

# MODOC LAFCO

## Executive Officer's Report

December 9<sup>th</sup>, 2014

TO: Modoc Local Agency Formation Commission

FROM: John Benoit, Executive Officer

SUBJECT: LAFCO File 2014-0002 – Central Modoc and Surprise Valley RCD Consolidation

**EXECUTIVE OFFICER'S RECOMMENDATIONS:** Adopt the proposed resolution 2014-0008 approving LAFCO Project 2014-0002 thereby approving the Dissolution of the Surprise Valley Resource Conservation District and the Central Modoc Resource Conservation District and concurrently forming the Modoc Resource Conservation District (reorganization) consistent with the Sphere of Influence adopted on August 12, 2014 (Resolution 2014-0007). This proposal is consistent with the existing district boundaries of the Central Modoc Resource Conservation District containing 1,017,518.5 acres and the Surprise Valley Resource Conservation District containing 468,388.2 acres more or less. These RCDs are located in and around the communities of Alturas, Likely, Canby, Cedarville and the Surprise Valley and Central Modoc areas of Modoc County as well as the northeastern portion of Lassen County. Total acreage for the proposed Modoc RCD is 1,485,906.8 acres.

A Concurrent Resolution of Application (Attachment A - Resolution 2014-0001) from the Boards of Directors Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation Districts requesting dissolution of their respective districts and concurrent formation of the "Modoc Resource Conservation District" was submitted to LAFCO.

Attachments included in the submittal are included in this staff report as follows:

- A. Resolution of Application (Resolution 2014-0001) Submitted by the Surprise Valley Resource Conservation District and the Central Modoc Resource Conservation District
- B. A Plan for Services
- C. Map of proposed district
- D. Notice of Exemption
- E. LAFCO Resolution 2014-0008, approving the district consolidation including dissolution and formation of the Modoc Resource Conservation District

### **Suggested Motions:**

*Adopt Resolution 2014-0008 approving the dissolution of the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District and the coterminous and contiguous formation of the Modoc Resource Conservation District.*

**I. BACKGROUND:**

**A. Summary:**

The Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District have jointly made an application to LAFCO to dissolve their respective districts and to concurrently form the Modoc Resource Conservation District located in and around the communities of Alturas, Likely, Canby, Cedarville and the Surprise Valley and Central Modoc areas of Modoc County as well as the northeastern portion of Lassen County. The proposed new Modoc RCD includes 1,485,906.8 acres. The Boards of Directors of these two districts approved a concurrent resolution on June 17, 2014 requesting LAFCO to initiate proceedings. Since services are already provided within the territory a Notice of Exemption for this reorganization has been adopted by both agencies pursuant to Section 15320 of the State CEQA guidelines (Class 20 Exemption) because the proposed consolidation is a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised (see Attachment D).

**B. Proposal and Justification**

The purpose of the dissolution and the formation of the Modoc Resource Conservation District is included in Attachment B (The Plan for Services). These attachments include the services to be provided, the range of services, the extent to which these services can be extended into the affected territory, financial information and the proposed actions being proposed as follows:

1. Dissolve the Surprise Valley Resource Conservation District.
2. Dissolve the Central Modoc Resource Conservation District.
3. Form the Modoc Resource Conservation District

Staff recommends that the Modoc Local Agency Commission approve items 1-3 stated above including the establishment and dissolutions of the two Resource Conservation Districts and the concurrent formation of the Modoc Resource Conservation District subject to the terms and conditions stated in Resolution 2014-0008.

**C. Location:**

The territory proposed to be reorganized generally extends in and around the communities of Alturas, Likely, Canby, Cedarville and the Surprise Valley and Central Modoc areas of Modoc County as well as the northeastern portion of Lassen County.

**D. Purpose:**

The overall purpose, as stated by both district boards of directors, is to achieve greater economy and efficiency in providing RCD services for resource conservation issues.

