



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-11

For the meeting of: July 25, 2017

Date: July 10, 2017

To: Board of Supervisors

From: Kelly Sanders, Clerk/Recorder/Registrar of Voters *KS*

Subject: Resolution Requesting Election for Confirming Conducting Authority Proceedings and Ordering a Reorganization Consisting of Formation of the Peninsula Community Services District and Dissolution of the Samoa Peninsula Fire Protection District; and Requesting Consolidation with the Consolidated District Election to be held on November 7, 2017

RECOMMENDATION(S):

That the Board of Supervisors:

1. Direct the Registrar of Voters to conduct, and give notice of, an election for a reorganization consisting of formation of the Peninsula Community Services District and dissolution of the Samoa Peninsula Fire Protection District;
2. Consolidate this election with the Consolidated District Election to be held on November 7, 2017;
3. Direct the Samoa Peninsula Fire Protection District (Peninsula Community Services District) to reimburse the County of Humboldt for costs incurred pursuant to this request; and,
4. Request the Clerk of the Board forward the signed Board Order and copy of LAFCo's Resolutions, No. 17-08 and 17-09 (Attachments 1 and 2, respectively), to the Humboldt County Office of Elections.

SOURCE OF FUNDING:

Samoa Peninsula Fire Protection District (Peninsula Community Services District)

Prepared by Lucinda Jackson

CAO Approval *[Signature]*

REVIEW: Auditor _____ County Counsel *[Signature]* Human Resources _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. _____

Meeting of: _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
 Upon motion of Supervisor Wilson Seconded by Supervisor Fennell
 Ayes Wilson, Fennell, Sundberg
 Nays _____
 Abstain _____
 Absent Bass, Bohm

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: July 25, 2017
 By: *[Signature]*
 Kathy Hayes, Clerk of the Board

DISCUSSION:

On July 10, 2017, the Local Agency Formation Commission (LAFCo) passed Resolutions, No. 17-08 and 17-09 (Attachments 1 and 2, respectively). Resolution No. 17-08 determines and approves a reorganization consisting of formation of the Peninsula Community Services District and dissolution of the Samoa Peninsula Fire Protection District, and rescinds prior Resolution No. 17-06. Resolution No. 17-09 confirms conducting authority proceedings and ordering a reorganization consisting of formation of the Peninsula Community Services District and dissolution of the Samoa Peninsula Fire Protection District, subject to election. Resolution No. 17-09 further requests the Board of Supervisors direct county election officials to conduct the necessary election, consolidating the matter for consideration by the voters with the Consolidated District Election to be held on November 7, 2017, pursuant to Elections Code, Section 10403.

The question to be submitted to the voters shall read as follows:

“Shall the order adopted on May 15, 2017, by the Humboldt Local Agency Formation Commission ordering a reorganization affecting the Samoa Peninsula Fire Protection District and providing for the formation of the Peninsula Community Services District be confirmed, subject to the terms and conditions specified in Resolution No. 17-08 as revised on July 10, 2017?”

This order of reorganization shall be confirmed where such question is favored by the majority of the votes cast within the territory for which the election is held.

In accordance with Resolution No. 17-08, in lieu of electing new governing board members to the newly formed Peninsula Community Services District, the Board of Directors of the Samoa Peninsula Fire Protection District shall serve as the initial Board of Directors of the successor agency.

FINANCIAL IMPACT:

This item will not affect the General Fund. All funds advanced by the General Fund will be reimbursed pursuant to Government Code, Section 57150 and 57150(b), which directs that all expenses incurred in conducting the election shall be paid by the newly formed district (Peninsula Community Services District,) if the measure is successful, or by the existing district (Samoa Peninsula Fire Protection District) if the measure is unsuccessful.

This item meets the Board of Supervisor’s 2017 Strategic Framework by providing appropriate levels of community service and building interjurisdictional and regional cooperation.

OTHER AGENCY INVOLVEMENT:

Samoa Peninsula Fire Protection District (Peninsula Community Services District)
Local Agency Formation Commission

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could require this election be conducted as a separate, mail-ballot only special election. This option is not recommended as it would unnecessarily increase election costs incurred by the affected district.

Your Board could also decline to call for this election. This option is not recommended as it would halt the formation of the Peninsula Community Services District, which increases the level of services provided to the affected community.

