Modoc Local Agency Formation Commission

SPECIAL MEETING AGENDA

Website: www.modoclafco.org

Tuesday February 27, 2018 – 4:00 PM

City Council Chambers
Alturas City Hall
200 North Street, Alturas, CA 96101

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

Commissioners	Alternate Members
David Allan, County Member	Richard Read, Public Member Alt.
Jim Irvin, City Member, Vice Chair	
T.J. Jerry Shea, Public Member	Geri Byrne, County Member Alt.
John Dederick, City Member	Cheryl Nelson, City Member Alt.
Kathie Rhoads, County Member, Chair	

LAFCO Staff
John Benoit, Executive Officer
Scott Browne, LAFCO Counsel
Jackie Froeming, Clerk

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

3. **Correspondence**

4. **Consider Minutes for December 12, 2017**

   a. *Approve minutes from the December 12th, 2017 LAFCo Meeting*

5. **Public Comment**

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

6. **Authorize payment of Claims for December 2017 and January 2018**

   a) *Authorize payment of claims for December 2017 and January 2018.*

PUBLIC HEARING

7. **Public Hearing regarding initiation of LAFCo Proceedings for a Sphere of Influence Amendment, Formation of a Successor Agency and Dissolution of the Daphnedale CSD.**

   a) *Discuss and Conduct Public Hearing*
   b) *Consider Resolution 2018-0001 initiating an amendment to the Sphere of Influence, formation of a successor agency and dissolution of the Daphnedale CSD.*

Other Business:

8. **Discussion regarding the Service Review and Sphere of Influence for the Southern Cascades CSD in Lassen and Modoc County**

   a. *Review and provide comments regarding the draft Service Review and Sphere of Influence for the Southern Cascades CSD.*

9. **General *discussion and establishment of work priorities for the upcoming Fiscal Year 2018-2019.***

   a. *Establish work priorities for FY 2018-2019*

10. **Authorize Staff to attend the Annual Calafco Staff Workshop in Marin County – April 11-13, 2018.**

    a) *Authorize Staff to attend the Calafco Annual Staff Workshop in Marin County.*

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

    a. *700 Forms are due April 2, 2018 file with County Clerk-Auditor*
    b. *Lassen Modoc Flood Control and Water Conservation District – Service Review and Sphere of Influence Update*
    c. *Surprise Valley Healthcare District - LAFCo Requirements*
    d. *CSDA Ethics Training, Legislative Update and Network Discussion 9:00am -1:00 pm Susanville Library 1628 Main Street, Susanville April 4, 2018*

12. **Commissioner Reports - Discussion**

This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.

13. **Adjourn to the next regular meeting on April 10, 2018**

The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

Materials related to an item on this agenda submitted to the Commission after distribution of the agenda area available for review for public inspection in the Modoc County Planning Department office located at on 203 W. 4th Street, Alturas CA. [such documents are also available on the Modoc LAFCO website (www.modoc.lafco.ca.gov) to the extent practicable and subject to staff's ability to post the documents prior to the meeting]

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute $1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Modoc LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received $250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding. *Contact LAFCO Staff* LAFCO staff may be contacted at (530) 233-9625 or by email at lafco@modoc.lafco.ca.gov Copies of reports to the extent feasible are located on the LAFCO webpage at: **www.modoclafco.org**

Local Agency Formation Commission of Modoc County
Meeting Minutes
December 12, 2017

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

   Chair Rhoads called the meeting to order at 4:00 p.m., in the City Council Chambers, Alturas City Hall. Commissioner Rhoads, Commissioner Dederick, Commissioner Irvin, Commissioner Shea, and Public Member Alternative Richard Read were present.

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

   Pledge of Allegiance

2. **Approval of Agenda (Additions and Deletions)**
   Commissioner Dederick made the motion to approve the agenda; seconded by Commissioner Shea. In favor, Rhoads, Irvin, Dederick, Read and Shea. Motion passed Unanimous.

3. **Correspondence**
   None

4. **Consider Minutes for October 10, 2017**
   Commissioner Shea made the motion to approve the minutes as presented; seconded by Commissioner Irvin. In favor, Rhoads, Dederick, Irvin, Read and Shea. Motion Passed Unanimous.

5. **Public Comment**
   None

6. **Ratify Claims for October 2017 and Authorize Payment of Claims for November 2017**
   Commissioner Irvin made the motion to approve; seconded by Commissioner Shea. In favor, Rhoads, Dederick, Irvin, Read and Shea. Motion Passed Unanimous.

Other Business:

7. **Regular Meeting Schedule for 2018**
   Executive Officer Benoit presented the meeting schedule for 2018 and requested that the February 13 meeting be moved to February 27, 2018.

8. Discussion and Update regarding the Daphendale CSD

There was a discussion regarding the Daphendale CSD and what should be done. LAFCO can initiate dissolution of the district on February 27. Executive Officer Benoit will need to talk with Stephanie Wellemeyer regarding dissolving this district. There will need to be an agreement between the City of Alturas (City) and County of Modoc (County). Before a district can be dissolved there needs to be direction provided on where it is going. The Modoc County Board of Supervisors has concerns about assuming the debt if they become responsible for this district and would like a meeting to be scheduled between the City and County. Commissioner Dederick will make the presentation at the next City Council Meeting on December 19, 2017 for Council approval to petition LAFCO to proceed with the dissolution of the CSD.

9. Calafco Annual Conference Review

Executive Officer Benoit provided an overview and conference summary to the Commissioners. He reported that it was a very good conference and the presentations at the conference are posted on the Calafco website. Most classes he attended were in regards to the Fiscal Health of local agencies issues that are arising, ways to improve, and cost saving ideas. He did attend the "Your LAFCo Story" which discussed being proactive and getting ahead of the press regarding controversial projects and creating the LAFCo message or brand. Most of the public do not know what LAFCo is or services provided.

10. Executive Officer's Report

a. Lassen Modoc Flood Control and Water Conservation District - LAFCo is finishing up the review and is waiting on information from Lassen County. Alternatives are still being looked into regarding this district.

b. Southern Cascades CSD – This service review is still in process. Executive Officer Benoit produced a map for this district but roads etc. still need to be added to the map document.

c. Surprise Valley Healthcare District – This district is proceeding with bankruptcy and have contracted with a company. It is not LAFCo's process to tell a district what to do or become involved in these issues. The only thing LAFCo can do would be complete a service review but it may be a better idea to wait until the district issues have been straightened out before this is completed.

d. Legislation – Executive Officer Benoit discussed SB 448 which affects "Inactive" Special Districts and provided a memorandum to the Commissioners that discusses this bill. . It was recently approved and will take effect on January 1, 2018 and includes requirements for the State Controller's Office (SCO), County Auditors, and new requirements for LAFCo's. Special Districts will now be required to file their annual audits with LAFCo, SCO, and the County Auditor. This legislation requires that the SCO compile a comprehensive list of special districts by July 2019 and a list of "inactive" districts by November 1, 2018. Once the SCO has compiled the list LAFCo will be notified and will have 90 days to initiate proceedings to dissolve the "inactive" district. If the "inactive" district does not meet the criteria of being inactive LAFCo will notify the SCO's office.

11. Commissioner Reports – Discussion

None

12. Adjourn to the next regular meeting on February 27, 2018

There being no further business to come before this Commission; Commissioner Irvin made the motion to adjourn the meeting; seconded by Commissioner Dederick. All present were in favor. The Meeting was adjourned at 5:02 PM.

Modoc Local Agency Formation Commission

CLAIMS

for

December 2017 and January 2018

Ratify and Authorize the following Claims

Jan 1, 2018	**Staff Services December 2017**	**$ 3,304.03**
Dec 12, 2017	**Commission Stipend Dec 12, 2017**	**$ 500.00**
Feb 10, 2018	**Staff Services Jan 2018**	**$ 1,941.98**
Feb 1, 2018	**Modoc Record Legal Notice**	**$ 79.50**
	TOTAL:	**$ 5,825.41**

DATED: **Feb 27, 2018**

APPROVED: **Feb 27, 2018**

Kathie Rhoads, Chair or Jim Irvin, Vice-Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

C/O John Benoit, Executive Officer - P.O. Box 2694, Granite Bay, CA. 95746 530.233.9625
ph. 916.797.7631 fax.

Modoc LAFCo
Expenditures and Revenue
FY 2017-2018

Item *Account Number* **Total Budgeted 2017-2018**	File Scanning *mgmt* $ 3,000.00	Memberships *4420* $ 899.00	copies *4210* $ 800.00	postage *4211* $ 300.00	Communications *4221* $ 1,000.00	Office Exp. *4210* $ 400.00	Counsel *4008* $ 2,000.00	staff Svcs *4004* $ 36,000.00	Clerk Costs *4006* $ 720.00	Notices and *Public 4380* $ 600.00
Calafco Dues 2017-2018		$ (899.00)								
Staff Svcs July 2016			$ (95.86)		$ (69.53)	$ (43.35)		$ (1,000.00)		
Comm Stipend Aug 8, 2017 meeting				$ (27.72)	$ (90.22)			$ (1,000.00)	$ (120.00)	
Staff Svcs August 2017			$ (12.00)		$ (52.26)			$ (1,000.00)		
Staff Svcs September 2017										$ (75.00)
Modoc Record Lgl notice Fire SOI #55135			$ (24.00)	$ (7.00)	$ (119.61)			$ (1,500.00)	$ (120.00)	
Staff Svcs October 2017							$ (2,000.00)			
Browne ending 10.15.17 Legal Costs										
Comm Stipend for Oct 10, 2017 Meeting					$ (69.71)			$ (1,190.00)		
Staff Svcs. November 2017										
Comm Stipend for Dec 11, 2017 meeting			$ (17.60)	$ (5.60)	$ (70.83)	$ (20.00)		$ (2,500.00)	$ (120.00)	
Staff Svcs December 2017				$ (0.49)	$ (71.39)			$ (1,870.00)		
Staff Svcs January 2018										$ (79.50)
Modoc Record Legal Daphnedale Dissol										
Total Expenditures to date	$ -	**$ (899.00)**	**$ (149.46)**	**$ (40.81)**	**$ (543.55)**	**$ (63.35)**	**$ (2,000.00)**	**$ (10,060.00)**	**$ (360.00)**	**$ (154.50)**
Total Budget Remaining		**$ -**	**$ 650.54**	**$ 259.19**	**$ 456.45**	**$ 336.65**	**$ -**	**$ 25,940.00**	**$ 360.00**	**$ 445.50**

unaudited	July 1, 2017 City Fund Carryover	$ 23,512.40	
	17-18 Actual Cty/Co.Contributions		
	FY 2017-2018 City Anticipated FundsTransf		$ 21,335.45
	2017-2018 County-City Funds anticipated		$ 21,335.45
	Funds received	$ 21,335.45	
	REVENUE FOR PROJECTS		
	Interest		
	Anticipated Funds received		
	Less Expenditures	$ (22,399.54)	
	Actual Cash Balance	**$ 22,448.31**	

2/19/18

Modoc LAFCo
Expenditures and Revenue
FY 2017-2018

Trans & Travel 4430	MSR/SOI Updates 4454	Commissioner Stipends4003	TOTAL	Contingency 4922
$ 500.00	**$ 10,500.00**	**$ 4,800.00**	**$ 61,519.00**	**$ 6,151.90**
	$ (1,805.00)		$ (899.00)	
			$ (3,013.74)	
		$ (600.00)	$ (600.00)	$ (4,512.74)
	$ (1,262.50)		$ (2,500.44)	
	$ (1,380.00)		$ (2,444.26)	
			$ (75.00)	$ (5,619.70)
$ (111.37)	$ (1,400.00)		$ (3,281.98)	
			$ (2,000.00)	
		$ (500.00)	$ (500.00)	
			$ (1,259.71)	$ (7,041.69)
		$ (500.00)	$ (500.00)	
	$ (570.00)		$ (3,304.03)	
			$ (1,941.88)	
			$ (79.50)	$ (5,825.41)
			$ -	
			$ -	$ -
			$ -	
			$ -	$ -
			$ -	
			$ -	
			$ -	
			$ -	$ -
			$ -	
			$ -	
			$ -	
$ (111.37)	**$ (6,417.50)**	**$ (1,600.00)**	**$ (22,399.54)**	
$ 388.63	**$ 4,082.50**	**$ 3,200.00**	**$ 39,119.46**	
				$ (22,399.54)

#7

City of Alturas

Incorporated September 16, 1901
Modoc County

200 W. North St.
Alturas, CA 96101-3938

(530) 233-2512
Fax (530) 233-3559

January 18, 2018

Modoc Local Agency Formation Commission
Attn: John Benoit, Executive Officer
P.O. Box 2694
Granite Bay, CA 95746

Dear John:

The City of Alturas requests that Modoc Local Agency Formation Commission (LAFCO) initiate the process pursuant to Government Code Section 56375 to terminate the Daphnedale Community Service District (Daphnedale District) and form through Modoc County a County Service District to manage wastewater collection.

The reason the City is requesting the dissolution and wind up of the Daphnedale District is that it contracts with the City of Alturas for wastewater services to the residents of the District, however for the past few years the Daphnedale District has not had a functioning board and is effectively defunct. Therefore, dissolution of the Daphnedale District and formation of a replacement agency are necessary.

If you have any further questions, please do not hesitate to contact me.

Sincerely,

John E. Dederick
Mayor

JED/clb

RESOLUTION NO. 2018-0001

A RESOLUTION OF THE MODOC LOCAL AGENCY FORMATION COMMISSION INITIATING PROCEEDINGS FOR AN AMENDMENT TO THE DAPHNEDALE COMMUNITY SERVICES DISTRICT SPHERE OF INFLUENCE, FORMATION OF A SUCCESSOR AGENCY AND THE DISSOLUTION OF THE DAPHNEDALE COMMUNITY SERVICES DISTRICT AND IN MODOC COUNTY, CALIFORNIA

WHEREAS, the Daphnedale Community Services District is a district existing and operating pursuant to Community Services District Law (California Government Code section 61000 et seq.), encompassing 173.45 acres of territory depicted in Exhibit "A" attached hereto; and

WHEREAS, the Modoc Local Agency Formation Commission prepared and adopted a Municipal Service Review and Sphere of Influence calling for the Dissolution or designation of an alternate service provider to provide services provided by the Daphnedale Community Services District pursuant to section 56375 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 56000 et seq.); and

WHEREAS, the Dissolution is consistent with the Municipal Service Review of Daphnedale Community Services District as adopted in Modoc LAFCo Resolution 2011-0005 adopted on April 12, 2011 and a Sphere of Influence Amendment is required to establish a zero sphere of influence for the Daphnedale Community Services District prior to LAFCo approval of this proposed change of organization, in that the dissolved agency would have a zero sphere of influence; and

WHEREAS, a notice of intent to adopt this resolution was published and provided to each interested and subject agency; and

WHEREAS, the City of Alturas does not desire to annex the territory within the Daphnedale CSD, thus in order to ensure continued wastewater collection services are provided, a successor agency needs to be formed to manage the affairs of the district.

WHEREAS, the reason(s) for this proposed Dissolution are as follows:

1. The Daphnedale CSD currently contracts with the City of Alturas for wastewater treatment services has failed to pay the for services rendered.

2. The Daphnedale CSD is unable to constitute a quorum to exercise its corporate powers and is otherwise unable to provide services.

3. The City and the Daphnedale wastewater collection systems are already interconnected.

4. Dissolution and concurrent formation of a successor agency (Reorganization) will benefit customers by making available certified staff and financial resources to be provided to existing Daphnedale Community Services District customers.

5. Dissolution and concurrent formation of a successor agency (Reorganization) will enhance and make more efficient the maintenance of the facilities and equipment currently operated by the Daphnedale CSD, which will enhance operational efficiency for the ratepayers.

6. Dissolution and concurrent formation of a successor agency (Reorganization) may make it easier to obtain grant funding and loans, and may facilitate bond financing and make such financing less expensive.

7. Dissolution and concurrent formation of a successor agency (Reorganization) may ultimately reduce future sewer costs to both current Daphnedale Community Services District customers as well as existing City customers, since the Daphnedale Community Services District is currently a customer of the City of Alturas and paying rates reflecting this customer status; and

WHEREAS, the territory subject to the proposed Dissolution and concurrent formation of a successor agency (Reorganization) is inhabited as defined in Government Code section 56046; and

WHEREAS, LAFCo, as the lead agency under the California Environmental Quality Act (Pub. Res. Code § 21000 et seq.: "CEQA") and the State Guidelines for Implementation of CEQA (14 C.C.R. § 15000 et seq.: "State CEQA Guidelines"); and

WHEREAS, this action is exempt from the California Environmental Quality Act reflecting LAFCo's independent judgment and analysis, and concludes that the Reorganization is not a project pursuant to State CEQA Guidelines section 15378(b)(5) because the Reorganization is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment; and

WHEREAS, the Preliminary Exemption Assessment (Exhibit B) further reflects LAFCo's independent judgment and analysis, and concludes that the Reorganization is categorically exempt from CEQA review pursuant to State CEQA Guidelines 15320 because the Reorganization is a change in organization which does not change the geographical area in which Daphnedale Community Services District or the City of Alturas each have previously exercised its powers; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have been met; and

WHEREAS, It is the intent of LAFCo that the proposed Reorganization be subject to the following terms and conditions:

1. Subject to the limitations of Government Code section 57202, the effective date of the Reorganization shall be upon recordation of the Certificate of Completion.

2. Ideally, the County of Modoc will be the successor agency to this change of organization and consent to the formation of a County Service Area (CSA) or other provisions to provide services may be appropriate to be established (formed) by LAFCo concurrent with the Daphnedale CSD dissolution.

3. The Daphnedale Community Services District shall be dissolved, terminated, disincorporated and extinguished and all of its corporate powers shall cease.

4. The responsibility for upgrading or replacement of existing infrastructure within the wastewater distribution service area shall rest with the successor agency and ultimately the owners of territory within the wastewater collection service area. Treatment infrastructure shall remain the responsibility of the City.

5. Any newly reorganized district shall exist and operate, pursuant to the appropriate body of law, for example, the County Service Area Law and shall include all territory formerly in the Daphnedale Community Services District (hereinafter the "Successor District").

6. The Successor Agency shall be the successor to the dissolved Daphnedale Community Services District for the purpose of succeeding to all rights, duties, and obligations of the Dissolved District with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds or other contracts and obligations of the Dissolved District.

7. The Board of Directors for the Successor District shall be the Modoc County Board of Supervisors.

8. All property, whether real or personal, including all monies (including cash on hand and monies due which are not uncollected) of the Dissolved District shall be transferred to and vested in the Successor District.

9. Notwithstanding item 6 above, the respective capital reserves of Daphnedale Community Services District as of the date of formation of the Successor Agency and Dissolution of the Daphnedale Community Services District shall be held and maintained exclusively for the benefit of

the respective customers of the Successor District.

10. Any and all capital debt of the Reorganized or Dissolved Daphnedale Community Services District will become the capital debt of the Successor Agency.

12. The Successor Agency shall be liable for payment of principal, interest, and any other amounts which shall become due on account of any outstanding or authorized but hereafter issued bonds, including revenue bonds and contracts, annexation agreements, and any other obligations of the Dissolved District.

13. The Successor Agency shall be authorized and entitled to continue to levy or fix and collect any special, extraordinary, or additional taxes, assessments, benefit fees, service charges, rentals or rates or any combination of the above previously approved and/or levied by the Dissolved District.

14. The Successor Agency shall establish a new service division, area of benefit, and/or such other structure as may be necessary to ensure that the debts and obligations of the respective Reorganized and/or Dissolved District are borne by the customers residing in the territory of the Dissolved District which incurred the debt or obligation. The service area shall correspond to the respective existing service territory of the Reorganized and Dissolved Daphnedale Community Services District.

15. Debt and/or expenses incurred by the Dissolved District to remedy a deficiency in the Daphnedale Community Services District wastewater collection system which exists as of the effective date of the Reorganization shall be treated internally as debts or expenses of the Successor Agency, and funds for the repayment or recoupment of such debt or expenses shall be collected solely from customers in such service zone, area of benefit, or other structure to the greatest extent feasible. Notwithstanding the foregoing, debt and expense incurred in upgrading the Reorganized District's wastewater collection system shall be repaid and borne by the customers of the entire Successor District.

16. The services to be provided by the Successor Agency shall be provided in a manner consistent with the "Plan for Services" attached hereto as Exhibit "C" and incorporated herein by reference.

17. It the intention of Modoc LAFCo to notify landowners within the Reorganized area and follow the conducting authority proceedings stated in the LAFCo Act.

18. It is the intention of Modoc LAFCo to conduct a public hearing regarding

this Reorganization at the appropriate time.

20. It is the intention of Modoc LAFCo that any and all LAFCo, Modoc County and State of California costs associated this reorganization be borne by the Daphnedale CSD.

PASSED AND ADOPTED, by Modoc LAFCo on this 27th day of February 2018

AYES:

NOES:

ABSENT:

ABSTAIN:

_____
Kathie Rhoads, Chair
Modoc Local Agency Formation Commission

Attest:

_____
John Benoit
Modoc LAFCo Executive Officer

EXHIBIT A: Map of the Daphnedale Community Services District Boundaries

MODOC LOCAL AGENCY FORMATION COMMISSION
DAPHNEDALE COMMUNITY SERVICES DISTRICT

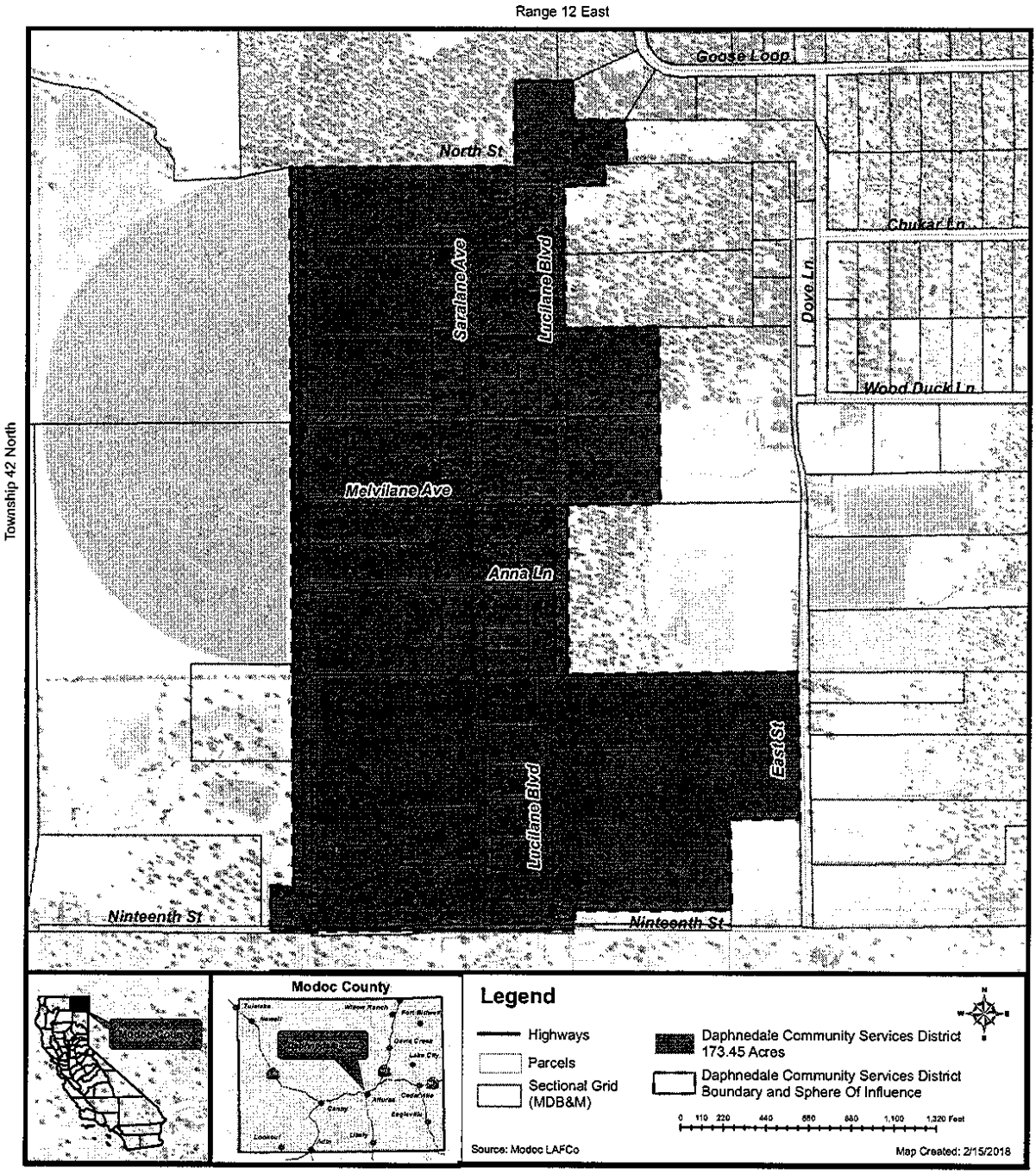

EXHIBIT "B"

PRELIMINARY EXEMPTION ASSESSMENT

1. **Name or description of Project:** Reorganization of the Daphnedale Community Services District.

2. **Location:** North of the City of Alturas

3. **Entity or person undertaking Project:** Modoc LAFCo
P.O. Box 2694
Granite Bay, Ca 95746
Phone: (530) 233-9625

4. **Staff Determination:** LAFCo Staff, having undertaken and completed a preliminary review of this activity in accordance with the California Environmental Quality Act (Pub. Res. Code § 21000 et seq: "CEQA") and the State Guidelines for Implementation of CEQA (14 C.C.R. § 15000 et seq: "State CEQA Guidelines") and has concluded that this action does not require further environmental assessment because it is exempt from CEQA, as described below:

(a) _____ Ministerial project.
(b) _____ Not a project.
(c) _____ Emergency Project.
(d) _X_ Categorical Exemption. Class 20, Changes in Organization of Local Agencies.
(e) _____ Declared Emergency.
(f) _____ Statutory Exemption
(g) _X_ Other. State CEQA Guidelines section 15378(b)(5); organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment

Date Received for Filing:_____

_____
John Benoit
Executive Officer
Modoc LAFCo

EXHIBIT "C"

Plan for Services

1. A description of the level and range of each service to be provided to the affected territory.

Following the proposed Reorganization, the Successor Agency will continue providing the services currently provided by the Daphnedale CSD, in the same territory currently served. The Reorganization will not affect the level or the range of services currently being provided.

2. An indication of when the service can be feasibly extended to the affected territory.

Since the level and range of services, and the territory in which they will be provided, will remain the same following the Reorganization, such services can continue to be provided without any break in service.

3. An identification of any improvement or upgrading of structures, road, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

The Successor Agency may undertake improvements and upgrades to existing facilities, but those improvements and upgrades will not be required specifically due to the Reorganization.

4. The estimated cost of extending the service and a description of how the service or required improvements will be financed. A discussion of the sufficiency of revenues for anticipated service extensions and operations is also required.

Notwithstanding any deficiencies or violations, the total estimated cost of providing services within the territory of the Reorganized (Successor) Agency will remain the same, since the services are already being provided within this territory.

#8

MSR and SOI Status as of February 2018

Agency Name	Date MSR Adopted	Date Sphere of Influence Adopted
Agencies that provide Water and Sewer		
Cedarville County Water District	11-Dec-07	11-Dec-07
Canby CSD	22-Oct-13	22-Oct-13
California Pines CSD	9-Feb-10	9-Feb-10
Daphnedale CSD	12-Apr-11	10-Apr-12
Newell County Water District	10.4.16	10.4.16
Likely County Water District		
Adin CSD	10-Apr-12	10-Apr-12
City of Alturas	14-Dec-10	14-Dec-10
Fire and Emergency Medical Services		
Adin FPD	13-Apr-10	10-Oct-17
Alturas Rural Fire	13-Apr-10	10-Oct-17
California Pines CSD fire	13-Apr-10	10-Oct-17
Canby FPD	13-Apr-10	10-Oct-17
Cedarville FPD	13-Apr-10	10-Oct-17
Davis Creek FPD	13-Apr-10	10-Oct-17
Eagleville FPD	13-Apr-10	10-Oct-17
Fort Bidwell FPD	13-Apr-10	10-Oct-17
Lake City FPD	13-Apr-10	10-Oct-17
Likely FPD	13-Apr-10	10-Oct-17
Lookout FPD	13-Apr-10	10-Oct-17
Tule Lake Multi County FPD	13-Apr-10	10-Oct-17
Willow Ranch FPD	13-Apr-10	10-Oct-17
Alturas City Fire	13-Apr-10	10-Oct-17
Cemetery Districts		
Adin Cemetery	10-Aug-10	10-Aug-10
Alturas Cemetery	10-Aug-10	10-Aug-10
Bidwell Cemetery	10-Aug-10	10-Aug-10
Davis Creek Cemetery	10-Aug-10	10-Aug-10
Cedarville Cemetery	10-Aug-10	10-Aug-10
Eagleville Cemetery	10-Aug-10	10-Aug-10
Lake City Cemetery	10-Aug-10	10-Aug-10
Likely Cemetery	10-Aug-10	10-Aug-10
Lookout Cemetery	10-Aug-10	10-Aug-10
Willow Ranch Cemetery	10-Aug-10	10-Aug-10
Healthcare Districts & Service Providers		
Last Frontier Healthcare Dist	10-Apr-12	10-Apr-12
Surprise Valley Healthcare District	10-Apr-12	10-Apr-12
Meyers Healthcare District	Responsibility of Shasta LAFCo	Responsibility of Shasta LAFCo
Southern Cascades CSD	Responsibility of Lassen LAFCo	Responsibility of Lassen LAFCo
Agricultural Water and Irrigation Districts		
South Fork ID	15-Apr-14	15-Apr-14
Hot Springs Valley Water Dist	21-Aug-12	12-Feb-13
Tule Lake Irrigation District	6/9/15	6/9/15
Resource Conservation Districts		
Goose Lake RCD	12-Aug-14	12-Aug-14
Surprise Valley RCD	12-Aug-14	12-Aug-14
Lava Beds RCD	12-Aug-14	12-Aug-14
Central Modoc RCD	12-Aug-14	12-Aug-14
Pit River RCD	12-Aug-14	12-Aug-14
Fall River RCD	Responsibility of Shasta LAFCo	Responsibility of Shasta LAFCo
Flood Control and Water Conservation		
Davis Creek Water Conservation Dist		
Lassen-Modoc Flood Control	Responsibility of Lassen LAFCo	Responsibility of Lassen LAFCo
Owl Creek Flood Control		
Street Lighting Districts		
Canby Highway Lighting District	12.13.16	12.13.16
Cedarville Highway Lighting District	12.13.16	12.13.16
Eagleville Highway Lighting District	12.13.16	12.13.16
Fort Bidwell Highway Lighting District	12.13.16	12.13.16
County Service Areas		
Hafer Hills (Road Maintenance) CSA	6-Oct-15	6-Oct-15
Park and Recreation Districts		
Modoc Park and Recreation District	11-Dec-12	11-Dec-12
Pest Abatement Districts		
Lookout Pest Abatement District		
Stonghold-Newell Pest Abatement Dist.		