Les Baugh
County Member

Irwin Fust
Special District Alternate

Larry Farr
City Member

Pam Giacomini
County Member Alternate

James Yarbrough
City Member

Brenda Haynes
Special District Member

Rick Bosetti
City Member Alternate

Dick Fyten
Public Member

David Kehoe
County Member

Bob Richardson
Public Member Alternate

Stephen Morgan
Special District Member

Jan Lopez
Executive Officer

MINUTES
Commission Meeting June 5th, 2014
Shasta County Board of Supervisors Chambers

(These minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

1. CALL TO ORDER

a. Presiding as Chairman, Vice Chairman Morgan called the meeting to order at 9:01 a.m. at the Board of Supervisors Chambers at the Shasta County Administrative Building, 1450 Court Street, Redding, California.
Present: Chairman Baugh arrived at 9:12, Vice-Chairman Morgan, Commissioners Farr, Fyten, Haynes, Kehoe, Yarbrough.
Staff Present: Executive Officer Jan Lopez, Attorney Jim Underwood, Office Manager Kathy Bull, and Clerk Linda Romig.

b. Commissioner Farr led the Pledge of Allegiance.

2. PUBLIC COMMENT

Tom Wallace, a home owner in the Mountain Gate area, stated the reason for the Mountain Gate reorganization application was to be able to have a property gain access to Mountain Gate water. The county wants to keep the area for fire service. He stated concern that the fire issue can be a problem with approving the water area and cause an issue with further development.

The Executive Officer explained the process and noted that LAFCO is not involved in the negotiations with other agencies.

3. ADOPTION OF AGENDA

a. Additions, Changes – None provided.

b. Meeting Protocol – Meeting protocol was not offered.

c. Business/Campaign Conflict Disclosures – No conflicts were disclosed.

Chairman Baugh arrived to the meeting at 9:12 a.m. and presided over the remainder of meeting.

Chairman Baugh revisited Agenda Item 2 – Public Comment. Arne Hultgren expressed some concerns regarding the annexation of the Deschutes Road project. Chairman Baugh referred this matter to Agenda Item 9 d.

4. SPECIAL PRESENTATIONS

None provided.

5. CONSENT CALENDAR

a. Approval of minutes
   1) May 1, 2014 special meeting

b. Financial reports and statements:
   1) Financial Report – Year to Date

Motion to accept the Consent Calendar Items was presented by Vice-Chairman Morgan, seconded by Commissioner Kehoe and passed unanimously by the following votes:
Ayes: Baugh, Farr, Fyten, Haynes, Kehoe, Morgan, Yarbrough.
Noes: None
Abstain: None
Absent: None

6. PAYMENT OF CLAIMS

a. RE E/O Work: 2013-04 Deschutes Reorganization
b. RE E/O Work: 2013-03 Union School Road Reorganization

Included in the agenda packet was a summary of expenses on costs pertaining to Deschutes Reorganization and Union School Road Reorganization. Ms. Lopez stated the claims submitted included work done between February and May.

Chairman Baugh stated Ms. Lopez had been asked by the Commission to completely detail the source of the income and the expense against that income be identified. The report addressed everything the Commission asked for.

Motion to approve the Claim Items was presented by Commissioner Haynes, seconded by Vice-Chairman Morgan and passed unanimously by the following votes:
Ayes: Baugh, Farr, Fyten, Haynes, Kehoe, Morgan, Yarbrough.
Noes: None
Abstain: None
Absent: None

7. CORRESPONDENCE

a. Newsletters: None

b. Correspondence:
   Ms. Lopez commented on a letter received from CALAFCO. Both Ms. Lopez and Ms. Bull attended the CALAFCO Staff Workshop in Berkeley in April. The main topic was the Municipal Service Reviews and Sphere of Influence Updates.

8. COMMISSION COMMITTEE REPORTS

a. Fiscal Committee

b. Executive Committee

Fiscal Committee Meeting included Commissioners, Baugh, Fyten and Morgan. The Executive Committee Meeting included Commissioners Baugh, Morgan and Haynes. Ms. Bull spoke to financial issues and Ms. Lopez spoke to agenda items.

Vice-Chairman Morgan disclosed that the year to date fiscal report was found to be up to date, very precise and thanked Ms. Bull for the concise report. He also shared his appreciation of Ms. Lopez and Ms. Bull for the way this was presented to the Fiscal Committee. The Fiscal Committee approved the report and are very pleased with it.

Chairman Baugh reported that the results of the Executive Committee Meeting was the agenda for this meeting.