ATTACHMENTS:

- Attachment 1: LAFCo Resolution No. 17-08
- Attachment 2: LAFCo Resolution No. 17-09



RESOLUTION NO. 17-08

REVISED RESOLUTION MAKING DETERMINATIONS AND APPROVING A REORGANIZATION CONSISTING OF FORMATION OF THE PENINSULA COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF THE SAMOA PENINSULA FIRE PROTECTION DISTRICT, AND RESCISSION OF PRIOR RESOLUTION 17-06

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission," is responsible for regulating the orderly formation and expansion of local government agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the above-referenced proposal was initiated by resolution of application of the Samoa Peninsula Fire Protection District; and

WHEREAS, the proposal seeks Commission approval of a reorganization consisting of dissolution of the Samoa Peninsula Fire Protection District (FPD) and formation of the Peninsula Community Services District (CSD); and

WHEREAS, the principal reason cited in support of the reorganization, as specified in the resolution initiating the proposal, is to provide expanded municipal services to the Peninsula through reorganization of the Samoa Peninsula FPD into a CSD; and

WHEREAS, upon formation, the Peninsula CSD would continue the role of providing fire protection services currently provided by the Samoa Peninsula FPD, as well as providing expanded municipal services to the Peninsula; and

WHEREAS, the Humboldt Bay Municipal Water District has expressed its willingness to negotiate the transfer of its ownership of domestic water infrastructure within the boundaries of the Peninsula CSD; and

WHEREAS, the Samoa Pacific Group LLC. has expressed willingness to dedicate, convey, or otherwise transfer certain real property, infrastructure and assets for water, wastewater, streets, parks, and other facilities as part of the proposed multi-phase subdivision approval in Samoa; and

WHEREAS, pursuant to Government Code §56001, the Commission finds there is no existing agency that has demonstrated that it can feasibly provide the services proposed in a more efficient manner; and

WHEREAS, it has been determined that the formation of the Peninsula CSD is a feasible, cost-effective and acceptable approach to providing expanded services to the Peninsula; and

WHEREAS, in accordance with Government Code §61014, the Commission determines the Peninsula CSD, to be financed by benefit assessments and user fees subject to Proposition 218 requirements, would have sufficient revenues to carry out its purposes if such benefit assessments and user fees are approved; and

WHEREAS, the Executive Officer has given sufficient notice of the Commission's consideration of the proposal as required by law; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, existing Spheres of Influence, and applicable General and Specific Plans; and

WHEREAS, the Commission considered all the factors required by law under Government Code §56668 and adopted local policies and procedures; and

WHEREAS, the Commission desires to modify its prior resolution on this matter, Resolution 17-06 adopted May 15, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Humboldt Local Agency Formation Commission as follows:

1. Resolution 17-06, adopted May 15, 2017 is rescinded in its entirety and is replaced, revised and supplemented by this resolution.
2. The Commission's determinations on the proposal incorporate and adopt the information and analysis provided in the Executive Officer's written report.
3. The Commission, as Responsible Agency, certifies it has independently reviewed and considered the Negative Declaration prepared by the Samoa Peninsula Fire Protection District, as lead agency, concerning potential impacts associated with the proposal in accordance with the California Environmental Quality Act (CEQA). The Commission finds the Negative Declaration (finding of no significant adverse environmental effect) is adequate and directs the Executive Officer to file a Notice of Determination with the Humboldt County Clerk.
4. The Commission approves the proposal, contingent upon a successful vote on the formation pursuant to Government Code §61014, and subject to terms and conditions outlined below.
5. The proposal is assigned the following distinctive short-term designation:

"Reorganization of Samoa Peninsula FPD to Peninsula CSD"
6. LAFCo staff is directed to initiate conducting authority proceedings pursuant to the California Government Code (commencing with §57000).

CONDITIONS OF APPROVAL for the proposal shall be as follows:

1. Name – The name of the district shall be the Peninsula Community Services District.
2. Boundaries – A map and boundary description of the Peninsula CSD are set forth in Exhibit A, attached to the Commission's Resolution making determinations and made a part thereof.
3. Sphere of Influence – A sphere of influence of the Peninsula CSD shall be coterminous with the District boundaries. Future amendments and/or updates of the sphere shall be conducted in accordance with Government Code §56425 and 56430.
4. Successor
 - A. The Samoa Peninsula FPD shall be dissolved and all of its corporate powers shall cease.
 - B. Any employees of the Samoa Peninsula FPD will become employees of the Peninsula CSD.
 - C. The Peninsula CSD shall be the successor to the Samoa Peninsula Fire District for the purpose of succeeding to all of the rights, duties and obligation of the dissolved Samoa Peninsula Fire Protection District, with respect to enforcement, performance or payment of any outstanding bonds or other contracts, obligations, including the provisions of and other liabilities of the dissolved Samoa Peninsula FPD.
 - D. The Samoa Peninsula FPD currently has contracts with the Board of Administration of the California Public Employees' Retirement System ("PERS"). The Peninsula CSD and PERS will develop a contract that shall be deemed a continuation of the Samoa Peninsula Fire Protection District's PERS contract pursuant to Government Code §20508. The Peninsula CSD's contract shall preserve the classic formula for continuing employee members of PERS. Accumulated contributions, assets and liability for service under the former districts' contracts are vested rights of continuing employee members of PERS, and shall be merged into the contract of the successor district upon reorganization pursuant to Government Code §20508.
 - E. All property, whether real or personal, including all monies (including cash on hand and monies due to uncollected) of the Samoa Peninsula Fire Protection District shall be transferred to and vested in Peninsula CSD.
 - F. Upon the effective date of the reorganization, the Peninsula CSD shall be authorized and entitled to extend and/or continue to levy, impose, or fix and collect any previously authorized charge, fee, assessment or tax approved,

