

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

TUESDAY

February 9, 2021 – 4:00 PM

MODOC LAFCO is inviting you to a scheduled Zoom meeting.

Topic: Modoc LAFCo

Time: Feb 9, 2021 04:00 PM Pacific Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/84914924759?pwd=eIRFcDRXbWxYSFMvc2xYN3NKVzIDUT09>

Meeting ID: 849 1492 4759

Passcode: 272398

One tap mobile

+16699006833,,84914924759#,,,,*272398# US (San Jose)

Dial by your location

+1 669 900 6833 US (San Jose)

Meeting ID: 849 1492 4759

Passcode: 272398

Find your local number: <https://us02web.zoom.us/j/84914924759>

(All meeting materials are available on LAFCo's Website: www.modoclafco.org)

1. Call to order / Pledge of Allegiance

Commissioners

Cheryl Nelson, City Member
Ned Coe, Chair, County Member
Marie Neer, Public Member
Mark Steffek, Vice-Chair City Member
Kathie Rhoads, County Member

Alternate Members

_____, Public Member Alt.
Geri Byrne, County Member Alt.
Yolanda Lewis, City Member Alt

LAFCO Staff

John Benoit, Executive Officer

Scott Browne, LAFCO Counsel

Macey Binning, Clerk

2. Approval of the Agenda (Additions and Deletions)

3. Correspondence: Calafco Calendar

4. Consider Minutes for the December 8th , 2020 LAFCo meeting

- a. *Approve minutes from the December 8th , 2020 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

- a. *Authorize payment of claims for December 2020 and January 2021*

7. Daphnedale CSD - Discussion with Board Members

- a) *Hold discussion with District Board Members, review district status, subsidiary districts regulations and history.*

8. Workshop regarding the Work Program for FY 2020-2021 Fiscal Year

- a. *Review MSR and SOI completion list and determine LAFCo MSR's and SOI's to be prepared during FY 2021-2022.*

9. Executive Officer's Report:

- a) *700 Forms due April 2021*
b) *Budget Schedule for 2021-2022 Budget*
c) *Bylaws update*
d) *Fee updates - 2007*
e) *Application Forms – 2014*
f) *Records Retention Policy - 2014*

10. 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.

11. Adjourn to the next regular meeting on April 13, 2021

*Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority
Government Code Section 56325.1*

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 are available for review for public inspection in the Modoc County Planning Department office located at 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 j.benoit4@icloud.com Copies of reports to the extent feasible are located on the LAFCO webpage at: www.modoclafco.org



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21 Events Calendar

JANUARY

- 8 CALAFCO Legislative Committee (Virtual)
- 19 CALAFCO Monthly EO meeting (Virtual)
- 21 CALAFCO Board of Directors Strategic Planning Session (Virtual)
- 22 CALAFCO Board of Directors Meeting (Virtual)
- 21-22& League New Mayor & Council Academy
- 28-29 (Virtual)
- 27-28 CA Assn. of Sanitation Agencies Conference (Virtual)

FEBRUARY

- 16 CALAFCO Monthly EO meeting (Virtual)
- 19 CALAFCO Legislative Committee (Virtual)

MARCH

- 17-19 CALAFCO Staff Workshop (Newport Beach)
- 26 CALAFCO Legislative Committee (Virtual)

APRIL

- 19 CALAFCO Monthly EO meeting (Virtual)
- 30 CALAFCO Board of Directors Meeting (Virtual)

MAY

- 7 CALAFCO Legislative Committee (Virtual)
- 11-14 Assn. of CA Water Agencies Conference (Monterey)
- 17 CALAFCO Monthly EO meeting (Virtual)

JUNE

- 18 CALAFCO Legislative Committee (Virtual)
- 28 CALAFCO Monthly EO meeting (Virtual)

JULY

- 23 CALAFCO Legislative Committee (Virtual)
- 30 CALAFCO Board of Directors Meeting (Sacramento)

AUGUST

- 11-13 CA Assn. of Sanitation Agencies Annual Conference (San Diego)
- 30 CA Special Districts Assn. Conference (Monterey)

SEPTEMBER

- 1-2 CA Special Districts Assn. Conference (Monterey)
- 22-24 League Annual Conference (Sacramento)
- 29-30 Regional Council of Rural Counties Annual Conference (Monterey)

