

Local Agency Formation Commission of Modoc County
Meeting Minutes
December 8, 2020

1. Call to order / Pledge of Allegiance

Pursuant to the Governor's Executive Order N-25-20 and N-29-20 dated March 12, 2020 and March 17, 2020, Chair Coe called the meeting to order at 4:00 p.m. at the City Council Chambers located at 200 W. North Street in Alturas, CA and via teleconference. Commissioner Rhoads, Commissioner Neer, Commissioner Nelson, Commissioner Steffek and Chair Coe were present. Commissioner Lewis and Commissioner Byrne were absent. Public attending 1.

Staff Present: John Benoit, Executive Officer, Scott Browne, LAFCO Counsel and Macey Binning, Clerk.

Pledge of Allegiance.

2. Approval of the Agenda (Additions and Deletions)

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

Motion passed unanimous

3. Correspondence: Calafco Roundtable Meeting December 9th

Executive Officer Benoit informs Commissioners that the CALAFCo 2020 virtual Regional Roundtable will be held Wednesday, December 9, 2020. The agenda was provided to the Commissioners in their packet. Mr. Benoit will not be able to attend. However, he has passed his questions and concerns to the representative of Mendocino County.

4. Consider Minutes for the October 13, 2020 LAFCo meeting

Commissioner Rhoads made the motion to approve the October 13, 2020 LAFCo meeting minutes; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

5. Public Comment- None

6. Authorize payment of Claims for October 2020 and November 2020

Commissioner Rhoads made the motion to authorize the payment claims for October 2020 and November 2020; seconded by Commissioner Steffek. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

7. Daphnedale CSD – Discussion with Board Members

Executive Officer John Benoit briefly reviewed the background of the Daphnedale Service District. The Daphnedale Service District is on the City's sewer line. However, Daphnedale Service District became delinquent in paying their service fee to the City. This was due to rates

increasing and not increasing on their tax assessment. Modoc County LAFCo created a resolution to dissolve the district but it was never passed because the Daphnedale Service District became active. Now Modoc County LAFCo is reviewing the options to proceed that would satisfy all parties. Mr. Benoit has mentioned the City annexing the Daphnedale Service District or creating a Subsidiary District. A Subsidiary District is ideal and could be for a single purpose such as sewer services.

Commissioner Steffek expressed his concerns regarding the Daphnedale Service District. He would like to find a solution that would bring Daphnedale Service District current on their debt to the City of Alturas. However, he does not want to annex the service district within the City Limits. Mr. Steffek also introduced Mr. Steve Riley who is serving on the Daphnedale Service District Board and is present at the LAFCo meeting.

Mr. Riley informed the Commissioners that the Daphnedale Board is active and now has a full board consisting of himself, JoAnn White, Monty White, Marcie Worch and James Worch. Mr. Riley also informed the Commissioners that the original loan that the Daphnedale Service District had is now paid in full. This will allow Daphnedale to pay more towards their debt to the City. Mr. Riley expresses his concern that even though this will help, it will not be enough to get caught up with the debt owed to the City.

Commissioner Steffek inquires if the Daphnedale Service District established their regular meeting dates.

Mr. Riley replied that they have not since they were just formed.

Chair Coe asks if they selected the Subsidiary District what would the fee increase process consist of?

Mr. Benoit replies the City sewer service would become the Subsidiary District and the subsidiary service example name would be "The City of Alturas Municipal Sewer District" everyone would be subject to the fee that is currently in place. If the City raises the rates the City would need to conduct the Prop 218 process.

A Subsidiary District can be formed by 5% of the voters in Daphnedale Service District or by a City Council Resolution. Mr. Benoit advises the Daphnedale voters to ask the City Council to create and pass the resolution that would satisfy both parties.

After discussion Modoc LAFCo is interested in proceeding with a Subsidiary District. The Subsidiary District would satisfy all parties. The City would continue to offer sewer services, and Daphnedale would be complying with district laws because it would be provided through the City. The Commissioners ask that Executive Officer Benoit investigate and provide the Commissioners with any documentation or information that the California Regional Water Control Board may have on Daphnedale Service District and the way it was formed. They also ask for information on how to form the Subsidiary District that way all parties would be informed on the process.

8. Executive Officer's Report

Executive Officer Benoit informs Commissioners California Special Districts Association is offering a special membership rate to districts that have budget at or below \$250,000. It is a pay as you can membership plan. This membership would be beneficial to a special district they provide technical assistance on websites, advice on how to comply with various laws, updates on special district news, legislative information that affects a special district, staff enhancement webinars and workshops, and a library of books. In Modoc County there are 20 special districts that are eligible to join the California Special Districts Association pay as you can membership. Mr. Benoit also told Commissioners that the California Special Districts Association published a new publication on the special district laws which has a reference guide that is very informative. Mr. Benoit will post an electronic copy on the Modoc County LAFCo website and email the Commissioners a copy.

Executive Officer Benoit reports the results of the CALAFCo elections. Josh Susman of Nevada County and Blake Inscore of Del Norte County have been elected for the Northern Region.

Executive Officer Benoit also reports that Heather Hadwick with Modoc County Sheriff's Office is working to consolidate fire districts. This will be a challenge because some fire districts are opposed to the consolidation. Mr. Benoit believes consolidation would be a benefit the smaller fire districts so they can combine resources.

Mr. Benoit would like to follow up with the Surprise Valley Health District. LAFCo wanted to review their audits and still have yet to review them. Jeanne Goldman was recently appointed to the Board of Directors for the Surprise Valley Healthcare District.

Mr. Benoit will also be reviewing and updating the bylaws, fee schedule, application forms and the records retention policy. Once he has reviewed and updated these items, he will present them to the Commissioners for approval.

9. Commissioner Reports – None

10. 2021 LAFCo Meeting Schedule

Commissioner Steffek made the motion to adopt the 2021 LAFCo meeting schedule; seconded by Commissioner Nelson. In favor were Commissioners Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

There being no further business to come before the Commission. Motion made by Commissioner Steffek to adjourn at 5:11 p.m.; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous