

BOARD OF SUPERVISORS

APRIL 22, 2008

The Lassen County Board of Supervisors convenes in Regular Session on Tuesday, April 22, 2008, at 9:34 a.m. Present: Supervisors Jack Hanson, Robert Pyle, Jim Chapman, Lloyd Keefer, and Brian Dahle; County Counsel Craig Settlemire, County Administrative Officer (CAO) John Ketelsen and Deputy Clerk of the Board Susan Osgood. Following the flag salute, the invocation is offered by Chairman Hanson.

ANNOUNCEMENT OF ITEMS DISCUSSED IN CLOSED SESSION

Chairman Hanson announces that no closed session was held.

AGENDA APPROVAL, ADDITIONS AND/OR DELETIONS

Supervisor Keefer requests the meeting be adjourned in memory of James Blickenstaff and Supervisor Pyle requests the meeting also be adjourned in memory of Fred McAllister. Chairman Hanson states that Jeremy Goulart of Towne Development of Sacramento, Inc. will be in attendance later today and will speak under Public Comment at that time.

It is moved by Supervisor Keefer, seconded by Supervisor Dahle and carried, to approve the agenda as changed.

PUBLIC COMMENT

1. Chief Probation Officer Letha Martin presents updates to the Board. Ms. Martin and Deputy County Counsel Witry met with the Correctional Standards Authority last month. Lassen County's facility was unanimously voted a suitable facility and the County was commended for following through and completing the needed compliance issues. The next inspection will be in 2009. Update on group home project: Construction is nearing completion for Lassen County's part. Environmental Alternatives (EA) will still have to do some modifications. There was some concern regarding who pays for carpet and bed frames, but EA verbally agreed to take care of that. The licensing agency should be getting that process started this week and it takes about 90 days. It is hoped to have it the facility open by the end of August.
2. Lassen County Public Guardian Dan Bruce reports that he has had the honor and privilege of serving as Lassen County's Public Guardian for over 12 years and during that time has received tremendous support from the Board, Lassen County, Health and Social Services and the community at large. States that it is with great mixed emotions that he announces that he will be retiring from the County on June 30. He will still be involved with the conservatorship process working with the courts part time as an investigator. The Board thanks Mr. Bruce and expresses their appreciation. County Counsel Settlemire states he is top notch in terms of his services to the community and the Public Guardian's office; he will be a loss to Lassen County. CAO Ketelsen states he has worked with four other public guardians in his career and Dan is by far the best; he is an unsung hero in this community.

3. Eileen Spencer of Lassen Animal Rescue, Inc. (LAR), reports they held a very successful Save the Dog Day April 19. Eleven dogs from the shelter were adopted or put into foster homes. The shelter had a "no kill week" and it is LAR's intention to hold an event monthly or twice a month to continue the shelter as a no kill shelter. Ms. Spencer states the shelter staff was extraordinary to work with and had all of the paperwork ready to facilitate the transfers. LAR has the funds for free spaying and neutering. The dogs adopted last Saturday also received rabies shots. Ms. Spencer requests the Supervisors support LAR in the future with some of their discretionary funds. Supervisors Dahle, Chapman and Hanson all donate \$500 from their discretionary funds to Lassen Animal Rescue, Inc. Supervisors Pyle and Keefer state they have already spent their money for this year.

4. Poet Laureate Violet Stout reads three poems she has previously written for the 60 year anniversary of KSUE radio station: "KSUE 1948-1980"; Hugh Hardaway" and "A.M. – KSUE – F.M.".

CONSENT CALENDAR

It is moved by Supervisor Dahle, seconded by Supervisor Pyle, and carried to take the noted action on the following Consent Calendar items:

COUNTY CLERK ITEMS

MINUTES

Approve Minutes of December 11, 2007.

REGISTRAR OF VOTERS

Adopt Resolution No. 008-16, ordering consolidation of the City of Susanville's General Municipal Election with the June 3, 2008 Direct Primary Election and sharing of costs.

AGRICULTURAL COMMISSIONER ITEM - CONTRACT

Approve Agreement #08-0069 with California Department of Food and Agriculture for noxious weed management for July 1, 2008 - June 30, 2009 in the amount of \$16,995.99, and authorize the Chairman to sign the agreement and the Certification.

PUBLIC WORKS DEPARTMENT ITEMS

PARKS DIVISION

Confirm grazing lease to Mapes Ranch Incorporated for use of Susanville Ranch Park for Spring 2008 grazing and authorize the CAO to sign lease.

ROADS DIVISION

Award bid to Miller's Custom Work, Inc., Susanville, in the amount of \$65.05 per ton (not to exceed 6000 tons or \$418,596.75 w/tax) for the Susanville, Standish, Ravendale and Bieber areas and to Sierra Cascade Aggregate and Asphalt Products, Chester, in the amount of \$65.00 per ton (not to exceed 1500 tons or \$104,568.75 w/tax) for the Westwood area for "Asphalt Concrete (1/2" max. med. PG Grade 64-28)," the lowest bidder meeting the requirements considering transportation costs to haul the material from the plant to the individual job sites.

