

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

### MINUTES

#### Special Meeting – February 07, 2008

(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.)

#### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Chairman Webster called the meeting to order at 10:00 a.m. at Redding City Hall, 777 Cypress Ave, Redding, CA. Commissioners Kehoe, Webster, Gover, Baugh, Fust, Haynes and Farr were present. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

#### **PLEDGE OF ALLEGIANCE**

Commissioner Haynes led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

There was no public comment submitted.

#### **MINUTES**

The minutes of November 15, 2007 were presented. By motion made and seconded (Fust, Baugh) the Commission approved the November 15, 2007 minutes as presented. Commissioner Haynes abstained.

The Executive Committee minutes of January 24, 2008 were presented and reviewed. No action was required as this was an information only item.

#### **BUDGET & FISCAL AFFAIRS:**

##### **Consideration of Checking Account Statement**

Ms. Mickelson presented three months worth of bank statements for review. Ms. Mickelson informed the Commission that the Service Charges shown on all three of the bank statements in the amount of \$10.95 have been reversed and should be reflected as such on the next bank statement. By motion

made and seconded (Baugh, Kehoe) the Commission approved the Tri Counties bank statements dated 10/17/07, 11/18/07 & 12/17/07 as presented.

#### FY 2007-08 2nd Quarter Claims Register

The Claims Register was presented for review and adoption. By motion made and seconded (Baugh, Kehoe) the Commission approved the Claims Register.

#### FY 2006-07 Charges for County Auditor Services

Ms. Mickelson pointed out to the Commission that since LAFCO became fully independent in operation and administration the Commission opted to continue a contractual agreement with the Shasta County Auditor's office for services related to deposits and claims. At the time, Shasta LAFCO staff met with then-Auditor Rick Graham, members of his staff, as well as a LAFCO Commissioner. With assistance from the Auditor, an estimated cost of \$1,200 was agreed to as an appropriate budget figure for such services in 2006-07. The agreement also stipulated that the actual cost of services provided would be billed to LAFCO in January of the following year. In January of 2008, as per the agreement, LAFCO received the bill for FY 2006-07 services, totaling \$5,106. Because the invoice was so much higher than the estimated costs, the Executive Officer asked staff from the Shasta County Auditor's office to be present at today's meeting to help the Commission, as well as LAFCO staff, understand how the actual costs were derived. Commissioner Kehoe asked Counsel Johnson if he needed to recuse himself from the item. Counsel Johnson stated that he did not, since the County Auditor has an independent contract for services with LAFCO.

Ms. Jenkins from the Shasta County Auditor's office then spoke to the Commission in regard to the 2006-07 bill. She explained that the County prepares a cost plan every year that has to be approved by the State Controller. Once a cost plan is approved by the State Controller they then calculate the amount to be billed to each department based on their usage. This is a percentage amount that varies from year to year. She explained that the Auditor's office charges per line on a claim. This is due to the fact that it takes more time to process a claim with 50 lines verses a claim with just one line. Journal entries are charged at 8 lines per transaction due to amount of time it takes to process the journal entry.

Connie Regnell, Shasta County Auditor/Controller, stated that the fee increase that was passed on to all departments was due to two major factors. 1) The cost of the new IFAS 7i accounting software that is now being used by the Shasta County Auditors office. The approximate cost of this software and all related charges is around \$900,000. 2) The fact that Shasta County Child Support Services not longer uses the Auditor's services. This impacts all departments and independent agencies who utilize the Auditor's office since they pay a percentage of the total cost plan created by the County.

Commissioner Kehoe asked Ms. Regnell if affected departments and independent agencies were notified of potential increase in fees. Ms. Regnell stated that they were not notified. Commissioner Baugh requested that if a situation like this were to occur again that the agencies be notified as a courtesy.

Commissioner Haynes recommended LAFCO explore other options for banking and to add the item to a future agenda. Discussion followed.

By motion made and seconded (Kehoe, Haynes) the Commission approved paying the \$5,106.00 to Shasta County for services provided for the 2006/07 FY.

By motion made and seconded (Baugh, Farr) the Commission directed staff to explore other options for similar services, as well as the need to possibly terminate the current contact with Shasta County, adhering to the 90 day notice clause. The motion passed unanimously.

#### FY 2007-08 Mid Year Budget Update & Non-Budged Funds Request

Ms. Mickelson provided the Commission with a mid year budget update as well as a funds transfer request for basic furniture and furnishing needs for the new office. Ms. Mickelson went over the mid-year budget, line by line, showing which accounts were under/over budget. It was explained that the Payroll line item was at 38% due in part to the family leave taken by the Executive Officer. There was also a noted increase in the amount of interest LAFCO received. Commissioner Baugh asked where LAFCO was going to get the additional funds to pay for the requested transfer amount. Ms. Mickelson explained that there has always been difficulty in getting a beginning fund balance for the LAFCO account due in part to the differing accounting methodology of the County and LAFCO. Due to this continuing issue, approximately two years ago the Commission estimated what the beginning fund balance was. After having the first independent audit for the 2006/2007 FY, there appears to be a discrepancy in the favor of LAFCO of approximately \$20,000. This figured is based on the draft audit. The final figure will be presented at the next meeting. Ms. Mickelson expressed total confidence in being able to fund these items from within the 2007-08 approved budget. Commissioner Baugh expressed that his main concern with the transfer is to not pass on this expense to the contributing Special District. Ms. Mickelson concurred.

Commissioner Baugh moved to transfer \$3800.00 to the Shasta LAFCO Tri Counties bank account. Commissioner Gover provided the second.

Commissioner Kehoe asked if LAFCO staff had received anything regarding the Shasta County Surplus Auction. Ms. Mickelson stated that she did receive a flyer and will see if they have anything that Shasta LAFCO needs.

The Commission then took action on the motion as put forth by Commissioner Baugh, approving the motion by voice vote.

At this time Executive Officer Mickelson recommended moving to item 9b since there were several individuals present who attended for this specific item.

With the agreement of the Commission, Commissioner Webster re-ordered the agenda, moving to item 9b.

## **OTHER BUSINESS**

### Consider Process to Create a Third City Commissioner Position

Ms. Mickelson reported that this item is being brought back before the Commission from the November 15<sup>th</sup>, 2007 meeting. As of December 18<sup>th</sup>, 2007 all three cities have passed resolutions to support a legislative change to add an additional City Commission position. Ms. Mickelson was informed by CALAFCO that their position in regard to a reorganization such as Shasta LAFCO is considering is to “oppose the recomposition of any or all LAFCOs without respect to the existing balance of powers that has evolved within each commission or the creation of specials seats on a LAFCO.”

At this time Char Workman-Flowers from Clear Creek Community Services District (CCCSD) spoke to the Commission. She reminded the Commission that CCCSD was instrumental in getting Special District representation on the LAFCO Commission. She questioned the purpose of wanting to change the current composition of the Commission and was concerned about tie votes by having an eight member Commission.

Commissioner Webster answered by saying that the issue was brought before the Executive Committee months ago and agreed to look into it since about half of all residents of Shasta County live within the City of Redding boundary.

David Coxey with Bella Vista Water District stated that this District pays a lions’ share of the Special District contributions. He informed the Commission that he shares the same concerns as CCCSD in regards to the balance of power.

Phil Browning with Centerville Community Services District stated that he has been in contact with CSDA (California Special District Association) and they felt that much effort had been put into the Special Districts receiving equal representation & to change the LAFCO composition would be a step backwards.

Discussion followed among the Commission.

Commissioner Kehoe made a motion to form a Committee to perform further research and conduct a meeting with area agencies to measure support and a meeting with area legislators to determine willingness to carry such a bill on LAFCO's behalf and report back to the Commission. The motion failed due to lack of a second.

After discussion, no action was taken by the Commission. By not taking action, the current Commission composition would remain the same.

Commissioner Kehoe left at 11:38 am

## **SPECIAL STUDIES/REPORTS**

### Municipal Service Reviews - Draft Anderson Fire Protection District

Commissioner Haynes noted some corrections that needed to be made to the MSR. Commissioners Webster & Baugh also noted items that need to be updated. Staff noted those changes.

