

**Local Agency Formation Commission of Modoc County**  
**Meeting Minutes**  
**February 12, 2019**

**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 Read were present. Commissioner Byrne, Commissioner Neer, and Commissioner Nelson were absent.

Staff Present: John Benoit, Executive Officer (EO) and Jackie Froeming, 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 Steffek. In favor were Commissioners Rhoads, Irvin, Coe, Steffek, and Read. Motion passed unanimous.

**3. Correspondence - None**

**4. Consider Minutes for the December 11, 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, Read, and Rhoads. Motion passed Unanimous

**5. Public Comment – No Comments**

**6. Authorize payment of Claims for December 2018 and January 2019**

Commissioner Rhoads made the motion to authorize payment of claims with the added City invoice of \$150.00 for conference room rent presented during the meeting; seconded by Commissioner Steffek.

In favor were Commissioners Rhoads, Irvin, Steffek, Read, and Coe.  
Motion passed unanimous.

**Public Hearing**

**7. Public Hearing regarding the initiation of the Dissolution of the Canby Community Service District as required by Chapter 334, Statutes of 2017 (SB448).**

Executive Officer Benoit provided a background on this community services district (CSD). A copy of the letter mailed to the district was included in the packet. This letter requested they attend the meeting, provide documentation showing they are active, and should not be dissolved. He reported the state timelines on dissolutions are directory not mandatory.

Bonnie Sherer attended the meeting on behalf of the CSD. She provided a background on the district and her involvement in creating it and obstacles they are facing. They would like to keep the district active, as this could be very beneficial for the community. Most wells in that area are shallow which can be troublesome. A few residents have already lost wells over the last two years and do not have enough water to run households. Part of the Canby community is covered by a

water service funded by the Fire Department and ISOT community that has been ongoing for several years. Ms. Sherer wanted to ask if there is the possibility of County support, guidance, and mentorship for this district to keep it active. They are willing to reorganize and become active if there is any flexibility in the timeline before dissolution would be required.

Executive Officer Benoit would like to sit down with the district, Stephanie Wellemeyer, County Auditor and County C.A.O. Chester Robertson. He recommends tabling this item or continue to a later date to provide the district a chance to revitalize.

Commissioner Coe had some questions which included does the district have any financial transactions in the last year? Do they have any assets? Bonnie Sherer responded no to both questions. She reported that the district only has a small account that holds gift and donations from community sponsors which is used for expenses such as a post office box.

Commissioner Steffek had a question for Executive Officer John regarding if LAFCo can respond to the state and in a positive way with, the new information provided to the commission from the CSD. Executive Officer Benoit said LAFCo could provide a letter to the state stating the district would like to coordinate with the county and further efforts to become active. At this time, the commission sees no reason to get rid of the district.

Motion made by Commissioner Rhoads to NOT consider adopting LAFCo Resolution 2009-0001, initiation of LAFCo proceedings to dissolve the Canby, CSD and table this item to a later date. Seconded by Commissioner Steffek.

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

Motion passed unanimous.

#### **Action Items:**

#### **8. Discussion with Daphnedale CSD Board Members and status of the Daphnedale CSD Dissolution and consider the repeal of LAFCo Resolution 2018-0001 and opportunities to help Daphnedale function as a CSD going forward.**

All of the Board Members from the CSD attended the meeting, they do have a quorum, and an active board so they are able to conduct business. The CSD board provided an update to the commission. Jessie Blair who is a member of the CSD discussed how they would like to have further talks with the city in the future about becoming part of the incorporated city. This would make more sense since the City of Alturas is already providing the wastewater services to this district rather than having the County take it over. The district's debt to the City continues to increase, as they do not have enough funds to cover the debt. The last time this district broke even and had not money owed was in 2007.

Chair Irvin invited the board to attend the next City Council meeting. Since there is, a board who can conduct business on behalf of the district. The Council can now talk with the district, which was an original point of frustration, and put together a working group to come up with a solution to the outstanding debt issue.

The Commission requested this item be left on the agenda and continue the discussion to the April meeting.

**9. Discuss Service Review requirements and conduct a goal-setting workshop for Modoc LAFCo regarding Modoc LAFCo's role in orderly growth in Modoc County and discuss the need and methods of achieving reorganization of various services.**

Executive Officer Benoit discussed that one of the functions of this commission is to see functioning districts and orderly services. Part of this responsibility could include merging districts. LAFCo cannot force consolidation this needs to be initiated by the districts. The Modoc LAFCo can set policies and parameters on this issue. In addition, when service reviews are completed LAFCo would be able to recommend consolidation to districts.

**10. General Discussion regarding work program for FY 2018-2019 provide direction to staff regarding items to be included in the FY 2019-2020 Budget.**

Executive Officer Benoit reported that the budget for next fiscal year may see a small increase. This would be the first increase in 10-15 years. The dues for Calafco and a few other items have higher costs. There are no special district representatives that sit on the board. As a result they do not contribute to the cost of running the commission. Therefore it's only funded by the City and County. Executive Officer John Benoit asked for any discussion regarding the work program he would like to continue working on the MSR for the healthcare districts; policies; and procedures. Commissioner Irvin mentioned that the commission now have an idea on what districts to focus such as Daphnedale and Canby. Executive Officer Benoit received a call from the Modoc Recreational District they are interested in dissolving. This is another district formed without any special tax associated so it has no funding source. Currently, if a dissolution is initiated by the district there is a \$2,000.00 fee and a protest proceeding would be required. Most likely this will end up being on the State Controller's Office list and LAFCo would have to initiate dissolving of the district. The benefit of them being on the "inactive" list is the district cannot protest the dissolution and the fee would not be required.

**11. Authorize staff to attend the Calafco Annual Staff Workshop April 10-13, 2019 in San Jose, CA.**

Commissioner Rhoads made the motion to authorize Executive Officer Benoit to attend the Calafco Annual Staff Workshop; Seconded by Commissioner Read. In favor were Commissioners Rhoads, Irvin, Steffek, Read, and Coe. Motion passed unanimous.

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

Executive Officer Benoit reported on the healthcare district service review which looks at healthcare countywide. SVHCD has provided information to LAFCo and EO Benoit will be meeting with the manager of this district. Kevin Kramer will be updating the Last Frontier Healthcare District's part of the review. Executive Officer Benoit plans on meeting with clinics recommended by Kevin Kramer and with the County's health services agency to learn about their services. This information will be included in the review.

Commissioners need to have their 700 Forms turned into the County Auditor's office by April 1, 2019. An update was provided to the Commission on adopted 2018 Legislation of significance pertaining to LAFCo's.

**13. Commissioner Reports - None**

**14. Adjourn to the next regular meeting 4:00 PM on April 22, 2019**

The Commission discussed and changed the April meeting from the 9<sup>th</sup> to the 22<sup>nd</sup>. There being no further business to come before the Commission. The meeting adjourned at 5:04PM.