

PLUMAS LAFCO MEETING MINUTES

**MONDAY, December 8, 2014
BOARD OF SUPERVISORS CHAMBERS
PLUMAS COUNTY COURTHOUSE
QUINCY, CALIFORNIA**

1. CALL TO ORDER - 10:00 a.m.

Present: John Larrieu, Terry Swofford, Kevin Goss, Phil Oels, John Hafen
Also Present: Sherrie Thrall, Pat Morton, Jeffrey Greening, John Benoit
Absent: None

2. Approval of Agenda

Motion to approve the agenda as written for December 8, 2014 made by Vice Chair Kevin Goss, seconded by Commissioner Oels. Unanimous approval; motion approved.

3. Correspondence

Benoit had received some correspondence which he will cover under item 13C on the agenda.

4. CONSENT ITEM(S)

a. Vice-Chair Goss moved and Commissioner Swofford seconded to approve the October 6, 2014 minutes as submitted. Unanimous approval, motion carried.

5. Public Comment

Chair Larrieu opened the meeting for public comment. No public comment; public comment period was closed.

6. Authorize payment of Claims for November, 2014 and ratify claims for October, 2014

a. Commissioner Oels moved for the approval for the payment of November, 2014 claims and the ratification of October, 2014 claims. Vice-Chair Goss seconded. Unanimous approval; motion carried.

7. Continued Ongoing Discussion regarding Service Review Content, the LAFCo Act and Plumas LAFCo policies. (Continued discussion from previous LAFCo meetings).

Benoit reminded the Board that this item is on the agenda because of public comment regarding the MSRs. Commissioner Hafen asked if LAFCo needs to ask their contractors to do anything special for the MSRs. Benoit states that we can ask the contractors to beef up the financial sections. Hafen is concerned that the same problem that occurred with IVCS and CPUD could happen again. What can LAFCo do about it? Can LAFCo send the district a letter about consolidation? Benoit says LAFCo can recommend they dissolve or we can initiate a consolidation. First we would do an MSR and a sphere update, give the district a zero sphere and combine the two districts. Then if LAFCo wants to initiate a consolidation, we would hold a public hearing that would be subject to the voters having the final say. Benoit reminded the Board that in order to do more with the MSRs, we would need to substantially increase the legal fees in the budget. Hafen continues to express his concern over the districts that do not have balanced budgets or are providing misleading information in the MSRs. Vice Chair Goss recommends that citizens become more involved with these districts and attend the meetings on a regular basis in order to achieve true transparency. Hafen asked about the East Quincy Services District and Quincy Services District consolidation. Benoit said they actually did consolidate, but one district backed out because of personnel issues. Who was going to be the Manager? Personnel issues are always the stickiest issues with any consolidation. Alternate Sherrie Thrall asked if more can be done; a letter is not sufficient to prod a district to get in compliance. Hafen asked if LAFCo could send the Executive Officer to the appropriate district board meeting(s). Jesse Lawson from Indian Valley CSD spoke and offered his assistance with training other districts to help prevent future abuses from happening. Hafen asked what can LAFCo do now? Benoit responded 1) LAFCo needs to do the service review, 2) Adopt the MSR, 3) Benoit would visit or write a letter to the appropriate districts as necessary. Hafen asked to increase the budget for legal fees for next year.

PUBLIC HEARING:

8. Service Review for Districts within Central Plumas County more or less including services provided by the Central Plumas Recreation and Park District, Crescent Mills Cemetery District, Crescent Mills Lighting District, Greenville Cemetery District, East Quincy Community Services District, Indian Valley Healthcare District, Indian Valley Recreation and Park District, Plumas Healthcare District, Taylorsville Cemetery District, County Service Area 6 – Genesee Valley, and County Service Area 11 – Ambulance.

- a. Review the Service Review (MSR), provide suggestions for exclusion or inclusion in the Service Review, Conduct Public Hearing and continue the Public Hearing until 10:00 a.m. February 9, 2015 for adoption to afford the

district Board of Directors ample time to comment.

Oxsana Wilson and Jennifer Stephenson from Policy Consulting Associates LLC presented Service Reviews. Some of the items looked at were the present and planned capacity of public facilities and adequacy of public services (including infrastructure needs or deficiencies), location and character of DUCs within or contiguous to the agency's SOI, growth and population projections for the affected area(s), financial ability of agencies to provide services, status of and opportunity for shared facilities and accountability for community service needs, including governmental structure and operational facilities. Copies of the Service Reviews were provided to each LAFCo Board Member. Benoit asked for a review deadline date of January 16th. Any comments on the Service Review need to be to John Benoit by that date.

ACTION ITEMS:

- 9. Review and Ratify Administrative Order 2014-0001 thereby approving an out of area service for the Eastern Plumas Services District to provide sewer and water services to property operated by Plumas Rural Services at 711 East Main Street in Quincy.**

Benoit drafted an Administrative Order allowing Eastern Plumas to provide services to Plumas Rural Services. It is a typical order that would allow Eastern Plumas to service this area. There are some caveats: it would require them to file an application for annexation, if the proceedings are not completed within a year, the agreement would expire. The terms and conditions are within the body of the order.

