

**PLUMAS LAFCO MEETING MINUTES**

**MONDAY, February 8, 2016  
PLUMAS COUNTY BOARD OF SUPERVISORS CHAMBERS**

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

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

**2. Approval of Agenda**

Agenda approved as printed.

**3. Correspondence**

None.

**4. CONSENT ITEM(S)**

a. Commissioner Hafen moved and Commissioner Oels seconded to approve the December 14, 2015 minutes as submitted. Unanimous approval, motion carried.

**5. Public Comment**

Dennis Clemens offered an update on the Chandler Ranch Subdivision Annexation Application. He is a homeowner there and is serving as a member of the Quincy Fire Protection District's committee negotiating an agreement on the tax exchange between the Fire District and the County. On September 8<sup>th</sup>, Assistant Fire Chief David Windle and Dennis Clemens met with the County Counsel, the Auditor and Supervisor Goss to negotiate a tax exchange for the fire district. In mid-October, they received a letter from County Counsel stating that the County would not agree to a tax exchange unless the fire district would agree to 1) impose a buy-in for assets already in place, 2) impose a fee to cover the cost of extending services and 3) impose an additional parcel tax which would be commensurate with the ad-valorem property taxes generated in the district prior to the passage of Prop 13. Mr. Clemens states the County has no authority to compel an independent special district to do any of the above; furthermore, before the process began, the district had already considered and rejected the buy-in due to the unique set of circumstances surrounding this proposed annexation. As for fees and parcel taxes, the district has no authority to impose fees or taxes. Prop 218 clearly vests that authority with the property owners. At the end of October, within the extended negotiation period, Fire District Board Chairman Mike Taborski responded to the County Counsel's letter and requested that the matter be submitted to the Board of Supervisors for a vote. Included was a proposal for the Board to consider: shift 7.455% of increment to the fire district. 7.455% is the average of the tax rate areas in the fire district that have a tax rate assigned to them

(not all TRA's have a tax rate assigned to them). It has been more than three months since Mr. Taborski responded to the Counsel's October letter and the matter has not received the Board of Supervisors. There has been very little communication since. Mr. Clemens states that he believes a big part of the problem is that the County negotiating team is hindered by outdated guidelines, which was discussed at the December 2014 LAFCo meeting. Mr. Clemens requests that their fire district receives a share of the ad valorem property taxes, as all the other districts do. Mr. Clemens will return in April to the Plumas LAFCo meeting with an update. Alternate Thrall requests this item be put on the April agenda so the Plumas LAFCo board may respond.

**6. Authorize payment of Claims for January, 2016 and ratify claims for December, 2015**

- a. Commissioner Oels moved for the approval of the payment of January, 2016 claims and the ratification of December, 2015 claims. Vice-Chair Goss seconded. Unanimous approval; motion carried.

**7. Continued discussion regarding Healthcare districts in Plumas County: Commissioners Thrall and Greening – Continued**

- a. John Benoit started the discussion by stating that Tom Hayes from Eastern Plumas Healthcare and Jeffrey Kepple from Plumas District Hospital were absent today and Linda Wagner from Eastern Plumas Healthcare wanted to bring people from her district, so the discussion would be limited. In terms of consolidation, John Benoit had two other items he wanted to discuss and there's a common thread between all three of these items. We can discuss the pros and cons and just what is LAFCo's authority and consolidation and some of the options for consolidation LAFCo can do to be encouraging and proactive in a re-thinking of how LAFCo does things. Benoit points out there just isn't the population base to support so many districts. Benoit reminded the board that when LAFCo does a sphere, they are sending a clear signal that this is what LAFCo would like to see happen. It can be in geographic area, it can be in policy, or after the sphere is adopted LAFCo can send out a letter to the district and ask the district for an update of progress in six months. Commissioner Hafen has some concerns regarding the difference between consolidation and cooperation. Benoit says that consolidation is a hardline approach that LAFCo wants to see some progress toward consolidation. LAFCO can let the districts know that before consolidation, LAFCo would like to see certain things happen. Hafen asked what would happen if LAFCo did a zero-sphere for one of the districts. Benoit responded that there would have to be a plan for who would take over the services first. Benoit states that Eastern Plumas will be providing LAFCo with a presentation, which Linda Wagner confirmed that John Marshall, the CFO for Eastern Plumas Healthcare, will be presenting a "Reimbursement 101" class for Plumas LAFCo at the April meeting. Alternate Thrall handed out some information. Over the last number of months, Alternate Thrall and Alternate Greening have been working on the healthcare issue and gathering the demographic data. Thrall states the obvious trend everywhere in Plumas County is aging population and declining population. The California Dept of Finance has projected out based on current