## II. ANALYSIS

A. **Accepted for filing:** November 6, 2014

B. **Publication and Posting:** November 6, 2014

C. **Compliance with CEQA:**

Lead Agency: Surprise Valley RCD  
Central Modoc RCD

Responsible Agency: Modoc LAFCO

Environmental Finding: Exempt

Date of Finding: June 17, 2014

D. **Compliance with applicable Plans:**

The proposed reorganization conforms to the Modoc County General Plan.

E. **Compliance with applicable Spheres of Influence:**

The proposed Consolidation does not conflict with the Sphere of Influence for any other similar service provider. The LAFCo Act requires a new Sphere of Influence be established within one year after formation. In this case, the Sphere of Influence adopted in August 2014 is consistent with this consolidation and no further Sphere of Influence needs to be established at this time.

F. **Existing Land Use and Zoning (See Exhibit G):**

• LAND USE DESIGNATIONS: various

• ZONING: various

G. **LANDOWNER(S):** Various

H. **Existing Land Use and Zoning for surrounding territory:**

- North: Rural lands, forest and agriculture
- South: Rural lands, forest and agriculture
- East: Rural lands, forest and agriculture
- West: Rural lands, forest and agriculture

I. **Proposed development:** None proposed

Fiscal data: The Surprise Valley RCD has no grant funding at this time has not done an audit in recent years. The Central Modoc RCD for the year ending in 2012 had decreasing revenues resulting from fewer grants provided to the district. Revenues in an RCD are primarily grants. The RCD's do not receive a portion of the Modoc County property tax share. The fund balance for the year ending June 30, 2012 was \$30,227

**K. Existing and Proposed Service Agencies:**

All County, District and City services will remain the same excepting the Central Modoc and Surprise Valley RCD's will be combined under the Modoc RCD.

**L. Governing Law and LAFCO Policy**

LAFCO is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Act to its decisions regarding annexations, incorporations, reorganizations, and other changes of government. LAFCO's review of projects must be consistent with the policy directives of the LAFCO Act. Specifically, LAFCO's policies are designed to:

- a) Provide Information. Give applicants for changes of organization guidance as to the information LAFCO needs to make appropriate determinations concerning their applications and provide information and notice to elected officials, governmental staff, and members of the general public as to the standards and procedures that LAFCO will use in evaluating applications.
- b) Set Criteria. Provide applicants for changes of organization with explicit guidance as to the criteria LAFCO will use in approving, disapproving, amending, or conditionally approving applications for changes of organization.
- c) Ensure Greater Consistency in LAFCO's decision-making process.
- d) Facilitate Communication among local agencies in the region.
- e) Minimize Adverse Impacts of the social, economic and environmental results of growth.
- f) Provide for Planned, Well-Ordered Efficient Urban Development Patterns with appropriate consideration of preserving open space lands within those patterns.

The following table is provided as a guide for the Commission to consider for a project's consistency with Government Code Section 56668, the broader legislative direction of LAFCO in Government Code Section 56001 as well as those adopted by Modoc LAFCO.

This proposal complies with applicable legal and proposed policy requirements, as summarized below:

**General Policy Considerations**

<b>Policy Consideration</b>	<b>Consistency/</b>	<b>Comment</b>
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	<b>Applicability</b>	
Communication between local agencies is encouraged.	<i>Consistent</i>	<i>Consistent</i>
Urban development proposals shall include annexation to a city where possible.	<i>N/A</i>	
LAFCO will normally deny proposals that result in urban sprawl.	<i>N/A</i>	<i>This project serves combine services where services are already provided.</i>
Environmental consequences (CEQA) shall be considered.	<i>Consistent</i>	<i>No identifiable Environmental impacts. See Notice of Exemption Class 20 and Gneral Rule Exemption</i>
LAFCO will consider the impact of a proposal on the regional supply of housing for all income levels.	<i>Consistent</i>	
LAFCO will favor proposals that promote compact urban form and infill development.	<i>Consistent</i>	<i>This reorganization promotes combined RCD services within the territory.</i>
Government structure should be simple, accessible, and accountable.	<i>Consistent</i>	<i>There is no indication of unnecessary complexity or lack of accessibility or accountability. Services will continue to be provided as well as enhanced.</i>
Agencies must provide documentation that they can provide service within a reasonable period of time.	<i>Consistent</i>	<i>The Newly formed district is able to provide the services with existing resources. Upon formation, there will be economies of scale.</i>
Efficient services are obtained when proposals: <ul style="list-style-type: none"> <li>• Utilize existing public agencies;</li> <li>• Consolidate activities and services; and</li> <li>• Restructure agency boundaries to provide more logical, effective, and efficient services.</li> </ul>	<i>Consistent</i>	<i>This proposal is consistent since the 2 agencies to be dissolved are being consolidated into one district and will provide more effective and efficient services.</i>
Adverse impacts on adjacent areas, social and economic interests and the local government structure must be mitigated.	<i>Consistent</i>	<i>There are no impacts upon adjacent areas or districts with this reorganization</i>
Conformance with general & specific plans required.	<i>Consistent</i>	<i>This project conforms to the adopted Modoc and Lassen County General Plans.</i>
Boundaries: <ul style="list-style-type: none"> <li>• Definite boundaries are required.</li> <li>• Boundaries that are favored:</li> </ul>	<i>Consistent</i>	<i>This formation creates a logical boundary in terms of ability to provide services consisting of the former district areas of the Central Modoc and Surprise Valley</i>

<p>Create logical boundaries &amp; eliminate islands or illogical boundaries. Follow natural or man-made features and include logical service areas.</p> <ul style="list-style-type: none"> <li>Boundaries that are disfavored: Split neighborhoods or communities. Result in islands, corridors, or peninsulas. Drawn for the primary purpose of encompassing revenue-producing territories. Create areas where it is difficult to provide services.</li> </ul>		RCD's.
Revenue neutrality required.	<i>Consistent</i>	<i>No change in Tax allocations are proposed the districts do not receive a property tax allocation</i>
<p>Agricultural and Open Space Land Conservation Standards:</p> <ul style="list-style-type: none"> <li>Must lead to planned, orderly &amp; efficient development.</li> <li>Approved Sphere of Influence Plan required.</li> <li>Findings with respect to alternative sites required.</li> <li>Impact on adjacent agricultural/open space lands assessed.</li> <li>Agricultural Buffers.</li> </ul>	N/A	
<p>Need for services exists when:</p> <ul style="list-style-type: none"> <li>Public health and safety threat exists.</li> <li>The residents have requested extension of non-growth-inducing community services.</li> <li>Subject area is likely to be developed for urban use within 5 years.</li> </ul>	N/A	
<p>Exceptions are justified on the following grounds:</p> <ul style="list-style-type: none"> <li>Unique.</li> <li>Standards Conflicts.</li> <li>Quality/Cost.</li> <li>No Alternative.</li> </ul>	<i>Consistent</i>	<i>No exceptions to policy considerations are required.</i>

### District Formation Policies

Proposal to form a new district must be consistent with LAFCO Policies. <i>Grounds for exception exist.</i>	<i>consistent</i>
Need for a new district requires a. Documentation of a need for the proposed services b. Documentation that no existing agency can adequately or efficiently provide such services <i>The Central Modoc and Surprise Valley RCD have been providing service to the subject territory for years and keeps records of activities. The new district will provide more efficient services.</i>	<i>Consistent</i>
Plan for Services required. <i>The plan for services (Exhibit B) consists of following the RCD's annual work and strategic plans</i>	<i>Consistent</i>
LAFCO will establish service pattern. <i>LAFCO must establish the location and range of services that may be provided by a new district. There appears to be no reason to limit the range of possible services for this new district as the Plan for Services indicates that the entire range of services provided by the former districts will be provided.</i>	<i>Consistent</i>
Consistency with General and Specific Plans is required.	<i>Consistent</i>
Conflicts with other agencies' master plans are not allowed (unless higher quality, more efficient service provision will occur).	<i>Consistent</i>
Public benefit must be considered.	<i>Consistent</i>
Fiscal solvency is required. There will be no reduction of revenues through the dissolutions and formation.	<i>Consistent</i>
LAFCO may reduce or waive policy standards for county service areas.	<i>Not applicable</i>