9. SCHEDULED PUBLIC HEARINGS

a. SOI/MSR Update Hearings:

1) Tucker Oaks Water District

The Municipal Services Review & Sphere of Influence Update report was included and circulated with the agenda. Ms. Lopez informed the Commission of services provided by the District includes; water service, waste water and sewage disposal service to 34 residential areas.

Vice-Chairman Morgan noted on page 7 of the report, item 5 needs to read City of Shasta Lake, not Shasta Lake City. Also within the same paragraph, the statement Redding's current sphere of influence needs to be corrected.

Commissioner Haynes stated on page 10 under 7 a second sentence reads incorrectly.

Commissioner Farr stated on page 7 of the report, item 5 the paragraph is the same as in Mountain Gate CSD report with the exception of the last sentence.

Commissioner Fyten stated on page 10 of the report, item 7 d the city of Anderson needs to be included.

Hearing was opened to the public. Ann, who lives in Tucker Oaks area, shared concerns about water service in the proposed annexation area. Hearing was closed to the public.

Motion to accept the Municipal Service Review and Sphere of Influence with corrections was presented by Commissioner Yarbrough, seconded by Vice-Chairman Morgan and passed unanimously by the following votes:
Ayes: Baugh, Farr, Fyten, Haynes, Kehoe, Morgan, Yarbrough.
Noes: None
Abstain: None
Absent: None

2) Mountain Gate Community Services District

The Municipal Services Review & Sphere of Influence Update report was included and circulated with the agenda.
Vice-Chairman Morgan noted on page 11 of the report, item 6 needs to read City of Shasta Lake, not Shasta Lake City.

Commissioner Farr noted corrections to be made on page 4 of the report the last paragraph under item 3, second sentence is incorrect with the date of 1989 with the District being annexed. Shasta Dam Public Utility needs to read Shasta Dam Area Public Utility. Resolution 96-01 needs to be listed as LAFCO resolution. On page 8 of the report, second paragraph, reads Wonderland Blvd in Redding, CA and needs to be corrected, also on page 11, second paragraph. Page 11 item 6 reads 1987 with the date being incorrect.

Hearing was opened to the public. Jeff Cole, Manager, Mountain Gate CSD stated the amount of water received is 50% of a three year average which equates to 333 acre feet. Ground water is few and far between and rely on the lake water as the biggest source. Residents have been asked to voluntarily cut back 25% water use.

Tom Wallace, resident in the Mountain Sphere of Influence, expressed concern that his well has run dry. He also mentioned his address is Redding. There is also concern regarding issues with property tax exchange.

Mike Hebrard, Unit Chief for CAL Fire Shasta-Trinity Unity and Chief for Shasta County Fire Department mentioned on page 8 third paragraph on Provision of Fire and Emergency Services needs to read 73 at Shasta College and not Station 43. The hearing was closed to the public.

Ms. Lopez defined the term annexation. Pending today is the affirming of the sphere of influence boundary for the district without any changes.

Motion to approve the Municipal Service Review and Sphere of Influence with corrections was presented by Vice-Chairman Morgan, seconded by Commissioner Kehoe and passed unanimously by the following votes:
Ayes: Baugh, Farr, Fyten, Haynes, Kehoe, Morgan, Yarbrough.
Noes: None
Abstain: None
Absent: Farr

b. Application/Proposal Hearings:

1) LAFCO #2013-03 – Union School Road Reorganization
Chairman Baugh asked legal counsel for direction as this item had been rescheduled. Attorney Underwood stated rescheduled hearings that were agendized are not agendized for the purpose of deliberations or discussion or action by the commission. The public may provide comments if the Commission wishes, staff can provide updates, however the Commission cannot deliberate or take action.

Ms. Lopez informed the Commission that the property tax exchange proceedings are still ongoing. Once the process has been concluded, a certificate of filing and hearing can take place.

Chairman Baugh opened the meeting to the public to address this issue. Chris Kobe thanks Ms. Lopez for rescheduling the hearing. He discussed an issue with the property tax exchange process with the Shasta County regarding time lines in legal noticing. Chairman Baugh clarified that the LAFCO Commission does not negotiate nor direct negotiations between entities.

Tom Wallace, homeowner questioned if Ms. Lopez had previously explained that if the people affected by the annexation want it to happen then it will happen. Ms. Lopez addressed the question, stating it is the concept that the majority of people that negates the ability to protest or force an election and it was just shy by 1 to have 100%, so the reorganization itself is in good shape. Mr. Wallace asked, if the county maintains their position of unwillingness to give up the fire area and LAFCO will only accept the application for both water and fire, then residences won't get the water annexation they wanted. Chairman Baugh answered the question be stating LAFCO can receive those requests, LAFCO cannot mandate those requests.

