

REGULAR MEETING AGENDA

Del Norte Local Agency Formation Commission
Board of Supervisors Chambers
981 H Street, Suite 100, Crescent City, CA 95531

February 23, 2009

4:00 pm

1. Call to Order/Roll Call
2. Appointment of Alternate Public Member
At the January 26th meeting, Del Norte LAFCo took action to appoint Duane "Sparky" Countess to the Public Member position, leaving an Alternate Public Member vacancy. LAFCo staff recommends that the commission appoint Judith Dobbs, the only other Public Member nominee, as the new Alternate Public Member.
3. Disclosure by County Legal Counsel of Potential Conflict of Interest Related to Pacific Shores Litigation and Dissolution (ATTACHMENT)
 - A. Dohn Henion, legal counsel for LAFCo and the County, submitted a letter to LAFCo and the County on February 10, disclosing a potential conflict of interest regarding the Pacific Shores litigation and dissolution. Mr. Henion's letter states that if a conflict of interest arises in the future, regarding the Pacific Shores litigation, he will represent the County. The letter is included as an attachment.
4. Public Hearing (ATTACHMENT)
 - A. Municipal Service Review and Sphere of Influence update hearings and resolutions for the following districts:

Special Districts	MSR Services	Sphere of Influence
Redwood Park Community Services District	Water, Wastewater	No Change
Hunter Valley Community Services District	Water	No Change
Klamath Fire Protection District	Fire & Emergency Response	No Change

5. Regular Business
 - A. Approval of January 26, 2009 minutes (ATTACHMENT)

- B. Budget Status and Proposed Revision (ATTACHMENT)
- C. Municipal Services Review Compliance Status (ATTACHMENT)

6. Reports

- A. Staff - The Executive Officer will provide a report of current projects, budget and issues of interest to the Commission.
- B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda pursuant to Government Code Section 54954.2 (a).
- C. Public - Public comment on items of interest to the public within the subject matter jurisdiction of the Local Agency Formation Commission, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

7. Adjournment



COUNTY OF DEL NORTE

Office of the County Counsel
981 "H" Street, Suite 220
Crescent City, CA 95531

Phone (707) 464-7208
Fax (707) 465-0324

DOHN R. HENION
COUNTY COUNSEL

February 10, 2009

Ms. Jeannine Galatioto
County Administrative Officer
County of Del Norte County
981 H Street, Suite 200
Crescent City, California 95531

Mr. George Williamson
Executive Officer
Del Norte Local Agency Formation Commission
P.O. Box 4581
Arcata, California 95518

Re: Disclosure of Potential Conflicting Interests

Dear Ms. Galatioto and Mr. Williamson:

The Del Norte County Counsel has been asked to provide representation to the Del Norte Local Agency Formation Commission (LAFCO) generally, and specifically on Pacific Shores v. LAFCO et al, Del Norte County Superior Court Case No. CVPT 08-1380. In addition, of course, this office also provides legal representation to the County of Del Norte generally and in the Pacific Shores litigation.

In this regard, California professional Conduct Rule 3-310(A)(1) requires that clients be informed in writing of the relevant circumstances and the reasonably foreseeable adverse consequences to each client. Accordingly, this Office advises you as follows: Presently the interests of LAFCO and the County in the Pacific Shores litigation appear to present no conflicts nor are we presently able to anticipate conflicts that might become evident as the litigation progresses. In the event such conflicts do arise, this office will inform you both as soon as such conflicts become apparent.

Both LAFCO and the County have taken the same position with regard to the dissolution of the Pacific Shores District; i.e., the District should have been and was in fact dissolved by the actions of the County and LAFCO. The litigation challenges some of the procedures employed by LAFCO and the

County to bring about the dissolution and seeks to vacate the dissolution and the related actions of LAFCO and the County. If LAFCO and the County are able to defend successfully the litigation, it appears that no conflict should arise. If the District at some point establishes some aspect of its case such that the dissolution may be vacated, a conflict may arise between LAFCO and the County. However, until such events occur, it is not possible for this office to anticipate the nature of such conflict(s).

Generally, the representation by legal counsel of multiple interests may have significant implications that you should consider. Terms that may be advantageous to one party are often disadvantageous to the other party. The parties should consider the following circumstances which may give rise to adverse consequences in the representation:

Conflicting Client Instructions. This office will take direction from the County in the litigation.

Disputes May Arise Among Clients. In the course of representing you it may become necessary at some future date to advise you to retain separate counsel so as to best protect your interests if a conflict arises between the County and LAFCO. If that happens, it may become necessary for this office to withdraw from representation of LAFCO in order to avoid an appearance of impropriety or charges of conflict of interest, or both. If a potential or actual conflict of interest should arise between the County and LAFCO – an event this office does not presently anticipate – this office will continue to represent the County.

This office will, of course, notify you promptly if and when we form an opinion that a conflict of interest exists. This office relies on you to do the same. LAFCO is always free at any time to retain separate counsel at its own expense to replace or supplement our representation of you, even when no conflict of interest exists. If LAFCO decides that it needs separate representation, this office will understand and respect that decision.

