

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

REGULAR MEETING
August 14, 2018 - 3:00 p.m.

Meeting was called to order at 3:00 p.m. by Vice Chair Franco

Roll call of members present: Chris Gallagher, Jeff Hemphill, Brian Wilson, Jim Chapman and Vice Chair Franco. Absent: Todd Eid.

Staff Present: John Benoit, Executive Officer, Jennifer Stephenson, Assistant Executive Officer and Ruth McElrath, Administrative Staff Assistant.

Election of Chair and Vice-Chair for FY 2018-2019

a. Election of the LAFCo chair for FY 2018-2019 - Motion by Commissioner Hemphill, second by Commissioner Gallagher to table the item until Chair Eid was in attendance.

b. Election of the LAFCo Vice Chair for FY 2018-2019 – Motion by Commissioner Hemphill to appoint Joe Franco as Vice-Chair; Commissioner Gallagher provided a second and the motion carried. Ayes: Hemphill, Wilson and Eid. Absent: Franco and Gallagher.

Approval of Agenda

Motion by Commissioner Hemphill, second by Commissioner Wilson, to approve the agenda as submitted; Motion carried. Ayes: Hemphill, Wilson, Gallagher and Franco. Absent: Eid.

Correspondence None.

Minutes

Motion by Commissioner Hemphill, second by Commissioner Gallagher to approve the minutes of the June 11, 2018 meeting; Motion carried. Ayes: Hemphill, Gallagher, and Franco. Absent: Eid. Abstain: Chapman.

Public Comments No comments.

Discussion regarding the Standish Litchfield Fire Protection District activities with Chief Mike Fuller

Chief Fuller was not in attendance and the matter was tabled.

Clear Creek Community Services District Commissioner Gallagher said he requested the item be placed on the agenda because there is currently a situation where there are four board members on the Clear Creek Community Services District Board who are split in their decisions. As a result, they aren't able to get any business done, nor is there an adopted budget. They are waiting for the election, but the question is, what can they do between now and November.

Commissioner Chapman stated he didn't believe it was LAFCo's role to intervene in squabbles between district members. He continued that the board has an obligation to govern the district and if it fails to do so, the only option, if the voters chose to do so, would be to dissolve the district. To side with one camp or the other goes outside the bounds of what LAFCo is about.

There was general discussion that the Board of Supervisors could send the same message, but the Board of Supervisors can't dissolve a district like LAFCo can.

Commissioner Franco stated that while he agreed LAFCo shouldn't interfere, he thought that sending a letter telling the board to do its job wasn't getting in the middle of the situation.

Kathy Hunter, CSD Board Director, stated they are seeking advice and assistance. She asked if LAFCo has the authority to assign a different board member to be the chair until the election.

Commissioner Chapman stated there are some instances where a seat can be declared vacant if a non-performing board member misses three consecutive meetings without a legitimate excuse. He continued that it's one thing for a board to be split two to two, but it is another matter when people don't show up to conduct business and there are remedies for that.

Mr. Benoit advised Ms. Hunter that the District should retain legal counsel.

Commissioner Wilson stated the easiest route would be to have the Board of Supervisors appoint someone to the position until the election.

Commissioner Chapman explained that there is a window of opportunity for when a seat is declared vacant. The District board has the chance to fill the vacancy, but if they fail to meet the time frame, then it goes to the Supervisors. If the Supervisors fails to act, then it goes to the next election.

Motion made by Commissioner Gallagher, second by Commissioner Hemphill to direct Mr. Benoit to write the District a letter weighing in on the options of what could occur if business doesn't go on regularly. Motion carried. Ayes: Gallagher, Hemphill, Wilson, Chapman and Franco. Absent: Eid.

There was discussion that all five seats are up for election due to appointed seats having to go to election and 11 people were running.

Mr. Benoit stated he will write the letter, but part of it will explain that LAFCo is limited in what it can do in this respect, but it does have a lot of authority in other aspects such as suggesting dissolution or a merger. He continued that there are also a lot of constraints for things to have to happen.

At this point, LAFCo could even require a protest hearing or an election to dissolve the District. He further explained that Senate Bill 244 was passed and requires the State Controller's Office to send LAFCo letters as a notification to declare districts inactive and ask them to dissolve a district if it does not have an annual audit. While SB 244 does allow for some considerations for LAFCo to determine a district is still active, on the other hand it states that districts failing to act on their corporate powers is grounds for LAFCo to cause a dissolution proceeding.

Mr. Benoit stated that ideally, we would like to see a board elected in November and work together.

He also advised that the District consult with counsel before adopting any bylaws because there are matters, such as the Brown Act and Conflict of Interest that need to be legal when they are adopted.

Review Draft Lassen Modoc County Flood Control and Water Conservation District (LMCFCWCD-Service Review (MSR) and Sphere of Influence (SOI)

Mr. Benoit explained the district was created by the legislature in the 1950s for the Alan Camp Reservoir. The District's boundaries incorporate all of Lassen County and a portion of Modoc County. The District has a 10-member board of directors consisting of both the Lassen and Modoc Boards of Supervisors, and over the years, zones have been created for the purposes of groundwater management. The District has taken on managing 85 groundwater meters, which costs money to monitor and change them out.

