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Executive Officer

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James M. Underwood
General Counsel

Kathy Bull
Manager

Agenda Item: 7a.

Meeting Date: October 6, 2022

From: George Williamson Executive Officer

Subject: Commission determination of relative priority for conducting any further proceedings based on any of those proposals, per Cortese Knox Herzberg Act Section 56655

BACKGROUND

Shasta Community Services District (CSD) proposed divestiture application initially designated County Service Area (CSA) #1 Shasta County Fire Department, as successor agency. Subsequently, a Shasta Fire Protection District (FPD) formation Application was filed by petition. If the FPD is approved for formation, by the Commission in a noticed public hearing on October 6 2022, with conditions, they propose to be considered for successor agency designation.

Pursuant to Cortese Knox Herzberg (CKH) Act Section 56655, If two successor agency proposals are being considered, the Commission may make a determination of the relative priority for conducting any further proceedings based on any of those proposals.

DISCUSSION

Shasta LAFCO may consider the relative priority for the two Successor Agency Designation options (reorganization). CSA #1 is an established Shasta County Fire Department. They are prepared to become the successor agency and to provide fire response upon divestiture. The proposed Shasta FPD formation would be a start up organization. Both would receive property tax revenue and reserves from the CSD as part of the designation.

LAFCO PROCEDURE:

Pursuant to CKH Act Section 56655, If "no priority" is established, then the Shasta CSD/CSA #1 proposal will necessarily be acted upon first. This is because Section 56655 is essentially procedural in nature and is a means of addressing "conflicting" proposals, as here, relative to the successor agency, and indicates that if priority is not changed by the Commission the first proposal received is to be acted upon first. If the Shasta CSD/CSA #1 proposal is affirmatively given "priority" (Alternative 1), or no priority is given (Alternative 3) and the Shasta CSD/CSA #1 proposal is first considered on its merits, approval of the divestiture and granting CSA #1 successor agency status could be conditioned such that this successor agency determination would occur unless the Commission designated another successor agency within a stated period of time.

This would enable the Commission to subsequently approve formation of the Shasta FPD and determine it to be the successor agency..

RECOMMENDATION

This item has been placed on Shasta LAFCO's agenda for action as part of a noticed public hearing. The following procedures are recommended in the consideration of this item:

- 1) Receive verbal presentation from staff.
- 2) Initial questions or clarifications from the Commission.
- 3) Open the hearing and invite comments in the following order:
 - representatives from Shasta CSD, CSA #1 and the Shasta FPD proponents
 - other interested parties and the general public
- 4) Discuss item and consider the staff recommendation.

Each of the alternative actions available to Shasta LAFCO can be accomplished with a single motion:

Alternative One

Give priority to CSA #1 as the successor agency for Shasta CSD divestiture of fire protection and emergency medical service functions, including conveyance of powers, assets, and liabilities. This was proposed in the initial Shasta CSD application and Plan for Services. CSA #1 is already an established service area.

Alternative Two:

Give priority to Shasta FPD designation as the successor agency; including the conveyance of powers, assets, and liabilities. This alternative has community support and local experience with prior fire department.

Alternative Three:

Give no priority and decide on a successor agency based on the relative merits of either proposal, during a noticed public hearing held later on the Commission's October 6 2022 Agenda.

Staff recommends not giving priority to either successor agency proposal and that both proposals could be considered jointly in a combined subsequent hearing this date. That could affect the desired "jointly considered" outcome, whatever the Commission determines that to be, following the joint hearing (Agenda Item 7c) and Commission deliberation.

Commission action may be by motion, second and voice vote. No Resolution needed.