Disclosure of Confidential Information to Attorney. In the ordinary one-lawyer, one-client relationship, information given to the lawyer by the client in confidence as part of the representation may be considered as privileged information (i.e., the lawyer may not disclose the information to any other person without the client's consent). The attorney-client privilege exists in the context of joint representation. There is, however, an added consideration. The privilege extends to protect the confidences of the entire group from disclosure to any person who is not a member of the group. However, the information you provide your attorney is available to other members of the group the attorney is representing.

For the records of this office, please execute the counter-signature below to memorialize your consent to the joint representation. At any time, LAFCO may choose to seek other counsel even though you have consented below. If you have any questions concerning this letter or the consent, please

Jeannine Galatioto
George Williamson

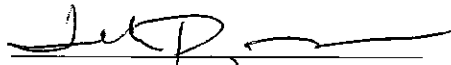
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February 10, 2009

feel free to discuss them with your own counsel before signing and returning the enclosed copy of this letter to me.

Very truly yours,

DOHN HENION
COUNTY COUNSEL



John T. Seyman
Deputy County Counsel

COUNTY ADMINISTRATIVE OFFICER
COUNTY OF DEL NORTE

Jeannine Galatioto

Dated: _____

EXECUTIVE OFFICER
DEL NORTE LOCAL AGENCY FORMATION COMMISSION

George Williamson

Dated: _____

Del Norte Local Agency Formation Commission

MUNICIPAL SERVICE REVIEWS AND SPHERE OF INFLUENCE UPDATES

February 23, 2009

Recommendation

By order of the Chair, with concurrence of the Commission, hold a public hearing for review of the following Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) Updates for approval, and adopt the attached Resolutions for each.

Discussion

Del Norte LAFCo staff has reviewed SOIs and prepared draft MSRs for the Hunter Valley Community Services District; Redwood Park Community Services District; and Klamath Fire Protection District.

The Cortese Knox Hertzberg Local Government Reorganization Act defines a SOI as a plan for the probable physical boundaries and service area of a local agency, as determined by the commission.

A map of the recommended SOI changes is included in the district's MSR. This SOI change is categorically exempt from CEQA under Section 15320 which states that a Class 20 categorical exemption is any "Local government reorganizations requiring no changes in the areas where previous powers were exercised".

The SOIs for the following three districts do not require changes at this time and are recommended for approval.

- Hunter Valley Community Services District, Resolution 09-04
- Redwood Park Community Services District, Resolution 09-05
- Klamath Fire Protection District, Resolution 09-06

RESOLUTION 09-04

RESOLUTION OF THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION
APPROVING A MUNICIPAL SERVICES REVIEW FOR THE
HUNTER VALLEY COMMUNITY SERVICES DISTRICT

WHEREAS, the fundamental role of the Del Norte LAFCo is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions; and

WHEREAS, as set forth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Del Norte LAFCo shall review and update each Sphere of Influence (SOI). Additionally, a Municipal Service Review (MSR) shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents; and

WHEREAS, the Executive Officer prepared a MSR, including the recommendation to adopt the MSR for the Hunter Valley Community Services District; and

WHEREAS, the Commission heard fully and considered all of the evidence presented at a public meeting held on February 23rd, 2009, and

WHEREAS, the Commission considered all the factors required by law under California Government Code Section 56425.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That all the foregoing recitations are true and correct.
2. That the Commission hereby determines that this proposal qualifies for a general exemption under CEQA because there is no possibility that it will adversely affect the environment [CEQA Guidelines, Section 15061 (b)(3)].
3. This Municipal Service Review is assigned the following distinctive short-term designation:
HUNTER VALLEY COMMUNITY SERVICES DISTRICT MUNICIPAL SERVICE REVIEW
4. The MSR for the Hunter Valley Community Services District is hereby adopted including the sphere of influence as shown in Municipal Service Review Figure 1.
5. Pursuant to Government Code Section 56425, the Commission makes the statements of determinations in the attached staff report.

6. The Executive Officer shall revise the official records of the Commission to reflect any changes to the sphere of influence or MSR.

The foregoing resolution was duly and regularly adopted by the Del Norte Local Agency Formation Commission, State of California.

PASSED AND ADOPTED at a regular meeting of the Del Norte Local Agency Formation Commission, State of California, on the 23rd day of February 2009, by the following vote:

AYES: Commissioners:

NOES: Commissioners:

ABSENT: Commissioners:

ABSTAIN: Commissioners:

Leslie McNamer, LAFCo Chair
Del Norte LAFCo

Attest:

George Williamson, LAFCo Executive Officer
Del Norte LAFCo

RESOLUTION 09-05

RESOLUTION OF THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION APPROVING A MUNICIPAL SERVICES REVIEW FOR THE REDWOOD PARK COMMUNITY SERVICES DISTRICT

WHEREAS, the fundamental role of the Del Norte LAFCo is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions; and

WHEREAS, as set forth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Del Norte LAFCo shall review and update each Sphere of Influence (SOI). Additionally, a Municipal Service Review (MSR) shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents; and

WHEREAS, the Executive Officer prepared a MSR, including the recommendation to adopt the MSR for the Redwood Park Community Services District; and

WHEREAS, the Commission heard fully and considered all of the evidence presented at a public meeting held on February 23rd, 2009, and

WHEREAS, the Commission considered all the factors required by law under California Government Code Section 56425.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That all the foregoing recitations are true and correct.
2. That the Commission hereby determines that this proposal qualifies for a general exemption under CEQA because there is no possibility that it will adversely affect the environment [CEQA Guidelines, Section 15061 (b)(3)].
3. This Municipal Service Review is assigned the following distinctive short-term designation:
REDWOOD PARK COMMUNITY SERVICES DISTRICT MUNICIPAL SERVICE REVIEW
4. The MSR for the Redwood Park Community Services District is hereby adopted including the sphere of influence as shown in Municipal Service Review Figure 1.
5. Pursuant to Government Code Section 56425, the Commission makes the statements of determinations in the attached staff report.

6. The Executive Officer shall revise the official records of the Commission to reflect any changes to the sphere of influence or MSR.

The foregoing resolution was duly and regularly adopted by the Del Norte Local Agency Formation Commission, State of California.

PASSED AND ADOPTED at a regular meeting of the Del Norte Local Agency Formation Commission, State of California, on the 23rd day of February 2009, by the following vote:

AYES: Commissioners:

NOES: Commissioners:

ABSENT: Commissioners:

ABSTAIN: Commissioners:

Leslie McNamer, LAFCo Chair
Del Norte LAFCo

Attest:

George Williamson, LAFCo Executive Officer
Del Norte LAFCo

RESOLUTION 09-06

RESOLUTION OF THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION
APPROVING A MUNICIPAL SERVICES REVIEW FOR THE
KLAMATH FIRE PROTECTION DISTRICT

WHEREAS, the fundamental role of the Del Norte LAFCo is to implement the Cortese-Knox-Hertzberg Act (The Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions; and

WHEREAS, as set forth in § 56425 (g) of The Act, on or before January 1, 2008, and every five years thereafter, Del Norte LAFCo shall review and update each Sphere of Influence (SOI). Additionally, a Municipal Service Review (MSR) shall be conducted with, or in conjunction with the action to establish or to update a SOI pursuant to The Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents; and

WHEREAS, the Executive Officer prepared a MSR, including the recommendation to adopt the MSR for the Klamath Fire Protection District; and

WHEREAS, the Commission heard fully and considered all of the evidence presented at a public meeting held on February 23rd, 2009, and

WHEREAS, the Commission considered all the factors required by law under California Government Code Section 56425.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That all the foregoing recitations are true and correct.
2. That the Commission hereby determines that this proposal qualifies for a general exemption under CEQA because there is no possibility that it will adversely affect the environment [CEQA Guidelines, Section 15061 (b)(3)].
3. This Municipal Service Review is assigned the following distinctive short-term designation:

KLAMATH FIRE PROTECTION DISTRICT MUNICIPAL SERVICE REVIEW

4. The MSR for the Klamath Fire Protection District is hereby adopted including the sphere of influence as shown in Municipal Service Review Figure 1.
5. Pursuant to Government Code Section 56425, the Commission makes the statements of determinations in the attached staff report.

6. The Executive Officer shall revise the official records of the Commission to reflect any changes to the sphere of influence or MSR.

The foregoing resolution was duly and regularly adopted by the Del Norte Local Agency Formation Commission, State of California.

PASSED AND ADOPTED at a regular meeting of the Del Norte Local Agency Formation Commission, State of California, on the 23rd day of February 2009, by the following vote:

AYES: Commissioners:

NOES: Commissioners:

ABSENT: Commissioners:

ABSTAIN: Commissioners:

Leslie McNamer, LAFCo Chair
Del Norte LAFCo

Attest:

George Williamson, LAFCo Executive Officer
Del Norte LAFCo

Municipal Service Review
For a Community Services District
Within Del Norte County

Hunter Valley Community Services District



Prepared by:

Del Norte
Local Agency Formation Commission

February 2009

For Updating the Sphere of Influence Report

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INTRODUCTION

This Municipal Service Review (MSR) was prepared as part of a mandated review of the spheres of influence (SOI) of all government entities in the County by the Del Norte Local Agency Formation Commission (LAFCo). This report focuses on the Hunter Valley Community Services District (HVCSD). The purpose of this study is to examine and evaluate local governmental services in order to improve overall understanding of local service conditions and to enhance these conditions through comprehensive review and analysis. This MSR presents for the Commission's consideration a discussion, analysis, and recommendations regarding services provided by the HVCSD. This MSR serves to update the relevant data on services provided within the district's SOI. At this time, the SOI is not proposed to be amended.

Review Methods

This MSR was prepared by LAFCo staff during February of 2009. The HVCSD staff completed an agency profile questionnaire, which provided LAFCo with the current status of district operations. The draft report was sent to district staff for review and clarification. All information gathered for this report is stored in Del Norte LAFCo files for future reference.

