

Modoc Local Agency Formation Commission

REGULAR MEETING AGENDA

Website: www.modoclafco.org

Tuesday October 10, 2017 – 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
Jim Irvin, City Member, Vice Chair
T.J. Jerry Shea, Public Member
John Dederick, City Member
Kathie Rhoads, County Member, Chair

Richard Read, Public Member Alt.
Geri Byrne, County Member Alt.
Cheryl Nelson, City Member Alt.

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 August 8, 2017

a. *Approve minutes from the August 8th, 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. Ratify Claims for August 2017 and Authorize Payment of Claims for September 2017

- a. *Approve payment of expenses for August 2017 and September 2017.*

Public Hearing

7. Fire Service Reviews and Sphere of Influence Updates including the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD, Eagleville FPD, and the City of Alturas Fire Dept.

- a. *Review, Discuss and Conduct Public Hearing regarding the Fire Service Reviews and Sphere of Influence update.*
b. *Conduct Public Hearing and Consider LAFCo Resolution 2017-0003 approving a Service Review for Fire Services in Modoc County*
c. *Conduct Public Hearing and Consider LAFCo Resolution 2017-0004 approving Spheres of Influence update for fire agencies in Modoc County.*

Other Business:

8. Discussion and possible action regarding the Daphnedale CSD – Discussion of options regarding the CSD.

9. Consider appointment of Jennifer Stephenson as the LAFCo Deputy Executive Officer for Modoc LAFCo.

- a. *Discuss and consider minute order appointing Jennifer Stephenson as the Deputy LAFCo Executive Officer.*

10. Executive Officer's Report:

- a. *Lassen Modoc Flood Control and Water Conservation District – Service Review and Sphere of Influence*
b. *Surprise Valley Healthcare District*
c. *Legislation of significance and Little Hoover Commission Final Report*

11. 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.

12. Adjourn to the next regular meeting on December 12, 2017

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 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 of August 8, 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 Alternate Byrne, Commissioner Dederick, Commissioner Irvin, and Commissioner Shea were present.

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

Pledge of Allegiance

2. Election of Chair and Vice-Chair for FY 2017-2018

a. Motion by Commissioner Alternate Byrne and Seconded by Commissioner Dederick to nominate Kathie Rhoads as F.Y. 2017-2018 Chair for Local Agency Formation Commission (LAFCo) of Modoc County. There were no other nominations. Motion Passed Unanimous.

b. Motion by Commissioner Dederick and Seconded by Commissioner Byrnes to nominate Jim Irvin as F.Y. 2017-2018 Vice-Chair for Local Agency Formation Commission (LAFCo) of Modoc County. There were no other nominations. Motion Passed Unanimous.

3. Approval of Agenda (Additions and Deletions)

None

Commissioner Alternate Byrne made the motion to approve the agenda; seconded by Commissioner Irvin. In favor Rhoads, Byrne, Irvin, Dederick, and Shea. Motion passed Unanimous.

4. Correspondence

Certificate of Insurance was the only correspondence and a copy was included in the packet. Executive Officer Benoit was reporting to the Commission that he is current on insurance. The certificate of coverage is effective through 07/01/2018.

5. Consider Minutes for June 13, 2017

Commissioner Alternate Byrne made the motion to approve the minutes as presented; seconded by Commissioner Dederick. In favor Rhoads, Byrne, Dederick, Irvin, and Shea. Motion Passed Unanimous.

6. Public Comment

Member of the Public (Jean) commented on concerns regarding the Surprise Valley Health Care District (SVCHD). These concerns included their current financial state, lawsuits and wanted to alert the Commission to the current state of that district. She mentioned that when the monthly financial reports were given out at the Board Meetings there were always huge discrepancies and that SVHCD is supposed to

have an annual audit but this has not been done in 5 years and wanted to know if there is anything LAFCo can do regarding this district.

Executive Officer Benoit informed the public member that LAFCo is legislative not an enforcement agency. LAFCo can do a service review and make recommendations but an enforcement agency would need to take the lead. This is a very complicated issue and needs to be straightened out but LAFCo does not fix districts. Typically in other Counties such as Indian Valley when a district begins to break down and starts to go bankrupt the County Administers the district because they are the land use authority but landowners within that district is responsible for the debt/obligations. Modoc County may be able to contract out to get an internal audit done and tax proceeds can be used to cover the cost. Also, citizens can do a Public Records Request and if SVHCD does not comply in a timely manner and answer the records request. At this time a person can go to the DA or outright sue them. The Controller's Office, Grand Jury, and District Attorney are the enforcement departments.