### District Dissolution and Reorganization Policies

Services are no longer authorized or necessary <i>Grounds for exception exist.</i>	<i>consistent</i>
The Services can be provided more efficiently by another agency that agrees to provide the services <i>The Central Modoc and Surprise Valley RCD's have been providing service to the subject territory for years and keeps records of activities. The new district will provide more efficient services.</i>	<i>Consistent</i>
Bonded Indebtedness	<i>N/A</i>
Disposition of remaining funds <i>All Funds will be transferred to the Modoc Resource Conservation District</i>	<i>Consistent</i>
LAFCo will independently evaluate each component of organizational change. <i>LAFCo has evaluated this application in accordance with LAFCo's Policies</i>	<i>Consistent</i>

### **III. Sphere of Influence Update required**

Modoc LAFCo Policies adopted on April 14, 2009 requires a Sphere of Influence to be established within two years of formation of a district. Since the time of adoption of LAFCo's policies, the legislature has changed this requirement to require a Sphere of Influence adoption within one year of formation. Insofar as the Sphere of Influence territory of the Central Modoc and Surprise Valley RCD's were adopted in August 2014 and do not conflict with this formation these Spheres shall be deemed to comply with the Sphere of Influence update requirement.

### **IV. Comments from the public and public agencies (see Exhibit I).**

None Received

### **V. Staff Recommendations**

Staff recommends the Commission approve the dissolution of the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District, and form the Modoc Resource Conservation District subject to the terms and conditions included in Resolution 2014-0008.

Respectfully Submitted,

John Benoit,  
Executive Officer

**CONCURRENT RESOLUTION OF APPLICATION  
BY THE CENTRAL MODOC RESOURCE CONSERVATION DISTRICT AND  
THE SURPRISE VALLEY RESOURCE CONSERVATION DISTRICT  
RESOLUTION No. 2014-0001**

A CONCURRENT RESOLUTION OF THE BOARDS OF DIRECTORS OF THE CENTRAL MODOC RESOURCE CONSERVATION DISTRICT AND THE SURPRISE VALLEY RESOURCE CONSERVATION DISTRICT CONSTITUTING THE DISTRICTS' RESOLUTION OF APPLICATION TO THE MODOC LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR THE CONSOLIDATION OF THE CENTRAL MODOC RESOURCE CONSERVATION DISTRICT AND THE SURPRISE VALLEY RESOURCE CONSERVATION DISTRICT.

**RECITALS**

**WHEREAS**, the Boards of Directors of the Central Modoc Resource Conservation District ("RCD"), located in Alturas, California, and the Surprise Valley RCD, located in Cedarville, California (the Parties) desire to initiate a proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5 of the Government Code ("Cortese-Knox-Hertzberg Act") with the Modoc Local Agency Formation Commission ("Modoc LAFCO") for the Consolidation of the RCDs as specified herein; and

**WHEREAS**, the Parties have agreed to initiate the Consolidation with Modoc LAFCO by adoption of this Concurrent Resolution; and

**WHEREAS**, Government Code section 56853 provides in part that, in the case of an concurrent consolidation, Modoc LAFCO shall approve, or conditionally approve, the proposed Consolidation; and

**WHEREAS**, notice of intent to adopt this Concurrent Resolution of Application has not been given to Modoc LAFCO, or to any interested agency or subject agency; and

**WHEREAS**, this proposal is consistent with the Spheres of Influence for the Central Modoc and Surprise Valley Resource Conservation Districts

**WHEREAS**, the boundaries of the territory included in the consolidated RCD will be the combined territories of the Central Modoc RCD and the Surprise Valley RCD, as described in Exhibit "A", attached hereto and incorporated herein by this reference; and