OCTOBER

- 22 CALAFCO Legislative Committee (2022) (Virtual)
- 6-8 CALAFCO Annual Conference (Newport Beach)
- 7 CALAFCO Annual Business Meeting (Newport Beach)
- 8 CALAFCO Board of Directors Meeting (Newport Beach)

NOVEMBER

- 5 CALAFCO Legislative Committee (Sacramento)
- 12 CALAFCO Board of Directors Meeting (Sacramento)
- 30 CA State Assn. of Counties Annual Conference (Monterey)
- 30 Assn. of CA Water Agencies Conference (Pasadena)

DECEMBER

- 1-3 CA State Assn. of Counties Annual Conference (Monterey)
- 1-3 Assn. of CA Water Agencies Conference (Pasadena)
- 3 CALAFCO Legislative Committee (San Diego)

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS

1020 12th Street, Suite 222
Sacramento, CA 95814
916-442-6536

For current information and other CALAFCO resources please visit www.calafco.org



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Local Agency Formation Commission of Modoc County
Meeting Minutes
December 8, 2020

1. Call to order / Pledge of Allegiance

Pursuant to the Governor's Executive Order N-25-20 and N-29-20 dated March 12, 2020 and March 17, 2020, Chair Coe called the meeting to order at 4:00 p.m. at the City Council Chambers located at 200 W. North Street in Alturas, CA and via teleconference. Commissioner Rhoads, Commissioner Neer, Commissioner Nelson, Commissioner Steffek and Chair Coe were present. Commissioner Lewis and Commissioner Byrne were absent. Public attending 1.

Staff Present: John Benoit, Executive Officer, Scott Browne, LAFCO Counsel and Macey Binning, Clerk.

Pledge of Allegiance.

2. Approval of the Agenda (Additions and Deletions)

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

Motion passed unanimous

3. Correspondence: Calafco Roundtable Meeting December 9th

Executive Officer Benoit informs Commissioners that the CALAFCo 2020 virtual Regional Roundtable will be held Wednesday, December 9, 2020. The agenda was provided to the Commissioners in their packet. Mr. Benoit will not be able to attend. However, he has passed his questions and concerns to the representative of Mendocino County.

4. Consider Minutes for the October 13, 2020 LAFCo meeting

Commissioner Rhoads made the motion to approve the October 13, 2020 LAFCo meeting minutes; seconded by Commissioner Neer. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

5. Public Comment- None

6. Authorize payment of Claims for October 2020 and November 2020

Commissioner Rhoads made the motion to authorize the payment claims for October 2020 and November 2020; seconded by Commissioner Steffek. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

7. Daphnedale CSD – Discussion with Board Members

Executive Officer John Benoit briefly reviewed the background of the Daphnedale Service District. The Daphnedale Service District is on the City's sewer line. However, Daphnedale Service District became delinquent in paying their service fee to the City. This was due to rates

increasing and not increasing on their tax assessment. Modoc County LAFCo created a resolution to dissolve the district but it was never passed because the Daphnedale Service District became active. Now Modoc County LAFCo is reviewing the options to proceed that would satisfy all parties. Mr. Benoit has mentioned the City annexing the Daphnedale Service District or creating a Subsidiary District. A Subsidiary District is ideal and could be for a single purpose such as sewer services.

Commissioner Steffek expressed his concerns regarding the Daphnedale Service District. He would like to find a solution that would bring Daphnedale Service District current on their debt to the City of Alturas. However, he does not want to annex the service district within the City Limits. Mr. Steffek also introduced Mr. Steve Riley who is serving on the Daphnedale Service District Board and is present at the LAFCo meeting.

Mr. Riley informed the Commissioners that the Daphnedale Board is active and now has a full board consisting of himself, JoAnn White, Monty White, Marcie Worch and James Worch. Mr. Riley also informed the Commissioners that the original loan that the Daphnedale Service District had is now paid in full. This will allow Daphnedale to pay more towards their debt to the City. Mr. Riley expresses his concern that even though this will help, it will not be enough to get caught up with the debt owed to the City.

