

**SPECIAL MEETING OF THE BOARD OF SUPERVISORS
COUNTY OF PLUMAS, STATE OF CALIFORNIA
HELD IN QUINCY ON AUGUST 03, 2005**

1. ROLL CALL

The meeting is called to order at 9:00 a.m. with Supervisors Rose Comstock, William Powers, Robert Meacher, Ole Olsen and Chair, William Dennison present.

2. BOARD OF SUPERVISORS

COUNTY'S PROPERTY TAX SHARING POLICY WITH SPECIAL DISTRICTS

The Board is meeting in a study session regarding the County's Property Tax Sharing Policy with Special Districts as the result of the annexation of an area in which no service is provided.

James Stretch, Interim CAO begins the study session with an overview of the backup material presented. Mr. Stretch has presented the Board with a number of recommendations for consideration. The heart of the discussion is about the setting of funding priorities for the limited funds of the County General Fund.

With regard to the Plumas County Flood Control District, Mr. Stretch believes that the district should be excluded from any property tax sharing equation that affects the tax base. This district is financed mainly by the sale of water to the City of Portola through user fees. The loss of any of its property tax base requires the adjustment of user fees to balance the budget.

Mr. Stretch reminds the Board that a district that provides water and sewer services has a real advantage when approached by a developer who wants to annex. The district is able to charge annexation fees, homeowner hookup fees, etc. In addition, sewer and water districts always have the option to increase their fees accordingly. The County does not have this option or authority in order to recover county costs resulting from increased housing.

The offices of the CAO, Auditor/Controller and LAFCo Executive Officer recently made inquiry with other Counties in the State to learn about their property tax increment sharing policy. It was determined that the vast majority of Counties (81%) do not share any portion of their general fund tax increment with special districts.

The final recommendation of James Stretch, Interim CAO is adoption of a policy retaining all of the general fund's tax increment into the foreseeable future to fund County services and State mandates.

The Chairman takes comments from the public. Various members of the public address the Board referring to a Resolution adopted on March 20, 2001, a policy for County property tax exchanges with Special Districts providing fire protection services. The Resolution encourages fire districts to annex areas that are not served or are under-served.

Joe Wilson, representing Indian Valley CSD addresses the Board. Mr. Wilson requests that when making a decision regarding this matter, the Board consider that each special district's needs are different and should be addressed separately.

The Chairman takes comments from the public in favor of the recommendation of the County Administrative Officer.

Various Plumas County employees address the Board in favor of the recommendation. They base their opinion on major budget cuts that have been made to their departments and believe that if the Board should share any portion of the tax increment, the County will continue to face budget reductions and possible employee layoffs.

Tina Love, representing Operating Engineers Local No. 3, addressed the Board in favor of the recommendation of the County Administrative Officer, and encourages water and sewer districts to increase their fees and to educate their constituents accordingly.

The Chairman takes comments from the public opposed to the recommendation of the County Administrative Officer.

Donald Clark, former County Supervisor and a concerned citizen addresses the Board. Mr. Clark is opposed to the recommendation of the County Administrative Officer. Mr. Clark refers to the past three Grand Jury reports and a recommendation that the County address the need for better fire protection. Mr. Clark refers to the methodology used for establishing tax rate areas and states that there is a number of fire districts that receive a zero contribution, and can find no evidence of any negotiations held with the various communities. Mr. Clark encourages the Board to address the need to improve fire protection in Plumas County and to not approve the recommendation of the CAO.

Ed Proctor, a resident of Whitehawk Ranch, Robert Anderson, a resident of Valley Ranch, and Martin Shafer, representing Beckwourth Fire Protection District are opposed to the recommendation of the County Administrative Officer and encourages the Board to address the need to improve fire protection in Plumas County by sharing a portion of the tax increment with fire districts.

There is discussion by the Board.

The genesis for today's discussion was the June 07, 2005 agenda item concerning an annexation proposal from the Chester Public Utility District (CPUD) and Chester Fire Protection District (CFPD). The district's proposal would mean transferring 26% of the County's share to the district to make up for the school's 74% share, which is forbidden by law from being transferred. Plumas County offered to share 8% of the Incremental Tax Increase of the County's share with the understanding that CPUD will accept the St. Claire property and the Vandenberghe property into the district. Bob Merrifield, speaking on behalf of CPUD denied the offer of 8% and stated that he is not willing to accept anything less than 26% as requested.

Supervisor Comstock requests an explanation from Mr. Merrifield regarding his statement that if Plumas County does not agree to the request for 26%, CPUD will not accept the St. Claire property or the Vandenberghe property into the district. Supervisor Comstock understands that the County is lacking for consistency with past actions taken although, encourages CPUD to re-think their position and their decision to not provide services to the proposed developments.

Following further discussion, this matter will be back before the Board on August 09, 2005 in a regular Board of Supervisors meeting.

NOON RECESS

AFTERNOON SESSION

The Board reconvenes at 1:30 p.m. as the Plumas County Flood Control and Water Conservation District and all members are present as in the morning session. Joani Duncan, Deputy Clerk of the Board is present for the afternoon session.

3. PUBLIC WORKS

HEALTH & HUMAN SERVICES CENTER WALL & CEILING CONSTRUCTION

Mike Lusso of Nichols, Melburg & Rossetto presented the Board with a proposal to consider funding changes in the two-story lobby area of the walls and ceiling at the new Health and Human Services Center. Mr. Lusso distributed pictures to the Board of the art work performed by Richard Houston at another public facility. The contract amount for the changes at the annex are \$30,000 however, Mr. Lusso stated that there is \$10,000 for lighting that has already been budgeted for and will not need to be used so the total expense would be \$20,000.

Following discussion, motion is made by Supervisor Dennison, seconded by Supervisor Meacher and unanimously carried to approve the expenditure of \$20,000 for additional art work to the walls and ceiling at the new Health and Human Services Center and to enter into an agreement with Richard Houston to perform the changes to be approved by the Board at a later date.

4. PLUMAS COUNTY AND FLOOD CONTROL DISTRICT

- A.** Presentation by the Department of Water Resources regarding Bulletin No. 160-05 State Water Plan Update.
- B.** Discussion and possible action regarding Proposition 50, Chapter 8-Watershed Enhancement Program and Plumas County's application.

Kamyar Guivetchi, Program Manager of Statewide Water Planning gave a detailed presentation of the California Water Plan 2005 Highlights, including a strategic plan, resource management strategies, regional reports, and thanked John Mills, water consultant, for his 4 years of heading up the local government caucus.

3:00 p.m., Supervisor Powers left the Board Meeting.

John Mills, Governor's Advisory Committee spokesman stated that the Committee will advise the Department of Water Resources that the Committee does not agree with their urban land use and that there also needs to be discussion re: the use of planning and water use, water transfers and farming. It was agreed that we do need to conserve more, recycle our water and re-operate existing facilities to promote water and agricultural use efficiency, however, the days when large quantities of water use to be delivered to and from the other end of the state are over and we are moving into a new phase. At the August 17th meeting there will be discussions of "what next", integrated waste planning, etc. The Advisory Committee are people asked by DWR to serve in an advisory capacity to the Department of Water Resources during the preparation of Bulletin 160-05, the State Water Plan Update.

Mr. Mills told the Board that Plumas County is "light years ahead of the rest of Northern California".

ADJOURNMENT

The Board adjourns at 3:55 p.m. to meet again on August 5, 2005 at 9:00 a.m. as the Board of Supervisors for all purposes.

William N. Dennison, Chairman of the Board

ATTEST:

Nancy DaForno Clerk of the Board

Joani Duncan, Deputy Clerk of the Board