**WHEREAS**, the proposed Consolidation is consistent with the spheres of influence of all affected local agencies; and

**WHEREAS**, the territory included in the consolidated RCD is inhabited, as defined in the Cortese-Knox-Hertzberg Act; and

**WHEREAS**, the Parties desire that the proposed Consolidation be subject to the following terms and conditions of the consolidation are set forth herein:

- a. The name of the consolidated RCD shall be the Modoc Resource Conservation District.
- b. The consolidated RCD is intended to achieve greater economy and efficiency in providing RCD services for resource conservation issues. The Parties have determined that it is in the best interest of the Parties to consolidate in order to provide better service to the residents of the consolidated RCD.
- c. Pursuant to the provisions of California Public Resources Code section 9301.1, the Board of Directors of the consolidated RCD may be composed of seven (7) members appointed by the Board of Supervisors for overlapping four-year terms, as provided by law.
- d. All assets, unrestricted, restricted or fiduciary, held by the Parties, shall be transferred to and become assets of the consolidated RCD. The consolidated RCD shall be the successor agency to the Parties. The assets include, but are not limited to vehicles, the solar watering system, office equipment, water quality testing equipment and cash assets.
- e. All liabilities of the Parties shall be transferred to and become liabilities of the consolidated RCD.
- f. The effective date of the Consolidation shall be the date of recordation of the Certificate of Completion of the consolidation by Modoc LAFCO.
- g. Distribution of Services: The newly-formed Board of Directors of the consolidated RCD will authorize an annual work plan for services throughout the consolidated RCD; and

**WHEREAS**, the Parties hereby consent to the proposed Consolidation without election by the registered voters within their respective Districts; and

**WHEREAS**, the Parties find that the proposed Consolidation is categorically exempt from the California Environmental Quality Act ("CEQA") by virtue of Section 15320 of the State CEQA Guidelines (Class 20 Exemption) because the proposed Consolidation is a reorganization of local government agencies where the changes do not change the geographical area in which previously existing powers are exercised;

**NOW, THEREFORE**, the Boards of Directors of the Central Modoc RCD and the Surprise Valley RCD hereby find, determine, declare, resolve and order as follows:

1. The foregoing recitals are true and correct and are adopted as hereinabove set forth.
2. Modoc LAFCO is requested to undertake proceedings for the proposed Consolidation

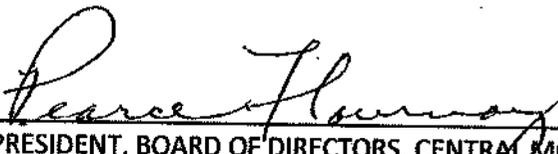
according to the terms and conditions stated above and in the manner provided in the Cortese-Knox-Hertzberg Act.

3. The President of the Board for each Party is authorized and directed to execute this Concurrent Resolution and any other documents as Modoc LAFCO may reasonably request to accomplish the consolidation initiated by this Concurrent Resolution.
4. The President of the Board for each Party is hereby, authorized and directed to perform any and all acts required to effect the consolidation initiated by this Concurrent Resolution, including, but not limited to preparation and coordination of the application to Modoc LAFCO.

**Central Modoc RCD:**

**PASSED AND ADOPTED** by the Board of Directors as a Resolution of the CENTRAL MODOC Resource Conservation District at a regular Board Meeting held on the 17th day of June, 2014 by the following vote:

AYES: 5  
NOES: 0  
ABSENT: 1

  
\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS, CENTRAL MODOC RCD

Attest: 

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**Surprise Valley RCD:**

**PASSED AND ADOPTED** by the Board of Directors as a Resolution of the SURPRISE VALLEY Resource Conservation District at a regular Board Meeting held on the 17 day of JUNE 2014 by the following vote:

AYES: 3  
NOES: 0  
ABSENT: 2

  
\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS, SURPRISE VALLEY RCD

Attest: 

This Concurrent Resolution is effective from the date last shown above.