7. Ratify Claims for June 2017 and Authorize Payment of Claims for July 2017

Commissioner Dederick made the motion to approve; seconded by Commissioner Irvin. In favor, Rhoads, Byrne, Dederick, Irvin, and Shea. Motion Passed Unanimous.

Workshop:

8. Fire Service Reviews and Sphere of Influence

- a. *Review, Discuss, and Conduct Workshop regarding Fire Service Reviews and Sphere of Influence update.*

Executive Officer Benoit provided a workshop to the Commission regarding the Fire Protection Districts Municipal Service Review (MSR) and Sphere of Influence (SOI) update. The MSR is designed to equip LAFCo's with relevant information and data necessary for the Commission to make informed decisions on SOI's. The MSR cannot cover everything but LAFCo tries to cover the items that are most germane. The MSR needs to include a written statement of study determinations in the following areas Growth and population projections for the affected area, location and characteristics of Disadvantaged Unincorporated Communities (DUC's), present and planned capacities of public facilities, adequacy of public services, and infrastructure needs/deficiencies related to water/sewer and structural fire protection, status/opportunities for shared facilities, and account for community service needs.

During the workshop there was a discussion regarding the maps in the MSR and it was reported to the Commissioners that a lot of time was spent on verifying the true boundaries and while verifying these, discrepancies were found between the Tax Rate Areas (TRA's) and the actual district boundaries. This information will be forwarded to the Auditor's for the elections because they are the true and correct boundaries. It was also reported that there has been very little change in growth and population since the last MSR was completed. Executive Officer Benoit also explained that LAFCo is required to make written determinations in respects to five (5) different factors when establishing, amending, or updating an SOI for any local agency. These factors include

land use in area, probable need for public facilities and services, present capacity of public facilities and adequacy of public services, different communities of interest, and findings regarding the present and probable need for public facilities and services of DUC's which make it possible to obtain grant money.

At the meeting in October the Public Hearing will be held to adopt the Fire Protection Districts Municipal Services Review (MSR) and Sphere of Influence (SOI) Update.

Other Items:

9. Authorize Commissioners and Staff to attend the Calafco Annual Conference in San Diego October 24-27, 2017

- a. *Authorize Staff and Commissioners to attend the Calafco Annual Conference in October.*

Executive Officer Benoit if any of the Commissioners would be interested in attending this conference. – None

10. Calafco Achievement Award Nominations

- a. *Review Calafco Materials and consider nominations for a Calafco Achievement Award and propose a nomination if desired.*

Commissioner Shea nominated John Benoit for the Calafco Achievement Award. Scott will write the nomination.

11. Calafco 2017 – 2018 Nominations for the Calafco Board of Directors

- a. Review Calafco memorandum and nominate a County Member or a Special District Member to the Calafco Board of Directors.

Bill Connolly is the current County Member and has done an excellent job.

12. Designate voting member and alternative voting member to vote on behalf of Modoc Lafco at the Annual Calafco Conference in San Diego.

- a. Designate voting member and alternate voting member

Motion by Commissioner Shea to designate Executive Officer John Benoit as the voting member and seconded by Commissioner Dederick. Motion Passed Unanimous.

13. Executive Officer's Report:

- a. *Lassen Modoc Flood Control and Water Conservation District – Service Review and Sphere of Influence.*

Executive Officer Benoit met with the attorney Bob Burns for this district and gathered information. The service review report with recommendations will need to be drafted. This district is not very active and has never been used for its intended purpose. Once the service review has been completed there will need to be discussion regarding whether or not the district should be continued. It was reported by the Commissioner Alternative Byrnes that this district had signed a three (3) year agreement for water monitoring.

- b. *Surprise Valley Healthcare District*

This was discussed earlier in the meeting (see Public Comment).

- c. *Legislation of significance and Little Hoover Commission*

Executive Officer Benoit provided to the Commissioners Draft Legislation from the Little Hoover Commission. He did say that the Little Hoover Commission now appreciates what LAFCo's do and services they provide. This Legislation is going to take up transparency, climate change, and healthcare districts. You will most likely looking at legislation related to those items next year. Currently, the Tribal Water Districts are under LAFCo but there is a bill going through which is AB36 and we should be concerned about it because the Indian Tribes are asking the Legislatures to service tribal areas without going through the LAFCo process. We understand that Indian Tribes are independent nations and we are not against them but oppose the LAFCo process being circumvented. We may be asked to compose a letter regarding this bill.

