

Local Agency Formation Commission of Modoc County
Meeting Minutes
August 11, 2020

1. Call to order / Pledge of Allegiance

Vice Chair Steffek called the meeting to order at 4:06 p.m. in City Council Chambers at 200 W. North Street in Alturas, CA. Commissioner Rhoads, Commissioner Lewis, and Commissioner Neer were present. Commissioner Coe arrived to the meeting at 4:20 p.m. Commissioner Nelson and Commissioner Byrne were absent. Public attending 0.

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

Pledge of Allegiance.

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, Lewis, Neer and Steffek.

Motion passed unanimous

3. Correspondence

Executive Officer Benoit reported that the Commissioners were provided the updated certificate of insurance in their packet. Executive Officer Benoit did not receive any other correspondences to present to the Commissioners.

4. Consider Minutes from the June 9, 2020 LAFCo meeting

Commissioner Rhoads made the motion to approve the June 9, 2020 LAFCo meeting minutes; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Lewis, Neer and Steffek.

Motion passed unanimous

5. Public Comment – None

6. Authorize payment of Claims for June 2020 and July 2020

Commissioner Rhoads made the motion to authorize the payment claims for June 2020 and July 2020; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Lewis, Neer and Steffek.

Motion passed unanimous

7. Daphnedale CSD

Commissioner Steffek requested Executive Officer John Benoit to add Daphnedale Service District to the LAFCo agenda. Mr. Steffek is concerned since there has not been any communication from Daphnedale Service District, nor has there been any effort to become compliant with service district requirements. Currently Daphnedale is delinquent to the City of Alturas of approximately \$60,000 for sewer service fees. Mr. Steffek contacted the Modoc Auditor and discovered the Daphnedale has received at least three payment from the Auditors office. However, the City has not received a payment since June, 2019. In this discussion Mr. Steffek would like to know how to move forward to resolve these issues.

Executive Officer Benoit responds either the County or City will need to take responsibility. Which is not favorable to either. Mr. Benoit suggests that a CSD can be taken over by Modoc County Board. However, Mr. Benoit has the impression that Modoc County Board is not interested in proceeding in that direction. Mr. Benoit also suggests the City could annex Daphnedale into the City limits. However, again Mr. Benoit believes that the City is not interested in proceeding in that direction either. Plus, the residents of the Daphnedale Service District could protest being annexed in the City limits. Mr. Benoit informs the Commissioners they could also consider making the Daphnedale Service District into a subsidiary district of the City. Mr. Benoit also believes if the Daphnedale Service District could constitute a board then they City could have a contract to manage the service district which could be reimbursed.

Commissioner Rhoads inquires if Daphnedale became a subsidiary to the City would the City be able to raise the rates?

Executive Officer Benoit replies that the City would need to conduct the Prop 218 process since it is sewer rates. The process consists of a 45-day notice, and holding a protest hearing at City Hall which is not an election process. However, if they receive a sufficient number of protests it will become an election for landowners that are in that district.

Commissioner Rhoads inquires if Daphnedale became a subsidiary would the delinquent amount of \$60,000 be considered for repayment to the City.

Executive Officer Benoit confirms that it would. Mr. Benoit explains the same time that the Daphnedale District is being dissolved, LAFCo can direct the County to wrap up the affairs of the Daphnedale Service District. Which means the \$60,000 would be given to the City.

Commissioner Steffek inquires how to proceed to take action for dissolution of the Daphnedale Service District.

Executive Officer Benoit informs Commissioner Steffek that LAFCo can initiate the dissolution for the City. Mr. Benoit would need review the protest proceedings. However, he believes it is 25% vote. Normally it is a 10% vote. Mr. Benoit recommends this need to be contingent upon approval of Prop 218 process.

Commissioner Steffek wonders who would take over the District.

