**Local Agency Formation Commission of Modoc County**

**Meeting Minutes**

**December 11, 2018**

1. **Call to order / Pledge of Allegiance**

Chair Irvin called the meeting to order at 4:00 p.m. in the City Council Chambers, Alturas City Hall. Commissioner Irvin, Commissioner Coe, Commissioner Steffek, Commissioner Rhoads, and Commissioner Alternate Neer were present. Commissioner Byrne, Commissioner Reed, and Commissioner Nelson were absent.

Staff Present: John Benoit, Executive Officer (EO).

Pledge of Allegiance.

1. **Approval of the Agenda (Additions and Deletions)**

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

Motion passed Unanimous.

1. **Election of a Vice-Chair to fill an unexpired term ending June 30, 2018**

Motion made by Commissioner Rhoads and Seconded by Commissioner Coe to select Richard Read as the Vice-Chair.

In favor were Commissioners Irvin, Coe, Steffek, Rhoads, and Neer.

Motion passed Unanimous

1. **Correspondence -** None

**5. Consider Minutes for the October 9, 2018 LAFCo meeting**

Motion made by Commissioner Coe to approve the minutes as presented; seconded by Commissioner Steffek. In favor were Commissioners Irvin, Coe, Steffek, and Rhoads. Commissioner Neer abstained.

Motion passed.

**6. Public Comment –** No Comments

**7. Authorize payment of Claims for October 2018 and November 2018**

Commissioner Rhoads made the motion to authorize payment of claims; seconded by Commissioner Steffek.

In favor were Commissioners Rhoads, Irvin, Steffek, Neer, and Coe.

Motion passed Unanimous.

**Action Items:**

**8. Status of the Daphnedale CSD dissolution and consider the repeal of LAFCo Resolution 2018-0001 (Continued from the August and October 2018 LAFCo meetings).**

Executive Officer Benoit reported he received from Stephanie Wellemeyer (County Auditor) an email that verified that the CSD has four (4) members. He recommends that LAFCo go ahead, repeal Resolution 2018-0001, and give the CSD a chance to begin functioning and act as a Board.

Commissioner Irvin commented on how he and Commissioner Steffek have direction from the City Council to keep this on the agenda until they have a “functioning” board for that district and keep the pressure on them. The major concerns of the City is that each month this district goes further into debt.

Commissioner Coe recommended that a letter be sent to board members letting them know that the resolution was kept in place. Conditioned upon them attending a LAFCo meeting and showing evidence they are now a “functioning” entity.

Chester Robertson commented that he envisions the County Auditor meeting with them about elections because there is a timeline in order to get items on the ballot. The assessment needs to be in place before August so it shows up on October tax rolls of that year. From the City prospective, there is the water board items and compliance with hooking into the system. We need to try to help them get the basics of governing such as ethics training, Brown Act etc. He feels that LAFCo would have a role and be able to confront them with an MSR and a document, which lists their deficiencies and what they are required to do to come into compliance and full functionality.

Executive Officer Benoit says the Municipal Service Review (MSR) would be a start but they have other deficiencies that need to be addresses such as not paying their bills.

Joe Picotte commented on trying to simplify it for the district, which includes having them come and meet with LAFCo and talk with the Commission. This would allow an opportunity to begin meeting with and discussing how each agency can assist the CSD so they do not become too overwhelmed.

Commissioner Coe requested that LAFCo include with the letters to the Board members verbiage that says “the commission is very supportive and of the Daphnedale CSD and would like to help.”

Commissioner Neer recommended that since these Board members are all very new and do not know what is required of them to become functional. A checklist for the district starting with the highest priority etc. so they have some direction.

Executive Officer Benoit will be mailing to the current Board members a letter requesting they attend the next LAFCo meeting in February. The Commissioners requested this remain on the agenda and not repeal Resolution 2018-0001 at this time.

**9. Update regarding the Lassen Modoc Flood Control and Water Conservation District (LMCFCWCD– Service Review (MSR) and Sphere of Influence (SOI)**

Executive Officer Benoit provided to the Commissioners a copy of the MSR and updated them on the status. He provided a background and history as to why this had originally formed back in the sixties, which was for the Allan Camp Reservoir that never was completed. Several years after this district formed a couple of benefit zones were approved to monitor wells in small parts within Modoc and Lassen Counties. Since the original approval for this monitoring Sustainable Groundwater Management Act (SGMA) passed. Currently, the district is not utilized for the original established purpose. Lassen County Staff have concerns about maintenance for this district and the costs associated. Lassen LAFCo would like to dissolve this district.

 Executive Officer Benoit reported on the last meeting he attended for Lassen County. He took the suggestion of Commissioner Rhoads and recommended to Lassen County that a public meeting be held in Big Valley with the Board of Directors and property owners from that district in attendance. At this meeting it should be discussed what they recommend to do with this special district. Executive Officer Benoit will contact Bob Burns to discuss setting up the meeting.

**10. Hold General Discussion regarding LAFCo’s Jurisdiction and Districts subject to LAFCo’s review - “definition of a district” and “change of organization”**

Executive Officer Benoit handed out a section of the Government Code (56021) which pertains to LAFCo and held a general discussion regarding what LAFCo does and its authority. He reviewed the definitions included in the handout provided to the Commission. Additional discussion included services outside of a district boundary. This needs approval through LAFCo, be inside the adopted sphere of influence (SOI), include annexation, and districts need to pay fees for annexing unless agencies are working together on similar issues.

**11.****Hold General Discussion regarding Municipal Service Reviews: Purpose, intent and content of Service Reviews.**

Executive Officer Benoit discussed how service reviews have evolved over the years and could get very costly. He tries to keep them very simple and affordable. Every county is different on what they would like to include within the content of an MSR. Modoc County needs to hold a discussion to determine what they would like to include in these service reviews.

The Commission had no comments at this time and will do some research. This discussion will be continued at the next regular meeting.

**12. Review and Discuss letter from the State Controller’s Office regarding the Dissolution of the Canby Community Services District as being an “inactive” district. Review the process set forth in SB 448 and mandated actions for LAFCo.**

Executive Officer Benoit reported on SB448 and the definition of an “inactive” district, which is a district that has had no financial transactions in the previous fiscal year, no assets or liabilities, and no outstanding debts, judgements, litigation, contracts, liens, or claims. Districts have to meet all this criteria to be considered inactive. LAFCo will mail a letter to the Canby Community Services District requesting documentation so it can be determined if they are active. The letter will be copied to the Commissioners and Supervisor, Elizabeth Cavasso as this is within her district. He will ask for the response within thirty (30) days. If they cannot provide the requested documentation and end up meeting the criteria of “inactive” LAFCo will begin dissolving the district as mandated by the state.

**13. Set Regular Meeting Schedule for calendar year 2019.**

Motion made by Commissioner Coe to adopt the meeting schedule as presented; Seconded by Commissioner Steffek. In favor were Commissioners Rhoads, Irvin, Coe, Steffek, and Neer.

 Motion passed Unanimous.

**14. Executive Officer’s Report:**

Executive Officer Benoit reported on the Surprise Valley Health Care District. He had received an email from Chester from the County of Modoc regarding this district. In addition, a Public Records request came from Jean Bilodeaux for this district. He is in the process of gathering information and is concerned that the hospital is not complying with any laws. If LAFCo initiates a resolution to dissolve the district, it only takes 10% of voters to overrule the dissolution. If initiated by an affected agency or the district itself it would take 25% of voters, which makes it more challenging to overrule the commission.

Chester Robertson asked if the Bankruptcy proceedings could be sent to LAFCo.

Executive Officer Benoit responded by saying that any debt owed the landowners within that district are going to end up paying. He feels the board members from that district do not understand. A new SVHCD Board Member, Don Yo attended the meeting and introduced himself. Executive Officer John asked if he could meet with him to go over the public records request and providing information for that district such as the finances to LAFCo.

Executive Officer Benoit talked to the Commissioners about receiving electronic files for the meetings. He will be asking Jackie Froeming, Clerk to send and post meeting agendas. In addition, he will email the full meeting packet to Macey Binning from the City of Alturas. Ms. Binning will mail a hardcopy to City Council members that are on the LAFCo Board. For the County Supervisors if they would like a hardcopy, John Benoit is willing to provide copies at the meetings. Furthermore, all the agendas and packets are posted on the LAFCo website.

SB 929 another Little Hoover Commission recommendation became law and takes effect January 2020. It states that all special districts need to have a website and keep it maintained. The website must have on it the adopted budget, current board members, public meetings posted (at least 72 hours) prior to meeting, recipients of grant funding, account, records, and financial reports provided by the Controller’s Office and anything else the board deems relevant.

**15. Commissioner Reports -** None

**16. Adjourn to the next regular meeting 4:00 PM on February 12, 2019**

There being no further business to come before the Commission. The meeting adjourned at 5:21PM.