Statutory Authority

The fundamental role of the Local Agency Formation Commission (LAFCo) is to implement the Cortese-Knox-Hertzberg Act (Act) consistent with local conditions and circumstances. The Act guides LAFCo's decisions. The major goals of LAFCo as established by the Act are to:

- Encourage orderly growth and development;
- Promote orderly development;
- Discourage urban sprawl;
- Preserve open-space and prime agricultural lands by guiding minimizing resource loss;
- Exercise its authority to ensure that affected populations receive efficient services;
- Promote logical formation and boundary modifications that direct the burdens and benefits of additional growth to those local agencies that are best suited to provide services;
- Make studies and obtain and furnish information which will contribute to the logical and reasonable development of local agencies to provide for present and future needs;
- Establish priorities by assessing and balancing community service needs with financial resources available to secure and provide community services and to

encourage government structures that reflect local circumstances, conditions and financial resources;

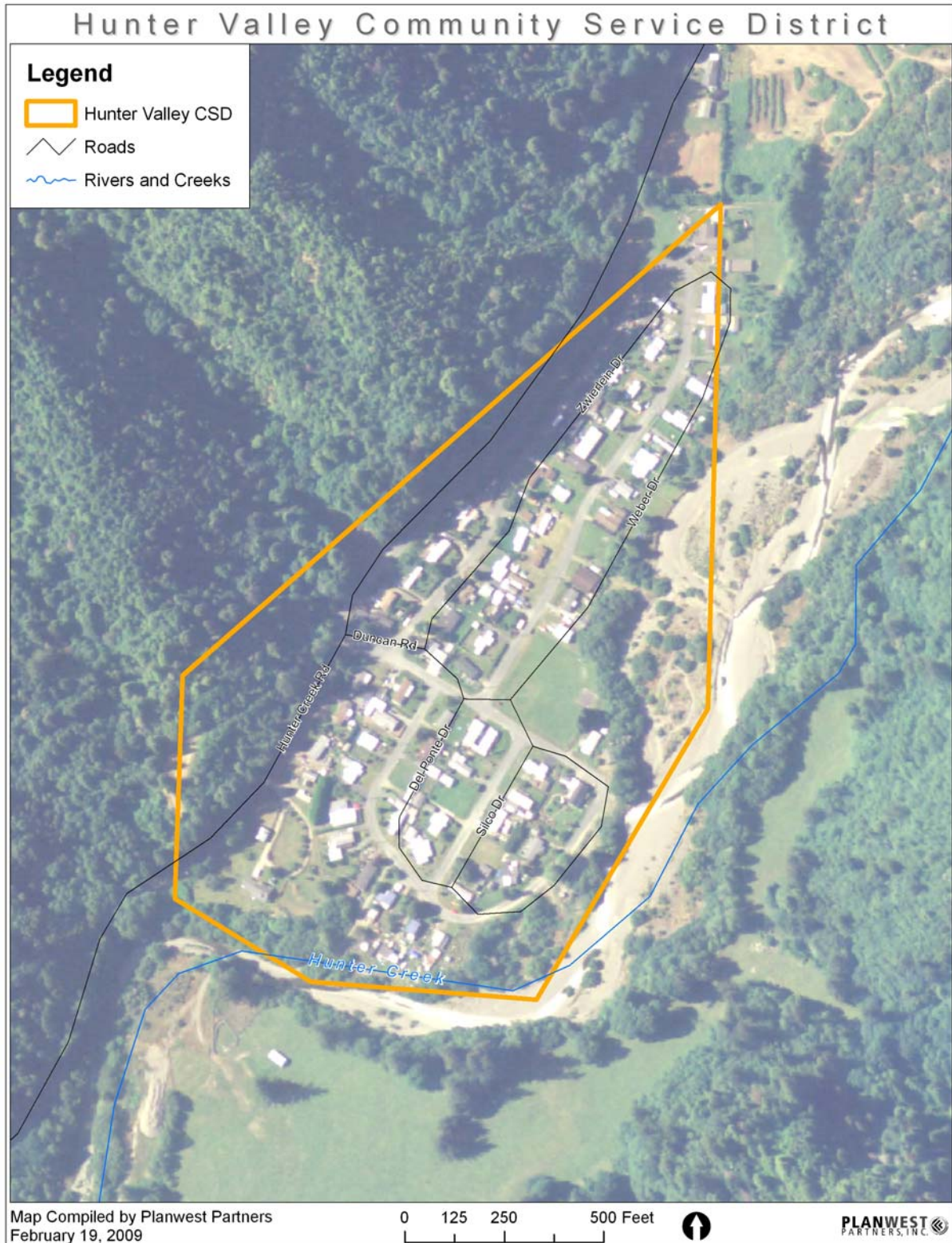
- Determine whether new or existing agencies can feasibly provide needed services in a more efficient or accountable manner and, where deemed necessary,

As set forth in §56425(g) of the Act, on or before January 1, 2008, and every five years thereafter, Humboldt LAFCo shall review and update each Sphere of Influence (SOI). An MSR shall be conducted prior to, as a part of, or in conjunction with, the action to adopt, amend, or revise an SOI pursuant to the Act. Together, the SOI and MSR documents analyze the District's ability to serve existing and future residents.

In accordance with §56430 of the Act, in preparation for adopting, amending, or revising an SOI, Humboldt LAFCo shall comprehensively review all services and public service providers within the designated geographic area. The Commission shall prepare a written statement of determinations on six subject areas as pursuant to state law; these determinations may be utilized in future decision-making about the provision of services, appropriate boundaries, changes of organizations, and need to revise or update SOIs. LAFCO is required to make written determinations on the following:

1. Growth and population projections for the affected area;
2. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;
3. Financing ability of agencies to provide services;
4. Status of and, opportunities for, shared facilities;
5. Accountability for community service needs, including governmental structure and operational efficiencies;
6. Any other matter related to effective or efficient service delivery, as required by commission policy.