By motion made and seconded (Fust, Gover) the Commission approved the Draft Anderson Fire Protection District MSR with changes to be circulated to affected agencies.

### Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioners regarding upcoming and expected proposals. Discussion followed. No action was taken.

## **OPERATIONS & ADMINISTRATION**

Consider Implementation of AB 745, Disclosure of Political Expenditures

Ms. Mickelson informed the Commission that a few changes were made to the policy as delineated by the tracked changes in the circulated draft policy. Some alternative language options were included in the draft policy. LAFCO Counsel discussed the different implications and advised the Commission to adopt Alternative 2.

By motion made and seconded (Gover, Haynes) the Commission approved the adoption of draft policy, including the Alternative 2 language defining Political Purposes.

## **OTHER BUSINESS**

### Announce Expiration of the Public Member and Alternate Public Member Terms and Review Replacement Process and Timeline

No action was required of the Commission at this time, however the Executive Officer explained the process and timeline, noting that the appointment would be made at the next LAFCO meeting.

## **COMMISSIONER ANNOUNCEMENTS**

There were no announcements.

## **STAFF ANNOUNCEMENTS**

Ms. Mickelson advised the Commission that the next LAFCO Commission meeting was tentatively scheduled for March 6<sup>th</sup>, 2008. The CALAFCO Staff Workshop is to be held in San Jose is from April 2<sup>nd</sup> - 4<sup>th</sup>, 2008 and the LAFCO office would be closed for those days.

## **CLOSED SESSION**

The Commission convened to Closed Session at 11:56 a.m. to discuss Public Employee Performance Evaluation (pursuant to Government Code Section 54954.5(e)) Title: LAFCO Analyst.

Analyst Smith left the Chambers at this time.

## **CLOSED SESSION REPORT**

At 11:59 a.m. Chair Webster reported that the Commission voted unanimously to approve a one time performance award of \$500.00 to Analyst Smith due to her acceptance and execution of duties outside the scope of her job description during the Family Leave of the Executive Officer.

**ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 12:00 p.m.

Respectfully submitted,

---

Jessica Smith  
Clerk to the Commission

---

Date

# Shasta LAFCO

Shasta Local Agency Formation Commission 1737 Yuba Street, Suite B,  
Redding, CA 96001 Phone: (530) 242-1112 Fax: (530) 242-1113  
Web: www.shasta.lafco.ca.gov

## **MINUTES Executive Committee Meeting – March 6, 2008**

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

### **CALL TO ORDER/ROLL CALL/INTRODUCTION**

Chairman Webster called the meeting to order at 9:00 a.m. in the Anderson City Hall, 1887 Howard Street, Anderson, California.

Commissioners Present: Gover, Kehoe, Webster

Commissioners Absent: None

Staff Present: None

### **CLOSED SESSION:**

Public Employee Performance Evaluation (pursuant to Government Code Section 54954.5(e)),  
Title: LAFCO Executive Officer

### **CLOSED SESSION REPORT:**

After a tabulation of 5 performance evaluations for Ms. Mickelson; Commissioner Webster calculated an average rating of 4.2 for her employee evaluation.

### **ADJOURNMENT**

There being no further business, Chair Webster adjourned the meeting at 9:30 a.m.

Keith Webster  
Chair

Date

# Shasta LAFCO

Shasta Local Agency Formation Commission 1737 Yuba Street, Suite B,  
Redding, CA 96001 Phone: (530) 242-1112 Fax: (530) 242-1113  
Web: www.shasta.lafco.ca.gov

## **MINUTES Special Meeting –**

**March 6th, 2008**

(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.)

### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Chairman Webster called the meeting to order at 10:00 a.m. at Anderson City Hall, 1887 Howard Street, Anderson, CA. Commissioners Kehoe, Webster, Gover, Baugh, Fust, Haynes and Farr were present. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

### **PLEDGE OF ALLEGIANCE**

Commissioner Kehoe led the Pledge of Allegiance.

### **PUBLIC COMMENT**

There was no public comment submitted.

### **MINUTES**

The minutes of February 6, 2008 were presented. By motion made and seconded (Fust, Baugh) the Commission approved the February 6, 2008 minutes as presented.

### **BUDGET & FISCAL AFFAIRS:**

Consideration of Checking Account Statement Ms. Mickelson presented the February 18, 2008 bank statement for review. By motion made and seconded (Baugh, Kehoe) the Commission approved the Tri Counties bank statement dated February 18, 2008 as presented.

FY 2007-08 3rd Quarter Claims Register The Claims Register was presented for review and adoption. By motion made and seconded (Baugh, Fust) the Commission approved the Claims Register. Review of County Auditor Services and Consideration of Alternate Services or Renewal of Auditor Agreement for Fiscal Year 2008-09 In February, the Commission heard from the County Auditor regarding the actual cost to provide banking services to the Commission. At that time, the Commission authorized payment of the invoice for 2006-07

services (\$5,106) and directed staff to investigate other options for similar services and report back to the Commission. After much discussion with other LAFCOs as well as CALAFCO; Ms. Mickelson presented the Commission with four possible scenarios for banking type services for Shasta LAFCO. (1) Contract with the County Auditor, much in the same manner as Shasta LAFCO has been doing. (2) Hold all of their funds in a banking institution. (3) Hold some of their funds in a banking institution, with some remaining in the County Treasury. (4) Hold some of their funds in a banking institution and some in the Local Agency Investment Fund (LAIF). Ms. Mickelson outlined what some of the positive/challenges/unknowns for each of the four scenarios.

Commissioner Baugh asked if there would be any bonding issues if LAFCO monies were not held at the County Auditors office. He also inquired as to the legal responsibility of a Commissioner who was assigned as a secondary signer on LAFCO checks, if that option was chosen.

Ms. Mickelson said she would check into the bonding issues. Counsel Johnson then answered Commissioner Baugh's second question, explaining to the Commission that there would be no legal exposure for a Commissioner who was a secondary signer for LAFCO checks since it would be within the scope of their authority to do so. The only issue would occur if a Commissioner exceeded that authority.

Commissioner Baugh asked if staff had a preference of the four options given to the Commission. Ms. Mickelson stated that staff would prefer option four; to hold some of their funds in a banking institution and some in the Local Agency Investment Fund (LAIF). Ms. Mickelson informed the Commission that an alternative investment fund through SDRMA recently became an available alternative that was very similar to LAIF. She informed the Commission that staff could look into that option & report her findings if that was the Commissions desire.

Commissioner Kehoe then asked about doing business with one of the three cities. Commissioner Farr felt that what the cities might offer to LAFCO wouldn't be nearly as beneficial as the other options presented by staff.

By motion made and seconded (Gover, Fust) the Commission directed staff to terminate the current contract with Shasta County, adhering to the 90 day notice clause, with the desired effective date of June 30, 2008. Staff was to further investigate option four; holding some LAFCO funds in a banking institution and some in the Local Agency Investment Fund (LAIF) or a similar type investment account and bring back the findings to the Commission at a later date. The motion passed unanimously.

Discussion followed.

## **OTHER BUSINESS**

Interviews and Appointment of Public Member and Alternate Public Member Ms. Mickelson informed the Commission that there were three applicants for the Public Member & Alternate Public Member. The applicants were, current Public Member Dan Gover, Ms. Patricia Clarke & Mr. John Mathena. Each of the applicants addressed the Commission stating how they could be of benefit to LAFCO.

Commissioner Haynes nominated Commissioner Gover as the Public Member. Commissioner Baugh provided the second. The motion passed unanimously.

Commissioner Haynes asked if Ms. Clarke & Mr. Mathena would be able to represent the general public due to their high public profile. Counsel Johnson stated that they are qualified since they are not currently seated as a public representative.