Authorize the Chairman to sign 2007/2008 Optional Regional Surface Transportation Program (RSTP) Federal Exchange and State Match Program, Agreement No. X08-5907 (050) with the California Department of Transportation (Caltrans).

MISCELLANEOUS CORRESPONDENCE ITEMS

Receive and file the following correspondence:

- a. Alcohol and Drug Advisory Board meeting agenda for April 21, 2008.
- b. Susanville City Council Notice of Call of Special Meeting for April 16, 2008; Susanville City Council, Susanville Community Development Agency, Susanville Municipal Energy Corporation meeting agenda for April 16, 2008.

UNAGENDIZED BOARD REPORTS

1. Supervisor Keefer states there is a Solid Waste meeting this afternoon. He reports that the Solid Waste Board has been looking at the possibility of changing the Westwood landfill to a transfer station mainly because of costs; the construction of that facility has gone out to bid. The May 27 meeting will have a discussion item regarding an evening public meeting in Westwood to explain what a transfer station is to members of the public. Bids should be returned by that time so a decision may be made on whether or not to proceed with the project.
2. Supervisor Chapman reports that the 19th Annual Junior Fishing Derby held April 19 was a very successful event. There were 529 participants.
3. Supervisor Chapman distributes an article reporting on Governor Schwarzenegger's 2008 Crime Victim Advocacy Awardees that acknowledges 12 Californians, including Susanville's California Correctional Center Associate Warden Matt Mullin. Supervisor Chapman requests similar recognition for Mr. Mullin from the Board of Supervisors.
4. Supervisor Chapman states there are emerging issues with the Veterans Memorial Task Force. Larry Rogers submitted his resignation from the Task Force. Information will be brought back to the Board of Supervisors after the next Task Force meeting.
5. Supervisor Chapman will be attending the Nortec meeting in Chico April 23 and 24. If Board members have thoughts on the growth of Nortec, and requests Board members advise Mr. Chapman before the meeting. Traci Holt reported that the Workforce Investment Board may be looking for Lassen Community College President Dr. Houston to fill a vacancy as an at-large educational member. The Masons will be holding their Public Schools Observance program on April 24 and will be honoring Bob Owens who is retiring as Lassen County's School Superintendent.
6. Supervisor Chapman reads a proclamation entitled "KSUE 1240 AM" radio station for their 60 years. It will be presented April 24 at the KSUE Celebration at the Elks Hall.

PUBLIC WORKS DEPARTMENT / PARKS DIVISION

It is moved by Supervisor Chapman, seconded by Supervisor Dahle and carried unanimously to execute the Memorandum of Understanding between the City of Susanville, County of Lassen, Susanville School District and the Susanville Sports Council for the maintenance of the ball fields.

PUBLIC COMMENT, CONTINUED

5. Towne Development of Sacramento, Inc. representative and Herlong Redevelopment Project Manager Jeremy Goulart presents an update on the housing development in Herlong. Some significant strides have been made since they were selected as the preferred developer. There were two major issues to overcome before the development could be realized: infrastructure and determining the housing market for Herlong. Water: Towne has been working with the Herlong Utilities, Inc. (HUI) and now Herlong Public Utility District (HPUD) to secure water and access the new expanded system they will be working on through a loan grant package. Towne will be paying a fair share for off site improvements and they anticipate clean, quality water at the site by spring of next year. They are working with Sierra Army Depot (SIAD) to potentially use their current water system on an interim basis for model construction, specifically for fire suppression. Wastewater: the HUD does have a wastewater treatment facility that is currently servicing the federal correctional institute in Herlong, however it does not have much excess capacity at this point and is approximately 3 to 4 miles away from the project site. SIAD is allowing 50,000 gallons per day in wastewater treatment capacity at their current wastewater treatment ponds. This is an interim solution as the HPUD does plan on expanding their facility to service the community. It is difficult to attempt to determine the housing market in Herlong because the community currently does not really have a residential market. They have held several marketing sessions or open houses in Herlong and Susanville with pretty good attendance. Approximately 40 people have filled out requests for further information. They will continue to try and determine the market. Will also be working with the West Patton Village Community Service District on the formation of a fire district.

WARDEN RICHARD IVES, FEDERAL CORRECTIONAL INSTITUTION, HERLONG
Chairman Hanson welcomes Warden Richard Ives stating the federal prison has been an excellent neighbor to South County. Warden Ives presents his background, and states he has been out in Herlong for about five months. He loves the area and he and his family have settled in Susanville. He has met with other community leaders and he looks forward to working with the community as he was very involved with different programs in other areas he has lived and worked. The prison should be at full inmate capacity by the end of summer. He has minimum security inmates that will be doing work in the community. About half of the prison staff lives in Susanville and half in Reno and they have several commuter vans for transportation. States that many of the staff would like to live closer to the prison if they could find good affordable housing.

