

MINUTES
Del Norte Local Agency Formation Commission
September 21, 2009
3:00 pm

Present: Commissioners Leslie McNamer, Gerry Hemmingsen, Charles Slert and Alternate Public Member Judith Dobbs (entered later)

Absent: Public Member Sparky Countess, and Commissioner Kathryn Murray

Others Present: George Williamson, Executive Officer and Karen Phillips, Recording Secretary and Chris Howard, Gerry Nailon, Mr. & Mrs. Dale Miller, Michael Mazzei and Martha Rice

1. Call to Order/Roll Call

Chairman McNamer called the meeting to order at 3:01 p.m.

2. Public Hearing

A. Municipal Service Review and Sphere of Influence update hearing and resolutions for the following districts: (ATTACHMENT 2A)

Special District	MSR Services	Sphere of Influence
Bertsch-Ocean View Community Services District	Water	Recommended SOI Expansion

The public hearing was opened at 3:02 p.m. and discussion was held regarding the Bertsch-Ocean View Community Services District (BOV CSD) Municipal Service Review (MSR) and Sphere of Influence (SOI) update. This CSD provides water only to the District residents. In the MSR LAFCo Staff is recommending the Commission consider expanding the SOI to include the Martin Ranch, currently served by the BOV CSD. To conduct additional review, Staff indicated that the Elk Valley Rancheria submitted a letter requesting that any action on SOI expansion be postponed until a later date.

The City of Crescent City delivers water and bills District customers; the BOV CSD's function is to manage water delivery, pay for specific repairs to infrastructure, set and receive connection fees for new service, etc. The customers pay an additional fee for the water they use and these funds are returned to the District. Michael Mazzei, representing BOV CSD, indicated that there were no additional charges made to customers.

Commissioner Slert asked what the role of the District was and whether or not there was a reason for their service since it appears that the District is a third party. Staff indicated that the County Service Area Number One (CSA1) provides wastewater treatment to the same area, which is within the City's SOI. The water has been delivered to the Martin Ranch, south of the CSD Boundary, currently owned by Elk Valley Rancheria, for approximately ten years. According to Michael Mazzei, there has been water provided.

The following persons addressed the Commission: Chris Howard, representing Elk Valley Rancheria, commented that the process seemed rushed and indicated that there have been discussions with the District and the City of Crescent City; they feel as a group, that there is law regarding the provision of water and the provision of water to the property. The fees are for hook-up to the District and the City for each new customer; money is tight and the Rancheria development will be providing jobs; however, they need the security of knowing that water will be delivered to the new project. The annexation seems very focused on the Martin Ranch and not on other areas that could also be annexed (Starry Ranch). They would like the Commission to ask the BOV CSD to work cooperatively with the Rancheria and they requested an extension on the decision regarding the SOI at this time.

Commissioner Slert asked if annexation to the City could occur in the future. Staff indicated that it could be a possibility. Commissioner Slert expressed concern regarding the Elk Valley Rancheria's project at the Martin Ranch and its impact on the community. Mr. Mazzei indicated that the Water Wheeling agreement with the City was not a consideration for the BOV CSD, either short-term or long-term, and they had indicated that to the City and the Rancheria earlier in the year. They want to maintain control over the water service. Mr. Mazzei, the District's attorney, indicated that they suggested annexation of the Martin Ranch to the District and that conversations with the Rancheria are ongoing; however, others have injected themselves into the conversation.

The District indicated that the City would have to pay the District for the investments in infrastructure if oversight was to be given to the City. The residents of the District own the system and the City would have to pay for the system, if it were to be transferred to the City. Executive Officer Williamson explained the annexation process and the SOI changes to the Commission. Dale Miller, Elk Valley Rancheria Tribal Chairman, indicated that costs needed to be considered before they can determine whether or not they will move forward with their project.

The public hearing was closed at 3:41 p.m. and Alternate Public Member Judith Dobbs entered the meeting.

On a motion by Commissioner Hemmingsen, seconded by Commissioner Slert, and unanimously carried on a polled vote, with Alternate Public Member Judith Dobbs abstaining, the Local Agency Formation Commission approved and adopted Resolution No. 09-13, entitled, A RESOLUTION OF THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION APPROVING A MUNICIPAL SERVICES REVIEW FOR THE BERTSCH-OCEAN VIEW COMMUNITY SERVICES DISTRICT, *without* SOI expansion.

3. Regular Business

A. Approval of December 10, 2007 Minutes (ATTACHMENT 3A)

On a motion by Commissioner Slert, seconded by Commissioner Hemmingsen, and unanimously carried, the Local Agency Formation Commission approved and adopted the minutes of the special session held on December 10, 2007 as presented.

B. Approval of July 27, 2009 Minutes (ATTACHMENT 3B)

On a motion by Commissioner Hemmingsen, seconded by Commissioner Slert, and unanimously carried, the Local Agency Formation Commission approved and adopted the minutes of the regular session held on July 27, 2009 as presented.

C. Affirmation by Resolution: LAFCo action on Donnelly & JHP LLC Annexations to Smith River Community Services District (ATTACHMENT 3C- Staff Reports and Resolutions)

Discussion was held regarding the resolutions for the Smith River Community Services District of the Donnelly and JHP LLC annexations to finalize the projects.

On a motion by Commissioner Hemmingsen, seconded by Commissioner Slert, and unanimously carried on a polled vote, the Local Agency Formation Commission approved and adopted Resolution No. 09-16, entitled, A RESOLUTION OF THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION APPROVING THE BURTSHELL TRACT ANNEXATION TO THE SMITH RIVER COMMUNITY SERVICES DISTRICT.

On a motion by Commissioner Hemmingsen, seconded by Commissioner Slert, and unanimously carried on a polled vote, the Local Agency Formation Commission approved and adopted Resolution No. 09-17, entitled, A RESOLUTION OF THE DEL NORTE LOCAL AGENCY FORMATION COMMISSION

APPROVING THE VALLEY VIEW ANNEXATION TO THE SMITH RIVER COMMUNITY SERVICES DISTRICT.

D. Budget Status Report for 2009-10 (ATTACHMENT 3D)

George Williamson reported on the budget status. Both the City and County were able to pay their shares of the budgeted revenues and the legal bills have been retired. It appears that the budget is in line and will be completed with some reserves. No action was taken.

E. CALAFCO Memo – CALAFCO Annual Business Meeting Agenda (ATTACHMENT 3E)

George Williamson reported on the annual meeting agenda. This is an informational item only. Chairman McNamer will be attending the meeting. The conference will be hosting discussions regarding regional LAFCO issues. There will be one more meeting of the local LAFCO prior to the CALAFCO conference.

On a motion by Commissioner Hemmingsen, seconded by Commissioner Slert, and unanimously carried, the Local Agency Formation Commission approved and appointed Commissioner McNamer as the delegate for the CALAFCO Annual Conference.

F. Municipal Services Review Compliance Status (ATTACHMENT 3F)

George Williamson reported on the MSR compliance status as presented in the agenda packet item 3.f. Staff will be bringing back the CSA1 and Smith River Cemetery District at the October meeting. The list is getting shorter. Crescent City and the Harbor remain to be completed and should be done by the November meeting.

4. Inquiries, Correspondence and Referrals

- A. Elk Valley Rancheria/ Provision of Water Service Transmittal:
Letter to Bertsch-Ocean View CSD (BOV CSD) from Elk Valley Rancheria (EVR), regarding the continued receipt of water service from BOV CSD, the policies regarding the necessity of obtaining LAFCo's approval prior to the continued receipt of water service, and the necessity/ policies regarding a required annexation into the BOV CSD. (Attachment 4A- Letter from EVR to BOV CSD and LAFCo's response)

An additional item was indicated that the EVR asked for a public records act request for the Bertsch-Ocean View CSD, which has been complied with.

5. Reports

A. Staff - The Executive Officer will provide a report of current projects, issues of interest, pending legislation and a preview of CALAFCO Conference in October.

No Executive Officer report was given.

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 request a business matter be placed on a future agenda per Government Code Section 54954.2 (a).

The following Commissioners made reports: Commissioner Hemmingsen thanked Mr. Williamson for this thoroughness and work on follow-up. He would like to have clarification regarding the change in service providers from the CSA to the City and how that would occur. If the City acquired the Bertsch-Ocean View District it would have to supply water and wastewater treatment as well. If it was shown that there was an efficiency statement it might be clearer to the public and users. George Williamson has met with the City staff regarding their MSR and they indicated they are interested in annexation. Discussion was held regarding annexation and service changes.

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.

The following public comments were made: None.

5. Adjournment

There being no further business to come before the Commission, Chairman McNamer adjourned the meeting at 4:04 p.m., until the next regularly scheduled meeting on October 26, 2009 at 4:00 p.m.

Respectfully submitted,

Karen L. Phillips, Recording
Secretary