

ATTACHMENT 3A

MINUTES
Del Norte Local Agency Formation Commission
March 22, 2010
4:00 pm

Members Present: Leslie McNamer, Sparky Countess, Kathryn Murray, Charles Slert and Gerry Hemmingsen, Chair

Members Absent: None

Others Present: George Williamson, Executive Director, Karen Phillips, PS Business Services, Chris Howard, Elk Valley Rancheria, Reweti Wiki, Elk Valley Rancheria and Eileen Cooper

1. Call to Order/Roll Call
Chairman Hemmingsen opened the regular meeting at 4:00 p.m.
2. Public Hearing
No Public Hearing this meeting.
3. Regular Business
 - A. Approval of February 22, 2010 Minutes (ATTACHMENT 3A).

On a motion by Commissioner Slert, seconded by Commissioner McNamer, and unanimously carried, the Local Agency Formation Commission approved and adopted the minutes of the February 22, 2010 meeting as presented.

- B. Report on options to increase revenues for Smith River Cemetery District, as requested by the Commission (ATTACHMENT 3B).

Executive Officer Williamson reported on the Smith River Cemetery District revenue increase options. As a special district, the Smith River Cemetery District is subject to Local Agency Formation Commission review. Staff has reviewed the information provided by the District and found that there is a deficit in the District budget. There are no assessments and the only revenues come from the sale of plots at the cemetery (for at least another 10-12 years). Staff recommended raising revenue and proposed options to make the budget balanced. Staff does not know how the District is running and they did not list any reserves that they might be using to pay for the annual deficit of \$9,075 last year. Staff wanted to make sure that the option be left open regarding the ability to grow their revenues to support their services. Commissioners asked for more information on the cash reserves and background regarding the district's finances. It appears that the District was taken over by the Smith River CSD so the financials may be on file with the County Auditor. Staff will contact the cemetery district representative, Gladys Cross, and the CSD and report back to the Commission at the next meeting.

- C. Report on consideration of adding Special District representation and budget contributions to the Commission (ATTACHMENT 3C).

Discussion was held regarding adding special district representation to the Commission board, including the associated budget contribution and what this would entail. This information is informational only and staff is asking for direction regarding the possible addition of members to the Commission board. Special Districts contribute to the general fund and some local agency formation commissions have special district representation on their boards. Commissioners did not express the need to add to the Commission or associated revenues from the special districts unless they show an interest. At this time there has been no real interest in joining. Staff will poll about half a dozen special districts to see if they are interested in joining the authority.

D. Report on Services to the Crescent City area in anticipation of MSR's and SOI Updates for BOV CSD and the City of Crescent City in April (ATTACHMENT 3D).

Discussion was held regarding both of these matters in preparation of the hearings in April. There are four options in the agenda report including 1) expanding the Bertsch Ocean View CSD sphere of influence to include Martin Ranch and should the Martin Ranch develop, as proposed by the Elk Valley Rancheria, consider annexation to Bertsch Ocean View CSD; 2) a consolidation of Bertsch Ocean View CSD, City of Crescent City, and /or County Service Area I; 3) annexation of the Bertsch Ocean View CSD to the City of Crescent City; or 4) an out-of-area service agreement between the Bertsch Ocean View CSD and the City of Crescent City in anticipation of annexation. Commissioners asked questions about the options presented by staff and how they would work. Staff stated that one option would expand the sphere and the boundaries of the current district. This commission has the authority to set the sphere of influence. Applications for any service have to come from the property owners. Discussion was held regarding the options and why the Bertsch Ocean View CSD was formed. The City could initiate an annexation of the district; however, protests could be filed against such a process. Commissioner Slett asked what the value was of an annexation at this time. Currently the City does the billing, repairs and other services for the district, while the CSD acts as a broker. Staff will update the options and bring them back for discussion at the next meeting. Either the City or the CSD have the right to provide services to this area and so both could expand their service spheres. Who is going to service the Martin Ranch remains the question and the two entities would have to work out who the provider is. Bertsch Tract resident Eileen Cooper commented that she lives in the area and there is a lot happening with the resort. She wants to have a list of implications for the district and to know what the board options are regarding the dual spheres of influence. She speculated why the expansion was brought forth. Chris Howard, Elk Valley Rancheria, stated that there are some assumptions in this discussion that are untrue. The Bertsch Ocean View CSD has served the Martin Ranch for many years. Several options have been given to the Commission and he feels that there is strong proof for justice for the residents of the Bertsch Ocean View area regarding the cost of the hook ups, additional service costs per month and how much more the customers pay each month over and above the amount that City residents pay. Mr. Howard indicated if you have ever been to one of the Bertsch Ocean View meetings that you would know they speak of the color of the doors of their facility at their meetings and not much else. He asked the Commission to consider option #3 (annexation of CSD to the City). The Bertsch Ocean View CSD is already part of the sphere of influence of the City. The Rancheria would like the City to annex the CSD and then have the Commission change the sphere of influence to include the Martin Ranch. There is no reason to have a CSD within city limits and the City would have to consider annexation if requested. Commissioner Slett indicated it would seem the district is holding the Rancheria hostage. The rates have been based

on the level of debt service for that area. An expanded service area within the City and a separate plan for services and fiscal analysis could be put together by staff with the CEQA information. Commissioner Countess indicated that the goal is to change the sphere of influence of the area. The Bertsch Ocean View meetings are held the second Monday of the month at Jack Burke's home off Humboldt Road. Chris Howard indicated this is not just about the fees, the Rancheria is asking that the ordinance be reconsidered to include language changes to alleviate concerns of the residents and the Rancheria, especially the hookup fees for the entire facility cost of 10% of the project cost, plus the hookup fees, which would put the Rancheria out of the playing. Eileen Cooper stated this is exactly what the Local Agency Formation Commission is charged with doing in creating a streamlined delivery of service and she would like the Commission to look into the issue. The CSD is one of the only district's that have money. The Bertsch Oceanview assessment was added many years ago. Commissioners felt that expanding both spheres would be in the best interest and directed staff to bring that information back to the Commission. Commissioners encouraged the City members to go back and see where the City is with annexation of the area.

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

Executive Officer Williamson reported on the MSR compliance status. We are almost done with the current MSR's with the adoption of the City and Bertsch Ocean View. In June the update for Fort Dick Fire and Gasquet Community Services District will be due again. No action was taken.

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

Discussion was held regarding the 2009-10 budget status. We are within budget and may be looking at further budget reductions for the next year. No action was taken.

4. Inquiries, Correspondence, Application Status and Referrals

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

The following staff reports were given: Staff has been successful in getting the signature of former chairman Mike Scavuzzo on a resolution that was never appropriately signed. A copy will be given to counsel and this will complete the record.

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 Countess stated that the budget included an extra decimal point (in place of a comma) in Account #4201007100 under revenues. Staff will correct the typo.

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 persons addressed the Commission: None

5 Adjournment

There being no further business to come before the Commission, Chairman Hemmingsen, adjourned the meeting at 4:48 p.m., until the next regularly scheduled meeting on April 26, 2010 at 4:00 p.m.

Respectfully submitted,

Karen L. Phillips, Recording
Secretary