Figure 1: HVCSD Boundary and Sphere of Influence



AGENCY PROFILE

The Hunter Valley Community Services District (HVCSD) is located along the northern Pacific coast approximately 20 miles south of Crescent City and 340 miles north of San Francisco. The district is located along Hunter Creek north of the Klamath River and the community of Klamath.

Formation

The HVCSD was formed by Resolution of the Del Norte County Board of Supervisors on May 3, 1965. The special district was formed for the purpose of providing potable water to residents within its boundary.

Table 1: Agency Profile

Agency Name	Date of Formation	Enabling Legislation
Hunter Valley Community Services District	May 3, 1965	State of California Government Code Section 61102
Contact Person	Contact Title	Email/Website
Patrick A. Harlow	Secretary Treasurer	N / A
Mailing Address	Physical Address	Phone/Fax
Hunter Valley CSD 14 Del Ponte Drive Klamath, CA	Hunter Valley CSD 14 Del Ponte Drive Klamath, CA	Phone: (707) 482-6200

Governance Structure and Administration

HVCSD is governed by a three-member Board of Directors that is elected by district residents or appointed by the County Board of Supervisors. The Board meets once per year, or as deemed necessary. Meeting dates are posted in the district office and an agenda is posted outside the district office 72 hours prior to the meeting. Table 2, below, shows the existing Board composition.

Table 2: Board of Directors

Board Member	Title	Term Expiration
Patrick A. Harlow	Secretary Treasurer	December 2012
Dean Brury	Board Member	December 2010
Paul Crandall	Board Member	December 2012

POPULATION AND LAND USE

County Population and Growth

According to the State of California, Department of Finance, Del Norte County has an estimated 2008 population of 29,419ⁱ. Del Norte County's 2007 population growth rate was 0.7%ⁱⁱ. Assuming this growth continues, the County's 2025 population will be 33,136.

The County General Plan guides land use decisions within Del Norte County and the SRCSD's jurisdiction. Del Norte County covers approximately 1,008 square miles, or 640,000 acres. More than eighty percent of this land is publicly owned. The county consists of 600,000 acres of forestland and 10,000 acres of agricultural landⁱⁱⁱ.

District Population and Housing Projections

The HVCSD currently serves 66 residential units. According to the State of California, Department of Finance, the average population per household in Del Norte County is 2.615^{iv}. Therefore, the district's estimated population is 173. The average growth rate in the County in 2007 was 0.7%. Assuming this growth continues, the HVCSD's estimated 2025 population is 192.

The district's water system is capable of serving 76 connections and is therefore operating at 87% of its service capacity^v. A water system expansion will be necessary to meet projected district growth.

SERVICES

The Klamath area has several small service districts and systems that supply water to scattered developments in the area, one of which is the HVCSD. The HVCSD currently provides water service to 66 connections within its boundary. Three full-time staff members work as volunteers for the district. Agency decisions are overseen by the Board of Directors.

Infrastructure

The district's water source is a single well located adjacent to Hunter Creek. The HVCSD's water system consists of the following infrastructure:

- One well,
- One well pump,
- One 12,000 gallon storage tank,
- Two distribution pumps, and
- A polyvinyl chloride (PVC) piping distribution system.

Infrastructure Needs and Deficiencies

The water system adequately serves the existing connections with no major deficiencies. However, the system is operating near its capacity and will require expansion in order to meet the district's projected growth. The district's piping is in need of repair / replacement.

Planned Upgrades

The district does not currently have a Capital Improvement Plan (CIP) or any planned upgrades.

OTHER SERVICE PROVIDERS

The HVCSD receives fire protection and emergency medical services from the Klamath Fire Protection District and the California Department of Forestry and Fire Protection (CAL FIRE). Law enforcement and general governmental services are provided by the County.

BUDGET

The HVCSD draft 2009 budget estimates \$6,375 in revenues and expenditures. Water sales comprise 100% of the district's revenues. The district's primary expenditures include a Department allotment (50%), equipment maintenance (18%), and professional services (15%). The district currently has capital / fixed assets worth \$25,733 and has no outstanding debt.

Table 3: Budget Summary

Water	FY 07-08 (Actual)	FY 08-09 (Budget)
Total Revenue	\$12,000	\$6,375
Total Expenditures	\$12,000	\$6,375
Balance	\$0	\$0

Service Fees

The district currently charges \$100 per connection annually for water services.

MSR DETERMINATIONS

Growth and population projections for the affected area

The HVCSD serves 66 residential units and an estimated 2008 population of 172. At the current growth rate the district's estimated 2025 population is 192.

The County General Plan Land Use designation for the HVCSD is Rural Neighborhood. This allows infilling of parcels at higher densities than those found in surrounding rural lands including apartments and mobile home parks where full community services are

not available. Infilling of parcels at designated densities is permitted subject to physical limitations. There are areas within the district that currently permit further development and will likely receive additional housing units in the future.

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies

The district's water system is operating at 89% of its capacity. The district will need to expand their water system in order to meet growth within the district. The expansion will require the following components:

- Additional water source,
- Additional storage capacity,
- Necessary pump upgrades, and
- Expanded distribution system.