trends that from 2010 to 2060, Plumas County will see a loss of 3,061 additional people, which puts Plumas County around 16,000 people county-wide by 2060. Thrall states that this touches on every discussion LAFCo will have. As LAFCo is looking at special districts, at this point they're just not sustainable. The County can't tell special districts, so that leaves LAFCo with the only type of authority to do this. Thrall introduced the 2010 Population Density map of Plumas County and reminded the Board of the population areas within the county, and what would be considered "opportunity areas," or areas for population growth. Thrall states that nobody wants their hospitals to close, but nobody wants to do a forced consolidation either, but what we want to see is enough pressure put on the healthcare districts to cooperate and collaborate. Thrall states that LAFCo has the power and the means to force a consolidation if they start to see failure. Thrall is in 100% support of a county-wide sphere for healthcare. Thrall has been going to Seneca Healthcare's meetings, and believes it would be really good for LAFCo could acquire some financial information from the other two districts. On a positive note, Thrall attended a meeting the other day with the admin for the hospital districts and the Chair of the Board to look at county mental health dollars to look at things like Cal-Med at the districts. They're coming up with a consolidated, collaborative, cooperative proposal to come to County Mental Health with the potential for that funding. There is positive movement, which Thrall believes some of which is a result of LAFCo opening the lines of communication. The class in April is a result of a meeting between Thrall and Hayes regarding the finances of the healthcare districts. Commissioner Hafen pointed out that it won't make any difference if LAFCo understands hospital funding if the hospital districts fail. Hafen says changing hospital reimbursement rates will never happen. Thrall states that's not what she's recommending, but rather that LAFCo recognizes this is one of the factors in why a district may be struggling. Alternate Greening agrees with Alternate Thrall in doing one county-wide sphere of influence to look at the whole picture and anticipate and address a solution. Linda Wagner, CEO of Seneca Healthcare District, pointed out that LAFCo is failing to recognize that the districts have already collaborated with each other through sharing of services. For example, they have an OBGYN who does one day a week in Chester and four days a week in Quincy. They also share a Pharmacist, a Dietitian and a Surgeon. They are aware of these difficulties and they are addressing them amongst themselves. Commissioner Hafen states that he doesn't mean to imply they aren't doing anything, but perhaps they're doing the wrong things. He pointed out what was lost in October and November. Linda Wagner responded that they budget for a loss in the winter months because they have a gain in the summer months. They already share some of their administrative services; they've lost their Health Information Manager, so they're looking at contracting with the Plumas HIM person. They are already looking at ways to cut their expenses. Alternate Greening points out that when we're referring to a sphere, what the sphere does is it makes everyone responsible for Plumas County, not just Lake Almanor, Quincy or Portola. The question of consolidation is only if it becomes imminently necessary; otherwise LAFCo is looking at everyone collectively. Linda Wagner states they're all already within one district, under the umbrella of Plumas County Healthcare Collaborative and the Plumas County Health

District and they're already working together. Benoit responded that they're working on it. Remember a sphere is a probable boundary that the commission establishes for a particular area. A sphere does not mean they would have to consolidate. It's something that would be revised every few years, and they've already done part of the first step. Benoit would like to see some financials. Linda says the finance person will be at the next meeting to review the financials and put them in layman's terms. The meeting after that Benoit would prepare a draft sphere report with sphere policies and a sphere map and then hold a public hearing. There are other alternatives to a consolidated sphere, which we'll talk about as well. Greening says that once we get the financials, we can look at doing a sphere, which is an extended process. LAFCo is then monitoring what's going on. Benoit will do a draft sphere and workshop for the April meeting. Discussion continued to next meeting in April.