Commissioner Baugh nominated Mr. Mathena as the Alternate Public Member. Commissioner Kehoe provided the second. Commissioner Farr then asked if either of the two applicants were planning on running for public office. Mr. Mathena informed the Commission that he was planning on running for Redding City Counsel this November. If he were elected into office the Commission would be faced with the issues of replacing him since he would no longer be eligible to sit a Public Member for LAFCO. Commissioners Haynes, Baugh & Kehoe voted for Mr. Mathena. The nomination failed due to a lack of a majority vote and the absence of a vote from a City Commissioner.

Commissioner Fust nominated Ms. Clarke as the Alternate Public Member. Commissioner Farr provided the second. Commissioners Fust, Farr, Webster and Gover voted for Ms. Clarke. The nomination failed due to a lack of a vote from a County Commissioner.

Commissioner Kehoe asked if we could defer the nomination of the Alternate Public Member after we knew the outcome of Mr. Mathena's run for public office. Commissioner Webster felt that LAFCO needed to move forward on this item since LAFCO wouldn't know the outcome of Mr. Mathena's election for 8 or 9 months.

Commissioner Baugh again nominated Mr. Mathena as the Alternate Public Member. Commissioner Kehoe provided the second. Commissioners Haynes, Baugh & Kehoe voted for Mr. Mathena. The nomination failed due to a lack of a majority vote and the absence of a vote from a City Commissioner.

Commissioner Baugh requested a 10 minutes recess. The Commission adjourned for a recess at 10:47 a.m. The Commission reconvened at 10:57 a.m.

By motion made and seconded (Baugh, Kehoe) the Commission directed staff to re-advertise to the public for the Alternate Public Member. The motion passed unanimously.

### **COMMISSIONER ANNOUNCEMENTS**

There were no announcements.

### **STAFF ANNOUNCEMENTS**

Ms. Mickelson advised the Commission that the next LAFCO Commission meeting was tentatively scheduled for April 10<sup>th</sup>, 2008. Commissioner Farr notified staff that he would not be able to attend the April 10<sup>th</sup> meeting and the City alternate would need to be contacted. Staff noted that the CALAFCO Staff Workshop is to be held in San Jose from April 2<sup>nd</sup> - 4<sup>th</sup>, 2008 and the LAFCO office would be closed for those days.

### **CLOSED SESSION**

Chairman Webster called for any public comment on the Closed Session item as noticed. There being none, the Commission convened to Closed Session at 11:01 a.m. to discuss Public Employee Performance Evaluation (pursuant to Government Code Section 54954.5(e)) Title: Executive Officer.

Counsel Johnson & Analyst Smith left the Chambers at this time.

### **CLOSED SESSION REPORT**

At 11:49 a.m., the Commission reconvened to open session. Chair Webster thanked Ms. Mickelson for all her hard work. Chair Webster announced that on a scale of 1 to 5, 5 being the greatest, Ms. Mickelson received an average rating of 4.2 on her employee evaluation.

### **ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 11:50 a.m.

Respectfully submitted,

---

Jessica Smith  
Clerk to the Commission

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

### **DRAFT MINUTES Executive Committee Meeting – March 26, 2008**

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

#### **CALL TO ORDER/ROLL CALL/INTRODUCTION**

Chairman Webster called the meeting to order at 10:00 a.m. in the Shasta County Administration Center, 1450 Court Street, Room 329.

Commissioners Present: Gover, Kehoe, Webster  
Commissioners Absent: None  
Staff Present: Executive Officer Mickelson

#### **REVIEW OF AGENDA MATERIAL FOR SPECIAL MEETING**

The draft agenda for April 10, 2008 was presented by the Executive Officer. Each item was reviewed and discussed. After review of the agenda items, the Executive Committee directed staff to mail/post the agenda and materials as prepared.

#### **CLOSED SESSION**

#### **ADJOURNMENT**

There being no further business, Chair Webster adjourned the meeting at 10:50 a.m.

---

Amy K. Mickelson  
Executive Officer

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: [www.shasta.lafco.ca.gov](http://www.shasta.lafco.ca.gov)

### MINUTES

#### Special Meeting – April 10th, 2008

(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.)

#### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Chairman Webster called the meeting to order at 10:00 a.m. at Shasta County Board of Supervisors Chambers, 1450 Court Street, Redding, CA. Commissioners Webster, Gover, Baugh, Fust, Haynes and Alternate Dickerson were present. Commissioner Kehoe & Farr were absent. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

#### **PLEDGE OF ALLEGIANCE**

Commissioner Haynes led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

10:05 Public comment was opened.

Ms. Jan Lopez introduced herself to the Commission and informed them that she works as a consultant for the public & special districts within Shasta County. Ms. Lopez indicated that she had multiple years of LAFCO-related experience. She is currently working with a district in Fall River Mills on a project that she expects will be before the Commission at a later date. She distributed her business card to the Commission as well.

10:07 Public comment was closed.

#### **MINUTES**

The minutes of March 6, 2008 were presented. By motion made and seconded (Fust, Baugh) the Commission approved the March 6, 2008 minutes with corrections.

The Executive Committee minutes of March 6, 2008 were presented and reviewed. No action was required as this was an information only item.

The Executive Committee minutes of March 26, 2008 were presented and reviewed. No action was required as this was an information only item.

## **OTHER BUSINESS**

### Interviews and Appointment of Alternate Public Member

Ms. Mickelson informed the Commission that there was one applicant for the Alternate Public Member. The applicant was Mr. John Mathena.

Commissioner Gover nominated Mr. John Mathena as the Alternate Public Member. Commissioner Baugh provided the second. The motion passed unanimously.

### Consideration to Change the Regular Meeting Time of Shasta LAFCO to 9:00 am

By motion made and seconded (Fust, Baugh) the Commission approved changing the regular meeting time of Shasta LAFCO to 9:00 am. The motion passed unanimously.

## **BUDGET & FISCAL AFFAIRS:**

### Consideration of Checking Account Statement

Ms. Mickelson presented the March 17, 2008 bank statement for review. By motion made and seconded (Baugh, Gover) the Commission approved the Tri Counties bank statement dated March 17, 2008 as presented.

### FY 2007-08 3rd Quarter Claims Register

The Claims Register was presented for review and adoption. By motion made and seconded (Baugh, Gover) the Commission approved the Claims Register.

### Review of Investment and Banking Services Options for Fiscal Year 2008-09

Ms. Mickelson informed the Commission staff's findings in respects to investment funds. She reported that after speaking with both LAIF (Local Agency Investment Fund) and CalTrust, she would recommend establishing an account with either LAIF or CalTrust. She stated that there is some wisdom in opening accounts with both funds in order to diversify any holdings. We could then, at a later date, decide to consolidate and choose either one option or the other. As for banking, Ms. Mickelson recommended utilizing US Bank for LAFCO's daily banking needs.

Chair Webster expressed his concern in respects to CalTrust. He was concerned that LAFCO would not be able meet the minimum deposit amount required as well as the newness of CalTrust. Ms. Mickelson informed the Commission that she had been reassured by CalTrust that the minimum investment amount could be waived and has been waived for several other agencies.

Commissioner Baugh asked if any of the other Commissioners had dealings with LAIF or CalTrust. Commissioner Haynes replied that the Special District board that she sits on has an account with LAIF, and the District has had a positive experience with the agency.

By motion made and seconded (Baugh, Fust) the Commission approved establishing an account with LAIF for investment purposes and US Bank for a checking account.

#### Review 2006-07 Audit Statements

Ms. Mickelson reported that after the audit that was performed for the 2006-07 FY there was a difference in the beginning balance when compared to LAFCO's budget. This was a difference of about \$12,000. This \$12,000 was in the positive for LAFCO. Ms. Mickelson explained that this accrual of an additional \$12,000 has been accumulating for several years. This is due in part to having two sets of books; one kept by LAFCO and one by the County. This is problematic due to the different timelines. LAFCO closes fiscal year records in the month after the fiscal year ended, whereas the County closes out six-seven months after the fiscal year.