Mr. Benoit informs Commissioner Steffek if the City initiates the dissolution then the City Council would be taking over the District. Which would give the City control over the accounts. However, someone will need to be the successor agency. Mr. Benoit suggests it could be the County if they are willing to take it. Mr. Benoit questions why go through that when the Modoc County Board can assume the Board of the CSD. Since Daphnedale has chronic failure to requisite of a 5-member board which Mr. Benoit knows that is not the pleasure of Modoc County Board.

After discussion Executive Officer Benoit suggests the best way to proceed is for the City Council to meet and decide what the City Council would like to do on this matter.

Commissioner Steffek asks Executive Officer Benoit if he could be present at the next City Council meeting.

This agenda item has been tabled until the City Council meets and discusses the direction they would like to proceed to resolve this issue.

At 4:20 pm Chair Coe was able to attend the meeting. Vice Chair Steffek turned the meeting over to Chair Coe.

8. Biennial Conflict of Interest Code Review

Executive Officer Benoit informs Commissioner the Biennial Conflict of Interest Code is to be reviewed. In 2018 the Modoc LAFCo updated their Conflict of Interest Code. Mr. Benoit's recommendation would be to select no amendment is required and authorize Mr. Benoit to submit the form to the County Clerk.

Commissioner Neer made the motion after reviewing the 2020 Biennial Notice to select no amendment is required and authorize Mr. Benoit to submit the form to the County Clerk.; seconded by Commissioner Steffek. In favor were Commissioners Rhoads, Lewis, Neer, Steffek, and Coe.

Motion passed unanimous

9. Letter of Opposition to SB 414

Executive Officer Benoit recommends to the Modoc LAFCo to oppose SB 414. The reason for this is in June 25, 2019 this bill was amended in the Assembly and became a two-year bill. However, since then they've made 108 amendments to SB 414. Their intention is to resubmit this Senate Bill. This Senate Bill would take authority away from LAFCo to form districts. This would create a California small system water authority which would be a district. LAFCo would give it statutory mandatory duties and would not be compensated for their efforts. Which could potentially cost the City and County if was proposed in Modoc County. Mr. Benoit believes this a later reiteration of SB 88 which would give the State Board authority to merge districts without going through LAFCo.

Chair Coe expanded that he researched this senate bill on the legislative search and saw that it died in appropriations over a year ago. However. Mr. Coe knows there is no such thing as death in the legislature.

Commissioner Steffek made the motion to authorize the Chair to sign a letter opposing SB 414 to the Chair of the Assembly Appropriations Committee and Senate Member Anna Caballero.; seconded by Commissioner Lewis. In favor were Commissioners Rhoads, Lewis, Neer, Steffek, and Coe.

Motion passed unanimous

10. Election for 2020-2021 Calafco Board of Directors

Executive Officer Benoit explained to the Commissioners that CALAFCo was divided into four districts, the Northern District consists of twenty-one Counties. Within the twenty-one Counties is

a representative for a Public Member, County Member, and a City Member to be nominated. The Modoc County LAFCo does not need to take any action if there is no one willing to be nominated to represent the Northern District. Mr. Benoit would like for the Chair to attend and vote at the virtual CALAFCo Northern District members on behalf of Modoc LAFCo.

Chair Coe inquires if any Commissioners would like to be nominated for the Northern District.

Commissioners were not interested.

Commissioner Rhoads made the motion to authorize the Chair to vote for CALAFCo Northern District members on behalf of Modoc LAFCo.; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Lewis, Neer, Steffek, and Coe.

Motion passed unanimous

11. Executive Officer's Report

Executive Officer Benoit reports if the Commissioners are considering dissolving the Daphnedale Service District, before LAFCo can take action an MSR needs to be completed for the district or prepare a report which states findings of why this district should be dissolved.

12. Commissioner Reports – None

There being no further business to come before the Commission. Motion made by Commissioner Rhoads to adjourn at 5:00 p.m.; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Neer, Lewis, Steffek and Coe.

Motion passed unanimous