Both Counties generate the budget, with about 90 percent of the revenue coming from Lassen County and 10 percent coming from Modoc County. The district has provided minimal services and has a fund balance of \$144,000 based on his recent figures from last year.

Mr. Benoit stated that in the last several years, the state adopted groundwater legislation (SGMA) which allows Counties to enter into MOUs to manage these groundwater sustainability areas. He stated he found it interesting that the District is monitoring water in a tiny area of its boundaries, yet the District was formed for a different purpose.

Another issue Benoit said he has is why are the tax-payers' dollars of Susanville paying for the groundwater monitoring. Even though Susanville is part of the District, he didn't feel it was appropriate because SGMA allows approving a groundwater monitoring area that the people in that area pays for, not people outside of the area.

It was his recommendation that the Sphere of Influence be reduced to zero and that LAFCo entertain a resolution from the Lassen and Modoc Board of Supervisors to consider dissolution of the district and have a GSA or JPA monitor the area for groundwater management for the landowners because they are the ones that should be monitoring their own. He stated the District is not doing what it was intended to do.

Commissioner Franco questioned if the groundwater sustainability has recently changed quite a bit.

Mr. Benoit confirmed that it has.

Commissioner Franco asked Mr. Benoit if he anticipated any further groundwater monitoring.

Mr. Benoit confirmed and said there will have to be a lot of groundwater monitoring.

Vice Chair Franco responded that was his feeling as well and it was probably going to evolve into something more onerous than what has been done in the past and it could be pretty timely having this evolve into some other format such as a JPA.

Commissioner Chapman also provided a detailed history about the District. He stated he believed it would be a mistake to hijack the district for the purpose of groundwater management. The District was created to be a vehicle for building the Allen Camp Dam and managing the resources around that particular reservoir and those are the issues that the Board should be focusing on.

Commissioner Franco asked if the District fell under LAFCo jurisdiction.

Mr. Benoit responded that LAFCo has to do a service review and Sphere update.

The matter was continued to the next meeting and staff was directed to continue working on the item.

Biennial Conflict of Interest Review

Mr. Benoit explained that he wants to hold a public hearing at the October meeting to update the Conflict of Interest Code. Staff will then turn in the biannual review with the statement.

Motion by Commissioner Hemphill, second by Commissioner Chapman to schedule the matter for the next meeting. Motion carried. Ayes: Hemphill, Chapman, Wilson, Gallagher and Franco. Absent: No

Commissioner Chapman stated he thought it was an item that should be updated on a more frequent basis.

Designate Joe Franco to represent Lassen LAFCo to vote on matters at the CALFCo annual conference on October 3-5, 2018

Motion by Commissioner Gallagher, second by Commissioner Wilson authorizing Vice Chair Franco to serve as a voting member and Mr. Benoit to serve as the second at the CALAFCo conference. Motion carried unanimously. Ayes: Gallagher, Wilson, Chapman, Hemphill and Franco. Absent: Eid.

Authorize Payment of Claims for June and July 2018 Motion by Commissioner Hemphill, second by Commissioner Wilson to approve the payment of claims for June and July 2018. Motion carried unanimously. Ayes: Gallagher, Wilson, Chapman, Hemphill and Franco. Absent: Eid.

Executive Officer’s Monthly Report

A. Seating Special Districts on LAFCo - Mr. Benoit explained the law has changed regarding seating special districts on LAFCo. There are about 28 special districts in Lassen County and many are members of the California Special Districts Association. Mr. Benoit continued explaining that he has been developing a matrix to determine what it would cost for the special districts to come into LAFCo and assuming the current budget, they would have a round cost of about \$20,000. If a special district became LAFCo members, they would appoint two members and an alternate, just like the County and City do.

B. Fire and Ems Service Review – Mr. Benoit stated he wants to start on the review this year and he will send the old Service Review to all the districts for their review and update.

C. Big valley recreation District (Community Services District) Service Review – Mr. Benoit explained that he is working on a service review for the district. He continued that the district didn’t send in an audit to the State Controller’s office and he expected LAFCo would receive letters regarding districts that didn’t file an audit and if they haven’t done so, the State will LAFCo to dissolve them and then it will have to be determined if they meet the criteria to be dissolved.

Commissioner Chapman said a lot of the districts struggle to cover their normal operations and at the end of the day, an audit is going to cost \$3,000 to \$4,000. Those districts are caught between a rock and a hard place and that is why they don’t see audits from them.

Commissioner Gallagher stated that is why special districts should be on LAFCo. He said there was a bill that addressed districts similar to this and it allowed a lesser of an audit every five

years. He continued that the problem is, these groups need to know what their responsibility and options are and they have to communicate those with the auditor or auditor's office.

In closing his report, Mr. Benoit stated he is working on the Big Valley Weed Abatement as there is a weed management area from Big Valley to the Modoc County line.

Commissioner Reports No business.

Adjournment Motion by Commissioner Hemphill, second by Commissioner Gallagher to adjourn until October 16, 2017; motion carried. Ayes: Hemphill, Gallagher, Chapman, Wilson and Franco. Absent: Eid.

Motion by Wilson, second by Chapman to adjourn the meeting.

Meeting adjourned at 4:25 p.m.

Joe Franco, Vice Chair

Approved _____
Ruth McElrath, Administrative Staff Assistant