Commissioner Baugh stated that anytime an agency is handling public funds the agency should be able to account for every penny. He felt that \$12,000 was a large discrepancy but did not see the wisdom in spending \$5,000 - \$8,000 to locate the discrepancy in beginning balances. Being that LAFCO will be using different means for banking starting this next fiscal year, he wanted the public to know that next year every penny will be accounted for. Ms. Mickelson reminded the Commission that there will still be one more audit with the County for this current fiscal year since they run a year behind so there may still be some discrepancies once the 2007-08 FY audit is completed.

Commissioner Haynes asked why the limits for Workers' Compensation were \$200,000,000 since there were only two employees at LAFCO. She also asked what the reference to pooled funds on page 10 of the audit meant. Ms. Mickelson said that she would research that and report back to the Commission staff's findings.

The Commission decided to put off adopting the 2006-07 Audit; and bring back the item at the next meeting, with clarifications.

### **SPECIAL STUDIES/REPORTS**

#### Municipal Services Reviews

Ms. Mickelson provided the Commission with an MSR update. At the previous direction of the Commission she reformatted the report to provide more detailed information. She reported that after the MSR update

was sent out to the Commissioners, additional information was received from the City of Redding, City of Shasta Lake and the Shasta Lake Fire Protection District and this is not reflected in the MSR update.

Discussion regarding the ACID MSR followed. The Commission directed Ms. Mickelson to contact Mr. Wangberg to coordinate a time that he could meet with Chair Webster, Commissioner Haynes and Ms. Mickelson to work towards completion of the document.

## **CHANGES OF ORGANIZATION AN/OR REORGANIZATION**

Reorganizations: Public Hearing to Consider the Columbia School District Extension of Sewer Services by the City of Redding, LAFCO File 2008-01

The City of Redding submitted an application to LAFCO requesting extension of sewer services (only) outside of City boundaries. The services would be extended to Columbia School, which is located on Old Oregon Trail, approximately 1,500 feet north of Viking Way and approximately 1,000 feet north of the City of Redding limits. The proposed service area encompasses 4 parcels, all owned by the School District, totaling 20 acres.

The Executive Officer recommended approval of the Extension of Services as proposed. If the City ever expands their boundaries to those property owners between the school site and the current boundary, LAFCO would simply request that the school be annexed at that time as well. Ms. Mickelson stated that this is a 100% consent proceeding and an extension of sewer services ONLY, no protest proceedings will be held. No comments from affected agencies or property owners have been received at this time.

Counsel Johnson expressed her desire to see the contact between the school & the City. Alternate Commissioner Dickerson questioned why LAFCO would need to see the agreement if both parties are agreeable. Counsel Johnson stated that she just would like to ensure that there was indeed a contract.

Discussion followed.

Chair Webster opened the public hearing at 11:06 a.m.

Ms. Lopez addressed the Commission with some concerns in regards to this project. She questioned if CEQA was completed on this project and why the school didn't annex into the city since they are within the sphere of influence. She asked if landowners would be able to tie into this line at a later date.

Mr. Jim Elkins of Pace Engineering addressed Ms. Lopez's concerns. He stated that CEQA had been completed and it was determined to be categorically exempt. The school is an exception because it is a

public agency and most of the children who attend Columbia School with within the City of Redding limits. This extension is necessary from a health standpoint. Anyone who would like to have similar city services would be required to annex and all parcels affected by the annex would have to agree to the annexation and a tax exchange agreement.

A representative of the City of Redding supported Mr. Elkins response and stated that the contract between the City and Columbia School state the no other land owners would be able to tie into the proposed sewer services.

The public hearing was closed at 11:14 a.m.

By motion made and seconded (Baugh, Fust) approved the extension of sewer services to Columbia School District by the City of Redding.

#### Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioners regarding upcoming and expected proposals. Discussion followed. No action was taken.

#### **COMMISSIONER ANNOUNCEMENTS**

There were no announcements.

#### **STAFF ANNOUNCEMENTS**

The next LAFCO meeting will be at 10:00 a.m. on May 1<sup>st</sup>, 2008 at the City of Redding. The new meeting time of 9:00 a.m. will go into effect for the next scheduled LAFCO meeting on June 12<sup>th</sup>, 2008.

#### **ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 11:21 a.m.

Respectfully submitted,

---

Jessica Smith  
Clerk to the Commission

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

### MINUTES

#### Special Meeting – May 1, 2008

(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.)

#### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Vice Chairman Gover called the meeting to order at 10:00 a.m. at City of Redding Chambers, 777 Cypress Ave, Redding, CA. Commissioners Baugh, Fust, Gover, Haynes and Kehoe were present. Commissioners Farr & Webster were absent. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

#### **PLEDGE OF ALLEGIANCE**

Commissioner Fust led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

10:02 a.m. Public comment was opened.

Jan Lopez, a member of the public, addressed the Commission regarding LAFCO's Municipal Service Review & Sphere of Influence processes. She questioned why a Municipal Service Review would not be completed for some districts, such as the hospital & cemetery districts. She requested that the Commission direct LAFCO Counsel to further research this issue and report her findings at the June meeting. She provided all present with a copy of the letter she had written in regards to this matter. That letter is attached herein as a matter of record.

Commissioner Baugh informed Ms. Lopez that this issue has been addressed at prior Commission meetings and that the LAFCO minutes would reflect that. He also recommended discussing the issue with staff for further information.

10:10 a.m. Public comment was closed.

## **MINUTES**

The minutes of April 10th, 2008 were presented. By motion made and seconded (Baugh, Haynes) the Commission approved the April 10th, 2008 minutes.

## **BUDGET & FISCAL AFFAIRS:**

### Review and Consider 2006-07 Audit Statements

Ms. Mickelson addressed Commissioner Haynes questions from the prior Commission meeting. She informed the Commission that the limits were so high for Workers' Compensation due to the fact that LAFCO is pooled with other agencies. The \$200,000,000 limit is for all the agencies that participate in SDRMA's Workers' Compensation program.

Ms. Mickelson stated that the reference to pooled funds on page 10 of the audit had to do with LAFCO's money being held in the County Auditor's office. She stated that LAFCO's share is different than the other agencies invested. Ms. Mickelson informed the Commission that she could get something in writing from the Auditor that would simply answer the question of pooled funds. The Commission requested that staff provide that for them at the next Commission meeting.

By motion made and seconded (Baugh, Fust) the Commission approved the 2006-07 Audit report.

### Public Hearing: Consideration and Adoption of 2008-09 Draft Budget as Required by Government code Section 56381 (c)

Ms. Mickelson reviewed with the Commission the 2008-09 Draft Budget line by line. Assuming no significant unanticipated expenses developing over the remainder of the fiscal year, LAFCO is on track to end the year under budget. Ms. Mickelson informed the Commission that some numbers are likely to change for the 2008-09 Final Budget since many of the vendors were unable to provide LAFCO with accurate figures.

Commissioner Baugh thanked Ms. Mickelson for the hard work that was put into the budget and was pleased that LAFCO might be able to lower contribution rates. This was echoed by other Commissioners as well.

10:35 a.m. Public comment on the 2008-09 Proposed Budget was opened. As there were no comments submitted, at 10:36 a.m. the public comment period was closed.

By motion made and seconded (Fust, Kehoe) the Commission adopted the 2008-09 Draft Budget as required by Government Code Section 56381 (c)

Consider Resolution 2008-03 Authorizing Investment Of Monies in the Local Agency Investment Fund

On March 6, 2008, the Commission terminated the agreement for services with the County Auditor, effective June 30, 2008. On April 10, 2008 the Commission authorized opening an investment account with the Local Agency Investment Fund (LAIF). Staff has been actively working with LAIF to begin the process of opening our account. By adopting Resolution 2008-03, the Commission authorizes the opening of the account and the authorized account signers.

Ms. Mickelson explained to the Commission that the resolution is authorizing officers or their successors as authorized signers, not the actual individual.

By motion made and seconded (Baugh, Haynes) the Commission approved Resolution Number 2008-03, authorizing the investment of funds in the Local Agency Investment Fund.

