

LASSEN COUNTY LOCAL AGENCY FORMATION COMMISSION
Board of Supervisors Chambers 707 Nevada Street Susanville, CA 96130

REGULAR MEETING
August 10, 2015 - 3:00 p.m.

Meeting was called to order at 3:00 p.m. by Vice Chairperson Wilson.

Roll call of members present: Jim Chapman, Jeff Hemphill, Rod De Boer and Vice Chairperson Brian Wilson. Absent: Chairperson Todd Eid.

Staff Present: John Benoit, Executive Officer and Gwenna MacDonald, Clerk.

Motion by Commissioner De Boer to approve the agenda as submitted; Commissioner Hemphill provided a second and the motion carried. Ayes: Chapman, Hemphill, De Boer, and Wilson. Absent: Eid.

Election of Chair and Vice-Chair for Fiscal Year 2015/2016

Motion by Commissioner Chapman, second by Commissioner Hemphill to retain the current Chair and Vice-Chair appointments; motion carried. Ayes: Chapman, Hemphill, De Boer and Wilson. Absent: Eid.

Correspondence

There was no correspondence.

Minutes

Motion by Commissioner De Boer, second by Commissioner Chapman, to approve the minutes of June 8, 2015; motion carried. Ayes: Chapman, Hemphill, De Boer and Wilson. Absent: Eid.

Public Comments

There were no public comments.

6. Public Hearing: Dissolution of County Service Area #2 / Johnstonville Water System

Mr. Benoit reported that County Service Area #2 was originally established to provide alternatives for water services that the residents in the Johnstonville area had not pursued. The City of Susanville and County of Lassen effected a transfer of ownership of the water system, and service to Caltrans, the sole customer, is being provided by the City of Susanville so it is necessary to dissolve the County Service Area.

At 3:05 p.m. Vice Chairperson Wilson opened the public hearing and requested comments from the public. There being no comments, the public hearing was closed at 3:06 p.m.

Motion by Commissioner Chapman, second by Commissioner De Boer, to approve the dissolution; motion carried. Ayes: Chapman, Hemphill, De Boer and Wilson. Absent: Eid

At 3:06 p.m. Chairperson Eid entered and assumed his seat on the dais.

7. Implementation of the Herlong Municipal Services Review and Sphere of Influence

Mr. Benoit explained that pursuant to the passage of AB-2838, a Municipal Services Review and Sphere of Influence update were completed and approved by LAFCO for the Herlong Area in August and October of 2014. The conclusions for the SOI were to establish a zero sphere of influence for the West Patton Village CSD which signified an anticipated dissolution of the CSD and consolidation of the District's functions to be passed on to another agency. The SOI also called for an expansion of the Herlong Public Utilities District's sphere to include the entirety of the West Patton Village CSD, indicating that HPUD would be the anticipated successor agency to provide services to West Patton Village customers. A year has passed since the adoption of the Spheres of Influence, and he stated that the negotiations between the two agencies to effectuate the consolidation have stalled.

The West Patton Village currently provides water distribution, wastewater collection, fire and emergency medical services, street lighting and library services. The Herlong Public Utility District provides water treatment and distribution and wastewater collection and treatment, and as a public utility is restricted on the provision of certain services, specifically library services. Mr. Benoit reviewed the options to consolidate, which include a Change of

Organization initiated by the affected agency or the Lassen County Board of Supervisors, by a petition of at least 25 percent of the registered voters residing in the affected territory, or it may be initiated by LAFCO. In this case, while LAFCO has the authority by law to initiate the dissolution of the WPVCSD, LAFCO would be required to pay all the associated costs including legal costs and he expressed his concerns regarding potential legal exposure. Mr. Benoit described the process of consolidation and formation of a new Community Services District that could provide all of the services to the residents. Mr. Benoit concluded by stating that a dialog between the Districts with the Commission would be productive in moving the process of consolidation forward, and invited questions and statements from those in attendance.

Commissioner Wilson asked if the respective Boards have voted to approve the consolidation.

Mr. Benoit responded that they have, however he has not yet received the necessary application to initiate the process.

Chairperson Eid invited comments from the public.

Pat Williams, HPUD Manager, informed the Commission that both Boards voted to support a consolidation however there were a few issues that they could not reach an agreement on, including the size of the new Board and how to address the issue of staff consolidation. The current size of the Board is five members, and LAFCO has the power to temporarily increase membership during the transition period.

Commissioner Chapman explained the oversight process required by law when consolidation occurs. When dealing with an older board and a newer board which will overlap and have different objectives, it was the intent to allow a temporary increase in the Board membership in order to offer the opportunity for both existing Boards to work together during the consolidation process. When the election time comes, five members would then be appointed to serve on the successor board which is decided by the voters in the community through the election process.

Vivian Peterson, Secretary/Manager for West Patton Village, stated the West Patton Village district just celebrated their 46th anniversary. She discussed the history behind the formation of the Sierra Army Depot and the longevity and service of several of the Board members.

Chairperson Eid stated that the Commission values the experience and input from the WPV, and asked how they envisioned moving forward through the consolidation process.

