

Patrick Jones
County Member

Vacant
Special District Member

Pam Morgan
City Member

Mary Rickert
County Member Alternate

Stan Neutze
City Member

Ronnean Lund
Special District Member

Mike Daquisto
City Member Alternate



Larry Russell
Public Member

Mark Spencer
Public Member Alternate

Kevin Crye
County Member

George Williamson
Executive Officer

Fred Ryness
Special District Alternate

James M. Underwood
General Counsel

Agenda Item: 7.a

Meeting Date: December 7 2023

From: George Williamson AICP, Executive Officer

Subject: Proposed Reorganization, including, Annexation and Detachment

The Commission will consider a proposal submitted by Fall River Valley Fire Protection District Board of Trustees resolution of application for annexation of territory in Shasta County and detachment of territory from County Service Area #1 - Shasta County Fire Department. This is a Continued Hearing from October 5, 2023.

BACKGROUND

LAFCOs are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) §56375. LAFCOs are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

After approval of Fall River Mills and McArthur Fire Protection District (FPDs) as a consolidated District, a reorganization was proposed to annex territory within the District Sphere of Influence and detach that territory from County Service Area (CSA) #1 - Shasta County Fire Department. Territory proposed to be annexed covers approximately 23,478.3 acres (North and South areas). Public notice of the proposed annexation was provided by published notice in the Record Searchlight, on September 14, 2023.

DISCUSSION

Revenues: County Board of Supervisors Property Tax Revenue Sharing Agreement Resolution 2023-097 allocation, \$0 to FPD for annexed territory. The FPD will need to show revenues to provide service to annexed territory. This would be a condition of approval if reorganization were approved.

Continued Hearing: October 5 reorganization hearing was continued by the Commission. There have been FPD Board & Fire Chief changes. There were volunteer concerns expressed at October Commission hearing including testimony on a number of District / volunteer/ Brown Act issues beyond proposed reorganization. FPD wants to withdraw application but Commission's interested in overall District operations given testimony received at the hearing and correspondence received.

Fall River Valley FPD Action on Application

Shasta LAFCO received an email on November 21, 2023, subsequent to the initial reorganization hearing, with attached FPD Board minutes and a resolution withdrawing the application. The email was received two months after the FPD Board meeting date, with the minutes and resolution inaccurately referencing the application as an annexation. Neither the minutes nor the resolution provided findings for the Board action.

Prior MSR/SOI Update: District is included in Intermountain (regional) FPD MSR/SOI, last updated in 2018, prior to McArthur & Fall River Mills FPD consolidation. MSR/SOI Updates can address a broad range of issues and make determinations about District services that would help inform the reorganization request. An Intermountain FPD MSR/SOI Update would include the Fall River Valley & Burney Fire Protection Districts as well as the Eastern portion of County Service Area # 1, Shasta County Fire Department. Holding reorganization application pending MSR/SOI Update would allow a broader review of the organizations and services provided.

Executive Committee Review: This application was placed on November 16 Executive Committee Agenda, with staff request to recommend putting reorganization application on hold until Intermountain FPD MSR/SOI Update can be completed, which is estimated to take approximately 6-8 months. The Committee discussed the matter and approved, by 3-0 vote, recommending to Commission that reorganization application be put on hold until completion of Intermountain FPD MSR/SOI Update.

LAFCO Authority: The Cortese Knox Hertzberg Act, in Government Code §56425, encourages, if not mandates, that SOIs be updated no less than every five (5) years. In order for such SOI updates to properly occur, §56430 requires that MSR updates occur so that informed Commission decision-making regarding ability to provide services and adequacy of funding for such services, can occur. This is particularly significant for the pending application, given the findings that the Commission must make in considering the now proposed reorganization.

As a result, if the Commission chooses to do so, it has the authority to continue further consideration of the pending Fall River Valley FPD reorganization to a later date to enable updating of the MRS and SOI for this fire protection service area.

Alternatively, the Commission could determine not to update the MSR/SOI at this time, and either act to approve or deny the pending reorganization application at the conclusion of this continued hearing; or further continue the hearing in order to obtain additional information determined by the Commission to be needed in order to take final action on the application, without first updating the existing MSR/SOI.

RECOMMENDATION

Staff Recommends that the Commission conduct the continued public hearing on the proposed reorganization by:

- Receiving a staff report;
- Opening the Continued Public Hearing and receiving testimony;
- Consider the FPD Board Resolution for application withdrawal; and
- Recognize the application as withdrawn or further continue this matter to a future date to be determined, with sufficient time to complete an MSR/SOI Update.

Attachments:

- Exhibit A: Letters of Support by reference (posted to LAFCO website)