Financing ability of agencies to provide services

The district currently provides adequate water service to its existing connections, but is incapable of meeting future growth within the district. Meeting these growth demands will require a water system expansion project. To finance such a project, the district should consider restructuring their service rates, which are currently \$100/connection/year.

Status of and, opportunities for, shared facilities

The HVCSD utilizes a shared office space and there are no further opportunities for shared facilities.

Accountability for community service needs, including governmental structure and operational efficiencies

The HVCSD board meets regularly in public meetings. The Board members are elected by District residents and hold four year terms of office. The current government structure is operating efficiently, and appears to have sufficient governance structure and operational capacity, no change is needed.

Any other matter related to effective or efficient service delivery, as required by commission policy

There are no further matters to report related to the water service provided by the HVCSD.

SOI STATUS

The HVCSD's SOI is sufficient and no changes are recommended at this time.

REFERENCES

ⁱ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2007 and 2008. Sacramento, California, May 2008

ⁱⁱ *ibid*

ⁱⁱⁱ DNRCD flier. *Del Norte Resource Conservation District: Benefiting Land and People in Del Norte County*. Accessed throughout January 2009.

http://ruralhumanservices.org/nortec/July_Sept06/DNRCD%20Flyer/DNRCD%20Flyer.pdf.

^{iv} State of California, Department of Finance, E-5 – City / County Population and Housing Estimates. January 1, 2008. Sacramento, California. Accessed in February 2009.

http://www.dof.ca.gov/research/demographic/reports/estimates/e-5_2001-06.

^v Del Norte County General Plan Revised Daft Background Report. May 1, 1998.

MINUTES
REGULAR MEETING
Del Norte Local Agency Formation Commission
January 26, 2009
4:00 pm

Present: Commissioners Leslie McNamer, Gerry Hemmingsen, Donna Westfall, Kathryn Murray and Sparky Countess

Others Present: George Williamson, Executive Officer, Karen Phillips, Recording Secretary and Judith Ann Dobbs.

1. Call to Order/Roll Call

Chairman McNamer called the meeting to order at 4:00 p.m.

2. Appointment of Public Member

George Williamson reported on the applications received from Sparky Countess and Judith Ann Dobbs for the vacant public member seat on the Commission. The Commission was asked to consider the applications and make a selection. The opening of the vacancy was noticed as required by the Cortese-Knox Act. Both applicants were present at the meeting. Sparky Countess addressed the commission and reported that he currently serves as the alternate public member on the Local Agency Formation Commission. He listed the committees and boards that he has served on over the years, including being a licensed real estate broker and appraiser. Commissioner Westfall asked about how he felt about windmills, solar energy and other services. Mr. Countess indicated that he was in favor of the use of solar and wind power. He also stated, when asked, that he is no longer on the Smith River Community Service District board of directors. Judith Dobbs indicated that she and her husband are active in the community and are the developers of Spyglass. She was formerly a school teacher, is the past-president of the Del Norte Board of Realtors, and serves on the Chetco/Brookings Library Board. She listed a number of other boards and charter boards she has served on over the years. She is interested in serving on the Local Agency Formation Commission because of her involvement with the Local Agency Formation Commission applications for the Spyglass subdivision and because she likes to know what is going on. Commissioner Westfall wanted to know three things that disturbed her about the community. Mrs. Dobbs indicated that the empty buildings, state-wide septic bill and large number homeless people were disturbing. She does like to see the change, such as Walgreens and Home Depot; however, it will affect the economics of the area also. Mrs. Dobbs also indicated that she loves the fact that there is no traffic and not many people. She stated that "We have real people."

On a motion by Commissioner Hemmingsen, seconded by Commissioner McNamer, and unanimously carried, the Local Agency Formation Commission appointed Sparky Countess as the new public member on the Local Agency Formation Commission due to the fact that they felt there needed to be someone with previous experience in the Local Agency

Formation Commission process and history in light of the two new board members appointed from the City.

Commissioners asked Judy Dobbs if she had an objection to serving as the alternate public member, to which she indicated that she did not. George Williamson indicated that the alternate public member would need to be appointed; however, he would like some time to research the appointment. No other action was taken at this time.

3. Public comment on Closed Session Matters

No public comments were received regarding the closed session matters listed below.

4. Closed Session Conference with legal Counsel [Government Code Section 54957(b)(1)] one Matter:

- A. Pacific Shores Subdivision California Water District v. Del Norte LAFCO, Del Norte Superior Court # CVPT08-138

Chairman McNamer indicated that there would be no closed session held. No action was taken.

5. Report on Any Actions taken in Closed Session

- A. Report on Pacific Shores Litigation

No closed session was held. No report was necessary or given.

6. Public Hearing (ATTACHMENT)

- A. Municipal Service Review and Sphere of Influence update hearings and resolutions for the following districts:

Special Districts	MSR Services	Sphere of Influence
Del Norte Resource Conservation District	Resource Management	No Change
Gasquet Fire Protection District	Fire & Emergency Response	No Change
Smith River Community Services District	Water, Streetlights	No Change

Executive Officer George Williamson reported on the MSR's and the sphere of influence updates for the above-listed special districts. The public hearing was opened at 4:19 p.m. Staff from each of the districts has been very helpful in putting the updates together according to Mr. Williamson. They have provided information and operations data for inclusion in the reports. There are no changes in the sphere of influence for any of the three districts listed, although there are some growth issues in Smith River that will be tracked. The Resource Conservation District will be expanded over time, according to Mr. Williamson, due to the good work that they are doing to support resource management in the area. No comments have been received back from the districts at this time. Commissioner Westfall asked about the Westbrooks and how they were related to the members listed in the director of the Del Norte Resource Conservation District. Commissioner Hemmingsen and Countess explained that the Westbrook families listed were second cousins. The Del Norte Resource

Conservation District has no executive officer, although they do have an administrator and another part-time position. The public hearing was closed at 4: 24 p.m.

On a motion by Commissioner Hemmingsen, seconded by Commissioner Countess and unanimously carried on a polled vote, the Local Agency Formation Commission approved and adopted the MSR and Sphere of Influence updates and Resolution No 09-03 for the Del Norte Resource Conservation District

On a motion by Commissioner Hemmingsen, seconded by Commissioner Countess and unanimously carried on a polled vote, the Local Agency Formation Commission approved and adopted the MSR and Sphere of Influence updates and Resolution No. 09-02 for the Gasquet Fire Protection District.

On a motion by Commissioner Hemmingsen, seconded by Commissioner Countess and unanimously carried on a polled vote, the Local Agency Formation Commission approved and adopted the MSR and Sphere of Influence updates and Resolution No. 09-01 for the Smith River Community Services District.

7. Regular Business

A. Approval of November 24, 2008 minutes (ATTACHMENT)

Executive Officer Williamson requested approval of the minutes of the November 24, 2008 meeting.

On a motion by Commissioner Countess, seconded by Commissioner Hemmingsen and unanimously carried, the Local Agency Formation Commission approved and adopted the minutes for the meeting of November 24, 2008 as presented.

B. Budget Status (Attachment)

Executive Officer Williamson reported on Local Agency Formation Commission budget status. The budget was approved for the fiscal year in previous action of the Commission; this is an update on where the current budget stands. The budget appears to be within the budgeted amounts. Executive Officer Williamson indicated that a portion of Mr. Bakker's (special counsel for the Pacific Shores dissolution) bill has been paid; however, some of it is still pending in the Auditor's office. Staff was asked to negotiate the bill and talk to Mr. Bakker. The Executive Officer was directed by consensus to pay a portion of the Bakker bill this year and a portion next fiscal year to keep from overdrawing the budget line item. The Commission will get a monthly expenditure reports from Mr. Williamson so they always know where the budget stands. Commissioner Westfall indicated that she had issues with approving a budget without seeing any financials. Commissioners and staff explained that this is a status report only. No action was necessary.

C. Municipal Services Review Compliance Status (ATTACHMENT)

Executive Officer Williamson reported on Local Agency Formation Commission MSR compliance status, which acknowledges the action taken earlier today. There are three MSR's completed and about ten left to complete. There was discussion about MSR's that have never come before the Commission. Now it appears that there are only five MSR's that need to be approved and staff is aware of no record of them having been previously been approved. No action was necessary.

8. Reports

- A. Staff - The Executive Officer will provide a report of current projects, budget and issues of interest to the Commission.

The Executive Officer had matters to report at this time.

- B. Commission - On their own initiative, Commission members may make brief announcements or reports on their own activities. They may ask questions for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda pursuant to Government Code Section 54954.2 (a).

The following commissioners made reports/comments: Commissioner Westfall announced that she is very pro alternative energy and that if there is any business to do with these matters, it be placed on the agenda as soon as possible. Staff will research this and report back

- C. Public - Public comment on items of interest to the public within the subject matter jurisdiction of the Local Agency Formation Commission, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

No public comments were made.

9. Adjournment

There being no further business to come before the Commission, Chairman McNamer adjourned the meeting at 4:39 p.m. until the next regularly scheduled meeting on February 23, 2009 at 4:00 p.m.

Respectfully submitted,

Karen L. Phillips, Recording Secretary

Del Norte Local Agency Formation Commission

BUDGET STATUS REPORT & Proposed Augment

February 23, 2009

EXPENDITURES	Approved BUDGET	EXPENDITURES TO DATE *	Proposed Adjustment	Revised Budget
SERVICES & SUPPLIES				
Insurance ¹	\$ 2100.00	\$ 2158.59	+ \$ 58.59	\$ 2,158.59
CALAFCO Membership	\$ 650.00	\$ 725.00	+ \$ 75.00	\$ 725.00
Printing	\$ 1,000.00	\$ 225.55	\$ 0.00	\$ 1,000.00
Professional Services (MSR / SOI Preparation)	\$ 3,500.00	\$ 1,973.53.00	+ \$ 5,500	\$ 9,000.00
Executive Officer	\$54,000.00	\$ 20,943.14	-\$2,433.59	\$51,566.41
Legal Counsel ²	\$ 8,000.00	\$ 1,775.17	+ \$ 4,000.00	\$ 12,000.00
Advertising/Publications	\$ 1,000.00	\$ 69.64	\$ 0.00	\$ 1,000.00
Special Elections	\$ 8,000.00	\$ 0.00	-\$7,000.00	\$ 1,000.00
Travel	\$ 3,000.00	\$ 0.00	\$ 0.00	\$ 3,000.00
Interfund-Cost Plan	\$ 1,500.00	\$ 636.00	\$ 0.00	\$ 1,500.00
TOTAL EXPENDITURES	\$ 82,750.00	\$ 25,808.09	+ \$ 200.00	\$ 82,950.00
REVENUES				
		REVENUES TO DATE		
Project Revenue	\$ 4,000.00	\$ 0.00	\$ 0.00	\$ 4,000.00
Interest	\$ 0.00	\$ 83.01	+\$ 200.00	+\$ 200.00
Del Norte County	\$ 39,375.00	\$ 39,375.00	\$ 0.00	\$ 39,375.00
City of Crescent City	\$ 39,375.00	\$ 39,375.00	\$ 0.00	\$ 39,375.00
TOTAL REVENUES	\$ 82,750.00	\$ 78,833.01	+ \$200.00	\$ 82,950.00
TOTAL EXPENDITURES	\$ 82,750.00	\$ 25,808.09	+ \$ 200.00	\$ 82,950.00

