

MEETING AGENDA

Del Norte Local Agency Formation Commission SPECIAL MEETING

In Person: Del Norte County Board of Supervisors Chambers

Flynn Center - 981 H St. Crescent City, CA 95531

June 13, 2022 4:00 pm

1. Call to Order/Roll Call/Acknowledgements/Appointments

Pledge of Allegiance

Acknowledgement of new Commissioners: Public Member Lyle Armstrong & any County Supervisors or City Council. Oath of Office.

2. Public Hearings

A. Fiscal Year 2022-2023 Final Budget (ATTACHMENT 2A)

3. Regular Business

A. Draft Minutes March 28, 2022 (ATTACHMENT 3A)

B. Fiscal Year 2021-22 Quarter 3 Budget Report (ATTACHMENT 3B)

C. Professional Services Agreement Extension – Planwest Partners (ATTACHMENT 3C)

D. Professional Services Agreement Extension – Underwood Law (ATTACHMENT 3D)

E. FY 2022-23 Meeting Dates (ATTACHMENT 3E)

F. Regional Fire Services MSR & SOI Update (ATTACHMENT 3F)

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.

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 for a future agenda per Government Code Section 54954.2 (a).

C. Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.

5. Adjournment

Next Regular Meeting scheduled for July 25, 2022.

COMMISSIONER – DEL NORTE LOCAL AGENCY FORMATION COMMISSION

NOTICE OF APPOINTMENT

Elections Code 10515

NOTICE IS HEREBY GIVEN that on **March 28 2022**, **Lyle Armstrong** was appointed to the office of Regular Public Member of the **Del Norte Local Agency Formation Commission** (LAFCo), County of Del Norte, by the LAFCo Commission. The appointee to serve a four-year term of office.

OATH OF OFFICE

Govt Code Sections 1360-1363, inclusive,
3105 Section 3, Article XX, State Constitution

I, **Lyle Armstrong**, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

(Signed) _____

(Dated) _____

(Address) 15500 U.S. Highway 101 North
Smith River, CA 95567

George Williamson LAFCo Executive Officer

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
1125 16th Street, Suite 202
Arcata, California 95521
TEL (707) 825-9301 FAX (707)825-9181
eo@delnortelafco.org

AGENDA ITEM 2A

MEETING DATE: June 13, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2022-2023 Final Budget

RECOMMENDATION

The following procedures are recommended for the Commission's consideration of this item:

- Receive verbal report from staff;
- Open the public hearing and invite testimony; and
- Discuss item, close the hearing, and consider action on the recommendation:
 - 1) Approve final FY 2022-2023 budget, by Resolution 22-03, and
 - 2) Direct the Executive Officer to distribute the final budget to the City of Crescent City and County of Del Norte.

BACKGROUND

Local Agency Formation Commissions (LAFCo) are responsible under State law for annually adopting a proposed budget by May 1st and a final budget by June 15th. State law specifies the proposed and final budgets shall - at a minimum - be equal to the budget adopted for the previous fiscal year unless LAFCo finds the reduced costs will nevertheless allow the agency to fulfill its prescribed regulatory and planning duties.

DISCUSSION

LAFCo Funding Sources:

Del Norte LAFCo's annual operating expenses are principally funded through appropriations from the County of Del Norte and City of Crescent City, in addition to application fees and interest earnings. Each fiscal year, after the Commission adopts the final budget, operating expenses are apportioned in the following manner: the County pays 1/2 and the City pays 1/2. The apportioned amounts are deposited to the Del Norte LAFCo account by the County Auditor.

Proposed Operating Expenses:

The proposed operating expenses reflect the anticipated staffing services for day-to-day operations and for conducting municipal service reviews and sphere of influence updates. The final FY 2022-23 operating expenses are higher than the FY 2021-22 budget by \$3,320.00. A FY 2022-23 expense summary, compared to last year's budget is described below.

- Insurance budget increased to \$2,750.00.

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- CALAFCO membership dues increased to \$1,447.00.
- Printing/postage and advertising/publications budgets remain the same.
- Costs to complete MSRs and SOIs scheduled for coming year remain the same.
- Application processing amount remains the same. At least one application expected.
- Professional Executive Officer/Administrator costs proposed to increase to \$42,100.00.
- Legal Counsel budget proposed to increase by \$1,000.00 for outside counsel expenses.
- Public member stipend of \$40.00 per meeting for 6 meetings to remain the same.
- CALAFCO Fall 2022 Conference allocation of \$2,200 for registration and travel
- Interfund-Cost Plan to increase slightly.
- Interest income projected to be \$500.00, less than last year.

Proposed Operating Revenues:

Projected FY 2022-23 expenses are higher than last year. City and County contributions are proposed to remain the same. The difference (-\$5,732.00) is proposed to be covered from unrestricted funds (reserves), so as not to require increased contributions from the City or County. The unrestricted funds account would therefore decrease to \$17,470.05 to cover increased expenses this year.

ATTACHMENTS

Resolution 22-03 - FY 2022-23 Final Budget

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RESOLUTION 22-03
ADOPTING A FINAL FISCAL YEAR 2022-2023 BUDGET

WHEREAS, the Del Norte Local Agency Formation Commission ("Commission") is required by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to adopt a proposed budget for the next fiscal year no later than May 1 and a final budget no later than June 15th for the next fiscal year; and

WHEREAS, the Commission approved a proposed budget at a noticed public hearing on March 28, 2022; and

WHEREAS, at Commission direction, the Executive Officer circulated the proposed budget to local funding agencies that contribute to the Commission's budget; and

WHEREAS, the Executive Officer prepared a report with recommendations for a final budget; and

WHEREAS, the Executive Officer's report was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard fully and considered all of the evidence presented at its public hearing on the final budget held on June 13, 2022; and

WHEREAS, the Commission determined the proposed budget projects the staffing and program costs of the agency as accurately and appropriately as is possible.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Final Fiscal Year 2022-2023 Budget as presented in Exhibit A is approved.
2. The overall operating costs provided in the final budget will allow the Commission to fulfill its regulatory and planning responsibilities as required under Government Code Section 56381 (a).

PASSED AND ADOPTED at a meeting of the Del Norte Local Agency Formation Commission on the 13th day of June 2022, by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:
ABSTAIN: Commissioners:

Darrin Short, Chair

George Williamson, Executive Officer

ATTACHMENT: Exhibit A: FY 2022-23 Final Budget

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EXHIBIT A
FY 2022-2023 FINAL BUDGET

Account	EXPENDITURES	FY 2021-22 Final	FY 2022-23 Final
Line #	SERVICES & SUPPLIES		
20150	Insurance	\$2,500.00	\$2,750.00
20200	CALAFCO Membership	\$1,385.00	\$1,447.00
20221	Printing	\$50.00	\$50.00
20223	Postage	\$50.00	\$50.00
20230	Professional Services		
	MSR/SOI Preparation	\$32,000.00	\$32,000.00
	Application Processing	\$10,000.00	\$10,000.00
20231	Prof. Serv. Executive Officer/ Admin.	\$40,100.00	\$42,100.00
20232	Prof. Serv. Legal Counsel	\$2,000.00	\$3,000.00
20240	Advertising/Publications	\$400.00	\$400.00
20290	Conferences (CALAFCO)	\$0.00	\$2,200.00
70530	Interfund-Cost Plan	\$1,692.00	\$1,700.00
20233	Public Member Stipend (up to 6 mtgs @ \$40/mtg)	\$240.00	\$240.00
	TOTAL EXPENDITURES	\$90,417.00	\$95,937.00
	REVENUES		
91125	Project Revenue (Application Deposit)*	\$10,000.00	\$10,000.00
90300	Interest	\$712.00	\$500.00
90780	Del Norte County	\$39,852.50	\$39,852.50
90781	City of Crescent City	\$39,852.50	\$39,852.50
	TOTAL REVENUES	\$90,417.00	\$90,205.00
	Funds from Account #42801007100		\$5,732.00
	With (Unrestricted) Fund Allocations		\$95,937.00
	FUND BALANCE		
07100	Account #42801 007 100	\$23,202.05	\$17,470.05

*Deposit paid by applicants to cover application processing. Projected amount for auditor use in issuing payment for expense claims.

3A DRAFT MINUTES

**Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
March 28, 2022 4:00 pm**

REMOTE MEETING:

The Legislature approved as an urgency matter AB 361, which was signed by the Governor on September 16, 2021, which amends the Brown Act to allow continued public meetings flexibility following the Governor's Executive Orders expiration. The AB 361 modified meeting rules allowing remote meeting access can only be used in the event there is a Governor issued state of emergency. The Governor's COVID-19 state of emergency satisfies this requirement.

Members present: Darrin Short (County Member & Chair), Blake Inscore (City Member & Vice Chair), Valerie Starkey (Alternate County Member), Jason Greenough (City Member), and Judy Dobbs (Alternate Public Member)

Members absent: None

Others present: George Williamson (Executive Officer); Colette Santsche (Clerk/Administrator)

1A) Call to Order/Roll Call

Vice Chairman Short called the meeting to order at 4:00 p.m. A voice roll call was taken.

1B) Pledge of Allegiance

Commissioner Inscore led the Pledge of Allegiance.

1C) Acknowledgement of any new Commissioners: County Supervisors or City Council

Alternate Commissioner Starkey will continue to sit in as Alternate until a new District 5 Supervisor is appointed or a new appointment is made.

1D) Certificate of Appreciation to Supervisor Berkowitz's Family

1E) Public Member Appointment

The Executive Officer Read into Record:

LAFCo Members:

I apologize for not being able to join you for your meeting on March 28, 2022. I am launching my raft with friends for a 21-day trip on the Colorado River through the Grand Canyon, a chance of a lifetime. As such, I will be off the grid and not be able to participate in the meeting.

I have asked Mr. Williamson, that if he felt it appropriate, to read this letter to you when you come to Attachment 1 A on your agenda. Having lived in Del Norte County for over seven years I try to participate where I can to make our County a better place to live. I would like you to know that I would very much like to participate on the LAFCo team and feel that I have experience that could assist the team in its mission.

My precious experience as a Fire Chief included working with national consensus codes and working with various agencies including Planning and Zoning. This experience has allowed me to gain insight into working to ensure proper growth and services to the public in a professional, efficient, and fiscally responsible manner.

Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
March 28, 2022 4:00 pm

My last department budget was 6.25 million dollars. That budget included 1.5 million dollars for an aerial apparatus of which I had procured a grant for a 50% match. I understand how agencies need to plan, budget, and seek outside grants to meet their mission and goals. I would appreciate your consideration of allowing me to be a part of your team.

-Sincerely, Lyle Armstrong

Executive Officer Williamson noted prior public member Sparky Countess' long-standing service on the Commission. Due to the vacancy, staff distributed notices of vacancy and received two nominations. Executive Officer Williamson read a letter into record from Mr. Armstrong. Mr. Schmidt was recognized as being in attendance and available for questions. Commissioner Starkey asked whether there are any minimum qualifications including length of residency; Williamson confirmed there is a residency requirement but no length requirement.

Mr. Schmidt expressed his interest in the position and discussed his background and qualifications. He noted that he has a natural curiosity of local government and community services; has some LAFCo application experience in San Bernardino County; current editor of Del Norte Triplicate.

Commissioner Greenough noted it's important for the public member to represent the interests of the community and that it's difficult as a new resident. Chair Short disclosed that Mr. Armstrong is an acquaintance of his through the fire service and believes he is an excellent pick, well qualified, and community minded. The Commission discussed qualifications of both candidates and appreciation for their interest in being part of the Commission.

On a motion by Commissioner Greenough, seconded by Commissioner Starkey and carried by a 5-0 vote the Commission to appoint Lyle Armstrong as public member for the 2022-2026 term. This included affirmative votes from both City and County members.

1F) General Counsel Introduction

Executive Officer Williamson introduced Jim Underwood as new General Counsel. The Commission welcomed Mr. Underwood and he expressed appreciation for being able to assist the Commission.

2) Public Hearings

2A) Continued - South County Community Services Districts MSR/SOI Update

The Commission received a staff report. Executive Officer Williamson noted remaining items that were incorporated into final draft to make it complete. He noted a sphere expansion for Klamath CSD is proposed to the south to include service connections outside boundaries.

Vice-Chair Short opened the public hearing.

Commissioner Inscore asked about leaking tank for Klamath CSD and whether there is any risk to adequately provide this service in the next five years or imminent failure that could impact being able to provide services. Williamson noted that the tank had storm damage that has been since fixed but that they are hoping to construct a new tank in the next year. There is also ongoing testing and monitoring.

Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
March 28, 2022 4:00 pm

On a motion by Commissioner Inscore, seconded by Commissioner Greenough and carried by a 5-0 vote the Commission approved the South County Community Services Districts MSR/SOI Update by Resolution 22-02.

2B) Fiscal Year 2022-2023 Draft Budget

The Commission received a staff report. Staff is proposing the increase in expenses be drawn from contingency funds so that city and county member contributions can remain the same.

Vice-Chair Short opened the public hearing.

Commissioner Starkey asked when the last time member contributions were increased. Commissioner Inscore noted that costs have been managed well over the years and have remained largely consistent.

On a motion by Commissioner Greenough, seconded by Commissioner Starkey and carried by a 5-0 vote the Commission approved the Fiscal Year 2022-2023 Draft Budget and directed staff to distribute the draft budget to member agencies by Resolution 22-03.

3) Regular Business

3A) Draft Minutes January 24, 2022

On a motion by Commissioner Inscore, seconded by Commissioner Starkey and carried by a 5-0 vote the Commission approved the January 24, 2022 Minutes.

3B) SB 938 Support Letter

The Commission received a staff report. Chair Short asked for clarification on the protest thresholds. Commissioner Inscore noted that this is a cleanup of the protest proceedings, which has been a difficult lift.

On a motion by Commissioner Inscore, seconded by Commissioner Greenough and carried by a 5-0 vote the Commission approved send a letter of support for SB 938.

4) Inquiries, Correspondence, Application Status and Referrals

4A) Staff - The Executive Officer will provide a report of current projects, issues of interest, and pending legislation.

The Executive Officer Read into Record:

AB 361 allows legislative bodies to continue to utilize remote/virtual platforms for meetings during a declared state of emergency by the Governor via Government Code §54953(e) et seq. AB 361 requires the Commission to continually evaluate the COVID-19 emergency and determine if remote teleconference meetings will continue due the circumstances of the state of the emergency and facts related to the potential risks to the health and safety of meeting attendees.

Executive Officer Williamson asked for direction from the Commission regarding the return to in person vs zoom teleconference. Inscore expressed that the Commission lends itself well to remote participation but not wanting to take advantage of AB 361 for personal gain. The Commission discussed the possibility of a hybrid meeting to allow public participation.

Del Norte Local Agency Formation Commission
VIDEO/TELECONFERENCE MEETING
March 28, 2022 4:00 pm

Commission directed staff to hold next meeting May 23, 2022 in person with a hybrid option if feasible.

- 4B) 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 for a future agenda per Government Code Section 54954.2 (a).**

Alternate Public Member Dobbs asked about the Alternate Public Member term that ends at the end of 2022. Staff to confirm this.

Commissioner Inscore recommended taking advantage of CALAFCO U-Courses, whether it be scheduled as a commission workshop in order for Commissioners to participate and become more familiar with LAFCo.

Commissioner Inscore noted he will absent May 23. The Commission discussed holding a special meeting to allow full participation considering the Fire MSR will be considered. Commission scheduled a special meeting on June 13th. Executive Officer to send a calendar invite.

- 4C) Public - Public comment on items of interest within LAFCo subject matter jurisdiction, and not otherwise appearing on the agenda. No action may be taken on any item not appearing on the agenda.**

None

5) Adjournment

Meeting adjourned at 5:20 PM. Next Special Meeting: June 13, 2022 (special meeting).

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AGENDA ITEM 3B

MEETING DATE: June 13, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2021-22 Quarters 1 - 3 Accounting

DISCUSSION

The FY 2021-2022 Quarters 1 - 3 accounting is attached. Revenue from the City of Crescent City has been received.

One application filed in the prior FY completed this FY, no additional funds needed.

MSR/SOI Preparation costs are \$30,033.75 of the budgeted amount of \$32,000.00, as of March 2022, leaving \$1,966.25 or 6% remaining while Professional Services including both Executive Office and Administrative services are \$29,995.75 leaving \$10,104.25 remaining.

Expected staffing and MSR/SOI Preparation expenditures over the remaining quarter of the fiscal year expected to slightly exceed budgeted amounts.

No legal counsel or public member stipend expenses have been incurred this FY.

Insurance Costs, incurred at start of FY, \$2,614.83 were slightly over budgeted amount.

CALAFCO Membership costs, also incurred at start of FY, \$1,379.00 were slightly under budgeted amount.

Overall, Del Norte LAFCo is currently under budget.

RECOMMENDATION

The following procedures are recommended with respect to the Commission's consideration of this item:

Review FY 2021-2022 Quarters 1- 3 Budget accounting. This is an informational agenda item.

ATTACHMENT

FY 2021-2022 Quarter 3 Budget Revenues and Expenditure Report

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FY 2021-22 Quarter 3 Budget Revenues and Expenditure Report

FY 2021-22 EXPENDITURES	Adopted Budget	Quarters 1-3
Insurance	\$2,500.00	\$2,614.83
CALAFCO Membership	\$1,385.00	\$1,379.00
Printing	\$50.00	\$0.00
Postage	\$50.00	\$0.00
Professional Services:		
MSR/SOI Preparation	\$32,000.00	\$30,033.75
Application Processing	\$10,000.00	\$0.00
Prof. Serv. Exec Officer/Admin.	\$40,100.00	\$29,995.75
Prof. Serv. Legal Counsel	\$2,000.00	\$0.00
Advertising/Publications	\$400.00	\$305.38
Conferences (CALAFCO)	\$0.00	\$0.00
Interfund-Cost Plan	\$1,692.00	\$710.00
Public Member Stipend (up to 8 mtgs @ \$40/mtg)	\$240.00	\$0.00
TOTAL EXPENDITURES	\$90,417.00	\$65,038.71
FY 2021-22 REVENUES		
Project Revenue (App. Deposits)	\$10,000.00	\$10,000.00
Interest	\$712.00	\$82.96
Del Norte County	\$39,852.50	\$39,852.50
City of Crescent City	\$39,852.50	\$39,852.50
TOTAL REVENUES*	\$90,417.00	\$89,787.96

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AGENDA ITEM 3C

MEETING DATE: June 13, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Staffing Services Agreement Extension

Discussion

An extension to the "Agreement for the Provision of Executive Officer Services for the Del Norte Local Agency Formation Commission," between the Commission and Planwest Partners Inc., is attached. Planwest, as an independent contractor, has been providing staffing services to the Commission for fourteen years. The term and budget provisions have been extended annually based on favorable Commission action.

Previously approved amendments in the last year have clarified which charges, including travel expenses, meeting staffing and minutes recording, application processing costs, and published noticing costs in the Daily Triplicate, may be itemized and submitted for reimbursement separate from hourly costs for staffing services.

Planwest Partners Inc. will continue to provide its own office equipment, clerical assistance, utilities, telephone charges, and office supplies at no charge to the Commission. Reimbursable charges include (1) public hearing notices in the Daily Triplicate, (2) Contract Services costs to perform staffing, recording, copying and posting services (as an independent contractor) and (3) meeting travel as stated below:

6. STATUS OF CONTRACTOR: At all times during the term of this Agreement, CONTRACTOR shall be responsible for his own operating costs and expenses, property and income taxes, workers' compensation insurance, and other operating costs and expenses in connection with performance of services under this Agreement. CONTRACTOR shall receive reimbursement of costs advanced by CONTRACTOR on behalf of COMMISSION, as well as other expenses, in addition to fees for services, within adopted budget. Rates and fees based on Planwest current fee schedule, which is updated annually. Reimbursable costs include, but are not limited to, out of county automobile mileage for travel at the current IRS rate per mile, newspaper publishing and mailing of public notices, subcontractor costs for noticing, staffing, minutes recording, and packet printing and distribution at LAFCo meetings, and other items necessary for LAFCo activities.

Recommendation

Staff recommends the Commission extend "Agreement for the Provision of Executive Officer Services for Del Norte LAFCo" for FY 2022-2023.

Attachment: Services Agreement Extension

ATTACHMENT 3C



PROFESSIONAL SERVICES CONTRACT EXTENSION

DATE: June 13, 2022
TO: Darrin Short, Chair
Del Norte LAFCo
FROM: George Williamson, AICP
SUBJECT: Del Norte LAFCo Agreement for Executive Officer Services

Planwest Partners Inc. is authorized to continue providing professional staffing services to the Del Norte Local Agency Formation Commission (LAFCo), for Fiscal Year 2022-2023. Planwest will perform the tasks and activities for Del Norte LAFCo identified in Exhibit A, Scope of Services (attached).

All provisions of the Agreement for the Provision of Executive Officer Services for the Del Norte LAFCo remain in effect, except:

Part 5 - Term, which will be extended from July 1, 2022 to June 30, 2023.

Darrin Short, Chair
Del Norte LAFCo

Date

“EXHIBIT A” - SCOPE OF SERVICES

Task 1 Performance of Executive Officer Duties

Perform Executive Officers duties including preparing staff reports, proposed findings and other agenda materials for routine Del Norte Local Agency Formation Commission (LAFCo) activities: This includes coordinating boundary adjustment proposals; reviewing applications for provision of new and extended services outside city and district boundaries; reviewing Sphere of Influence and Municipal Service Review reports and amendments; and reviewing environmental documents for California Environmental Quality Act (CEQA) compliance, submitted by member organizations. Duties to be compensated based on Planwest Partners current rate schedule which is updated annually. Preparation of all application materials for LAFCo actions would be the responsibility of the applicant and /or member organization, or may be prepared by the Executive Officer for an additional cost paid by applicant and /or member organization.

Task 2 Develop and Implement Policies

Develop and implement policies within Del Norte LAFCo's authority under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Task 3 Maintain Website Postings

Provide materials to CALAFCO webmaster, to keep the Del Norte LAFCo website update, and to make Agendas and Minutes available to the public in an electronic web-based format.

Task 4 Organization and Administration of LAFCo Business

Respond to inquiries and provide technical assistance and make information available to interested public agencies and individuals.

Task 5 Record Keeping

Distribute, file, publish and keep records of agendas, notices and other required official documents on behalf of LAFCo, and keep the Commission informed of LAFCo budget activities.

Task 6 Staff Support at Meetings

Schedule, post notices and provide staff support at up to six LAFCo meetings in accordance with the Act and LAFCo policies and procedures. Meetings may be attended remotely. Additional meeting support will be provided on a time and materials basis.

Task 7 Representation

Represent Del Norte LAFCo to CALAFCO and to various other policy-making agencies as directed by the Commission.

Task 8 Keep LAFCo Informed

Inform LAFCo of new legislation, correspondence, CALAFCO activities, current events and matters of interest related to LAFCo.

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AGENDA ITEM 3D

MEETING DATE: June 13, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Underwood Law General Counsel Staffing Services Agreement Extension

Discussion

This is an Extension to the Agreement for Provision of General Counsel Services for the Del Norte Local Agency Formation Commission, between the Commission and Underwood Law PLC, which was initiated in FY 2021-22, upon counsel selection as described below.

In September of 2021, a Request for Qualifications (RFQ) for general legal services was released. The announcement discussed the requested services, minimum qualifications, and submittal requirements. Four candidates responded to the RFQ. Underwood Law was chosen at the January 2022 Commission meeting to provide services for the remainder of FY 2022-23. The selected respondent offers experience working with Del Norte and other LAFCO's and provides a competitive hourly rate.

The firm works as general counsel to LAFCO and its officers and employees in matters or cases assigned to the firm. The firm was chosen to provide cost-effective services and to suggest ways to dispose of cases without unnecessary pleadings or discovery. The Executive Officer is expected to notify, in advance, when in-person attendance is needed, or telephone attendance is preferred. Representation to be provided through services of James M. Underwood as designated general counsel, with support from the firm's paralegal staff when needed. The firm reports to LAFCO's commission, or to the Executive Officer of LAFCO, as requested, in regard to the matters it is handling.

Underwood Law will continue to provide independent equipment, administrative assistance, utilities, communications and office supplies as part of general counsel services. Reimbursable charges include (1) Contract Services costs to perform general counsel services (as a subcontractor) and (2) meeting travel as stated below:

6. STATUS OF CONTRACTOR: At all times during the term of this Agreement, CONTRACTOR shall be responsible for his own operating costs and expenses, property and income taxes, workers' compensation insurance, and other operating costs and expenses in connection with performance of services under this Agreement. CONTRACTOR shall receive reimbursement of costs advanced by CONTRACTOR on behalf of COMMISSION, as well as other expenses, in addition to fees for services, within adopted budget. Reimbursable costs include, but are not limited to, out of county automobile mileage for travel at the current IRS rate per mile, and other items necessary for LAFCO activities.

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Recommendation

Staff recommends the Commission extend "Agreement for the Provision of General Counsel Services for Del Norte LAFCo" for FY 2022-2023.

ATTACHMENT General Counsel Services Agreement Extension – FY 2022-23

**LEGAL SERVICES AGREEMENT BETWEEN THE DEL NORTE LOCAL AGENCY
FORMATION COMMISSION AND UNDERWOOD LAW OFFICES, P.C.**

This Agreement is entered into between the Del Norte Local Agency Formation Commission (LAFCO) and Underwood Law Offices, P.C. ("FIRM"), a professional law corporation, for the purpose of legal services.

1. PERIOD OF PERFORMANCE

This Agreement shall begin July 1, 2022, and shall continue until June 30, 2023 or until the completion of the matter(s) and case(s) identified in this Agreement in Attachment A (and any other matter(s) or cases LAFCO, assigns to FIRM as provided in this Agreement), whichever is later, or until this Agreement is terminated pursuant to the provisions of paragraph 6 or paragraph 7.

2. FIRM'S SERVICES AND RESPONSIBILITIES

FIRM shall act as general counsel to LAFCO and its officers and employees in matters or cases assigned to FIRM. This contract does not contemplate that FIRM shall provide litigation services.

FIRM shall make every effort to provide the most cost-effective services possible to LAFCO and shall suggest options and techniques to dispose of cases without unnecessary pleadings or discovery. In this regard, FIRM'S attendance at meetings of the Commission shall be optional, and shall be by telephone when feasible. LAFCO shall, through its Executive Officer, notify FIRM in advance of any meeting when personal attendance of FIRM's representative is needed, or specify when telephone attendance is preferred.

FIRM shall provide LAFCO with the necessary representation by and through services performed by James M. Underwood with support as needed from the FIRM's paralegal staff at no additional charge.

FIRM shall coordinate with LAFCO in performing services under this Agreement and shall report to LAFCO's Commission, or to the Executive Officer of LAFCO ("Executive Officer"), as requested, regarding the matters it is handling.

In the event of litigation to be handled by the FIRM, the following shall apply:

- (a) FIRM shall obtain LAFCO Executive Officer's written approval before retaining any consultant or expert witness.
- (b) FIRM shall assist LAFCO Executive Officer in settlement evaluations and negotiations, and shall obtain LAFCO Executive Officer's authority before making any settlement proposal on LAFCO's behalf or to the Court or to any other party to the case(s).
- (c) FIRM shall immediately notify Executive Officer verbally and in writing when a judgment, verdict or other award is rendered.
- (d) FIRM shall provide to LAFCO copies of all substantive pleadings and motions filed with the court or other administrative body, including those submitted by another party. FIRM shall also submit copies of all court rulings.

FIRM shall compile and maintain all backup documentation to support all entries included in its billings.

3. **REPORTING REQUIREMENTS**

In order to contain costs, many of FIRM's communications with LAFCO will be by way of electronic mail or telephone to LAFCO, which shall be attorney-client privileged and copies of which shall be kept in confidential electronic files by LAFCO and by FIRM. However, certain information must be provided in writing.

FIRM shall provide LAFCO with the following reports for litigation cases, if any:

A. **Case Evaluation, Plan and Budget**

- (i) In the event of litigation FIRM shall prepare and submit to LAFCO a *Case Evaluation, Plan and*, which shall be a confidential independent evaluation of the case that will serve as the basis for developing LAFCO's legal position and strategy, and for controlling litigation costs.
- (ii) The *Case Evaluation, Plan and Budget* shall be submitted to LAFCO as soon as possible after FIRM's initial analysis of the case, but no later than 60 days after FIRM first appears in the case.

B. **Case Status Reports**

- (i) The FIRM shall prepare and present written to LAFCO a *Case Status Report* for each item of pending litigation, which shall be a summary of the significant actions and developments in the case since the last report or since the submission of the *Case Evaluation, Plan and Budget*, as applicable.
- (ii) FIRM shall ordinarily provide *Case Status Reports* no less than every six months. Between regularly scheduled reports, FIRM shall advise LAFCO of important case developments or re-assessment of LAFCO's exposure and, if requested, prepare an updated *Case Status Report*.

4. **COMPENSATION**

FIRM shall be paid at the hourly rate for the hours actually expended and for expenses actually incurred as identified in this Section of the Agreement for General Counsel services. Costs and fees for litigation shall be handled by separate agreement.

A. **Fees**

FIRM shall provide general counsel legal services at the following billing rates:

General Counsel Services - \$175 per hour

Litigation Services - \$195.00

B. **Expenses**

LAFCO shall reimburse FIRM for its actual out-of-pocket expenses but without any additional costs for having advanced the funds. Such expenses include but are not limited to the cost of transcripts, service fees, expedited postage or delivery charges, electronic legal research fees, etc.

Non-reimbursable expenses shall include, but not be limited to:

- (i) Staff time or overtime for performing secretarial, clerical, or word processing functions.
- (ii) Charges for travel time.

5. **BILLINGS AND PAYMENTS**

A. **Billings**

- 1. FIRM shall submit its itemized billing statement monthly to LAFCO.
- 2. The original billing statement(s) and one copy shall be submitted to:

Executive Officer
Del Norte LAFCO
1125 16th Street, Suite 202
Arcata, CA 95521
- 3. Each billing statement shall be itemized in a time reporting format acceptable to LAFCO and shall include original or genuine copies of invoices for reimbursement of expenses.
- 4. FIRM shall have and maintain all backup documentation to support all entries included in the monthly billing statement. Such documentation shall be in a form subject to audit and in accordance with generally accepted accounting principles. FIRM shall make such documentation available to auditors upon request and in accordance with paragraph 12E.

B. **Payments**

- 1. LAFCO's staff shall review all billing statements.
- 2. LAFCO shall make its best effort to process payments promptly after receiving FIRM's monthly billing statement, and shall be due within 30

days of receipt. LAFCO shall not pay interest or finance charges on any outstanding balance(s).

6. **TERMINATION**

This Agreement may be terminated in whole or in part at any time that LAFCO, in its sole discretion, deems termination to be in its best interest. LAFCO shall terminate services by delivering to FIRM a written Termination Notice specifying the extent to which services are terminated and the effective termination date. FIRM may terminate on sixty (60) days' written notice. During the sixty (60) day notice period, FIRM shall at LAFCO's request, transfer pending files or complete specified services, which may include a final report.

7. **TERMINATION DUE TO CONFLICT OF INTEREST**

If either FIRM or LAFCO determines a matter of professional conflict has arisen which should not or could not be postponed until the conclusion of the litigation, FIRM or LAFCO may give written notice of immediate termination of this Agreement subject to FIRM's duty to provide adequate representation until the appropriate substitutions can be made.

8. **CLOSING REPORT UPON TERMINATION**

Upon LAFCO's request, FIRM shall deliver a *Closing Report* to LAFCO in the format required by LAFCO, after termination of this Agreement.

9. **ENTIRE AGREEMENT; AMENDMENTS; HEADINGS.**

- A. This Agreement supersedes all previous agreements relating to the subject of this Agreement and constitutes the entire understanding of the parties hereto. FIRM shall be entitled to no other benefits other than those specified herein. FIRM specifically acknowledges that in entering into and executing this Agreement, FIRM relies solely upon the provisions contained in this Agreement and no others.
- B. No changes, amendments or alterations to this Agreement shall be effective unless in writing and signed by both parties. However, minor amendments that do not result in a substantial or functional change to the original intent of this Agreement and do not cause an increase to the maximum amount payable under this Agreement may be agreed to in writing between FIRM and the LAFCO Executive Officer.
- C. The headings that appear in this Agreement are for reference purposes only and shall not affect the meaning or construction of this Agreement.

10. **NOTICES**

All notices and required reports shall be written and hand-delivered or mailed by first class, postage prepaid, addressed to LAFCO or FIRM at the addresses below, or at any other address LAFCO or FIRM shall provide in writing to each other:

If to LAFCO: Executive Officer
Del Norte LAFCO
1125 16th Street, Suite 202
Arcata, CA 95521

If to FIRM: James M. Underwood
Underwood Law Offices, P.C.
P.O. Box 2428
Weaverville, CA 96093

11. **ASSIGNMENT**

- A. No part of this Agreement or any right or obligation arising from it is assignable without LAFCO's written consent.
- B. However, FIRM may retain associated legal counsel and experts as FIRM deems appropriate after receiving LAFCO's written approval.

12. **STANDARD TERMS AND CONDITIONS**

A. **Indemnification**

FIRM shall indemnify, defend, and save harmless LAFCO, its agents, officers and employees from and against any and all liability expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to losses resulting from FIRM's errors or omissions or any bodily injury, death, personal injury, or property damage (including FIRM's property), in connection with FIRM'S operations or its services, including any workers' compensation suits, liability or expense, arising from or connected with services performed under this Agreement.

B. **Insurance**

FIRM shall indemnify, defend, and save harmless LAFCO, its agents, officers and employees from and against any and all liability (including defense costs and reasonable attorney fees) and claims for damages of any nature whatsoever, including, but not limited to FIRM's negligent acts or omissions, arising out of the performance of this Agreement, except liabilities and claims for damages (including reasonable attorneys fees) resulting from FIRM's professional negligence which may be covered by FIRM's professional liability insurance and except for any liabilities and claims for damages (including reasonable attorneys fees) caused by LAFCO's negligence or willful misconduct.

Such insurance shall be primary to and not contributing with any other insurance maintained by LAFCO, and shall include, but not be limited to:

- 1. Comprehensive General Liability Insurance endorsed for Premises-Operations, Products/Completed Operations, Contractual, Broad Form Property Damage, and Personal Injury with a combined single limit of not less than \$500,000 per occurrence.

If the above insurance is written on a Claims Made Form, the insurance shall be endorsed to provide an extended reporting period of not less than five years following termination of this Agreement.

2. Professional liability insurance with a liability limit of at least \$1,000,000 per claim.

C. **Independent Contractor Status**

1. This Agreement is between the LAFCO and FIRM and is not intended, and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between LAFCO and FIRM.
2. FIRM understands and agrees that all FIRM personnel furnishing services to LAFCO under this Agreement are employees solely of FIRM and not of LAFCO for purposes of workers' compensation liability.
3. FIRM shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any FIRM personnel for injuries arising from services performed under this Agreement.

D. **Governing Laws**

This Agreement shall be construed in accordance with the laws of the State of California.

E. **Record Retention and Inspection**

Within ten (10) days of LAFCO's written request, FIRM shall allow LAFCO or authorized State or Federal agencies or any duly authorized representative to have the right to access, examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, time cards or other records relating to this Agreement. FIRM shall keep such material, including all pertinent cost accounting, financial records, and proprietary data for a period of five (5) years after termination or completion of this Agreement unless LAFCO's written permission is given to dispose of material prior to the end of such period or until such time as all audits are complete, whichever is later.

F. **Communications with LAFCO**

FIRM understands that the LAFCO is the legally empowered representative of the LAFCO and its officers and employees, and FIRM shall not without specific direction from the LAFCO communicate with, advise, or represent the LAFCO, its Commission or any other officers or employees.

G. **Validity**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

H. **Waiver**

No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of the provision or any other provision of this Agreement. Failure of either party to enforce any provision of this Agreement at any time shall not be construed as a waiver of that provision.

I. **Confidentiality**

During the term of this Agreement, both parties may have access to information that is confidential or proprietary in nature. Both parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other party or as required by law. This provision shall survive the termination, expiration, or cancellation of the Agreement.

13. **CONTRACT DOCUMENTS**

This Agreement shall constitute the complete and exclusive statement of understanding between LAFCO and FIRM and it supersedes all previous written or oral agreements, and all prior communications between the LAFCO and FIRM relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the LAFCO and FIRM have executed this Agreement on the day and year set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this Agreement and to bind the party on whose behalf his/her execution is made.

Del Norte LAFCO

Date: June _____, 2022

Jason Greenough, Chairman

Underwood Law Offices, P.C.

Date: June 6, 2022

JAMES M. UNDERWOOD

TAX I.D. # 46-1983641

**DEL NORTE
LOCAL AGENCY FORMATION COMMISSION**
1125 16th Street, Suite 202
Arcata, California 95521
TEL (707) 825-9301 FAX (707)825-9181
eo@delnortelafo.org

AGENDA ITEM 3E

MEETING DATE: June 13, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: FY 2022 - 2023 Regular Meeting Dates

DISCUSSION

The Commission generally meets on the fourth Monday of every other month, unless rescheduled due to holidays or other considerations. The FY 2022-23 meeting dates are listed below.

July 25, 2022

September 26, 2022

November 28, 2022

January 23, 2023

March 27, 2023

May 22, 2023

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ATTACHMENT 3F

MEETING DATE: June 13, 2022
TO: Del Norte Local Agency Formation Commission
FROM: George Williamson AICP, Executive Officer
SUBJECT: Regional Fire Services Municipal Services Review
& Sphere of Influence Update

Background

Commission staff has been working on a Regional Fire Services Municipal Services Review (MSR) & Sphere of Influence (SOI) Update with fire protection and emergency response providers in the County. Special District fire services providers in Del Norte County are: Crescent City Fire and Rescue (Crescent FPD and City of Crescent City), Fort Dick, Gasquet, Klamath, and Smith River Fire Protection Districts (FPDs).

Regional Fire Services MSR and SOI Overview - MSR and SOI Updates are required by state legislation. A regional approach was taken for the last update and for this update as well. This approach and context includes all agencies providing fire services, such as Pelican Bay State Prison and Cal FIRE, in addition to the district. The MSR/SOI Update includes information about operations, stations, apparatus, training and personnel.

MSR SOI Update Contents - The updates include a district profile, regional and individual district maps including district boundaries and spheres, as applicable, for each agency. As part of this update, agencies were asked to review boundaries for accuracy and identify any SOI change proposals.

Determinations Considerations- MSR and SOI determinations will take into consideration incident analysis, automatic aid, response boundary adjustment, dispatch, and CalFire coverage.

Update

LAFCo Staff sent out MSR/SOI Update information requests to all special districts & received responses from each. Updated information has been incorporated. As part of the SOI Update, existing district and sphere boundaries are reviewed and updated. Several mapping issues were identified and are discussed below

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Mapping - LAFCo staff reviewed current boundaries & compared them to State Board of Equalization (BOE) Tax Rate Areas (TRAs). For the Fort Dick FPD, it was determined that several TRAs, according to LAFCo records, are within the District Boundary but are not included as TRAs within the District by the BOE. These will be shown on mapping in the MSR/SOI Update and will be submitted to the BOE upon Commission action for adjustment of the District Boundary.

LAFCo staff coordinated with the Del Norte County Auditor regarding parcels with special assessments for fire services. It was determined that there are a number of parcels assessed for fire services outside the Smith River FPD but within the SOI. Many of these are within larger lot subdivisions to the east of Hwy 101. The District has stated they respond to calls from these parcels. As part of the MSR/SOI Update, the District will be advised of the annexation process for including assessed parcels in the District boundary.

There are some parcels that overlap within the Crescent Fire Protection District and the City of Crescent City boundaries. As part of the MSR/SOI Update for Crescent City Fire & Rescue these overlaps will be clarified and where necessary, adjusted.

Shared Services Concept For the 2022 MSR & SOI Update, the concept of regional staffing, starting with a training/recruitment position, is being explored. While still in the early review stage, with input and buy-in needed from Districts. It was initially introduced at the April 2022 Del Norte Chiefs meeting, for discussion only. This concept has been implemented in other counties and could make sense in Del Norte County with district support.

All Districts and other services providers have training and recruitment responsibilities and pooling resources could be an effective way to build up the volunteer ranks with economy of scale benefits. This combined funding concept could also yield other benefits, such as a future Fire Marshal position to perform mandated inspections and code enforcement on a countywide basis.

LAFCo Commission staff is emphasizing the importance of retaining each independent Fire Protection Districts identity and function in this regional shared services concept. Each District has invested considerable time and resources in their operations, and they'll continue and likely even flourish with common responsibilities covered on a regional basis. MSRs & SOI Updates cover multi-year periods and this concept would proceed over multiple years as well. Costs could be shared proportionally based on budgets and needs. Benefits could include increased administrative capacity and volunteer recruitment, better group purchasing power, standardized training including Driver Licensing and Medical Certifications, and countywide inspection and prevention services.

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This is a concept to be explored as part of this MSR/SOI Update, to see whether it's credible and whether desired services could be covered with current revenues and grant funds.

As Executive Officer I attended the March 23, 2022 & April 27 2022 Del Norte County Fire Chiefs meeting, initially to review the to review the MSR/SOI Update at the March meeting, then to introduce the shared services concept at the April meeting. While the shared services concept was sent to all chiefs prior to the meeting, only two of the FPD Chiefs attended and one, Chief Gillespie, has since retired.

Due to the ongoing review of mapping and the shared services concept, the 2022 Regional Fire Services MSRs & SOI Update Commission review has been extended. It is anticipated that the MSRs & SOI Update will be presented for initial Commission review at the July 25th meeting and scheduled for public hearing at the September 26th, 2022, Commission meeting.