Attachment B

PLAN FOR PROVIDING SERVICES  
IN CONNECTION WITH THE DISSOLUTION OF THE CENTRAL MODOC AND  
SURPRISE VALLEY RESOURCE CONSERVATION DISTRICT AND FORMATION OF  
THE MODOC RESOURCE CONSERVATION DISTRICT

The Proposed reorganization includes a portion of the unincorporated land within Modoc County and Lassen County and includes the City of Alturas.

1. Enumerate and describe the services to be excluded to the affected territory.

Resource Conservation Services currently being provided will be extended to the new district in accordance with the District's annual work program and strategic plan, as amended.

2. Specify the level and range of those services.

Specifically, the services are to be provided within the district territory will be at an enhanced level compared to services currently being provided

3. Indicate when those services can feasibly be extended to the affected territory.

The services are presently being provided to the reorganized area.

4. Indicate any improvements or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

The entire district area will have a voice in the formation of the annual work plan.

5. Provide information about how each of those services will be financed.

Funding for the newly formed district will be through agency partnerships, fees for services and grants



**NOTICE OF EXEMPTION - ATTACHMENT D**

**TO:** County Clerk  
County of Modoc  
Alturas, Ca

**FROM:** Modoc LAFCo  
P.O. Box 2694  
Granite Bay, CA 95746

**PROJECT TITLE:** Dissolution of the Central Modoc and Surprise Valley RCD's  
and concurrent Formation of the Modoc Resource  
Conservation District

**PROJECT LOCATION:** Eastern Modoc County & Northeastern Lassen County

**DESCRIPTION OF PROJECT:**

The proposed project involves the dissolution of the Central Modoc and Surprise Valley Resource Conservation Districts and formation of the Modoc Resource Conservation District.

**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, Changes in Organization of Local Agencies and 15061b (3) General Rule Exemption.

**REASONS WHY THIS PROJECT IS EXEMPT:**

This action is Exempt from the California Environmental Quality Act pursuant to Section 15301b of the CEQA Guidelines (Class 20) as the formation would not result in any change in services since the these districts already serve the affected territory and 15061 b (3) whereby this activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Since this formation is only affirming existing functions (resource conservation services), there is no possibility that this activity may have a significant effect on the environment since the services are already provided and no conditions have change nor could be change as a result of the Formation of the new District.

**CONTACT PERSON:**  
John Benoit  
Modoc LAFCo  
P.O. Box 2694  
Granite Bay, CA 96746

**TELEPHONE NUMBER:**  
(530) 233-9625

By : \_\_\_\_\_

**Resolution 2014-0008 of the**

**Modoc Local Agency Formation Commission**

*A Resolution Making Determinations and Approving the Dissolution of the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District and the Formation of the Modoc Resource Conservation District*

WHEREAS, A Concurrent Resolution of Application from the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District for the dissolution of the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District and the formation of the Modoc Resource Conservation District, as defined in the California Public Resources Code Division 9 Section 9001 *et seq.*, has been filed with the Executive Officer of the Local Agency Formation Commission of Modoc County, California and said application complied with all the requirements of law and the Commission; and,

WHEREAS, The Central Modoc and the Surprise Valley Resource Conservation Districts both circulated notices to agencies and interested parties including LAFCo and have adopted a notice of intention to adopt a resolution initiating LAFCo proceedings and have conducted public meetings based on their notification, and have received and considered comments presented at the the public hearings; and

WHEREAS, the proceedings for the district dissolutions and formations are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 *et seq.* of the Government Code; and

WHEREAS, it is the desire of the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District that the territory currently served and within these districts be included into the newly formed Modoc Resource Conservation District; 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 upon said application; and

WHEREAS, the Modoc Local Agency Formation Commission has adopted a new Sphere of Influence consistent with the formation of the new Modoc Resource Conservation District, and no new Sphere of Influence is required at this time; and

WHEREAS, the Executive Officer has reviewed the application and has prepared a report including staff recommendations thereon within the time required by law and has furnished copies of said report to the Commission and to all other persons required by law to receive it; and

WHEREAS, at a hearing on December 9, 2014, the Commission considered the proposal and the report of the Executive Officer; the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and all other relevant evidence and information presented at said hearing, including the comments of all interested parties desiring to be heard; and

WHEREAS, LAFCo, on behalf of the two districts, prepared and certified as the Lead Agency a Notice of Exemption for LAFCO Project # 2014-0002 on December 9, 2014 for the affected territory pursuant to the requirements of the California Environmental Quality Act (Section 21000 *et seq.* of the Public Resources Code).

**NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED** by the Modoc Local Agency Formation Commission as follows:

1. The foregoing recitals are true and correct.
2. The territory comprises approximately 11,485,906.8 acres more or less and is found to be inhabited.
3. The change of organization is assigned the following distinctive short-term designation: **LAFCo File 2014-0002 Modoc Resource Conservation District—Formation**
4. The Commission has reviewed and considered the information contained in the Notice of Exemption prepared for the Modoc Resource Conservation District for this change of organization and makes a specific determination that this environmental determination adequately addresses this change of organization. The Commission hereby affirms and incorporates by reference the decision as part of the findings for this resolution.
5. The Commission adopts and affirms the Notice of Exemption prepared by Modoc LAFCo on December 9, 2014 and directs the Executive Officer to file a Notice of Exemption as provided under the California Environmental Quality Act. Applicant shall be responsible for payment of any documentary handling fees required by the Modoc County Clerk or filing office.
6. The proposed Modoc Resource Conservation District is consistent with and coterminous with the existing Central Modoc and Surprise Valley Resource Conservation Districts and does not conflict with any other agency providing similar services.
7. The Commission adopts the determinations regarding consistency with LAFCO policies contained in the staff report for this project and incorporates them by reference herein.
8. The Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District formed pursuant to Section 9001 *et. seq.* of the Public Resources Code) are hereby dissolved and the successor district shall be the Modoc Resource Conservation District.
9. This change of organization includes all the territory shown in Exhibit "A" Modoc Resource Conservation District. The boundaries of the district, as set forth in the proposal, are hereby approved as described in Exhibit "A" attached hereto and by this reference incorporated herein.
10. The effective date of formation shall be upon the recordation of the Certificate of Completion and after the completion of all proceedings.
11. The Modoc Resource Conservation District shall be the successor agency to all rights, responsibilities, properties, contracts, assets and liabilities, and functions of the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District. Any professional service agreements and individual employments contracts will be evaluated consistent with the provisions as follows:

Any full-time or part-time employees of the dissolved Central Modoc Resource Conservation District and the Surprise Valley Resource

Conservation District shall become full-time or part-time employees of the successor agency with retention of salaries, seniority rights, vacation/sick leave accruals and accrual rates, retirement and other employee benefits applicable to the dissolved districts. Contract employees and professional service agreements will be evaluated, at the sole and exclusive discretion of the governing body of the newly formed Modoc Resource Conservation District, to determine whether they are essential to the ongoing operation of the District.