- d. *Southern Cascades Community Service District*

Dan Bouse provided an overview regarding the ambulance services and the expanded scope of services including how they have partnered with Sierra Medical Services Alliance (SMSA) which is providing revenue to the CSD for the use of the helicopter base. SMSA covers ambulance service in several other rural counties including Lassen, parts of Shasta, Siskiyou, and now Modoc. He also reported that Air Methods which is the company that owns/operates the helicopter will be adding revenue to the district which could equal a million dollars over the next 2 – 3 years. These partnerships not only bring in revenue to the district which will keep it stable but has also provided this area with 24/7 Ambulance Service. The district is compiling the information needed so that their service review can be completed.

Commissioner Dederick asked if SMSA was part of any flight insurance group. Dan Bouse informed the Commissioners that Air Methods is currently using their membership group but they are in negotiations with an Insurance Company to become an approved provider on a policy for air/ground service. Also if residents sign up for the air

membership you will be able to get a discount on the cost the ground service membership.

14. Commissioner's Reports – Discussion

Commissioner Dederick reported on the Daphendale C.S.D. there are currently 42 residents that have service and the City of Alturas is under collecting approximately \$8,000.00. This district currently has a MPDS permit (the water is treated and goes into the Pit River) He wanted to see what options may be available. Executive Officer Benoit offered a couple of scenarios such as the City creating a subsidiary district through a 218 Process to recoup costs, a property tax assessment or the County can assume authority and manage the district. Executive Officer Benoit will refer this issue to LAFCo Counsel and find out what they recommend.

15. Adjourn to next regular meeting – October 10, 2017

There being no further business to come before this Commission; Commissioner Irvin made the motion to adjourn the meeting; seconded by Commissioner Shea. All present in favor. The Meeting was adjourned at 5:09PM.

Modoc Local Agency Formation Commission

CLAIMS

for

August and September 2017

Authorize the following Claims for FY 2017-2018

Aug 8, 2017	Commissioner Meeting Stipends	\$ 600.00
Sept 1, 2017	Staff Services August 2017	\$ 2,500.44
Oct 1, 2017	Staff Svcs Sept. 2017	\$ 2,444.26
Sept 11, 2017	Modoc Record Notice Fire MSR and SOI	\$ 75.00
	TOTAL:	\$ 5,619.70

DATED: October 10, 2017

APPROVED: October 10, 2017

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

Attest:

John Benoit
Executive Officer

Modoc LAFCo
Expenditures and Revenue
FY 2017-2018

Item	Account Number	File Scanning mgmt	Memberships	copies	postage	Communications	Office Exp.	Counsel	staff Svcs	Clerk Costs	Notices and Public
		4210	4420	4210	4211	4221	4210	4009	4004	4006	4360
Total Budgeted 2017-2018		\$ 3,000.00	\$ 899.00	\$ 800.00	\$ 300.00	\$ 1,000.00	\$ 400.00	\$ 2,000.00	\$ 36,000.00	\$ 720.00	\$ 600.00
Calafco Dues July 2016			\$ (899.00)	\$ (95.86)			\$ (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											
Modoc Record Lgl notice Fire SOI #55135											\$ (75.00)

Total Expenditures to date	\$	\$ (899.00)	\$ (107.86)	\$ (27.72)	\$ (212.01)	\$ (43.35)	\$ (3,000.00)	\$ (120.00)	\$ (75.00)		
Total Budget Remaining	\$	\$ 3,000.00	\$ 899.00	\$ 800.00	\$ 300.00	\$ 1,000.00	\$ 400.00	\$ 2,000.00	\$ 36,000.00	\$ 720.00	\$ 600.00

unaudited	July 1, 2017 City Fund Carryover	\$ 23,512.40
17-18 Actual City/Co. Contributions		
FY 2017-2018 City Anticipated FundsTransf		
2017-2018 County-City Funds anticipated		\$42,670.90
Funds received		
REVENUE FOR PROJECTS		
Interest		
Anticipated Funds received		
Less Expenditures		\$ (9,532.44)
Actual Cash Balance		\$ 13,979.96

MODOC Local Agency Formation Commission

ITEM #7

MEMORANDUM
October 10, 2017

TO: LAFCO Commissioners

FROM: John Benoit, Executive Officer

RE: Municipal Service Review (MSR) and Sphere of Influence (SOI) for Fire services

I have prepared Draft Municipal Service Review and Sphere of Influence for services provided by the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD, Eagleville FPD, and the City of Alturas Fire Dept. and handed out a copy for the August 7th LAFCo workshop. Please bring your copy with you to this meeting.

