests increasing the MSR and SOI updates to \$20,00.00.

Commissioner Steffek is concerned with increasing this due to the impact on the City's budget due to the pandemic. Mr. Steffek suggest gradually increasing each year.

Mr. Benoit suggests changing MSR and SOI updates to \$12,500.00. This will change the total budget to \$71,996.10. The County and City would be responsible for \$25,998.05. However, changing this will increase the contingency to 10% of the budget.

Hearing was closed at 4:32 p.m.

Commissioner Steffek made the motion to adopt **Resolution #2021-0001** as amended with the proposed budget; seconded by Commissioner Rhoads. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

8. General Discussion regarding the Surprise Valley Hospital District MSR and SOI.

Executive Officer Benoit referenced a provision in the LAFCO Law which states what a District is and what it isn't. The Surprise Valley Hospital District is clearly a District that is subject to LAFCO jurisdiction. That means LAFCO regulates the District's boundaries and is why LAFCO conducts Municipal Service Review and Sphere of Influences to ensure compliance. The District Manager of Surprise Valley Hospital thought LAFCO had no jurisdiction over the Surprise Valley Hospital District. However, LAFCO does have jurisdiction to request and conduct these reviews and the requested information must be provided. If a District refuses to provide information they can be sued or they report in the MSR that they are not cooperative. This could result in loss of future funding. Mr. Benoit will send a letter to the Surprise Valley Hospital Board with documentation that is requested to conduct the reviews.

Jeanne Goldman informed Commissioners that the CEO of the Surprise Valley Health District believed the District was exempt because they were established before LAFCO.

Mr. Benoit informs Ms. Goldman that isn't correct. There are Fire District that were formed in 1945 that are subject to LAFCO. LAFCO was formed in 1963 and all Districts that were in place before it was created were still subject to LAFCO. Some special Districts lobbied to not be a part of LAFCO review and Legislation such as Air Pollution Districts.

Jeanne Goldman asks Mr. Benoit to repeat the consequences of not complying.

Mr. Benoit informs Ms. Goldman that they report in the Municipal Service Review that the District was not compliant. Which could result in loss of funding opportunities.

Chair Coe asks Mr. Benoit if he could include in the letter requesting documentation to the Surprise Valley Health District Board if he could provide an explanation why the Surprise Valley Health District is under LAFCO purview.

Mr. Benoit will include this in the correspondence.

9. Executive Officer's Report

Executive Officer Benoit informed the Commissioners that on June 8, 2021 the Modoc County LAFCO will hold a public hearing for the dissolution of the Daphnedale Service District and formation of a new Subsidiary District for the City of Alturas. Mr. Benoit will be sending notices to the Daphnedale District residents and adjacent property owners.

Commissioner Steffek inquires what will happen to outstanding debts.

Mr. Benoit isn't sure how they would collect on outstanding debts. This is to resolve the issues moving forward. They can include paying off debts but it can delay this process. However, the City will become the Successor to all accounts including banking accounts.

10. Commissioner Reports

Commissioner Neer apologized for her absents this last year. However, she plans on being more active moving forward.

Commissioner Steffek encourages the Commissioners to recruit for a Public Member alternate for Modoc County LAFCO.

There being no further business to come before the Commission. Motion made by Commissioner Rhoads to adjourn at 5:04 p.m.; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous