

TRINITY CENTER COMMUNITY SERVICES DISTRICT

BOARD OF DIRECTORS MEETING

Special Meeting

May 18, 2010

The meeting was called to order by Glen Ahmann at 6:33 p.m. Other members present: Mike McHugh, Hal Pflueger, Virginia Allin and Dewey Baird. 32 members of the public were also present.

Glen Ahmann welcomed everyone to the special meeting and emphasized it was not the desire of the CSD to hold a special meeting for this issue. It was to be brought to the CSD at the June meeting. He explained that Mike McHugh met with John Jelicich from LAFCo who informed Mike that as of May 22nd, 2010 there will be a dramatic fee increase. The application fee will go from \$3000.00 to \$7500.00 plus. The Board had to make a decision that if they were going to move forward with the process, to turn in the application before May 22nd to be in the earlier fee structure and save the district money. Glen explained there is only one agenda item on this special meeting agenda; however there are a couple of points to it that need to be covered that are related to the annexation process.

Glen reported the meeting would be conducted like a public hearing. There will be a committee report on what the committee has been working on for the past year, followed by a reading of a resolution that has been drafted to present to the Board to vote on. A discussion of options the Board has will be followed by an open public hearing for anyone who wishes to speak with a three-minute time limit. The Board will respond to any questions they are able to respond to. The public hearing portion of the meeting will be closed and the Board will have a discussion. Then there will be a call for a motion and a second and a vote.

TCVFD Auxiliary Financial report was handed out to show that there have been \$4997 raised by the southern communities to offset the cost of annexation.

Unfinished Business

MSR/SOI update- Discuss/Approve submittal of draft updates of the Municipal Services Review and Sphere of Influence documents to LAFCo. Glen Ahmann reported the MSR (Municipal Services Review) and SOI (Sphere of Influence) documents are related issues to the LAFCo annexation application and must be turned in with the application. Glen explained that technically it is LAFCo's responsibility to update the MSR and SOI documents; however with the current budget shortfall, they have decided that even though it is a State requirement that each district have the documents updated within five years, they would waive the requirement to avoid spending the money in that way. However, with the annexation application, LAFCo must have those documents be current. Glen thanked Kelli Gant for all of her work drafting the documents. The documents describe what the district is, what services are provided, what are the Sphere of Influence areas where service is or might be provided – in short the kind of things that define what the district is and what it does. Glen suggested the Board agree to submit the MSR/SOI updates to LAFCo. Glen explained that it is a huge benefit to submit the MSR and SOI documents with the application and not ask LAFCo to provide them. It not only saves the district money, it will expedite the process. The MSR and SOI needed to be updated and turned into LAFCo regardless of the annexation application. The documents have been posted on the web site (northtrinitylake.com) for about a week, and were made available to the directors. There are two copies for the public to review if they would like. Glen reported the CSD saved about \$5000.00 by updating the MSR and SOI themselves. Glen questioned the Directors regarding their opinion of the MSR and SOI update documents. Mike McHugh explained the documents. The MSR/SOR update consists of two documents. The MSR discusses the services the

district is providing today and characterizes what the district does, why it does it and how it does it. Fire services, street lighting and fire hydrant maintenance are discussed in the document. The MSR also characterizes the facilities the district has. Basically it's a review of what the CSD does, what are the boundaries, who is in it, how many people, how many acres, what facilities. The SOI looks at something bigger than your district, what is the context in which your district operates, who are the neighboring districts if there are any, how the district might influence areas outside the district. In the SOI update, there are three areas to study: the current district which is larger than the current SOI, the proposed annexation area, and a larger outside area which picks up all the private property inside the public land that surrounds the district. It documents detail items such as how large the areas are, how many structures are in the area, how many parcels are in the area, it tries to characterize what the zoning is, what does the general plan say it should be, is there any agriculture land or Williamson act land. It also recommends to LAFCo what area to include in the SOI. The areas to be annexed must be within the SOI. The land to be annexed is private land or SPI (Sierra Pacific Industries). Glen added that the document also looks at the financial situation of the current district and explores ways it can be more efficient and ways to reduce costs. The update looks at how the district obtains its funding and how dependable its income is. The update also discusses whether the district can support the additional areas including population growth estimates. LAFCo looks to the future to determine whether the current district will be able to meet the needs of the additional areas. Dewey Baird had an amendment to the document pertaining to sections 3-2, street lighting. The request for a new street light goes through PUD who would see if it is technically feasible to put a street light in and then to the CSD for review and approval. Mike will amend the document to reflect the change. There was general discussion. Glen encouraged the public to look at the documents. He reported there are some good maps of the area included in them. Mike McHugh made a motion to adopt the document as MSR and SOI update to be submitted to LAFCo and to submit the MSR/SOI update with the amendment regarding street lights. Dewey Baird seconded the motion. The motion passed unanimously.