12. The successor agency shall function under and carry out all authorized duties and responsibilities assigned to a Resource Conservation District as outlined in the Section 9151 of the Public Resources Code and other applicable laws.
13. As applicable, all income from taxes, assessments or any other source, which has been a continuing right to tax distribution, or historical distribution or allocation of funds to each of the Districts to be reorganized, shall continue to be distributed to the Modoc Resource Conservation District.
14. The provisional appropriation limit of the Modoc Resource Conservation District shall be set in the amount as determined by the Modoc LAFCO for the first full fiscal year. This amount is to be set from the proceeds of taxes currently received by the Central Modoc Resource Conservation District and the Surprise Valley Resource Conservation District. As stated in Government Code section 56811, the permanent appropriations limit of the district shall be set at the first district election that is held following the first full fiscal year of operation. To the extent the district does not receive tax revenue the Modoc Resource Conservation District will be exempt from this requirement. The provisional appropriations limit for the Modoc RCD shall be zero.
15. All Assets, unrestricted, restricted or fiduciary, held by the Central Modoc and the Surprise Valley RCD's, shall be transferred to and become assets of the consolidated RCD. The consolidated RCD shall be the successor agencies to both RCDs. The assets include, but are not limited to vehicles, the solar watering system, office equipment, water quality testing equipment and cash assets.
16. Any previously authorized charges, fees, assessments, and/or taxes currently in effect, now levied or collected by each district, including improvement or assessment districts thereof, shall continue to be levied and collected by the successor Modoc Resource Conservation District.
17. All liabilities of the Central Modoc and the Surprise Valley RCD's shall be transferred to and become liabilities of the consolidated RCD (e.g. the Modoc RCD).
18. Reorganization of these two (2) districts shall not change the rights of the lands in the respective district as they existed immediately prior to the consolidation.
19. Pursuant to Public Resources Code Sections 9301 *et seq.* and 9201 *et seq.* the Board of Directors for the Consolidated District shall comprise of seven (7) members and all Directors shall be appointed by the applicable County Board of Supervisors (Modoc and Lassen County Board of Supervisors) based on the proportionate share of population within each county to serve overlapping four-year terms and all directors shall reside within the Modoc Resource Conservation District Boundaries.

20. The district shall provide the range of services authorized by the Resource Conservation District Law, commencing at Section 9001 of the California Public Resources Code. The newly created Board of Directors of the Modoc RCD shall authorize an annual work plan for services throughout the consolidated Modoc RCD.
21. The Sphere of Influence adopted by Modoc LAFCo (Resolution 2014-0006) on August 12, 2014 shall guide the Modoc Resource Conservation District and any Sphere of Influence Updates shall be required per Government Code 56425 (g).
22. LAFCO is the conducting authority for this formation. In accordance with the provisions of Section 56000 et.seq. of the Government Code and Modoc LAFCO Policies, If the Commission does not receive written protests prior to the close of the public hearing on December 9, 2014, the protest-hearing requirement pursuant to Government Code Section 57000 et seq. shall be waived and the change of organization is ordered complete. If written protests are received at the public hearing, the proposal shall be subject to protest proceeding thresholds in Government Code Section 57077.2. **As necessary, the Commission hereby directs the Executive Officer to schedule a protest hearing for this matter after the expiration of the reconsideration period specified by Section 56895; to conduct the hearing for this reorganization; and, upon completion of the hearing, to take action as appropriate in accordance with LAFCo Policies and the requirements of Chapter 3, Part 4 of Division 3 of the California Government Code.**
23. Five sets of copies of all exhibit maps, two 8 1/2 reductions of all maps and electronic copies shall be submitted to LAFCO prior to the recordation of the Certificate of Completion.
24. Approval of this reorganization is conditioned upon the applicant's obligation to defend, indemnify, and hold harmless the Modoc Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the Commission or its agents, officers, and employees; including all costs, attorney's fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this annexation. The Modoc Local Agency Formation Commission shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.
25. Unless otherwise waived, all LAFCO, Modoc County and State of California fees must be paid in full prior to filing the Certificate of Completion. LAFCO will forward invoices and (or) a list of estimated required fees or deposits to the agency prior to filing the Certificate of Completion.
26. The Executive Officer is hereby directed to transmit a certified copy of this resolution to each affected agency, as provided in G.C. Section 56882.
27. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings.
28. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated.

Resolution 2014-0008  
Formation of the Modoc Resource Conservation District  
Modoc LAFCO

The foregoing resolution was duly passed by the Modoc Local Agency Formation Commission at a regular meeting held on December 9, 2014 by the following roll call vote:

Ayes:

Noes:

Abstains:

Absent:

Signed and approved by me after its passage this 9<sup>th</sup> day of December 2014

\_\_\_\_\_  
John Dederick, Chair  
Modoc LAFCO

Attest:

\_\_\_\_\_  
John Benoit, Executive Officer