Recommendation:

- a. Receive Executive Officer's Report and conduct public hearing on the Municipal Service Review and Sphere of Influence for the Fire Districts in Modoc County.
- b. Adopt Resolution 2017-0003 approving a Municipal Service Review for services provided by Fire Districts in Modoc County including the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD, Eagleville FPD, and the City of Alturas Fire Dept.
- c. Adopt Resolution 2017-0004 approving a Sphere of Influence Update for Fire Districts in Modoc County including the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD, Eagleville FPD, and the City of Alturas Fire Dept.

Resolution 2017-0003 of the
Local Agency Formation Commission
of
Modoc County, California

Approving a Municipal Service Review for Fire and Emergency Medical Services Provided within the communities of Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely, Lookout, Tulelake, Willow Ranch, and the City of Alturas and Adopting Written Determinations Thereon

WHEREAS, California Government Code Section 56425 requires a Local Agency Formation Commission (“LAFCO”) to adopt and periodically review Sphere of Influence Plans for all agencies in its jurisdiction; and,

WHEREAS, California Government Code Section 56430 requires that a LAFCO conduct a review of the municipal services provided by and within an agency prior to updating and adopting its Sphere of Influence Plan; and,

WHEREAS, the Sphere of Influence Plan is the primary planning tool for LAFCO and defines the probable physical boundaries and service area of a local agency as determined by LAFCO; and,

WHEREAS, on October 23, 2007, the Commission adopted its Policies, Standards and Procedures including policies related to Municipal Service Reviews (MSRs) and Spheres of Influence and updated these policies on April 14, 2009, which applies to this MSR for fire and emergency medical services (EMS) provided in the communities of *Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely, Lookout, Tulelake, Willow Ranch and the City of Alturas*; and,

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission for fire and EMS services provided in the communities of *Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely, Lookout, Tulelake, Willow Ranch and the City of Alturas*, including approval of the report and adoption of the written determinations contained therein; and,

WHEREAS, the Commission hereby determines that the final draft of the Municipal Service Review for fire and EMS services provided in the communities of *Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely, Lookout, Tulelake, Willow Ranch and the City of Alturas* and written determinations contained therein will provide information for updating the sphere of influence for these agencies, and is otherwise consistent with the purposes and responsibility of the Commission for planning the logical and orderly development and coordination of local governmental agencies so as to advantageously provide for the present and future needs of the county and its communities; and,

WHEREAS, in making this determination, the Commission has considered the documentation on file in this matter; and,

WHEREAS, the Commission has heard all interested parties desiring to be heard and has considered the proposal and report by the Executive Officer and all other relevant evidence and information presented at said hearing;

NOW, THEREFORE, the Local Agency Formation Commission of Modoc County hereby resolves, orders and determines the following:

- 1) The Municipal Service Review of fire and EMS services provided in the communities of *Adin, Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely,*

Lookout, Tulelake, Willow Ranch and the City of Alturas, attached hereto as Exhibit A, is approved and the written determinations presented in the Municipal Service Review report are hereby adopted.

- 2) LAFCO staff is further ordered to proceed as appropriate with update to the Sphere of Influence Plan for Fire and EMS providers, which serve the communities of *Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely, Lookout, Tulelake, Willow Ranch and the City of Alturas*.
- 3) LAFCO staff is further ordered to forward copies of this resolution containing the adopted Municipal Service Review to the *Adin, Alturas Rural, California Pines, Canby, Cedarville, Davis Creek, Eagleville, Fort Bidwell, Lake City, Likely, Lookout, Tulelake, Willow Ranch and the City of Alturas*.

The foregoing resolution was duly passed by the Local Agency Formation Commission of Modoc County at a regular meeting held on October 10, 2017 by the following roll call vote:

Ayes:

Noes:

Absentions:

Absent:

Signed and approved by me after its passage this 10th day of October 2017.