Annexation - Discuss/Approve submitting LAFCo application and fees for annexation of area and communities along Highway 3 south of Trinity Center. Discuss fundraising status and timing of fee payback from annexed communities. Glen read a list of the members of the annexation committee. They are Mary Hamilton from Trinity Center, Luke Lucas from Covington Mill, Hal Mathis from Long Canyon, Mike Mayo from Trinity Lake Knolls, Dean Tackette from Lake Forest, and Virginia Allin and Mike McHugh from the Board. Glen turned the meeting over to Mike McHugh for a committee report.

Mike read a complete recap of the annexation issue into the record. In public comment early last year the Board was approached by representatives from several communities south of the current district requesting the CSD look into an annexation of their communities. Those communities were all in the service area of the volunteer fire department so it made sense to consider annexing the areas into the current district. The Board determined to create an ad hoc committee of members and the public to do an investigation into the annexation. The committee was formed a little over a year ago. The committee began by identifying concerns of the community and researching each topic diligently. One of the issues that motivated the approach to the Board in the first place was the insurance ratings. The committee drafted and began publishing a summary of Frequently Asked Questions, with the status of the research related to common concerns the committee had done including fundraising. The committee determined a recommendation for what the annex area would be and submitted it to the Board. They also addressed such issues as to why the communities don't form their own districts. The committee determined it would not be practical from the standpoint that those areas are already being served by the fire department, the populations of the individual areas are too small create a viable district and LAFCo does not want to create more districts. LAFCo's goal is to reduce the number of special districts to reduce the overhead of government and the committee felt LAFCo would not approve creating more districts in this area. The committee contacted SPI to gauge their support and received a letter of support from them stating that SPI is pro-annexation and requested the Board include some of their sections in the annexation area. There were questions regarding voting and the

size of the Board and should the size of the Board change to reflect the greater district. The conclusion of the committee was that the Board would remain at the present five-member Board; however everyone in the district, if the district changes, would get to vote for the Board members. There were questions of liability. Does the district or the volunteer fire department assume greater liability to respond in a larger area? Also would response times be mandated, assuming a liability related to response times? The answer turns out to be no, the fire department does not assume additional liability. There is no statute or body of law that states that the volunteer fire department has to ever respond to any call. When a volunteer fire department or district is formed they have to build a fire hall and buy a truck. That is where the responsibility ends. Anything beyond that is volunteered. The committee learned that even the police and sheriff do not have to respond. It was determined that there is no additional liability on the district or the fire department to do the annexation and the fire department is already responding to those areas. In respect to the insurance areas, there is rating called an ISO (insurances services organization) that puts ratings on property, parcel by parcel. This rating is their assessment or scoring of a parcel or area on insurability. It has to do with the availability of water, availability of personnel and equipment and communications, how do you call them and how are they dispatched. The ISO rating is on a scale of 1-10, 1 being the best and 10 being the worst. Within the current district the rating is 5/9 which is very good for a rural fire department such as ours. The rating has to do with the distance from the fire hall and distance from a fire hydrant. Outside the district the rating is largely a 10, partly due to the fact that they are not currently in a fire district but more importantly due to the distance from the fire hall and hydrants. The insurance ratings do give points for the training and staffing of the fire department but it still looks at the distance from the fire hall and water availability. There are no current code compliant hydrants in the annex areas, but there are stand pipes hydrants of varying sizes and limited water availability from water tanks in most areas. Just by becoming part of the current district, the annex area's ISO rating will not change. Joining the district would be the first step because the annex area would be in a fire district. Then it will be up to the communities to address the issues of hydrants, water availability and station proximity, and to determine what investments make sense. The committee found that most insurance companies do not use the ISO rating. The committee polled the community as to what insurance companies were being used and called them and asked what they used for rating. The companies based in Chicago and New York do use the ISO rating as well as Cal Fire maps which shows Trinity County in red (not good) making insuring difficult. Local companies such as State Farm do not use the ISO rating at all and have dropped out of the organization. The local representatives look to see if the property is defensible and look at the history of claims in the area to determine coverage and ratings. The conclusion of the committee was that the ISO or academic rating is not so important; but it is a driving force for communities to determine or measure themselves on how good their water supply is, the availability of the fire hall, personnel and training and a good way to drive your process of upgrading. The conclusion was annexation will not impact the current district ISO rating and will not have an immediate effect on the annex areas. The committee also looked at taxes and assessments. There was some concern that if the annexation went through that our taxes would go up. A related issue was that the current district members were paying for the district by special taxes and that the annexed area would have to be taxed to pay their share. The committee researched the topic, and the County Auditor came to a CSD meeting a year ago to advise us. The committee also met with the County Auditor and County Administrator multiple times to make sure they understood how the taxes worked. They found that after Prop 13 things changed and the way Special Districts are funded Since Prop 13. All Special Districts in the County are funded by all taxpayers. There is a pool of money that is given out on a percentage basis, based on historical numbers, and has gone up over time with property value increases and inflation. The district was operating on a budget of about \$51,000.00 in 1984 and this year's budget is about \$51,000.00. The conclusion is that there is no notion that the people in the annex areas have not been paying because since Prop 13 all of the taxpayers pay for all of the Special Districts in the County. The next issue was special assessments. The district does not currently have any special assessments. If the voters in the district were to pass an assessment for general purposes it would apply to everyone in the district. An assessment requires a 2/3 vote to pass. There are no assessments planned at the current time. Another concern is that the cost of the district services could go up, however the

district is already providing the service through the fire department to the areas in the annexation so the fuel costs and the equipment costs are something the district is already assuming in the current budget. In the future if the annex areas were to upgrade their fire hydrants and the district were to agree to take them over there would be some additional cost to the district to maintain the hydrants. If a fire hall or any other asset were to be built in the annex area then there may be maintenance costs and utilities to pay. It was concluded that there may be some small budgetary issues in the future resulting from the annexation, however the district is already providing services and assuming the costs for those services. If needed, a localized assessment is possible although the County may not approve it. A related topic is the question of equipment and water availability: does the district have enough volunteers and is there enough equipment? Can the district support them and do the annex areas have enough water and infrastructure. The answer the committee found was that the district is already providing the services to those areas. The water and equipment that is there is what they have had available and will not change as a result of annexation. The question was brought up that if the fire department responds to a call in the annex areas will it drain the resources in the existing current district and put things at risk? The answer is the same as previously stated; the fire department is already servicing those areas with the current resources and has, on numerous occasions, had to respond to multiple incidents simultaneously. If a new fire station is built how would it be paid for? It would be paid for with donations and/or grants, the same as the proposed new station in Trinity Center. It would not be paid for with tax money. The funds would come from fundraising, donations and/or grant money. There have been discussions regarding staging equipment in the annex areas. There are volunteers in those areas that could staff it.

The committee looked into the LAFCo formal annexation process. The process would start tonight if the Board passes the resolution requesting LAFCo to proceed with processing the annexation application. The process goes through at least two public hearings, one in Weaverville and one in Trinity Center where the public can comment directly to LAFCo whether they think the annexation is a good idea or a bad idea and give any other input they may have. It may take a few months before LAFCo can get this item on their agenda, possibly September or October. The Board requested that the committee gauge public support of the proposed annexation. The committee did this through a signature gathering campaign. The signatures were divided between registered voters in the current district, registered voters in the annex areas and property owners who are not registered voters in either area.

The tabulated results as of this date are:

- In-current-district registered voters = 191
- In-current-district signing petition = 108 (56.5% approval)
- In-current-district stated against = 28 (14.7% against)
- In-annex-area registered voters = 129
- In-annex-area signing petition = 78 (60.5% approval)
- In-annex-area stated against = 2
- Property owners in both areas not registered to vote, signing = 82

The balance of the people not counted are mostly seasonal people who have not been in the area or people that the committee has not been able to contact to yet.

