

**Modoc Local Agency Formation Commission  
Meeting Minutes  
August 14, 2018**

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

Chair Rhoads called the meeting to order at 4:07 p.m., in the City Council Chambers, Alturas City Hall. Commissioner Rhoads, Commissioner Irvin, and Commissioner Steffek were present.

Staff Present: John Benoit, Executive Officer (EO) and Jackie Froeming, Clerk

Pledge of Allegiance

**2. Adjourn for one minute in memory of Jerry Shea, LAFCo's Public Member who passed away on July 28, 2018.**

The LAFCo Meeting adjourned at 4:08pm to observe a moment of silence in memory of Commissioner Shea. The meeting was called back to order at 4:09pm.

**3. Election of Chair and Vice-Chair for FY 2018 - 2019**

a. Motion by Commissioner Steffek and Seconded by Commissioner Rhoads to nominate Jim Irvin as F.Y. 2018-2019 Chair for Local Agency Formation Commission (LAFCo) of Modoc County. There were no other nominations. Motion Passed Unanimous.

b. Motion by Commissioner Irvin and Seconded by Commissioner Steffek to nominate Geri Byrne as F.Y. 2018-2019 Vice-Chair for Local Agency Formation Commission (LAFCo) of Modoc County. There were no other nominations. Motion Passed Unanimous.

**4. Approval of Agenda (Additions and Deletions)**

Commissioner Irvin made the motion to approve the agenda; seconded by Commissioner Steffek. In favor were Commissioners Irvin, Steffek, and Rhoads. Motion passed Unanimous.

**5. Correspondence - None**

**6. Consider Minutes for June 12, 2018**

Commissioner Rhoads made the motion to approve the minutes; seconded by Commissioner Irvin. In favor were Commissioners Irvin, Rhoads, and Steffek. Motion Passed Unanimous.

**7. Public Comment - None**

**8. Authorize payment of Claims for June 2018 and July 2018.**

Commissioner Steffek made the motion to approve authorization of claims; seconded by Commissioner Rhoads. In favor, Commissioners Irvin, Rhoads, and Steffek.  
Motion Passed Unanimous.

**Action Items:**

**9. Authorize recruitment of Public Member due to Jerry Shea passing away on July 28, 2018.**

Motion made by Commissioner Rhoads to authorize the recruitment of a Public Member; Seconded by Commissioner Steffek. In favor were Commissioners Irvin, Rhoads, and Steffek.  
Motion Passed Unanimous.

**10. Status of Daphnedale CSD dissolution and consider the repeal of LAFCo Resolution 2018-0001.**

Executive Officer Benoit reported on the status of this CSD. They do have a Board in place and will be able to conduct business.

Chester Robertson – Reported that three (3) people were appointed to the Board.

Commissioner Irvin had questions and wanted to know if the Board is functioning? Chester Robertson reported that are not functioning as of this date.

Commissioner Irvin reported that the CSD is currently \$35,000.00 in debt and \$1,600.00 is added each month to that amount. He would like to see this Resolution stay on the agenda, would continue the pressure, and is reluctant to push forward on the repeal of Resolution 2018-001.

Executive Officer Benoit stated this can stay on the agenda for October and be discussed at the next meeting.

Commissioner Rhoades asked if anybody has contacted the CSD and whose responsibility it would be to reach out to them.

Executive Officer responded it would the County Clerk's office to reach out to the district.

This item has been tabled and discussion will continue at the meeting in October.

**11. Continued discussion and update regarding the Surprise Valley Health Care District.**

Executive Officer Benoit reported on what LAFCO is seeing in many special districts and finding that several districts should consolidate. There are issues and challenges that come up when consolidating special districts.

Commissioner Steffek asked what the status of the bankruptcy for this district was.

Executive Officer Benoit reported he has heard Cadira is out of the picture and cannot be located and the company had hired the attorney to work with the district. He reported that this district is currently on hold and LAFCO is unsure of its status. This district is still functioning and has tremendous debt.

Chester Roberson reported Modoc Medical Center got a brief coordination meeting but nothing about the status of their operations. The attorney for the district is no longer in contact with the County.

Commissioner Rhoades reported that she has an email from a constituent in District One1, which she read aloud. In that email was the question on whether or not the state can force the county to take over a sinking district.

Executive Officer Benoit responded the state could possibly force this, which has happened in one other county. LAFCo has a limited budget and it is expensive to dissolve a district. A service and fiscal review would need to be conducted.

Commissioner Rhoads asked Chester Robertson if the services are still being provided.

Chester Robertson responded that what he has heard is they have been going through state audits. Services have been available to some, other times no services are available, and several people prefer not to go to that hospital for treatment.

Commissioner Rhoades feels the district would like LAFCo to take immediate action. At this time, she feels there is no action the commission can take since the Board is still in place.

Executive Officer Benoit agreed that it is up to the district's board to dissolve. He also reported that not all healthcare districts offer hospital services.

Commissioner Steffek asked if the district voters could petition LAFCo for dissolution.

Executive Officer Benoit answered yes. It would take 25% of the voters or landowners having 25% of the assessed value. This would have to go to an election. He reported there are two ways to dissolve the district a petition from the Board of Directors to dissolve which is the correct way. Or LAFCo could move forward with a dissolution. If LAFCo were going to dissolve the district, a determination would have to be made if a successor agency needs to take over and continue the services.

Commissioner Steffek was wondering if the Rancherias might want to get involved and coordinate with the community regarding this issue.

Executive Officer explained that successor agencies do not need to be government it can also be private entities. He would like to continue discussing the SVHCD and keep it on the agenda at future meetings.

**12. Biennial Conflict of Interest Review**

Executive Officer Benoit went over the Conflict of Interest Code and discussed wanting to change the wording. He would like to hold a public hearing and adopt the updated conflict code at the next meeting.

Motion by Commissioner Rhoades to review the memo and authorize the chair to sign and transmit the 2018 Biennial Conflict Code of Interest form to the County Clerk. Seconded by Commissioner Steffek. In favor were Commissioners Irvin, Rhoades, and Steffek.  
Motion Passed Unanimous.

**13. Designate John Benoit to represent Modoc LAFCo to vote matters at the CALAFCo annual conference on October 3-5, 2018.**

Motion by Commissioner Steffek to authorized John Benoit to vote on matters at the CALAFCo Conference October 3-5, 2018. Seconded by Commissioner Rhoades. In favor were Commissioners Irvin, Rhoades, and Steffek.  
Motion Passed Unanimous.

**14. Review Draft Lassen Modoc Flood Control and Water Conservation District [LMCFCWCD – Service Review (MSR) and Sphere of Influence (SOI).]**

Executive Officer Benoit presented a draft report to the Commission. He reported there are going to be changes, which include the number of people on the board. This has changed from nine (9) to ten (10). There are several legal questions on how to dissolve the district should the board decide to move forward with that. Prior to dissolution happening a legal opinion should be obtained. This is not a critical basin and the district only manages zone 2A. This district has been off and on active. Executive Officer Benoit reported he received minutes from meetings, which he did not realize existed. There is a possibility the map is wrong so the legal descriptions will need to be reviewed. He is going to work on a few changes and do some research.

**15. Executive Officer's Report:**

Executive Director Benoit would like to schedule a general discussion on LAFCo once a new public member is elected. He would like to discuss what the commission does with an MSR, how these help the commission take action, learn what to do with the reports and focus on what the Commission would like to get out of the review.

**16. Commissioner's Reports – Discussion**

Commissioner Steffek is a new member of the LAFCo Commission and introduced himself.

**17. Adjourn to next regular meeting – October 9, 2018**

There being no further business to come before the Commission. The meeting adjourned at 5:07PM.