Consider Resolution 2008-04 Authorizing Investment of Monies and Banking Services with US Bank

On March 6, 2008, the Commission terminated the agreement for services with the County Auditor, effective June 30, 2008. On April 10, 2008 the Commission authorized opening a checking/money market account with US Bank. Staff has been actively working with LUS Bank to complete the necessary steps to open the account. By adopting Resolution 2008-03, the Commission authorizes the establishment of the account, as well as the account signers.

By motion made and seconded (Baugh, Haynes) the Commission approved Resolution Number 2008-04, authorizing the opening of a Shasta LAFCO depository account with US Bank, with a correction replacing Chairman Webster with Vice Chairman Gover as the Certifying Officer from today's meeting.

**COMMISSIONER ANNOUNCEMENTS**

The Commission thanked staff for the work that was put into creating staff reports as well as the agenda packets.

**STAFF ANNOUNCEMENTS**

The next LAFCO meeting will be at 9:00 a.m. on June 12th, 2008 at the Shasta County Board of Supervisors Chambers.

**ADJOURNMENT**

There being no further business, Vice Chairman Gover adjourned the meeting at 10:41 a.m.

Respectfully submitted,

---

Jessica Smith  
Clerk to the Commission

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

### MINUTES

#### Special Meeting – June 12th, 2008

(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.)

#### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Chairman Webster called the meeting to order at 9:00 a.m. at Shasta County Board of Supervisors Chambers, 1450 Court Street, Redding, CA. Commissioners Baugh, Gover, Farr, Fust, Haynes, Kehoe, Webster. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

#### **PLEDGE OF ALLEGIANCE**

Commissioner Baugh led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

There was no public comment submitted.

#### **MINUTES**

The minutes of May 1, 2008 were presented. By motion made and seconded (Baugh, Kehoe) the Commission approved the May 1, 2008 minutes.

The Executive Committee minutes of June 4, 2008 were presented and reviewed. No action was required as this was an information only item.

#### **BUDGET & FISCAL AFFAIRS:**

##### FY 2007-08 4th Quarter Claims Register

The Claims Register was presented for review and adoption. By motion made and seconded (Baugh, Fust) the Commission approved the Claims Register.

##### Consideration of Checking Account Statement

Ms. Mickelson presented the April 17, 2008 & May 18, 2008 bank statements for review. By motion made and seconded (Baugh, Gover) the Commission approved the Tri Counties bank statements dated April 17, 2008 & May 18, 2008 as presented.

Commissioner Haynes requested that description information be added to the Tri Counties bank statement for future meetings.

Clarification of Audit Statements, re: Pooled Funds

Ms. Mickelson provided the Commission with a response from the audit firm to clarify Commissioner Haynes question regarding pooled funds. The response satisfied Commissioner Haynes.

Public Hearing: Consideration and Adoption of 2008-09 Final Budget as Required by Government Code Section 56381(c)

The Executive Officer reviewed with the Commission each line of the Final Budget.

Discussion followed.

9:30 a.m. Public comment on the 2008-09 Proposed Final Budget was opened. As there was no comments submitted, at 9:31 a.m. the public comment period was closed.

At that time, Commissioner Baugh made a motion to move items 8a (Consideration of Temporary Employee Hire) and 8b (Audit RFP) up to be considered under Budget & Fiscal affairs, prior to adopting the budget as there were fiscal implications by both actions. Commissioner Fust provided the second. At that time, discussion and action on the Proposed Final Budget were suspended for Agenda Items 8a and 8b.

Consideration of Temporary Employee Hire

Ms. Mickelson brought before the Commission an opportunity to provide as-needed staff to maintain the office during the annual CALAFCO staff workshop and ease staffing needs when the analyst is on vacation or jury duty.

Commissioner Baugh questioned what the purpose of this employee was since the nature of LAFCO does not require the office to be open to set hours. Commissioner Fust stated that he felt there needed to be better communication if the LAFCO office is closed. Commissioner Fust added that if the office is closed the public and Commissioners should be able to get a hold of staff via the telephone. Commissioner Webster asked if the LAFCO line could roll over to Ms. Mickelson's cell phone on

occasions when the office is closed. Ms. Mickelson stated that that was possible. She informed the Commissioners that when there is a planned absence a sign is put on the door and the outgoing message on the machine reflects the closure as well. The Executive Officer's cell phone number was always noted on both the closure sign and the outgoing message on the office line. Ms. Mickelson noted that there hadn't been any complaints from the public about LAFCO being closed that she was aware of. There had been concern by the commissioners in the past and that was one of the main reasons for bringing this item to the Commission for action.

The Commissioners discussed the proposed budget amount of \$3750.00 for temporary staffing needs. Commissioner Baugh asked what was the least amount the Executive Office felt comfortable budgeting for temporary staff. The Executive Officer felt that 10 days per fiscal year, or \$1200, would suffice. The Executive Officer suggested creating a separate line item so as to have an accurate look at how often temporary staff was utilized.

By motion made and seconded (Kehoe, Gover) the Commission approved budgeting \$1200 for the Fiscal Year 2008-09 for a temporary employee as a separate line item.

#### 2008-09 Independent Audit Request for Proposals

In 2007 Shasta LAFCO joined with three other Northern California LAFCOs to issue a joint RFP for audit services. The four Commissions each agreed to enter into contract with Moreland and Associates. That firm recently completed our first audit as an independent agency and the results of that audit were adopted by the Commission in May.

Since then, Shasta LAFCO has received communication from Moreland and Associates terminating the remainder of our three year contract for services due to a merger of Moreland and Associates with another firm. This termination requires the Commission to direct staff to circulate a new RFP for audit services.

Chair Webster brought up the suggestion of having an audit every two years for financial purposes as was discussed in the Executive Committee meeting. He had concerns about LAFCO having an audit every two years verses once a year. Commissioners Fust and Gover concurred.

Commissioner Farr asked if there was a law that requires LAFCO to have an annual audit. Ms. Mickelson stated that LAFCO is required to adhere to "Generally Acceptable Accounting Principals". It was certainly

advisable for the Commission to undergo an annual fiscal review by an outside agency. She also informed the Commission that there are several LAFCOs who don't have an annual audit.

By motion made and seconded (Baugh, Kehoe) the Commission approved the circulation of an RFP for audit services on both a one and two-year basis.

Public Hearing: Consideration and Adoption of 2008-09 Final Budget as Required by Government Code Section 56381(c) (continued)

After discussion and passed motions on items 8a and 8b, Chair Webster went back item 5d, Adoption of 2008-09 Final Budget as Required by Government Code Section 56381(c).

By motion made and seconded (Baugh, Gover) the Commission adopted the 2008-09 Final Budget, with amendments, as required by Government Code Section 56381 (c). The amendments noted were the addition of a separate line item for a Temporary Employee Hire up to \$1,200.

Authorization of Banking Actions, re: Withdrawal of LAFCO Funds from the County Treasury and Opening Deposits to US Bank and LAIF Municipal Services Reviews

Due to Shasta LAFCO terminating their agreement with the Shasta County Auditor's office effective June 30, 2008, it is necessary to withdraw the funds from the County Treasury on or before June 30, 2008.

There will be some funds that must stay in the County Treasury until the end of July (as per the Auditor), in order to pay any outstanding checks and the County Auditor's charges.

At this time, the Executive Officer would recommend keeping \$15,000 in the County account on June 30, 2008 and authorizing the rest of the LAFCO funds be withdrawn from the County in an order made payable to US Bank. Funds can be transferred to LAIF from the US Bank account once we receive funds due and payable for the 2008-09 Fiscal Year.

By motion made and seconded (Baugh, Haynes) the Commission Authorized the withdrawal of all LAFCO funds, with the exception of \$15,000 that is to remain in the County Treasury until July 31, 2008; due and made payable to US Bank no later than June 30, 2008.

**SPECIAL STUDIES/REPORTS**

Municipal Services Reviews

Ms. Mickelson provided the Commission with an MSR update. She reported that the MSR update before that was not the most current version. There were two updates that were not reflected in the report. The first update being the proposal for draft adoption and circulation for the City of Redding. This was changed due to fact that the City of Redding was having a ground breaking ceremony at the same time as today's Commission meeting and they were unable to attend today's meeting. The second is the Anderson Fire Protection District. Because the City/District Consolidation study was currently underway, staff recommended review of that study prior to consideration of the MSR. Chair Webster informed the Commission that the study should be available by the end of July.

### **CHANGES OF ORGANIZATION AN/OR REORGANIZATION**

#### Annexation: Public Hearing: Consideration of Clear Creek CSD Shasta Red Annexation, LAFCO File #08-02

The Clear Creek CSD applied for an annexation of contiguous territory to Clear Creek CSD. The application was submitted by the CSD on behalf of a property owner. Annexation was requested in order to bring within the CSD boundaries three parcels which are part of a larger territory seeking water service for a proposed 284 unit subdivision (Cottonwood Estates), as well as five additional parcels to make this a contiguous proposal. This is a 100% consent application and is within the adopted Clear Creek CSD Sphere of Influence. The Executive Officer recommended approval of the Extension of Services as proposed.

Commissioner Baugh question how section 56668(j) was verified. Ms. Mickelson stated that there is a contract between the District and the application.

Chair Webster invited the applicants to speak before the Commission.

Mr. Kurt Born of Clear Creek CSD informed the Commission that it is always the responsibility of the developer to fund the infrastructure. Mr. David Storer, the developer of the Shasta Red project, echoed Mr. Born's statements.

Commissioner Baugh questioned how the District determines that the developer indeed has funds to move forward with the project.

Mr. Born stated that it's part of the approval process. If the developer does not have the funds then the project dies.

Commissioner Baugh thanked Mr. Born for the clarification. Ms. Mickelson stated that she would change the ambiguous language on any upcoming staff reports.

10:14 a.m. Public comment on the Consideration of Clear Creek CSD Shasta Red Annexation, LAFCO File #08-02 was opened. As there was no comments submitted, at 10:15 a.m. the public comment period was closed.

By motion made and seconded (Kehoe, Fust) approved the Clear Creek CSD Shasta Red Annexation, LAFCO File #08-02 and adopt Resolution No. 2008-06.

#### Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioners regarding upcoming and expected proposals. Discussion followed. No action was taken.

#### CALAFCO Conference Attendance

Ms. Mickelson requested that any who would like to attend the CALAFCO conference need to notify staff as soon as possible as hotel rooms are quickly going. She noted that registration materials need to be returned to the Shasta LAFCO office for payment.

Commissioners Baugh and Haynes expressed their desire to attend the upcoming CALAFCO conference. Ms. Mickelson requested that the Commissioners get in contact with her to set up travel arrangements.

#### Establishment of CALAFCO Voting Member and Alternates

By motion made and seconded (Webster, Kehoe) the Commission nominated Commissioner Baugh to serve as the voting delegate for Shasta LAFCO at the 2008 CALAFCO Business Meeting and Commissioner Haynes to serve as the alternate.

#### Nomination to the CALAFCO Board of Directors

There were no nominations. No action was taken.

#### Election of LAFCO Chairman and Vice Chairman

Commissioner Kehoe nominated Chairman Webster to continue serving as Chairman and Commissioner Gover to continue as Vice Chairman. It was noted that Chairman Webster would revert to an Alternate Commissioner role in January 2009, so if elected, an additional election would need to be scheduled to fill the remainder of the term at that time.

By motion made and seconded (Kehoe, Haynes) the Commission elected Commissioner Webster as the Chairman and Commissioner Gover as the Vice Chairman.

**COMMISSIONER ANNOUNCEMENTS**

There were no announcements.

**STAFF ANNOUNCEMENTS**

The next LAFCO meeting will be at 9:00 a.m. on August 7, 2008 at the City of Anderson.

**ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 10:38 a.m.

Respectfully submitted,

---

Jessica Smith  
Clerk to the Commission

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

### MINUTES

#### Special Meeting – September 18th, 2008

(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.)

#### **CALL TO ORDER/ROLL CALL/INTRODUCTIONS**

Chairman Webster called the meeting to order at 9:00 a.m. at the City of Redding Council Chambers, 777 Cypress Avenue, Redding, CA. Commissioners Baugh, Dickerson, Fust, Haynes, Kehoe, Webster were present. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

#### **PLEDGE OF ALLEGIANCE**

Commissioner Baugh led the Pledge of Allegiance.

#### **PUBLIC COMMENT**

There was no public comment submitted.

#### **MINUTES**

The minutes of June 12, 2008 were presented. By motion made and seconded (Baugh, Fust), the Commission approved the May 1, 2008 minutes as amended. Amendments included; additional language added under Consideration of Temporary Employee Hire, correction of typos within the Shasta Red Annexation discussion and changing the year from 2007 to 2008 under Establishment of CALAFCO Voting Member and Alternates.

Commissioner Dickerson abstained.

The Executive Committee minutes of September 10, 2008 were presented and reviewed. No action was required as this was an information only item.

#### **BUDGET & FISCAL AFFAIRS:**

### FY 2008-09 1st Quarter Transaction Register

The Transaction Register was presented for review and adoption. By motion made and seconded (Baugh, Haynes), the Commission approved the Transaction Register.

### Consideration of Checking Account Statements

Ms. Mickelson presented the following bank statements: US Bank, dated July 31, 2008 and August 31, 2008; Tri Counties Bank dated July 17, 2008 and August 17, 2008; LAIF for the periods of July and August 2008. By motion made and seconded (Baugh, Kehoe), the Commission approved the bank statements as presented.

Commissioner Gover arrived at 9:12 am.

Commissioner Webster requested that in the future, additional detailed information be provided for the deposits made into the US Bank account to represent which agencies had paid their funding share

## **SPECIAL STUDIES/REPORTS**

### City of Redding Draft Municipal Service Review

Ms. Mickelson presented the Commission with the City of Redding Draft MSR. She stated that this is still a very static document and is requesting the Commission approve the MSR today as a draft document so it can be put out for circulation. She pointed to the fact that page 1-23 are a prelude for all the City MSRs and is very similar in language to the preludes which were previously adopted for the County and Special District MSRs. Discussion followed.

In regard to page 3 Chair Webster questioned the issue of certain types of Special Districts being exempt from MSRs. He wondered why LAFCO was in the process of completing a MSR for ACID since they appear to fall under the exempt category.

Ms. Mickelson explained that she inherited the list of MSRs to be completed and they had always been on the list and was unsure as to why they were on the list since they do appear to be exempt.

The Commission directed staff to research this matter of exemption, confer with legal counsel and bring it back for further Commission discussion at the December meeting.

Due to the convoluted language of the City prelude, the Commission opted to remove the prelude from the City of Redding Draft MSR and requested that Ms. Mickelson revise the document and keep the

language simple. Ms. Mickelson requested that any comments and/or changes the Commission might have for the prelude are transmitted to her by October 15<sup>th</sup> so she can incorporate them into the document.

At this time the Executive Office began a review of each of the categories for the City of Redding Draft MSR, beginning at page 24. Upon review of the MSR, Commissioner Baugh asked what the goal of this document was. Ms. Mickelson explained that this document is a snapshot of the Cities services as well as basic information about the City. It is a valuable tool that can be used when reviewing a Sphere of Influence or an annexation outside of the Sphere. Commissioner Gover also added that LAFCO is also responding to the legislature when completing MSRs.

Ms. Mickelson stated that she would go through the document, fix any typos, give that draft to the City to look over for any additional comments and then release the document to the public for circulation.

When asked, Mr. Hamilton stated that as long as the City was able to look over the document prior to circulation to the public he had no objections to the Commission adopting the City of Redding Draft MSR as presented.

By motion made and seconded (Baugh,Fust), the Commission approved the City of Redding Draft MSR, with the exclusion of pages 1-23.

#### Report on Upcoming Proposals

Ms. Mickelson reviewed the items as noted by the Status Report presented to the Commission. Discussion followed.