Ms. Peterson acknowledged that there had probably been some statements made on both sides that had created difficulty, and they recognize that Herlong is changing and the Depot is no longer providing the services that they did for years, and the WPV has been doing its best to provide services to the community. The discussion regarding board membership had resulted in the belief that the HPUD does not want any members from the WPV Board serving on the new Board, while the WPV Board believes that retaining advisory capacity is necessary through the transition process.

Eula Johnson, President /Board member, West Patton Village, supported the concept of the two Boards coming together, stating that it is important to have representatives for both areas working together. Incumbents have the advantage when it comes to an election, but ultimately it is about what is best for the community and the WPV Board recognizes that HPUD as a Public Utility District has certain advantages that result in the ability to provide better services for the residents. A huge concern and question is what happens to paid staff that have worked hard, over the years for the District.

Ms. Peterson requested clarification regarding how the election process would work for the establishment of a new Board.

Commissioner Chapman explained that under consolidation, a temporary increase in membership would be authorized so that both Boards could work together and make the necessary decisions regarding the consolidation process. By the time the next general election comes, the Board would be listed on the ballot as a five member Board with all five seats up for appointment. It would be up to the Board members to campaign and participate in the election process and there would be the formation of a whole new Board elected by the people. The relative cost sharing for a November 2016 election would also be very low as there will be a number of items on the ballot.

Commissioner Wilson asked those in attendance if there was an application for consolidation forthcoming.

Pat Williams responded that a draft resolution has been prepared, however the issue of board size and staffing have been the sticking points.

Felix Flores, President HPUD, stated that merging the two Boards saves money, and he does not see the benefit in increasing Board membership. At the last election, the HPUD Board had four seats available and the WPV members declined to run for a seat.

Theresa Turek, Director WPV, stated that she ran for a seat on the West Patton Village Board in order to do what she could for the community, and she talks to a lot of constituents. The elderly in particular are extremely worried about costs increasing and if it would help to combine the two Boards in order to provide better service and save costs then it would make sense, however it is not a fair solution to just dissolve the West Patton Village Board and allow no input from them regarding the consolidation process. She indicated that they were waiting for a resolution to come from HPUD so they can sit down and discuss as a Board.

Commissioner Chapman stated that there is a provision in the Government Code which would allow taking action now, but delaying implementation until the following election in 2016. That would allow the West Patton Village to continue to function, for HPUD to do the same, and then let the voters decide who the actual board will be, and the actual merger would take place then. The value in that option is not forcing the two Boards to work together between now and the election.

Erik Neesman, citizen, has been involved for five years in trying to address existing problems in the West Patton Village service area. He recognizes that the West Patton Village has the institutional knowledge and experience and is concerned about people losing their jobs, and that HPUD has the technology and knowledge in a different capacity. He is concerned with disaster preparedness, training, emergencies, and said that WPV is still running the District the old way, which is resulting in a number of safety issues and things not being completed up to Code. The laws and technology today are different than they were 40 years ago, and he is very frustrated for the public. It is important for the two Boards to put aside their differences and work together before someone gets hurt.

The Commission discussed the process required if LAFCO initiated the consolidation, and the concerns regarding legal exposure and keeping the residents informed throughout the process through public hearings, meetings, and the merits of increasing membership on the Board.

Commissioner Chapman suggests holding the public hearings in Herlong during the evening to allow better attendance and not disenfranchise voters

8. Payment of Claims: June and July 2015

Motion by Commissioner Hemphill, second by Commissioner De Boer, to authorize payment of claims for June and July 2015 in the amount of \$7,402.79; motion carried unanimously. Ayes: Chapman, Hemphill, De Boer, Wilson and Eid.

9. Honey Lake Valley RCD MSR and SOI

Mr. Benoit referred to the Grand Jury report regarding the Honey Lake Valley, and discussed moving forward with the MSR and SOI. There are some significant challenges with functionality, utilizing the water master service, and the documents prepared will provide several options for moving forward.

14 Executive Officer Report

Mr. Benoit provided the following updates:

- Meyers Healthcare District Annexation: Mr. Benoit stated that Shasta LAFCO is currently looking for an Executive Officer, and he has not received any updates regarding the annexation;
- Fall River Mills FPD/McArthur FPD/Northwest Lassen FPD Sphere of Influence: Mr. Benoit is working with representatives from the Fire Protection Districts to move forward with the reorganization;
- Big Valley Water Users Legislation: The Big Valley water users have been affected by a decree in Modoc Superior Court and are working with Modoc LAFCO on the process of forming water districts.
- Capistrano Taxpayers Assoc. Inc. v. City of San Juan Capistrano is a published decision regarding tiered water pricing which will be an evolving issue for many State water districts.
- SB-88 Water Districts Consolidation Mr. Benoit briefly explained the affect passage of SB-88 will have on Water Districts.

15 Commissioner Reports

Motion by Commissioner Chapman, second by Commissioner De Boer to adjourn until October 5, 2015; motion carried unanimously. Ayes: Chapman, Hemphill, De Boer, Wilson and Eid.

The meeting adjourned at 4:25 p.m.

Todd Eid, Chairperson

Approved _____

Gwenna MacDonald, Recording Secretary