Kathie Rhoads, Chair
Modoc LAFCO

Attest:

John Benoit, Executive Officer
LOCAL AGENCY FORMATION COMMISSION,
Modoc County

Resolution No. 2017-0004

MODOC LOCAL AGENCY FORMATION COMMISSION

A Resolution Making Determinations and Approving a Fire and EMS services Sphere of Influence Update for the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD, and the Eagleville FPD

WHEREAS, Government Code Section 56425 requires each Local Agency Formation Commission to adopt and periodically review and update a Sphere of Influence for each local governmental agency within its jurisdiction; and

WHEREAS, the Modoc Local Agency Formation Commission, in compliance with the aforementioned requirement, is providing a “plan for the probable physical boundaries and service area” for fire and emergency medical services provided by the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD, and the Eagleville FPD; and

WHEREAS, the Commission has set the hearing date of October 10, 2017 for the update for fire and emergency medical services provided by the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD and the Eagleville FPD, and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56427, et seq.; and

WHEREAS, the Commission has heard and adopted a Municipal Services Review of fire and emergency medical services provided by the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD and the Eagleville FPD, and adopted Resolution 2017-0003 on October 10, 2017 in accordance with Gov. Code section 56430; and

WHEREAS, the Commission has reviewed and considered the proposed Sphere of Influence update report and the proposed Sphere of Influence Update Map which are attached hereto and incorporated herein; and

WHEREAS, Modoc LAFCO has prepared and published a Notice of Exemption pursuant to the requirements of the California Environmental Quality Act since the Sphere of Influence Update will not contain additional territory (Section 21000 et seq. of the Public Resources Code); and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed Sphere of Influence Update, including, but not limited to, those factors specified in Government Code Section 56425, et seq., and has heard from interested parties and considered requests for amendment and/or revision of the proposed updated sphere boundary, if any;

NOW, THEREFORE, BE IT RESOLVED that the Modoc Local Agency Formation Commission does hereby find and determine as follows:

1. That the proposed Sphere of Influence update with respect to for fire and emergency medical services provided by the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD,

Davis Creek FPD, Willow Ranch FPD and the Eagleville FPD, complies with the provisions of Government Code Section 56000, et seq.

2. That no significant objections have been received regarding the establishment of this Sphere of Influence Update.
3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth in the Sphere of Influence Update Study are attached hereto and incorporated herein as set forth in Attachment "A".
4. The Commission has reviewed and considered a Notice of Exemption prepared for this Sphere of Influence Update and makes a specific finding that there is no substantial evidence in light of the whole record before Modoc Local Agency Formation Commission that this Sphere of Influence Update for fire and emergency medical services provided by the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD and the Eagleville FPD, may have a significant adverse effect on the environment and that no unusual circumstances exist with respect to this Sphere of Influence update.

PASSED AND ADOPTED at a regular meeting of the Modoc Local Agency Formation Commission in the County of Modoc, State of California, on the 10th day of October 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathie Rhoads, Chair
Modoc Local Agency Formation Commission

Attest:

John Benoit, Executive Officer
Modoc LAFCO

NOTICE OF EXEMPTION

TO: County Clerk
County of Modoc
Alturas, CA

FROM: LAFCO of Modoc County
P.O. Box 2694
Granite Bay, CA 95746

PROJECT TITLE: LAFCO Fire and EMS – Sphere of Influence Update

PROJECT LOCATION: Modoc County.

DESCRIPTION OF PROJECT:

The proposed project would involve the update of a Sphere of Influence for the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD and the Eagleville FPD, which are all coterminous with the district boundaries.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

Modoc Local Agency Formation Commission

NAME OF PERSON OR AGENCY CARRYING OUT THE PROJECT:

Modoc Local Agency Formation Commission

EXEMPT STATUS:

Class 20 Categorical Exemption, "Changes in Organization of Local Agencies," CEQA Guidelines Section 15320.

REASONS WHY PROJECT IS EXEMPT:

The proposed project involves an update of a Sphere of Influence for the Adin FPD, Fort Bidwell FPD, Alturas Rural FPD, Lake City FPD, California Pines CSD, Likely FPD, Canby FPD, Lookout FPD, Cedarville FPD, Tule Lake FPD, Davis Creek FPD, Willow Ranch FPD and the Eagleville FPD. CEQA Guidelines Section 15320 consists of changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. There is no change to the Sphere boundary and no unusual circumstances exist regarding this SOI.