imposed and/or levied by Samoa Peninsula FPD, including but not limited any rates and charges for the provision of fire protection services.

- G. The property tax allocation factor for the Samoa Peninsula FPD, for those properties within the District, shall be reallocated so that in future fiscal years these taxes shall be allocated to the Peninsula CSD.

5. District Board of Directors

- A. Governing Board - The Peninsula CSD shall be governed by a board of directors composed of five (5) members elected at large for four-year terms by registered voters residing within the District.
- B. Election of Initial Governing Board - The Board of Directors of the Samoa Peninsula Fire Protection District shall serve as the initial Board of Directors of the successor agency, the Peninsula CSD.
- C. Staggered Terms of Office - For the initial Board of Directors, the terms of three (3) members shall be four years and the terms of two (2) members shall be two years.
- D. First Board of Directors Meeting - In addition to all other means authorized by law, the first meeting of the Board of Directors may be called by notice given in a lawful manner by any four members of the Board of Directors.

6. Authorized Services – The Peninsula CSD shall be authorized the following functions and services as active powers, authorized to be provided within its boundaries, pursuant to Government Code §61100:

- A. Water
- B. Wastewater
- C. Fire Protection, rescue, and emergency response (including tsunami evacuation)
- D. Parks, Recreation, Trails, and Open Space
- E. Landscape Maintenance within Public Areas
- F. Streets and Street Maintenance
- G. Storm Drainage

The District may in the future provide other types of services if authorized by the Community Services District Law, subject to compliance with the statutory procedures for authorizing additional services.

7. Benefit Assessments and User Fees – Services provided by the District shall be subject to successful completion of Proposition 218 proceedings for benefit assessments and user fees to fund the activities of the District. Assets shall be transferred only for those services with sufficient revenue necessary to carry out those services.

8. Detailed Engineering Analysis – All benefit assessments and user fees shall be supported by a detailed engineering analysis and/or rate study prepared by a licensed engineer. The detailed engineering analysis shall describe the condition of all infrastructure at the time of asset transfer to the District, the projected demand on capacity, the regulatory and design criteria under which improvements will be made (including ADA compliance), the costs associated with recommended improvements and ongoing operations and maintenance, and the methodology for allocating or apportioning costs to parcels within the District.
9. Dedication of Asset Transfer – All assets and resources proposed for transfer shall be offered with an irrevocable dedication by Samoa Pacific Group LLC to the Peninsula CSD. The LAFCo Executive Officer, with legal counsel as deemed necessary, shall verify prior to issuing a certificate of completion that a legal mechanism has been adequately established to ensure such transfer of assets and resources either at initiation of the community service district, or as particular infrastructure components are subsequently confirmed to be improved and acceptable for transfer to the Peninsula CSD.
10. Asset Transfer and Transition Agreement – Prior to the transfer of any dedicated assets, the Peninsula CSD and Samoa Pacific Group LLC shall set forth mutual agreements in writing for the orderly transition and conveyance of assets, including those obligations to accept and take ownership of those assets by the Peninsula CSD.
11. Monthly User Fees – The initial annual user fees for the Peninsula CSD, including any and all debt service, shall not exceed the small community affordability thresholds of 2.5% for water and 2.0% for wastewater (as a percentage of community median household income) as established by the EPA.
12. Creation of Zones – Pursuant to Government Code §61140 et seq., the Peninsula CSD Board of Directors may form one or more zones with varying levels of service and establish different levels of special taxation therein. The District may use divisional accounting to establish accurate divisional budgets and rates and charges based solely on the cost to provide services within the town of Samoa and the rest of the peninsula, so rates in each service area will not be affected by the other.
13. Appropriations Limit – In accordance with Government Code Section 61113, the Peninsula CSD shall, on or before July 1 of each year, establish an appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution.
14. Effective Date – The effective date of Peninsula CSD shall be determined by the certification of the election results by the Humboldt County Board of Supervisors and the filing of the certificate of completion by the LAFCo Executive Officer with the County Clerk-Recorder's office. The certificate of completion must be

filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

15. Final Processing Costs – Any and all costs including mapping, engineering, planning, environmental review, fiscal analyses, LAFCo processing fees, election proceedings, recording fees, and any other required local, state, and LAFCo fees incurred to complete the formation of the Peninsula CSD, including State Board of Equalization filing fees, will be borne by the project proponents.

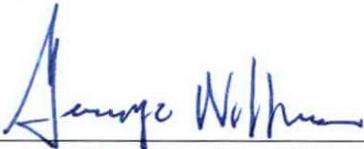
PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 10th day of July, 2017, by the following roll call vote:

AYES: Commissioners: Bass, Johnson, Lake, Long, McPherson, Nicolini and Fennell
NOES: Commissioners: None
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None

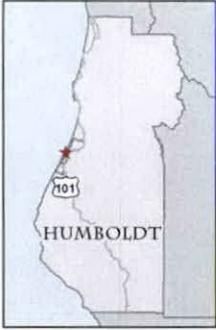


Estelle Fennell, Chair
Humboldt LAFCo

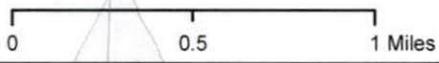
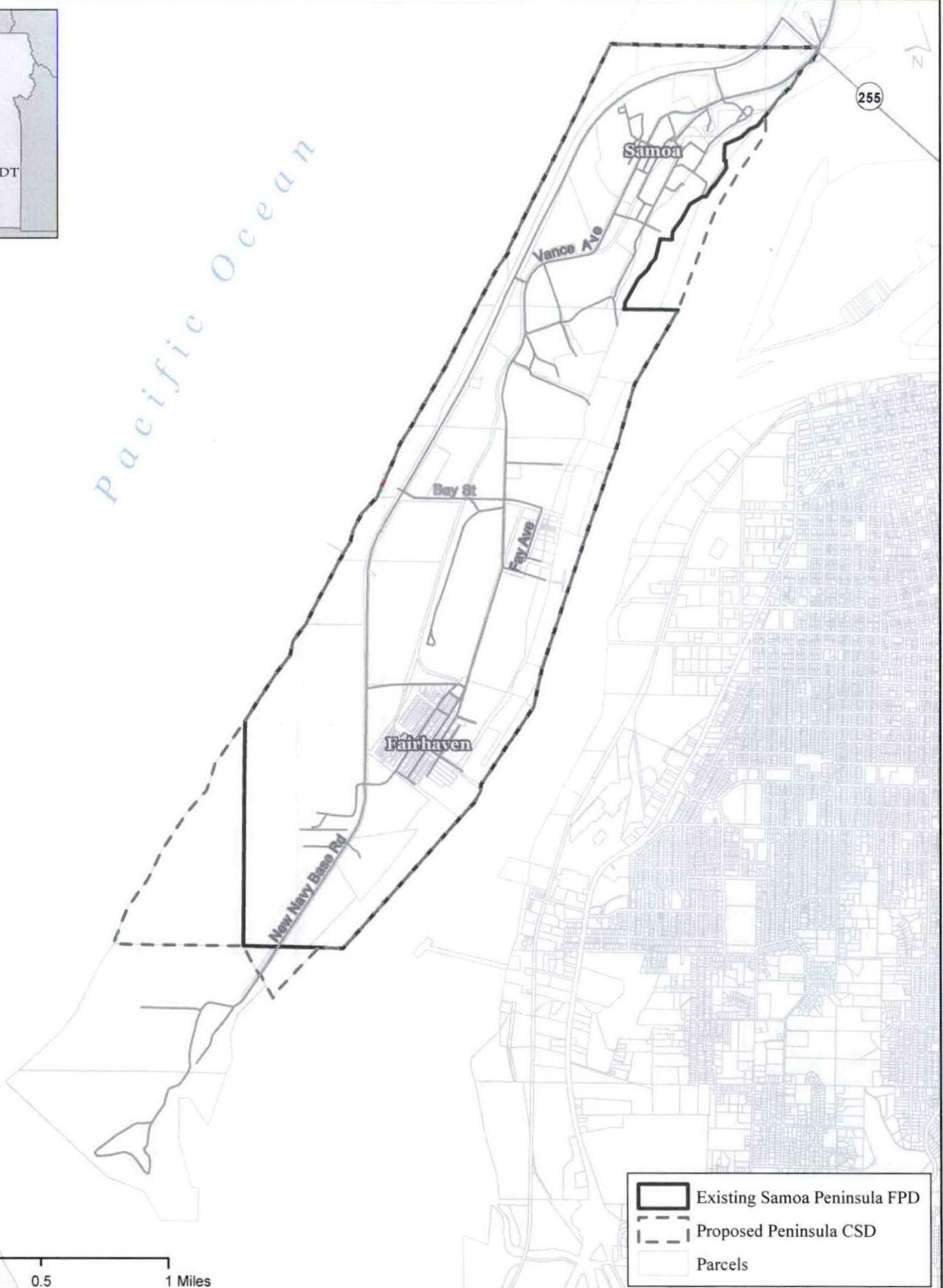
Attest:



George Williamson, Executive Officer
Humboldt LAFCo



Pacific Ocean



- Existing Samoa Peninsula FPD
- Proposed Peninsula CSD
- Parcels



RESOLUTION NO. 17-09

CONFIRMING CONDUCTING AUTHORITY PROCEEDINGS AND ORDERING A REORGANIZATION CONSISTING OF FORMATION OF THE PENINSULA COMMUNITY SERVICES DISTRICT AND DISSOLUTION OF THE SAMOA PENINSULA FIRE PROTECTION DISTRICT, SUBJECT TO AN ELECTION

WHEREAS, the Humboldt Local Agency Formation Commission, hereinafter referred to as the "Commission," is responsible for regulating the orderly formation and expansion of local government agencies pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the above-referenced reorganization consisting of dissolution of the Samoa Peninsula Fire Protection District and formation of the Peninsula Community Services District was initiated by resolution of application of the Samoa Peninsula Fire Protection District; and

WHEREAS, the principal reason cited in support of the reorganization, as specified in the resolution initiating the proposal, is to provide expanded municipal services to the Peninsula; and

WHEREAS, on May 15, 2017, the Commission adopted Resolution No. 17-06, which was subsequently modified, revised and replaced with Resolution No. 17-08, thereby making determinations and approving the reorganization with terms and conditions; and

WHEREAS, pursuant to Part 4 (commencing with Government Code Section 57000), the Commission served as conducting authority for protest proceedings following resolution adoption, providing notice and opportunity for property owners and registered voters living in the territory proposed for reorganization to file protests against further reorganization actions; and

WHEREAS, on June 28, 2017, the LAFCo Executive Officer held a public hearing in conjunction with the protest proceeding; and

WHEREAS, following said public hearing, the LAFCo Executive Officer determined, pursuant to Government Code Section 57078(b), that the number of qualified protests concerning the reorganization *did not* constitute a majority protest that would require abandonment of the proposal.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Commission hereby orders the reorganization subject to confirmation by the voters residing within the affected territory in accordance with Government Code Section 61014.

2. The Commission requests that the Humboldt County Board of Supervisors direct County election officials to conduct the necessary election, setting the matter for consideration on the November 7, 2017 consolidated district election, pursuant to Government Code Section 57000.
3. The question to be submitted to the voters shall read as follows:

"Shall the order adopted on May 15, 2017, by the Humboldt Local Agency Formation Commission ordering a reorganization affecting the Samoa Peninsula Fire Protection District and providing for the formation of the Peninsula Community Services District be confirmed, subject to the terms and conditions specified in Resolution No. 17-08 as revised on July 10, 2017?"

This order of reorganization shall be confirmed where such question is favored by a majority of the votes cast within the territory for which the election is held.

4. The LAFCo Executive Officer is directed to work with County election officials in preparation of an appropriate ballot measure for the reorganization, including preparation of an impartial analysis for the measure.
5. Upon completion of the official canvass of ballots cast at the election, the Executive Officer shall direct that either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

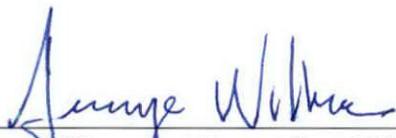
PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 10th of July, 2017, by the following roll call vote:

AYES: Commissioners: Bass, Johnson, Lake, Long, McPherson, Nicolini and Fennell
NOES: Commissioners: None
ABSENT: Commissioners: None
ABSTAIN: Commissioners: None



Estelle Fennell, Chair
Humboldt LAFCo

Attest:



George Williamson, Executive Officer
Humboldt LAFCo