#### **CONTINUED PUBLIC HEARING:**

- 8. Continued Public Hearing for the Sphere of Influence (SOI) update for the Crescent Mills FPD and for fire services provided by the Indian Valley CSD and sphere of influence update for services provided by the IVCSO. (Continued from February 9, June 8, October 5, 2015 and December 14, 2015).**
  - i. Benoit spoke with the volunteers and introduced Chris Gallagher, Manager of Indian Valley Community Services District. Benoit recommends doing a sphere of influence for fire services within the entire Indian Valley. Not a specific sphere for Crescent Mills, but a consolidated sphere. The consolidation between the two districts is not going to happen. This would send a signal to them that this is what LAFCo wants to see. In order for this to happen, Indian Valley Community Services District would have to divest itself of fire services and it would either be annexed to Crescent Mills or the creation of a fire district within Indian Valley to do just fire. Right now there are lots of issues they're working out. Benoit says he thinks we should let them work it out as a forced consolidation would likely fail. Right now they're collaborating on various things including training. Commissioner Hafen questioned why Indian Valley would have to divest itself of fire services. Benoit said it's been in the law for 30 years. Indian Valley would have to do a lot of due diligence, such as apportioning out how much property taxes go to water and sewer services. Another part of this item is the sphere of influence for parks, water and sewer. Right now the recommendation for water, sewer and parks is the same as the fire protection district with the exception of the area for the water treatment plant and a couple of other small areas as well. Other options would be to dissolve Crescent Mills Fire and have them annex into Indian Valley CSD. Benoit doesn't think it's feasible. Hafen asked for a status update on their discussions. Steve Allen was not present at their meeting on Sunday. Benoit was at the meeting and says his impression is that consolidation is not going to happen now but they're willing to work together on a few things. Chris Gallagher, GM at IVCSO gave an update. The board is interested in having Crescent Mills join with them, but they have no interest in forcing Crescent Mills to join. Gallagher doesn't see any advantage in divesting

themselves of the fire services and creating another bureaucracy. Gallagher says they are willing to help them, and will go forward if they wish to come to IVCSO in the future. Benoit said another option would be to have Crescent Mills contract with IVCSO for fire services. Alternate Greening asked how solvent and functional is Crescent Mills at this point. Benoit is under the impression they have no money. Steve Allen says they manage to work within their budget and save a few dollars each year. Personnel is a difficult matter as it is volunteer based. Crescent Mills board is open to discussing options but is not willing to commit to anything yet as there is too much not known at this time. Benoit recommends passing a resolution for a sphere of influence for fire and emergency medical services within Indian Valley and a separate sphere of influence for water, wastewater, parks and street lighting for Indian Valley CSD.

- a. Commissioner Oels moved to approve Resolution 2015-0007, establishing a SOI for fire and emergency medical services within the Indian Valley area of Plumas County. Vice-Chair Goss seconded. Roll call vote taken; unanimous approval; motion carried.
- b. Commissioner Oels moved to approve Resolution 2015-0008, establishing a SOI for water, wastewater, parks and street lighting for the Indian Valley CSD. Commissioner Swofford seconded. Roll call vote taken; unanimous approval; motion carried.

**NEW PUBLIC HEARINGS:**

**9. Public Hearing regarding the Sphere of Influence Update for the Walker Ranch and Hamilton Branch CSD's.**

Benoit has been working with Mike, the Manager at Hamilton Branch. LAFCo did the Fowler annexation about a year ago. The sphere boundary maps and report were done at that time, and these two had an overlapping sphere but now there's not. The only change between the existing sphere is the Fowler annexation, which is not in the sphere but in the district.

- i. Mike Barney, Manager at Hamilton Branch CSD. The area discussed is the area just north of Hamilton Branch near the Cove Drive location in the Trailhead Subdivision. It is not developed yet but there is some infrastructure in place. There is an area within the subdivision which has two separate and adjacent districts. Hamilton Branch CSD requests that all the water services within the Trailhead Subdivision be included in the Walker Ranch CSD. Hamilton Branch CSD has just enough water right now to provide services to existing customers without stressing their current supply. Alternate Thrall concurred with including in Walker Ranch CSD.
- ii. Vice-Chair Goss moved to approve Resolution 2016-0001, adopting a Sphere of Influence update for the Walker Ranch CSD and the Hamilton Branch CSD. Commissioner Swofford seconded. Roll call vote taken; unanimous approval, motion carried.

**10. Public Hearing regarding the Sphere of Influence Update for the Beckwourth County Service Area.**

Benoit has been working the Public Works Director regarding the Beckwourth CSA. The CSA never included the airport in the original sphere of influence. Benoit recommends including the airport in the SOI.

- a. Alternate Thrall concurs with including the airport in the sphere of influence update. No other public comment.
- b. Commissioner Swofford moved to approve Resolution 2016-0002, adopting a Sphere of Influence update for the Beckwourth County Service Area. Vice-Chair Goss seconded. Roll call vote taken; unanimous approval, motion carried.