Commissioner Steffek inquires if the Daphnedale Service District established their regular meeting dates.

Mr. Riley replied that they have not since they were just formed.

Chair Coe asks if they selected the Subsidiary District what would the fee increase process consist of?

Mr. Benoit replies the City sewer service would become the Subsidiary District and the subsidiary service example name would be "The City of Alturas Municipal Sewer District" everyone would be subject to the fee that is currently in place. If the City raises the rates the City would need to conduct the Prop 218 process.

A Subsidiary District can be formed by 5% of the voters in Daphnedale Service District or by a City Council Resolution. Mr. Benoit advises the Daphnedale voters to ask the City Council to create and pass the resolution that would satisfy both parties.

After discussion Modoc LAFCo is interested in proceeding with a Subsidiary District. The Subsidiary District would satisfy all parties. The City would continue to offer sewer services, and Daphnedale would be complying with district laws because it would be provided through the City. The Commissioners ask that Executive Officer Benoit investigate and provide the Commissioners with any documentation or information that the California Regional Water Control Board may have on Daphnedale Service District and the way it was formed. They also ask for information on how to form the Subsidiary District that way all parties would be informed on the process.

8. Executive Officer's Report

Executive Officer Benoit informs Commissioners California Special Districts Association is offering a special membership rate to districts that have budget at or below \$250,000. It is a pay as you can membership plan. This membership would be beneficial to a special district they provide technical assistance on websites, advice on how to comply with various laws, updates on special district news, legislative information that affects a special district, staff enhancement webinars and workshops, and a library of books. In Modoc County there are 20 special districts that are eligible to join the California Special Districts Association pay as you can membership. Mr. Benoit also told Commissioners that the California Special Districts Association published a new publication on the special district laws which has a reference guide that is very informative. Mr. Benoit will post an electronic copy on the Modoc County LAFCo website and email the Commissioners a copy.

Executive Officer Benoit reports the results of the CALAFCo elections. Josh Susman of Nevada County and Blake Inscore of Del Norte County have been elected for the Northern Region.

Executive Officer Benoit also reports that Heather Hadwick with Modoc County Sheriff's Office is working to consolidate fire districts. This will be a challenge because some fire districts are opposed to the consolidation. Mr. Benoit believes consolidation would be a benefit the smaller fire districts so they can combine resources.

Mr. Benoit would like to follow up with the Surprise Valley Health District. LAFCo wanted to review their audits and still have yet to review them. Jeanne Goldman was recently appointed to the Board of Directors for the Surprise Valley Healthcare District.

Mr. Benoit will also be reviewing and updating the bylaws, fee schedule, application forms and the records retention policy. Once he has reviewed and updated these items, he will present them to the Commissioners for approval.

9. Commissioner Reports – None

10. 2021 LAFCo Meeting Schedule

Commissioner Steffek made the motion to adopt the 2021 LAFCo meeting schedule; seconded by Commissioner Nelson. In favor were Commissioners Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

There being no further business to come before the Commission. Motion made by Commissioner Steffek to adjourn at 5:11 p.m.; seconded by Commissioner Nelson. In favor were Commissioners Rhoads, Nelson, Steffek, Neer and Chair Coe.

Motion passed unanimous

Modoc Local Agency Formation Commission # 6

CLAIMS

for

December 2020 – January 2021

Authorize Claims for FY 2020-2021

Jan 1, 2021	Staff Svcs and Expenses December 2020	\$ 3,904.06
Dec 15, 2020	Legal Svcs – LAFCo meeting	\$ 216.00
Jan 1, 2021	Council Chambers Rental 2021	\$ 150.00
Dec 8, 2020	Meeting stipend 12.8.20	\$ 400.00
Feb 1, 2021	Staff Svcs and Expenses Jan 2021	\$ 2,970.90
	TOTAL:	\$ 7,740.96

DATED: Feb 9, 2021

APPROVED: Feb 9, 2021

Ned Coe, Chair or Mark Steffek, Vice-Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit
Executive Officer