Jeffrey D. Cole, Manager, Mountain Gate CSD commented that if LAFCO could inform agencies of a property tax exchange with the county up front, it would help solve some issues. Meeting was closed to the public.

c. Continued Hearings: None provided.

d. Conducting Authority Hearings:

1) LAFCO #2013-04 – Deschutes Reorganization
Chairman Baugh stated the hearing was rescheduled and asked legal counsel to clarify the process for the community. Attorney Underwood stated because this item was rescheduled it is not agendized for the purpose of deliberations or discussion or action by the commission. The Commission can hear comments from interested member of the public. Ms. Lopez explained the reason for the rescheduled hearing informed the Commission that the property tax exchange proceedings are still ongoing. At the previous meeting, a conditional resolution was adopted. The parties are in the process to resolve any issues.

Chairman Baugh asked for reason protest hearing not moving forward. Ms. Lopez explained negotiations were not finalized at the county level, and any possible actions could be different than the adopted resolution, which would have to be then readdressed.

Chairman Baugh stated the Commission did take an action which mandated a move forward. Attorney Underwood explained circumstances surrounding issues, such as modifying the adopted resolution. The Commission could have proceeded with a conducting authority hearing, however, there was significant questions as to it being productive.

Chairman Baugh opened the meeting to the public.

Arne Hultgren, Roseburg Forest Products commented that the past year has been a learning experience with the nuances of LAFCO. He shared concerns for not being informed the hearing was cancelled.

Meeting was closed to the public with no action taken by the Commission.

e. Annual Budget Hearings:
1) Executive Officer Report
2) Final Hearing to Adopt Fiscal Year 2014-2015 LAFCO Budget

Ms. Lopez discussed the Final LAFCO Budget for Fiscal Year 2014-2015 LAFCO which was included and circulated with the agenda. It was mentioned that two revenue generating applications were received for this fiscal year and six pending revenue generating applications for next fiscal year which is an increase from previous years.

Chairman Baugh stated the budget was "first order work". The budget process was well thought out, recommended for approval by the fiscal committee with figures and facts that can be counted on. Chairman Baugh also shared his appreciation for Ms. Lopez and Ms. Bull for the excellent work. Hearing was then opened to the public and with no public response, hearing was closed to the public.

Motion to approve the published budget was presented by Commissioner Kehoe, seconded by Vice-Chairman Morgan and passed unanimously by the following votes:
Ayes: Baugh, Farr, Fyten, Haynes, Kehoe, Morgan, Yarbrough.
Noes: None
Abstain: None
Absent: None

Chairman Baugh noted LAFCO may offer its first reduction in agency fees in the next fiscal year.

10. NEW BUSINESS – None provided.

11. OLD BUSINESS – None provided.

12. EXECUTIVE OFFICER REPORT

a. Administrative & Operations
   1) Staffing
   2) Operations

The Staff Report was included and distributed with the agenda. Ms. Lopez spoke about a few of the items in the report including; developed and implemented a master plan for completion of municipal service reviews and sphere of influence updates; hours of operation; increased transparency; completing proper public notices; settlement of the Fall River issue; internal reviews updated and implemented by the Office Manager, Ms. Bull; improved safety of file storage; updated software programs; contract employee services in the interim and looking at permanent employees the following fiscal year

Vice-Chairman Morgan, thanked Ms. Lopez for the concise report and also thanked legal counsel, Jim Underwood for all the hard work and legal expertise.

Commissioner Fyten commented that the success of LAFCO are a large part of Ms. Lopez success.

b. Other Staff Reports – None provided.

13. CLOSED SESSION

a. Pursuant to Government Code Sections 54956.9 and 54956.9(c), the Commission entered into closed session at 10:33 a.m.

   1) Potential Litigation

b. Return from closed session to open session at 11:17 a.m. Attorney Jim Underwood stated there were no reportable actions.

14. COMMISSIONER ANNOUNCEMENTS

Commission Kehoe stated relative to the statements of Chairman Baugh concerning the disposition of Item 9. d., he was in complete agreement with those observations.

15. STAFF ANNOUNCEMENTS

a. The LAFCO Commission meeting scheduled for Thursday, July 4, 2014 has been cancelled. The next scheduled LAFCO Commission meeting will take place Thursday, August 5, 2014 at the Anderson City Hall Council Chambers.

16. ADJOURMENT

There being no further business, Chairman Baugh adjourned the meeting at 11:18 a.m.

ATTEST:

K. Bull

Kathy Bull
Acting Clerk to the Commission

DATE: 8-7-2014

APPROVED:

Steve Morgan

Steve Morgan
Chairman

DATE: 8-7-14