Mike met with LAFCo and received the paperwork and has provided copies of the application and the justification to the Board members and also made copies available to the public. The forms require information such as; what is the zoning of the areas, how many acres are in the area, identifying the areas by sections and who the people for contact are. Mike reported that from the beginning the people in the proposed annexation communities agreed to pay the cost for any annexation fees. Originally they thought it would be through an assessment. When they found there would be no assessment they started fundraising and to date they have collected \$4997.52 in donations. There was discussion regarding the Board paying the annexation fees and the annexation areas will repay the CSD out of the donations collected that are currently in the volunteer fire department auxiliary fund. Glen reported that since the application is coming from the CSD that the payment for the application and the Board

of Equalization should also come from the CSD. Glen added that the fees paid and repayment should be done in the same fiscal year if possible for budget and audit reasons.

Glen requested that Mike review some of the options the Board has and asked him to read the proposed resolution before moving on to the public hearing portion of the meeting.

Mike reported that the options in front of the Board will be:

- A. Adopt the resolution and direct the application to be filled out and filed.
- B. Direct the committee to continue further research on specified topics that need to come up.
- C. Terminate the annexation project, dissolve the ad hoc committee and exit.

Copies of the proposed resolution were made available to the public and the Board. Mike read the Trinity Center Community Services District proposed resolution for the Covington Mill, Lake Forest Estates, Long Canyon, Ridgeville annexation. This would become resolution # 2010-02.

Glen had a minor correction to the resolution in the fourth paragraph on the first page where it states that “the communities are not within the boundaries of another Community Services District or Fire Protection District or other districts Sphere of Influence”. The district is in the SOI of Trinity PUD which is a Special District. Glen suggested a qualifier be added that no there are no other special districts spheres with similar services for the proposed area. Mike will amend the resolution to read that the TC CSD is not in another district’s sphere of influence that is providing the services that the TC CSD provides.

Public Comment

Jon Scott from Long Canyon thanked Mike, Virginia and the committee for their time and energy in helping their community become part of the district.

Wyatt Ribarich from Covington inquired as to what is the nature of the fees and what the money for the LAFCo fees are used for. He also thanked everyone who worked on Covington’s behalf to carry this forward. Wyatt added that he had heard that there was some negative sentiment toward the annexation process that goes back many years because communities to the south were approached about being annexed and said that they were not interested in joining the VFD or CDS at that time. The feeling is that whoever that was is no longer in the area. The current people in the area are clearly behind the annexation and appreciate the efforts of Board for moving this forward. Wyatt reported that there was an additional \$1025.00 in donations to be added to the annexation fund bringing the total in the annexation account to \$6022.52. Mike explained that the fees are as follows: a \$3000.00 LAFCo application fee just to file the paperwork that is non refundable and a \$3500.00 Board of Equalization fee that is refundable should the annexation be rejected by LAFCo. There are also some miscellaneous fees such as \$100.00 survey fee, meeting costs and mailing fees that may total up to \$1500.00. It was also explained that the Trinity LAFCo has a very small budget and the added fees are to be used to offset their costs.

Luke Lucas from Covington inquired as to the cost of an election. Mike explained that there only needs to be an election if LAFCo decides it is required after the protest hearing. Mike reported if 25% of the people in the annex area voice opposition to the annexation it will go to an election. The CSD would have to pay election fees if it were to go to an election. LAFCo can add the issue as a ballot measure at a general election that will help save costs but it could still be as high as \$7000.00-\$9000.00.

Hal Mathis from Long Canyon reported that a number of years ago a retired fire chief in the area had tried to start a fire dept. in the Long Canyon area without success and that the issue had been brought up many times since, also without success.

A member of the public inquired if the annexation goes to a general election will required a 51% majority vote to pass? Mike responded that the election requires a simple majority to pass the measure.

Pat Frost from near Covington said the proposed annex areas are where they are today because of the dedication and energy of this Board, previous Board members and the volunteer fire department and its leadership over the years. He said if this were not such a great Community Services District and volunteer fire department the residents would not have been asking to be annexed into it. Pat thanked everyone for everything they have done over many months and gave thanks for the dedication of the current and past Board members and the current and past chief and all of the volunteers.

Mary Hamilton from Trinity Center served on the committee and thanked Mike, Kelli and Virginia for their work. She reported that one of the things that came out of the committee was to clear up a lot of misunderstandings the public had about the annexation. The Board went into all of the rumors and half truths and cleared up a great deal of the misunderstandings.

Bob Bryant from Covington thanked the people in the district for their willingness to support the annex areas effort to join the district. He also thanked the Board and Kelli for their work. Bob said as a person outside the current district that this will give him peace of mind to know that they will have the service that they will need.

Glen reported the Board needs to submit the application to LAFCo. He reminded the public that doesn't mean the annexation will be done. It is still up to LAFCo to decide if they will approve it and if an election will be needed. LAFCo will hold public hearings, at least one in Weaverville and a protest hearing in Trinity Center to give the public an opportunity to speak for or against the issue. Mike has a slide on the web site that details the process. Glen reminded everyone that turning in the application is just the first step and it is not an assurance that the annexation will go through. Glen's opinion is that with all the work that the committee has done LAFCo shouldn't have too hard of a time with it.

Glen closed the public hearing portion of the meeting and opened the Board discussion portion of the meeting.

Hal Pflueger inquired if nothing would change regarding service to the proposed annexation areas why go through the process? Glen explained it is doing the right thing with respect to our neighbors and other communities to assure services will continue. There have been threats or discussions at times in the past saying the fire department should stop responding out of district, leaving people in those communities unsure that the service is going to continue. It's to make official what the fire department is already doing in practice.

Mike reported that in the past as well as now that the communities in the proposed annex areas have been supporting the fire dept. through fundraising and that some fire dept. volunteers come from those areas. Some of the residents in the annex areas thought they were already in the district and were surprised to learn that they were not. The areas act like they are district members already and have earned the right to be district members.

Glen added that it is understood that this does not mean there will be any changes in the level of service or in either facilities or water infrastructure for the annexed areas. Glen reminded the public that water systems in Trinity Center and the Knolls were not put in by the CSD, they were put in by the water companies. The CSD took over responsibility of them after it was demonstrated to the Board that the hydrants were up to a minimum requirement code of that time. It will be the responsibility of the annexed areas to make upgrades or provide facilities. Those items will be funded through fund raising efforts and grants just as in Trinity Center. If any tax issue goes to vote it will require a 2/3 majority vote of the people who would get any new taxes to be approved.

Dewey Baird asked why not annex? The fire dept. is serving the areas currently and it should be made official. He can not see any negative reasons and only positive reasons to annex the proposed areas.

Glen commented that from a fire fighter/EMT perspective there will be no loss of service in the current district because the fire dept. already services the proposed annex areas. Glen explained that when the fire dept. tells dispatch that they are responding, whether in or out of the district, then they are obligated to respond to that call. If they are responding to a call out of the district and a call comes in

within the district they can not stop responding to the first call. The fire dept. must find a way to get additional resources to respond to both calls. Virginia Allin agreed with what has already been said.

Mike McHugh made a motion that in light of everything that has been heard here he moved to adopt the proposed resolution of the Trinity Center Community Services District for the Covington Mill, Lake Forest Estates, Long Canyon, Ridgeville annexation as amended by Glen’s comment in the paragraph regarding the Sphere of Influence and move forward with the application for annexation including authorizing Mike to do what is needed to finish the application and submit it. Virginia Allin seconded the motion. The motion passed unanimously.

Glen formally recognized the committee: Mary Hamilton, Luke Lucas, Hal Mathis, Mike Mayo, Dean Tackette, Virginia Allin, Mike McHugh and Kelli Gant. Glen thanked them for the last year of work developing the maps, gathering signatures, holding meetings, researching insurance companies, putting together the FAQ’s document and all of the other work they have done. Glen thanked the committee from the Board for doing a great job.

Bills for Payment

The list of bills to be paid was passed out. After some discussion a motion was made by Dewey Baird to pay the bills. The motion was seconded by Virginia Allin. The motion passed that the following bills be paid:

Bills for Payment

Special Expenses

LAFCo-Annexation application fee	\$3000.00
Dept. of Equalization	\$3500.00
 Total	 \$6500.00
 New Balance	 \$107011.59

Dewey Baird thanked Wyatt Ribarich for cleaning the fire dept. lots again this year. Wyatt said he had lots of help.

Adjournment

Meeting adjourned at 7:58 p.m.

Items for next meetings agenda:

Building Committee report
Annexation Committee update
Propane usage and cost analysis
Approve Budget for 2010/2011

Next Regular June 1, 2010

Jan Bellinger – Secretary