¹ Based on actual 2008-09 costs.

² This is proposed to be increased by 50% to start repaying Meyers Nave for outstanding legal fees associated with Pacific Shores Water District dissolution.

DEL NORTE LOCAL AGENCY FORMATION COMMISSION
MUNICIPAL SERVICES REVIEW (MSR) & SPHERE OF INFLUENCE (SOI) UPDATE SCHEDULE
February 2009

Agency Name	SOI & MSR Status	Contact Information	Next Update	Completed
CITIES				
City of Crescent City	MSR-December 20, 2004	377 J. Street, Crescent City, CA 95531; Mike Young, Interim City Manager; Laura Haban, Administrative Analyst; (707) 464-7483	2009	
COMMUNITY SERVICE DISTRICTS				
Bertsch-Ocean View	MSR-December 20, 2004	P.O. Box 887, Crescent City, CA 95531; Eunice Zeck; (707) 464-5154;	2009	
Big Rock		P.O. Box 453, Crescent City, CA 95531; Mike Sullivan;	2009	
Church Tree		251 Church Tree Road, Crescent City, CA 95531; Tim Criteser;	2009	
Gasquet	MSR-June 27, 2005	P.O. Box 86, Gasquet, CA 95543; Sandra Hintz (707) 457-3450 or (707) 457-3107	2010	
Hunter Valley		14 Del Ponte Drive, Klamath CA, 95548; Patrick A. Harlow; (707) 482-6200	2009	MSR review Feb 2009
Hussey Ranch (HRC)	MSR June 01, 2004	159 Club Drive, Crescent City, CA 95531; Carol Leuthold; Home: 487-7471, Cell: 954-4676, Work (finance director for the City of Crescent City) (707) 464-7483	2009	
Klamath	MSR-September 26, 2005	P.O. Box 430, Klamath, CA 95548; Monica Hiner , (707) 482-0245 or (707)482-1375	2010	
Redwood Park	MSR-June 01, 2004	P.O. Box 650, Klamath, CA 95548; Gordon Karnes; (707) 482-9295	2009	MSR review Feb 2009
Smith River	MSR-January 2009	241 W. 1 st Street, Smith River, CA 95567; Myron Williamson; (707) 487-5381	2014	MSR approved Jan 2009
FIRE DISTRICTS				
Crescent City FPD	MSR-November 28, 2005	255 W. Washington, Crescent City 95531; Joyce McPeters; (707) 464 2421	2010	

Agency Name	SOI & MSR Status	Contact Information	Next Update	Completed
Fort Dick FPD	MSR-June 27, 2005	P.O. Box 369, Fort Dick, CA 95538; Randy Crawford; (707) 487-8185; FDFD81@aol.com	2010	
Gasquet FPD	MSR-January 2009	P.O. Box 85, Gasquet, CA 95543; Darrell "Buzz" Parlasca, Fire Chief, Work: 457-3332, Home: 457-3294, Laura's Fax at Crescent City 465-1719	2014	MSR approved Jan 2009
Klamath FPD		P.O. Box 369, Klamath, CA 95548; John Morris; 482-3311	2009	MSR review Feb 2009
Smith River FPD	MSR-April 24,2006	P.O. Box 187, Smith River, CA 95567; Miriam Alexander; (707) 487-5621	2011	
OTHER DISTRICTS				
Crescent City Harbor District	MSR-December 20, 2004	101 Citizens Dock Road, Crescent City, CA 95531; (707) 464-6174;Richard Young cc.hd@verizon.net	2009	
Del Norte Co. Health Care District	MSR-September 26, 2005	P.O. Box 2064, Crescent City, CA 95531; Norma Reynolds; (707) 464-9494; DNHCD1234@aol.com	2010	
Del Norte Co. Library District	MSR-September 25, 2006	190 Price Mall, Crescent City, CA 95531; Patti Hector; (707) 464-9783	2011	
Del Norte Co. Resource Conservation District	MSR-January 2009	P.O. Box 75, Smith River, CA 95567; Andrea Souther, District Conservationist 218-5771;Robin Galea; robin.galea@ca.usda.gov	2014	MSR approved Jan 2009
Smith River Cemetery District		P.O. Box 762, Smith River, CA 95567; Gladys Cross; (707) 487-6705	2009	
WATER DISTRICTS				
None		NONE		