Modoc LAFCo
Expenditures and Revenue
FY 2020-2021

Item	File Scanning	Memberships	copies	postage	Communications	Office Exp	Council	Staff Svcs	Clark Costs
Account Number	4210	4420	4210	4211	4221	4210	4108	4404	4404
Total Budgeted 2020-2021	\$ 3,000.00	\$ 1,130.00	\$ (600.00)	\$ 300.00	\$ 1,000.00	\$ (600.00)	\$ 2,000.00	\$ 36,000.00	\$ 720.00
Calatco Dues 20-21		\$ (1,130.00)							
JB staff exp July 2020		\$ (10.00)	\$ (0.50)	\$ (79.45)				\$ (2,550.00)	
JB Staff exp August 2020		\$ (15.00)	\$ (79.97)					\$ (3,410.00)	\$ (120.00)
JB Staff exp September 2020		\$ (10.00)	\$ (83.07)					\$ (2,422.50)	
Modoc Record Pub Mem recruitment 9, 2020									
Comm Payroll Aug 11, 2020									
Comm Payroll October 13, 2020									
JB staff Exp October 2020		\$ (20.00)	\$ (88.76)					\$ (3,367.50)	\$ (120.00)
JB Staff exp for November		\$ (15.00)	\$ (86.72)					\$ (1,870.00)	
JB Staff Exp for December 2020		\$ (15.00)	\$ (82.56)			\$ (64.00)		\$ (3,622.50)	\$ (120.00)
Comm payroll December 8, 2020									
Council Chambers rental for 2021									
Staff Svcs January 2021		\$ (15.00)	\$ (108.40)			\$ (150.00)		\$ (2,847.50)	
Browne ending Dec 15, 2020							\$ (216.00)		
8,970,.....									
Total Expenditures to date	\$ (700.00)	\$ (1,130.00)	\$ (100.00)	\$ (10.99)	\$ (606.35)	\$ (214.00)	\$ (249.00)	\$ (20,000.00)	\$ (366.00)
Total Budget Remaining	\$ (700.00)	\$ (1,130.00)	\$ (700.00)	\$ 299.50	\$ 391.07	\$ (814.00)	\$ 1,754.00	\$ 16,910.00	\$ 360.00

unaudited	July 1, 2020 City Fund Carryover	\$ 21,378.94	\$ 24,387.59
Actual	20-21 Actual City/Co Contributions		
	FY 2020-21 City Anticipated Funds Transf	\$ 24,898.00	\$ 46,866.70
	2020-21 County-City Funds anticipated		
	Funds received		
	REVENUE FOR PROJECTS		
	Interest		
	Anticipated Funds received	\$ (24,327.13)	
	Less Expenditures	\$ 24,958.46	
	Actual Cash Balance		

Modoc LAFCo
Expenditures and Revenue
FY 2020-2021

Notice and Public Use	Years & Trivia 4450	MRS/SO/Updates 4454	Commissaries Supervisor	Contingency 4922	TOTAL
\$ 600.00	\$ 2,200.00	\$ 10,500.00	\$ 4,800.00	\$ 61,050.00	\$ 6,345.00
\$ (71.80)				(1,130.00)	(2,639.95)
\$ (102.00)				(3,624.97)	(3,769.95)
				(2,587.37)	
				(102.00)	
		\$ (500.00)		(500.00)	
		\$ (400.00)		(400.00)	
				(3,630.16)	
				(1,971.72)	\$ (6,001.86)
				(3,904.06)	
		\$ (500.00)		(500.00)	
		\$ (150.00)		(150.00)	
				(2,970.90)	
				(216.00)	\$ (3,836.90)

\$ (207.76)	\$ 2,200.00	\$ 10,500.00	\$ (1,850.00)	\$ (24,327.15)
\$ 392.30	\$ 2,200.00	\$ 10,500.00	\$ 3,250.00	\$ 36,722.87
				\$ (24,477.13)

ESTABLISHMENT OF A SUBSIDIARY DISTRICT

The procedures for establishment of a subsidiary district were established by the legislature in 1965 by the adoption of the District Reorganization Act of 1965, effective September 17, 1965 (Stats 1965 ch 2043 §§ 2), which added Government Code section 56073, 56401, 56405.

A subsidiary district has limited powers and the City Council adjourns as the ex-officio Board of Directors of the District. There would be a consistent fee schedule and standards for all related activities within the District. The District would include the entire City limits and up to 30% unincorporated area contiguous to the City provided the city retains 70% of the land and registered voters within an incorporated area.

Residents in the unincorporated area would not be eligible to sit on the City Council and the district would be formed for a limited purpose. In this case Wastewater Collection and Treatment at the City of Alturas Wastewater Treatment Plant. The District would be called the "City of Alturas Municipal Sewer District".

There is no obligation for the residents or voters within the unincorporated portion of a subsidiary district to be annexed to the City.

User fees for this Subsidiary District would ultimately become uniform for all territory within the Subsidiary District through a process normally used to set property related fees for wastewater services including a user fee protest hearing.

The City would manage the Subsidiary District as a City Department. The District would be included in the City's annual audit and all City Procedures.

The term "subsidiary district" is a district of limited powers in which a city council is designated as, and empowered to act as, the ex officio board of directors of the district. (§ 56078.) A subsidiary district may be established if, upon the date of the commission's order, the commission determines that either of the following situations exist:

- (a) The entire territory of the district is included within the boundaries of a city.
- (b) A portion or portions of the territory of the district are included within the boundaries of a city and that portion or portions meet both of the following requirements.
 - (1) Represents 70 percent or more of the area of land within the district. . . .

(2) Contains 70 percent or more of the number of registered voters who reside within the district as shown on the voters' register in the office of the county clerk or registrar of voters. (§ 57105.)

Establishment of a Subsidiary District for the City of Alturas

A City Subsidiary District to provide Wastewater Collection services is an option for the City of Alturas. Establishment of a Subsidiary District will need to be processed concurrently with a **dissolution** of the Daphnedale CSD.

A subsidiary district has limited powers and the City Council adjourns as the ex-officio Board of Directors of the District. There would be a consistent fee schedule and standards for all related activities within the District. The District would include the entire City limits and up to 30% unincorporated area contiguous to the City provided the city retains 70% of the land and registered voters within an incorporated area.

A dissolution of the Daphnedale Community Services District

1. LAFCo would receive a Petition of Application or a Resolution of Application for the Dissolution of the Daphnedale CSD and establishment of a City Subsidiary District.
2. LAFCo would circulate notice to the Public and affected agencies
3. LAFCo would conduct a public hearing on the proposal and approve, modify or adopt the proposal
4. Conducting Authority Proceedings (Protest Hearing Requirements)
 - a. For a proposal initiated by LAFCo a Special Study or Service Review prior to initiating dissolution of a Special District is required. LAFCo must conduct a Public Hearing. LAFCo must also normally conduct a protest hearing. Should the amount of protest exceed 10%, the dissolution shall be subject to confirmation of the voters.
 - b. For a proposal initiated by the City, should the amount of protest exceed 25%, the dissolution shall be subject to confirmation of the voters.
 - c. This process may also be initiated by a petition of 5% of the Registered Voters of the district should the amount of protest exceed 25%, the dissolution shall be subject to confirmation of the voters.

LAFCO-Initiated Establishment of a Subsidiary District

LAFCO may initiate the establishment of a subsidiary district if it is consistent with a recommendation or conclusion of a study prepared pursuant to Sections 56378, 56425, or 56430 and LAFCO makes the determinations specified in

Section 56881(b). (§ 56375(a).) Sections 56378, 56425 and 56430 require LAFCO to study existing agencies and make determinations regarding spheres of influence and conduct service reviews of the municipal services provided in the area for review. Section 56881(b) requires LAFCO to make all of the following determinations with regard to the proposed establishment of a subsidiary district:

(1) Public service costs of a proposal that the LAFCO is authorizing are likely to be less than or substantially similar to the costs of alternate means of providing the service.

(2) The proposal promotes public access and accountability for community services needs and financial resources.

Before LAFCO may take action on a proposal for the establishment of a subsidiary district, LAFCO must hold a public hearing on the proposal.

a. Protest/Election/Certificate of Completion

The protest and election procedures and the requirements for a certificate of completion for the establishment of a subsidiary district initiated by LAFCO are the same as the procedures applicable to LAFCO initiated mergers

b. Effect of the Establishment of a Subsidiary District

On or after the effective date of the establishment of a subsidiary district, the city council shall be designated as, and empowered to act as, the ex officio board of directors of the district. The district shall continue to operate as a separate legal entity with all of the powers, rights, duties, obligations, and functions provided for by the principal act, except for any provisions relating to the selection or removal of the members of the board of directors of the district. (§ 57534.)

c. Effective Date of the Establishment of a Subsidiary District

The effective date for the establishment of a subsidiary district is the same as the effective date for a merger, as more particularly described in Section C(2), above.

