

LASSEN COUNTY LOCAL AGENCY FORMATION COMMISSION
City Council Chambers 66 N. Lassen St. Susanville, CA 96130

REGULAR MEETING
Monday, June 10, 2024

Meeting called to order at 3:03 p.m. by Chair Eid.

Members present: Commissioner Neely, Commissioner Miller, Commissioner Schuster, Vice Chair Gallagher and Chair Eid.

Staff Present: Jennifer Stephenson, Executive Officer, and Ruth McElrath, Building Permit Tech.

2. Approval of Agenda: Motion by Commissioner Schuster, seconded by Vice Chair Gallagher to approve the agenda as submitted. Motion carries. Ayes: Schuster, Gallagher, Miller, Neely and Eid.

3. Correspondence: None

4. Approval of the April 8, 2024, LAFCo minutes Motion by Commissioner Gallagher, seconded by Commissioner Schuster to approve the April 8, 2024 meeting minutes. Motion carries. Ayes: Gallagher, Schuster, Miller, Neely and Eid.

5. Authorize payment of claims for April and May 2024 Motion by Commissioner Gallagher, seconded by Commissioner Schuster to authorize payment of claims. Motion carries. Ayes: Gallagher, Schuster, Neely, Miller and Eid.

6. Public Comment: None

7. Seating Special Districts on LAFCO Ms. Stephenson shared she gave a presentation at a special district meeting, and it was fairly well attended. A copy of the presentation is included in the board packet. She stated the feedback was very positive about districts wanting to join LAFCo. It was, however, brought up that it would be financially difficult and demanding for certain districts.

She included an attachment about potential allocations for each district. Larger districts with larger budgets would contribute 75 to 80 percent of the districts' share. It was asked if it would be possible for different allocations, which government code does allow for.

Ms. Stephenson explained the Commission is considering today whether it's interested in offering a different funding allocation to the special districts.

She continued explaining that special districts can be seated on LAFCO and about half of the LAFCOs in California have special districts seated on them. It would be two representatives from all special districts and an alternate, so it would be a seven-person commission as opposed to five.

Currently, LAFCO's budget is split 50/50 between the city and county. With the addition of special districts, the budget would be 1/3 for each. There is an alternative funding structure, but it is up to the Commission to decide.

There was discussion regarding which districts are interested in joining.

Chair Eid commented that any district willing to put their opinion in and be part of the process, that's a positive.

Vice Chair Gallagher said after working with a special district, it is important to have them on LAFCO because they have a different perspective than the city and county. Districts have to be run specifically.

Commissioner Schuster asked what the other advantages are to the city and county.

Vice Chair Gallagher responded the budget would be an advantage and getting a perspective you probably wouldn't get. The City doesn't deal with wastewater, which is an important thing to understand. RCDs deal with things most of us don't deal with at all.

Ms. Stephenson added a lot of what LAFCo does affects special districts - service reviews on how they provide services and giving recommendations. Any change of organization application that comes to LAFCO would be a decision about a special district LAFCO is making without the perspective of a special district. LAFCO could also potentially initiate a dissolution of a special district.

There was discussion about the budget. The city and county paid close to \$32,300. Under a 1/3 scenario it would be about \$21,500. Under a 1/5 scenario the county and city would pay \$25,800 and special districts would pay close to \$13,000.

The Commission held general discussion about the funding shares and what some of the districts' costs would be.

Commissioner Neely commented he likes the special districts having a seat, but he's not seeing they are all in favor.

Mr. Claypool stated this is the first the districts have heard about it.

Commissioner Neely states he knows they have been trying to get the word out.

Chair Eid said districts that are underfunded aren't interested in sitting at the table, a 33 percent interest is high.

Gallagher asked if it is required for each district to vote, or can they just allow the ones who are interested in being involved.

Ms. Stephenson responded they all vote to join and if it's a simple majority, they are all included. The Commission held further discussion regarding the fee schedule and interested districts.

In conclusion, Ms. Stephenson said the board needs to decide today on whether it approves the alternative funding request and at the next meeting they will come back and decide whether to reinstate districts whether to join or not.

Motion by Vice Chair Gallagher, seconded by Commissioner Schuster to approve a 42/42/16 percent split. Motion carries. Ayes: Gallagher, Schuster, Neely, Miller and Eid.

Ms. Stephenson said she will send a request to the city and county with a draft resolution and hopefully there will be more discussion at their level.

8. Public hearing to consider final FY 24-25 Budget

Ms. Stephenson explained LAFCo is required to adopt a proposed budget in April and then a final budget by June 15. There is no difference between the proposed budget and the final budget. The proposed budget was approved in April.