At 10:16 Ms. Kathy Jalquin requested to address the Commission. She questioned why the Elk Trail Annexation to Jones Valley CSA was listed under "*Other items that and in discussion and pre-application phases*" and wanted to see the "pre-application".

Ms. Mickelson explained that she reported to the Commission any type of discussion that she's had regarding potential applications. She stated that there is not currently an application for the Elk Trail Annexation as it is still in the discussion/pre-application phase. There is no such document as a "pre-application", it is simply a description used when a potential applicant has met with staff and is considering a possible LAFCO application

Commission Baugh requested removing the term "pre-application" from the Status Report. Ms. Mickelson stated that she would do so. No action was taken.

## **CHANGES OF ORGANIZATION AN/OR REORGANIZATION**

### Municipal Services Reviews

Ms. Mickelson provided the Commission with the current MSR update. Discussion followed. No action was taken.

## **OPERATIONS & ADMINISTRATION**

### Consider Contract for 2008-09 Legal Services

Ms. Mickelson recommended contracting for services for Elizabeth Johnson to continue as Shasta LAFCO Counsel. She stated that the contract is identical to the current agreement, with the exception of the Firm's name change.

By motion made and seconded (Baugh, Haynes) the Commission approved contracting with Ms. Johnson for legal services for the 2008-09 fiscal year.

### Review and Consider Audit Proposal

Ms. Mickelson reported that staff circulated an RFP for audit services, concentrating on Northern California firms. In total, 55 RFPs were mailed. A few firms called to discuss details of the call for proposals; ultimately however, only one response was received. That offer from Hathaway & Ksenzulak, LLP is attached for the Commission's consideration.

Commissioner Fust asked if the firm provided a proposal for a biennial audit. Ms. Mickelson stated that they did not but could still request one from the firm.

Commissioner Baugh questioned if there was a termination policy for this proposal. Ms. Mickelson stated that she was unable to find one but could contact the firm and request that to be included with proposal.

By motion made and seconded (Baugh, Dickerson) the Commission tabled this item to the October meeting. Staff was asked to address the Commission's concerns with the CPA firm and bring a response to the October meeting for consideration.

### Consider Revision to Policy and Procedure, Including Addition of Financial Policy

Ms. Mickelson presented to the Commission the proposed revisions to current policy. Each proposed revision was marked by tracked changes. Most changes were simple, such as the consistency of the

name "Shasta LAFCO" versus "LAFCO of Shasta County." Some changes reflected the addition of the Analyst/Office Manager position to LAFCO staff. Meeting time and location changes are noted. Also included in the revisions are the corrections of any inconsistencies with Government Code changes made over the last eight years.

The largest proposed revision was the addition of the Financial Policy. Staff was previously directed to draft this policy when Shasta LAFCO made the decision to manage their funds outside of the County Treasury. Counsel has approved this policy inclusion to form.

Chair Webster questioned how much the LAIF account was insured for. Ms. Mickelson stated that she was not sure and would report back to the Commission at a later date.

By motion made and seconded (Baugh, Fust), the Commission approved Shasta LAFCO's Policy & Procedures as amended.

## **OTHER BUSINESS**

### CALAFCO Conference Report

Commissioner Haynes reported to the Commission that she found the CALAFCO conference educational and helpful as a new LAFCO Commissioner. She brought some materials back from the conference that she wanted to share with the other Commissioners. Ms. Mickelson said she would make sure the Commission received a copy of the materials Commissioner Haynes was referring to.

Commissioner Baugh reported that he too found the conference educational and helpful. While at the conference he was invited to consider participation in CALAFCO as a County member. He stated that he is interested in participating in CALAFCO but is not sure if LAFCO will have the funds to support that endeavor as well as if the Commission felt there is any value in him pursuing participation. Discussion followed. The Commission felt that there was some value in having Commissioner Baugh participate with CALAFCO and requested that he gather additional information about what would be required of him as well as the potential cost.

## **COMMISSIONER ANNOUNCEMENTS**

Commissioner Baugh noted that he would be unable to attend the meeting on October 2<sup>nd</sup>, but that he would contact his Alternate. Commissioner Haynes also said that she would be unavailable on the 2<sup>nd</sup> but that she also would contact her Alternate.

**STAFF ANNOUNCEMENTS**

The next LAFCO meeting will be at 9:00 a.m. on October 2, 2008 at the City of Anderson.

**ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 11:00 a.m.

Respectfully submitted,

---

Jessica Smith  
Clerk to the Commission

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: [www.shasta.lafco.ca.gov](http://www.shasta.lafco.ca.gov)

### MINUTES

#### Regular Meeting – October 2nd, 2008

(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.)

#### CALL TO ORDER/ROLL CALL/INTRODUCTIONS

Chairman Webster called the meeting to order at 9:00 a.m. at the City of Anderson Council Chambers, 1887 Howard Street, Anderson, CA. Commissioners Farr, Fust, Gover, Morgan and Webster were present. Commissioners Baugh, Haynes & Kehoe were absent. Executive Officer Mickelson, Counsel Johnson and Mary Hill (subbing for Clerk Smith) were present as staff.

#### PLEDGE OF ALLEGIANCE

Commissioner Gover led the Pledge of Allegiance.

#### PUBLIC COMMENT

There was no public comment submitted.

#### MINUTES

The minutes of September 18, 2008 were presented. By motion made and seconded (Fust, Gover), the Commission approved the September 18, 2008 minutes as amended. Amendments included; correction of typo on page 2, additional language added under Commissioner Announcements, and the replacement of Baugh with Fust as the Commissioner who led the pledge of allegiance.

#### BUDGET & FISCAL AFFAIRS:

##### Review of Unbudgeted Invoice from Shasta County, Authorize Budget Transfer and Payment

Ms. Mickelson reported that as staff was preparing to withdraw remaining funds from the County of Shasta in early August, we received a call from the County Administrative Office informing us that LAFCO owed the County

\$3,696.72 for a Worker's Compensation claim that was filed when we were still under contract with the County (April of 2006).

As this was an unknown liability, the Executive Officer asked them to prepare a written report that included the facts of the situation and to please forward that to LAFCO for review. A letter was then sent to LAFCO Counsel on August 26, 2008 from County Counsel in response. That letter is provided to the Commission as a confidential attachment to this staff report.

LAFCO Counsel has reviewed the letter drafted by County Counsel, as well as the prior contract for services between the County of Shasta and Shasta LAFCO and agrees that LAFCO is indeed responsible for the payment of the invoice.

Discussion followed.

By motion made and seconded (Farr, Morgan), the Commission authorized the payment amount of \$3,696.72 for the Worker's Compensation claim, as well as the transfer of necessary funds from Budget Reserves to a new budget line item entitled, "Risk Management Claim".

## **CHANGES OF ORGANIZATION AN/OR REORGANIZATION**

### Changes of Organization and/or Reorganization

Ms. Mickelson brought before the Commission a proposal to annex contiguous territory to Centerville CSD. She also provided the Commission with a revised map showing the new boundary lines for Centerville CSD. The Centerville CSD has submitted an application to LAFCO requesting initiation of proceedings for reorganization, which would annex territory to the Centerville Community Services District and concurrently detach from Shasta Community Services District. The proposal would also concurrently amend the Spheres of Influence of each of the agencies.

The purpose of the reorganization is to extend District services to a proposed development of several single family dwellings. The proposed service area encompasses 7 parcels, totaling approximately 390 acres. The proposal area is located in the northern portion of the District and near the intersection of Lower Springs Road and Swasey Drive.

This is an uninhabited, 100% consent application and almost fully within the adopted Centerville CSD Sphere of Influence. The only portion of Sphere adjustment requested is to include the .5 acres being annexed from Shasta Community Services District.

Ms. Mickelson reported that on September 30, 2008 LAFCO received correspondence from Mr. Kurt Born of Clear Creek CSD regarding this reorganization. Mr. Born had not been provided with any information on this reorganization with the exception of the LAFCO agenda that is regularly mailed to him. He requested the opportunity to examine the impacts on the treatment capacity for this project and set up a meeting with Centerville CSD's engineer and supervisor to assure sufficient treatment capacity.