On or after the effective date of the establishment of a subsidiary district, the city council shall be designated as, and empowered to act as, the ex officio board of directors of the district. The district shall continue to operate as a separate legal entity with all of the powers, rights, duties, obligations, and functions provided for by the principal act, except for any provisions relating to the selection or removal of the members of the board of directors of the district.

Daphnedale CSD Background

The Daphnedale CSD was formed in 1976 as a response to a moratorium on on-site disposal systems and chronic groundwater pollution hazards. The District was formed with the powers to supply water and to collect and dispose of sewage but the only power that is used is the power to collect wastewater. (In 2001 the legislature stripped all previously approved powers from CSD's excepting those powers the CSD actually was performing). The reason given for the formation of the District was that a survey of septic tank systems made by the Modoc County Sanitarian showed that the systems were not functioning correctly.

In March 1973, the Health Department stopped issuing permits for the installation of individual sewage systems in the Daphnedale area. That year, the Modoc County Health Department issued a moratorium on new sewer connections in the Daphnedale area based on water quality hazards. Attempts to remedy the hazards were unsuccessful. In 1976 a survey was conducted with the purpose of documenting existing public health hazards and nuisances created by the discharge of wastewater from individual disposal systems. This survey was initiated when concerned citizens met with the Modoc County Board of Supervisors regarding the establishment of a Wastewater Collection system in the Daphnedale area. The conclusion substantiated a serious health hazard existed in the community and further documented the need for a community sewer system.

Nevertheless, some individual sewage systems have been built in the area due to mistakes made during the building permit entitlement process and lack of communication between the Daphnedale CSD and the County in the past. This is unfortunate because it made it more difficult to develop future lots on the sewer lines.

Daphnedale is located north of the City of Alturas and includes 120 acres. The CSD is located north of 19th Street between a line extended north of Juniper Street and East Street.

The Daphnedale CSD provides wastewater collection service for 42 residential connections. The sewer lines were installed in 1980 and are connected to the City of Alturas wastewater treatment plant. Before the sewer lines were constructed an EIR was prepared by Hammond Engineering of Klamath Falls, Oregon in 1979 documenting the health and safety concerns and examining several alternatives to provide wastewater collection services in Daphnedale. Hammond Engineering then prepared an analysis of two types of sewage collection systems: gravity and low pressure. The gravity system was more expensive to install but the maintenance cost was less.

Since the District chose the gravity system for the low maintenance the District should maintain this system when adding new connections. In recent years the City has been maintaining the system. Daphnedale has not demonstrated it has the capacity to provide maintenance.

The extension of sewer lines is a technical problem that should be resolved by a professional such as a Civil Engineer. The District may need to retain the services of a Civil Engineer and when such services are for the benefit of a proposed development

and the developer should pay the cost. Normally, a developer pays the engineering costs for new development. This is to ensure the sewer lines are extended in a way that is acceptable to the City of Alturas.

The fees for wastewater collection service as collected by the Modoc County Tax Collector and cost \$275 per year per connection. This would be \$22.92 per month, which is considerably less than sewer service fees in other locations.

The City of Alturas charges \$30.22 per month per residence.

The Daphnedale CSD has never had an Audit of the financial transactions. This has caused residents to criticize the District. In reviewing the files over the years there may be irregularities regarding the sewer property-related fee. Proposition 218 adopted in 1996 made significant changes to local government finance and governance requiring in this case a public hearing with specific land owner protest requirements prior to increasing the wastewater property related fee.

In recent years, the Daphnedale CSD has not complied with several laws required of Special Districts.

#8

MSR and SOI Status as of February 2021

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	22-Oct-19	22-Oct-19
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	9-Jun-20	9-Jun-20
Stonghold-Newell Pest Abatement Dist.	9-Jun-20	9-Jun-20