**11. Continued discussion regarding Consolidation of Cemetery Districts in Plumas County – Commissioner Hafen - Continued**

- a. Vice-Chair Goss and Jennifer Stephenson had two meetings with Greenville and Taylorsville Cemetery Districts. Taylorsville had some concerns: Crescent Mills isn't collecting property tax to go toward their cemetery district (due to a Prop 13 issue). There is a concern on Greenville's management. Money is also a concern; where and how the money would be distributed. Taylorsville has some issues they're trying to address. They have some money in their bank account, which they've been advised to put to use in upgrading their cemetery and installing a sprinkler system. There were supposed to be some representatives from Taylorsville today but they were not present. Jennifer's impression was that the atmosphere was one of "we're just fine" and they seemed very defensive of their money and their cemetery and had no interest in consolidation at all. Their annual revenue is \$11,000 in Taylorsville. They have quite a bit of reserves. They talked about sustainability and the ability to provide services in the future. Jennifer felt it was a very productive meeting and it was well-attended with approximately 10 people in addition to the Taylorsville Cemetery board. Even though the consolidation discussion was not as productive as hoped, Jennifer and Kevin both felt the meeting was successful as far as opening the lines of communication. Commissioner Hafen pointed out that it wasn't long ago that the Taylorsville board could not tell LAFCo how much money they had or who had been buried recently, etc. Goss replied that they have done a complete about-face and really have taken control of the situation. Alternate Greening asked how Greenville's Cemetery District is doing economically. Goss replied that they're not doing as well as Taylorsville. Greening asked if they could stay afloat doing business as they are now. Goss replied they have a bookkeeper doing their books and a half-time person doing maintenance at the Cemetery. Taylorsville has one individual for maintenance as well, working a lot less hours than Greenville. Alternate Thrall asked why Crescent Mills isn't receiving property tax because they were established long before Prop 13. Jennifer Stephenson responded that they didn't believe at that moment they were receiving property tax. Dennis Clemens stated that he came across a similar situation in his research for the Chandler Road Ranch annexation, and some of the districts back in 1975-76 had a nice

surplus in their bank accounts at that time so they didn't collect any property tax, which meant that in future years they didn't collect anything. Benoit will present some sphere options in a sphere report, setting a consolidated sphere for some of the cemetery districts. Right now there are 50 cemetery districts in Plumas County, which is way too many for a County of this size. Proposals to be presented at April meeting.

**12. Authorize staff to attend the Calafco Annual Workshop in Los Angeles.**

Vice-Chair Goss moved to authorize Benoit to attend the Calafco Annual Workshop in Los Angeles on March 30<sup>th</sup> through April 1<sup>st</sup>. Commissioner Swofford seconded. Unanimous approval; motion carried.

**13. Appoint the Plumas LAFCo Budget Committee (2 Commission members) for next year's upcoming 2016-2017 fiscal year budget.**

Commissioner Swofford nominated Phil Oels and Kevin Goss to be on the budget committee. Vice-Chair Goss seconded.

**14. Discussion of Annual Work Plan for Fiscal Year 2016-2017 and provide direction to staff.**

The work program is fairly simple; there are approximately 14 or 15 spheres which Jennifer Stephenson is working on. Benoit and Stephenson will be continuing those and specifically looking at healthcare districts, fire and CSD's in Indian Valley and Quincy as well. Alternate Thrall asked if we could establish a line item to start budgeting a small amount each year to carry forward toward these larger projects.

**Executive Officer's Report**

Benoit reminded the LAFCo board to file the Form 700's with the County Clerk by April 1<sup>st</sup>. Benoit also will be doing the October training on June 13<sup>th</sup> on managing special districts. The County Counsel and Auditor will also be presenting. Meeting will be held at the Quincy Library.

**15. Commissioner Reports – Discussion**

Commissioner Swofford states that the County has been working with CareFlight for the last 6-8 months. CareFlight will be able to fly into Beckwourth, and they'll be putting up a fuel station for CareFlight there as well.

**16. Adjourn to the next LAFCO meeting – April 11, 2016 at 10:00 a.m. at the Plumas County Board of Supervisors Chambers.**

The next meeting will take place on April 11, 2016 at the Plumas County Board of Supervisors Chambers. Chair Larrieu adjourned the meeting at 11:29 a.m.