- 10. Set Hearing Date of February 9, 2015 for the Sphere of Influence for the Crescent Mills FPD and fire services provided by the Indian Valley CSD.**

Benoit says they're talking about merging, but we can at least adopt this as an "interim sphere." Another reason to do the spheres now is if there is an annexation in either district, they won't be able to do it unless the spheres are in place. Jesse Lawson from Indian Valley CSD is hoping this will help motivate the two districts.

- 11. Discussion regarding the Calafco Conference in October**

Benoit states that one really important note is when a change of organization is approved; LAFCo needs to be sure to have proof of a water supply as well. Benoit was hoping to learn more about the groundwater legislation there, but the classes did not provide the information he was looking for. The conference was leaned more toward Southern California's take on water. Chair John Larrieu spoke briefly about the water supply issues as well. He was also surprised at the

number of lawsuits that have cropped up over Sphere of Influences. Benoit says that Scott Browne wrote an article that Benoit thought was very informative: “An Inconvenient Truth: What CIQA Requires and Many LAFCo’s Ignore for Preparing Sphere Updates”. Benoit says that it’s very apropos for what Plumas LAFCo deals with.

12. Discussion of the Property Tax Exchange Process and possible action thereon.

Benoit: There’s been a history of guidelines for property tax exchanges in Plumas County. The current policy states that the burden is put on the applicant. The Assessor and the Auditor both have work to do in a property tax exchange. The County is then supposed to contact the agency to negotiate the tax agreement and there are guidelines that are supposed to be followed. The issue Benoit has come across; there is no person at the County that is the point of contact to contact the district and draft the resolution. Usually it’s an administrative type of person. Benoit is requesting the County have at least two board members to look at this policy and develop a new policy to help the districts and the public to get this done. There needs to be a way to make the process flow more smoothly. Benoit says this is not LAFCo’s role – it is the County Counsel that needs to work this out with the Board of Supervisors. Benoit says he has an annexation to be done in LaPorte that can’t move forward because of this. Alternate Sherrie Thrall says the Board of Supervisors is very aware of this problem; part of the issue is that the CAO was the point of contact, and there is no CAO at this time. She also says the County policy will not negotiate the base; only an incremental increase for the tax rate.

Dennis Clemens spoke as a taxpayer living in a subdivision in American Valley that was approved for development without annexation into any fire department. The subdivision is in the process of seeking annexation into Quincy Volunteer Fire Protection District. They expect to negotiate a tax exchange with the County. The subdivision is very unhappy about having to spend \$7,000.00 because of the County’s past negligence. Dennis did want to compliment the Commission on reducing the annexation fee by 50% for LAFCo’s fee. Dennis says the County tax exchange guidelines of 2007 were written at a time when the CAO and Board were hostile toward annexations. The guidelines seem to be intended to discourage annexations. They’re out of sync with the supportive attitudes and positive actions of the current board for the last several years. Things have changed, for the better. Dennis believes the County guidelines can be pared down to just one item; items 2, 4, 5 and 7 are either common sense or required by LAFCo anyway. Items 3 and 6; the County has no authority to pose the items that are described. Item 3: The County can’t require the district to impose a special tax or assessment on the taxpayers. Prop 218 clearly puts that authority firmly in the hands of taxpayers. Item 6: The County can’t dictate to an independent district what it must do. Item 8: Needs to be deleted. This leaves item no. 1, which says that the County will not share any portion of the county tax base on an

increment, but does not explain why. Dennis asked that it be re-written to explain why.

Benoit says the bottom line is that LAFCo doesn't have the authority to revise the County guidelines; it is a County issue. Benoit highly recommends the County appoint a point person for contact.

Craig Settlemire points out that there is a difference between the process and the policy. The process: who is the contact person? The policy: What, if any, does the County share from the County's share of the ad valorem tax? The County can impose some conditions on what is being shared. The County can revisit the guidelines and determine whether or not changes need to be made.

Sherrie Thrall says they can definitely put this issue on the agenda for the next Board of Supervisors meeting.

13. Executive Officer's Report

- a) There is one pending change of organization in LaPorte. There is another one regarding Dennis Clemens' subdivision.
- b) Benoit received some pending updated Spheres of Influence from some districts and he'll be bringing those up in the next few months.
- c) All LAFCo can say is when we do an annexation, we do noticing of previously authorized taxes or assessments by district that may extended into a newly annexed area. It's in the law. LAFCo is not requiring the taxes or assessments or fees.
- d) Plumas LAFCo's new website is www.plumaslafco.org.

14. Commissioner Reports - Discussion.

Chair Larrieu asked if any of the Commissioners had any reports to give. Seeing none, Chair Larrieu closed the Commissioner Reports Discussion period.

15. Adjourn to the next LAFCO meeting – February 9, 2015 at 10:00 a.m.

The next meeting will take place on February 9, 2015. Chair Larrieu adjourned the meeting at 11:57 a.m.