Ms. Stephenson stated the budget has a slightly higher contribution from the city and county due to a lower rollover balance. It's not an actual increase, just a lower rollover.

Inflation was 3.9 percent, and the contribution from the city and county goes up by 7.75 percent. Each line item is justified and there is very little difference from year to year, Ms. Stephenson explains.

She adds there is a regular increase in CALAFCO fees. This year the Commission adopted an increase for travel for conferences because there are much higher costs to provide the conferences than in previous years.

Public hearing opened at 3:40 p.m.

Public hearing closed at 3:40 p.m.

Motion by Commissioner Gallagher, seconded by Commissioner Schuster to approve the 24-25 budget. Motion carries. Gallagher, Schuster, Neely, Miller and Eid.

9. Little Valley Community Services District Ms. Stephenson explained she was notified the Little Valley CSD is going to vote to close its doors. It is a small district with about 40 water connections. Only half of those connections make regular payments. The monthly rate is \$23, and the PG&E bill is several thousand dollars monthly so the rates aren't even covering the electricity.

She continued explaining there isn't an operator, and the fire chief has been taking care of the system and shutting off connections, however, people are breaking in and turning them back on. They've drawn down their savings and have about \$7,000 left.

Ms. Stephenson contacted the state who said the district only has one active violation and that is because they didn't have a certified operator. Now that they have an in name only operator, that violation will go away. The state does not have reason or impetus to do anything to support the district. Any of the options through the state would take a year or two.

Ms. Stephenson said she spoke with the county, and it does not want anything to do with it. When she has seen other districts go under, particularly with a public safety or public health issue, the county becomes the receiver and helps the district get back on its feet. In this case, there is zero interest in doing anything to support the district and they were fine letting it shut down and tagging lots with no water service.

Vice Chair Gallagher asked if the district could be bought by a private company.

Ms. Stephenson responded yes, but a successor agency has to be named in the reorganization effort. She added it's hard to recommend adopting the resolution saying they are shutting down because there is not a viable successor agency to take it over right now.

She explained she also contacted Fall River CSD, and the general manager said if there was money involved and they could ensure it's a viable system that could be self-sustainable, they would be happy to help.

The other option is letting the system go and pile up the violations so the state will come in and do something.

There is a potential we could do a municipal service review, identify all the issues and what the most feasible options are at this point, Ms. Stephenson concluded.

It was recommended the district be added for the next municipal service review.

10. MSR Work plan for FY 24-25 Ms. Stephenson said Susanville Sanitary District's is already drafted, but they were waiting for Spalding to be complete. The Commission will be seeing that in about a month and then hear it at the August meeting.

After holding discussion, the Commission approved prioritizing Honey Lake Resource Conservation District, the Bieber Water District, Honey Lake TV and the Lassen Library.

11. CALAFCO Board Nominations – Ms. Stephenson explained Lassen is part of the northern region of Calafco, and a city and public member position are opening up. The matter can be tabled until the next meeting because it's not due until Sept. 16. An interested member will be nominated and there will be an election at the next conference.

12. CALAFCO Legislative proposal Ms. Stephenson explained she is on the legislative committee for CALAFCO, and they put out a call for legislative proposals. One thing she has considered is that three of her four counties do not have adjudicated newspapers in print.

There are public noticing requirements for LAFCOs for a handful of actions that require publishing, in print, in the county it affects. Even printing in neighboring county newspapers does not comply with the law, but there are no other options.

She put together a proposal to make an exception for counties that don't have an adjudicated newspaper in print and allow posting them online.

Commission is unanimous in its support of the proposal.

13. Appoint public member alternate

Ms. Stephenson stated she has not received any letters of interest. She recommends spreading the word because that is generally how they get public members. The person cannot be an officer of the city, county or special district.

14. Executive Officers Report

- A. Staff Workshop- Ms. Stephenson shared that she attended a staff workshop in April, and there were a lot of good sessions. She was also part of a presentation on fire reorganization in Eastern Plumas County.
- B. Susanville SD MSR – The MSR will be considered at the August meeting.
- C. Website Update – Ms. Stephenson said she took part in a website ADA compliance session, and she has moved forward with having the website updated. In addition, she was able to compile a special district page with links to their website. Maps and chapters of the recent MSR's will also be there.

15. Commissioner Reports: None

16. Adjourn: Motion by Vice Chair Gallager to adjourn at 4:15 p.m.

Todd Eid, Chair

Ruth McElrath, Building Permit Technician

Approved _____