CONTACT PERSON:
John Benoit
LAFCO Executive Officer

TELEPHONE NUMBER:
(530) 233-9625

By: _____

Date: October 10, 2017

**MODOC LAFCO
MEMORANDUM**

Item # 8

DATE: October 10, 2017
TO: LAFCo Commissioners
FROM: John Benoit, Executive Officer
SUBJECT: Discussion: Daphnedale Alternatives for Wastewater Collection Services

I have been asked to provide alternatives regarding Daphnedale wastewater treatment services being provided by the City of Alturas. The Daphnedale CSD provides wastewater collection service for approximately 42 residential connections. The sewer lines were installed in 1980 and are connected to the City of Alturas wastewater treatment plant.

The Daphnedale CSD was formed in 1976 as a response to a state moratorium on on-site disposal systems. 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.¹ 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.² In March 1973, the Health Department stopped issuing permits for the installation of individual sewage systems in the Daphnedale area.

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 makes it more difficult to develop future lots on the sewer lines. There has been a history of compliance issues with adopted district policies as documented in the 2011 MSR prepared by LAFCo.

Since the 2011 MSR and SOI were adopted, the legislature enacted Senate Bill 244 (SB 244), which requires LAFCOs to consider "disadvantaged unincorporated communities". Daphnedale, like the City of Alturas is considered a disadvantaged community with median family income (MFI) levels averaging significantly less than 80% of the California statewide median income level of \$60,883. (For example, in 2000 the MFI for Alturas City was \$32,385 and the Daphnedale CDP had a MFI of \$25,859 and the State MFI is \$60,883).

The fees for wastewater collection service as collected by the Modoc County Tax Collector cost \$275 per year per connection.³ This would be \$22.92 per month, which is considerably less than sewer service fees in other locations.⁴ The City of Alturas charges \$28.90 per month per residence (which will increase to \$30.22 on July 1, 2011). The district receives a "multi-family sewer-billing rate due to the City only generating one monthly bill."⁵ The bill from the City in 2009-2010 for 42 connections was \$16,585.74.⁶ The City has raised the fee for use of the City's

¹ Modoc County Board of Supervisors, Resolution No. 76-79, Resolution of the Board of Supervisors of the County of Modoc Declaring the Formation of the Daphnedale Community Services District, December 6, 1976.

² Modoc County Health Department, Letter from J.C. Gilbert, MD, Health Officer to California Regional Water Quality Control Board, June 17, 1976.

³ Daphnedale CSD, Stephenie Hill, Secretary, Phone 530-233-7698, January 13, 2011.

⁴ City of Willows: \$40.19 per month; City of Williams: \$51.58 per month (all for 2010-2011).

⁵ City of Alturas, December 2010, Memo to Modoc LAFCO Executive Officer, John Benoit.

⁶ City of Alturas, Phone: 530-233-0512, January 20, 2011.

wastewater treatment plant but the District has not raised the fees accordingly. In recent years the CSD has failed to pay the agreed upon amount to the City due to district issues of constituting a quorum of its board to pay its bills.

Several ideas for a change of organization for the Daphnedale CSD were suggested in the 2011 Sphere of Influence and Service Review.

Below are some ideas for a change of organization for the CSD.

1. Annexation to the City: This would mean Daphnedale would be part of the city and subject to city regulations and processes. Registered Voters in Daphnedale would be eligible to run for Council seats and participate in city affairs. The City would need to initiate an annexation before LAFCo or the Registered Voters in Daphnedale would need to petition LAFCo for annexation.
2. Creation of a City Subsidiary District to provide Wastewater Collection and Treatment services (a district with limited powers). The City Council would adjourn as the ex-officio Board of Directors of the District and 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. This process may be initiated by a petition of 5% of the Registered Voters of the district; or a resolution adopted by the City or a resolution adopted by LAFCo. This means LAFCo may initiate the formation of this type of district.
3. I found no provision in the Community Services District (CSD) law that an existing CSD Board of Directors can become the County Board of Supervisors. The 2006 CSD law allows for the Board of Supervisors to become the initial Board of Directors for small CSD's. LAFCo, the City, Daphnedale CSD or the County may initiate the proceedings to dissolve the existing CSD and create a new CSD with the BOS as the Board of Directors.
4. Convert the CSD to a County Service Area (CSA). This would mean the CSA would govern the district through the Board of Supervisors. County Staff would need to provide or contract for all activities in the CSA.
5. Create a Joint Powers Authority between the Daphnedale CSD, the City and possibly the County for wastewater collection and treatment. This would require Board Members from Daphnedale CSD to participate as members of the JPA Board. The JPA can be very limited on the powers it chooses to have. LAFCo has no involvement in this process excepting the JPA must also be filed with LAFCo.
6. Leave everything the same as currently exists.