Discussion followed.

Both Mr. Born of Clear Creek CSD and Mr. Browning of Centerville CSD agreed to meet in order to resolve this issue and both were supportive of moving this item a November or December meeting.

By motion made and seconded (Fust, Farr) the Commission continued this item to the next meeting.

## **OPERATIONS & ADMINISTRATION**

### Review and Consider Audit Proposal

Ms. Mickelson reminded the Commission that at the September meeting, the Commission requested two additional items from Hathaway & Ksenzulak, LLP to be considered. First, they requested cancellation language to be inserted into the proposed contract and forwarded to LAFCO Counsel for review. Second, they requested that a biennial audit proposal be considered as well. The discussion was then tabled until those items could be presented and considered with the original offer for services.

Counsel Johnson stated that she has looked over the cancellation policy and approved of the policy.

Ms. Mickelson explained that while LAFCO can choose to have a biennial audit, the firm would still be required to go over every item that is based on a beginning balance.

Ms. Karina Lapp, a partner with Hathaway & Ksenzulak, LLP, explained that the only savings in doing a biennial audit would be administrative fees since both years would still need to be audited and that cost would remain the same. Ms. Lapp recommended a biennial audit after their firm had prepared an annual audit for LAFCO.

Ms. Mickelson recommended LAFCO having an audit completed for the 2007/2008 fiscal year due to the changes that LAFCO has made with their accounting system.

By motion made and seconded (Farr, Morgan) the Commission approved the contract with Hathaway & Ksenzulak, LLP for audit services on an annual basis for the first year and will re-evaluate a biennial audit at a later date.

#### **COMMISSIONER ANNOUNCEMENTS**

Commissioner Morgan thanked Commissioner Haynes for contacting him so he could serve as an Alternate Commissioner. He also announced that it was Fire Prevention Week with a dinner being held by Shasta FPD n October 5<sup>th</sup> at 4:00 pm.

Commissioner Gover announced that he would be gone for three months and would return in early February.

#### **STAFF ANNOUNCEMENTS**

The next LAFCO meeting will be at 9:00 a.m. on November 6, 2008 at the City of Redding if the Centerville proposal is ready to be continued at that point, otherwise, the next regular meeting will be on December 4, 2008, location TBD.

#### **ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 10:13 a.m.

Respectfully submitted,

---

Amy Mickelson  
Clerk to the Commission

---

Date

# Shasta LAFCO

---

## Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: [www.shasta.lafco.ca.gov](http://www.shasta.lafco.ca.gov)

### MINUTES

#### Regular Meeting – December 4th, 2008

(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.)

#### CALL TO ORDER/ROLL CALL/INTRODUCTIONS

In the absence of the Chair and Vice Chair, Commissioner Fust called the meeting to order at 9:03 am at the City of Redding Council Chambers, 777 Cypress Ave, Redding, CA. Commissioners Farr, Fust, Haynes Kehoe and Mathena were present. Commissioners Baugh, Gover and Webster were absent. Executive Officer Mickelson, Counsel Johnson and Mary Hill (subbing for Clerk Smith) were present as staff.

#### PLEDGE OF ALLEGIANCE

Commissioner Haynes led the Pledge of Allegiance.

#### PUBLIC COMMENT

There was no public comment submitted.

#### MINUTES

The minutes of October 2, 2008 were presented. By motion made and seconded (Kehoe, Farr), the Commission approved the October 2, 2008 minutes.

#### BUDGET & FISCAL AFFAIRS

##### Fiscal Year 2008-09 2<sup>nd</sup> Quarter Transaction Register to Date

The 2<sup>nd</sup> Quarter Transaction Register was presented for review and adoption. By motion made and seconded (Mathena, Haynes), the Commission approved the Transaction Register.

### Consideration of Checking Account Statements

Ms. Mickelson presented the following bank statements: US Bank: two statements dated September 30, 2008 and October 31, 2008; and Tri Counties Bank dated November, 17, 2008. By motion made and seconded (Mathena, Kehoe), the Commission approved the bank statements as presented.

## **CHANGES OF ORGANIZATION AND/OR REORGANIZATION**

### Municipal Services Reviews

Ms. Mickelson provided the Commission with the current MSR update. Ms. Mickelson informed the Commission that the City of Shasta Lake MSR had submitted their final information to LAFCO earlier in the week and that the City of Anderson and the Anderson Fire Protection District were awaiting their consolidation study results. Discussion followed. No action was taken.

### Reorganization: Public Hearing: Consideration of Centerville Community Services District Reorganization – Foxwood Estates, LAFCO File #08-03, Continued from October 2, 2008

Ms. Mickelson brought before the Commission a continued proposal to annex contiguous territory to Centerville CSD. The Centerville CSD submitted the application to LAFCO requesting initiation of proceedings for reorganization, which would annex territory to the Centerville Community Services District and concurrently detach from Shasta Community Services District. The proposal would also concurrently amend the Spheres of Influence of each of the agencies. The proposal was introduced to the Commission in October, but a continuation was requested and granted due to additional discussion being requested by Clear Creek Community Services District.

The purpose of the reorganization was to extend District services to a proposed development of several single family dwellings. The proposed service area encompasses 7 parcels, totaling approximately 390 acres. The proposal area is located in the northern portion of the District and near the intersection of Lower Springs Road and Swasey Drive.

The proposal is an uninhabited, 100% consent application and almost fully within the adopted Centerville CSD Sphere of Influence. The only portion of Sphere adjustment requested is to include the .5 acres being annexed from Shasta Community Services District.

At 9:14 am, the public comment period was opened.

Ms. Workman-Flowers of Clear Creek CSD stated that the two Districts had met and would continue to meet. She was confident that the two districts would come to some sort of agreement in regard to the treatment plant that would serve them both well and equitably. She noted that the District (Clear Creek) did not have any reservations regarding this specific proposal being considered by the Commission.

Mr. Browning of Centerville CSD thanked Ms. Workman-Flowers for her work with the District.

At 9:16 am the public comment period was closed.

By motion made and seconded (Kehoe, Haynes), the Commission approved the Foxwood Estates Reorganization, LAFCO File #08-03, as recommended by staff.

#### Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioners regarding upcoming and expected proposals. Discussion followed. No action was taken.

### **OPERATIONS & ADMINISTRATION**

#### CALAFCO 2009 Event Calendar

Ms. Mickelson provided the Commission with the 2009 CALAFCO Even Calendar. She pointed out to the Commission the Annual Conference was taking place October 28 – 30<sup>th</sup>.

### **COMMISSIONER ANNOUNCEMENTS**

Commissioner Haynes thanked Alternate Morgan for stepping in for her at the last Commission meeting. Commissioner Fust then expressed his appreciation to Alternate Morgan for his attendance at all the LAFCO meeting as well as his diligence.

**STAFF ANNOUNCEMENTS**

The next regular LAFCO meeting will be at 9:00 am on February 5, 2009 at the City of Anderson. Staff also alerted the Commission that the LAFCO office will be closed between December 24, 2008 and January 2, 2009.

At 9:22 am, Chair Webster entered the meeting and resumed control of the meeting from Commissioner Fust. He apologized for being late.

**CLOSED SESSION**

The Commission convened to Closed Session at 9:25 am to discuss Public Employment (pursuant to Government Code Section 54954.5(e)) Title: LAFCO Executive Officer.

**CLOSED SESSION REPORT**

At 10:00 am Chair Webster reported that the Commission formed a committee, comprised of Commissioners Farr (Committee Chair), Fust and Kehoe to review the following issues: PTO verses vacation/sick time accrual and related documents and the current and old Executive Officer contracts. The committee will report back to the Commission its recommendations. The Commission requested that Ms. Mickelson provide copies of current and old contracts to the entire Commission.

**ADJOURNMENT**

There being no further business, Chairman Webster adjourned the meeting at 10:05 am.

Respectfully submitted,

---

Amy Mickelson

Executive Officer to the Commission

---

Date