COUNTY CLERK - RECORDER DIVISION

County Clerk Julie Bustamante presents information on the need to implement AB 1168 which is a program that requires the truncation of social security numbers from public documents. The Board is asked to adopt a resolution allowing a \$1 per document fee as allowed by law, which would help pay for implementation of the program.

Supervisor Chapman states he raised questions about this item when it previously came to the Board. He understands about the necessity of protecting people's social security numbers and other information but is concerned that the State again mandates something

to be done without fully funding it. The public expects the County to get the work done but they also expect the county to have the resources. He sees in the staff report that a conversion to the present system would have to be done in the next couple of years and that tying that with the program could minimize the cost of the program and maximize the use of the dollars. He wants to make sure it is going to be done right, not piece-meal. Discussion is held. CAO Ketelsen states the money will be addressed at budget time.

It is moved by Supervisor Chapman, seconded by Supervisor Dahle and carried unanimously to adopt Resolution No. 08-017, adopting additional \$1.00 Recording Fee per document for Implementation and Ongoing Operation of a Social Security Number Truncation Program pursuant to AB 1168.

ADMINISTRATIVE SERVICES - EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC)

County Personnel Director/Risk Manager Ron Vossler presents information concerning the United Public Employees of California (UPEC) grievance arbitration results that addressed Employer Paid Member Contributions (EPMC). The decision of arbitration was received in late September 2007. Copies of that decision were provided to the Board but were not quantified as to the cost that would be entailed. He presents a brief overview of the calculation process. It amounts to about .49% for the 204 employees in the UPEC bargaining unit; costs anticipated were about \$6 per pay period per employee. The cost to take care of a 2 year 4 month period, as calculated by Auditor Karen Fouch, was a little more than \$52,000. CAO Ketelsen reports this matter was brought to the Board's attention during labor negotiations because the negotiating team had opted to preserve this for arbitration instead of settling it at the table. Supervisor Chapman appreciates the report and asks several questions. Mr. Vossler reports that the decision resulted in a back pay obligation to the County to UPEC from July 2005 to October 31 2007; current pays are correct. The cost of the arbitration proceeding was split with another issue so cost about \$2,500 for this issue. Supervisor Chapman asks that the record clearly state that it cost the County \$52,000 in back pay and the arbitration cost about \$2,500 which is a lot less than what he read in a press release earlier. Mr. Vossler gives credit to Auditor Fouch and her staff in their diligence in calculating this; it was something they hadn't planned on doing. It was something they took on right away and it was resolved quickly.

HEALTH & SOCIAL SERVICES - ENVIRONMENTAL HEALTH DIVISION

SUBJECT: Transition of Local Public Health Services Programs in Lassen County.

ACTION REQUESTED: Authorize the Deputy CAO of Health and Social Services (HSS) to provide written Notice of Intent to the State of California, Department of Public Health that Lassen County intends to continue the Local Public Health Services (LPHS) contract.

Deputy CAO for Health and Social Services (HSS) Kevin Mannel presents background information on the Local Public Health Services (LPHS) contract. As presented to the Board on March 25, 2008, Lassen County HSS proposed developing a three year plan to withdraw from the LPHS contract eventually establishing the Environmental Health (EH) program through County staff. Lassen County intends to contract for the State Environmental Health Scientist positions starting July 1, 2008, with the goal to discontinue

contract by June 30, 2011. Three existing EH Scientists should be retiring by June 30, 2011 and the County will eliminate the position(s) from the LPHS contract and create corresponding county positions. Received notice a few days ago that the State Department of Public Health is proposing a two year transition. In order to proceed with the plan, Lassen County must provide written notice of intent to continue the LPHS contract to the State of California Department of Public Health.

County Counsel Settlemire explains the State requires the letter of intent indicating that Lassen County is opting to participate in the program. However, the State situation is in flux and depending on the number of counties that participate, the overhead 35% figure could vary so all the essential terms of a contract are not in place and some of that yet remains to be determined. If it gets way out of line, the County may have to make a decision and opt out and we can refuse to participate even though we sent in the letter of intent, if they significantly change the essential parameters of the contract. At this point it is not a full and binding contract because all the terms have not really been settled. Discussion is held.

It is moved by Supervisor Dahle, seconded by Supervisor Keefer and carried unanimously to authorize Deputy CAO for HSS Mannel to send a letter of intent stating that Lassen County Health & Social Services intends to continue the Local Public Health Services (LPHS) contract. This matter should be referred back, per CAO Ketelsen's recommendation, to the Budget/Audit Committee as this issue will need further discussion. Doug Ames reports the State is not willing to negotiate on the 35%. He has been told that the 2 year limit on the contract does not mean they will not renew for the third year; their legal staff will not legally allow a 3 year contract. States he is in his 31st year here and would like to retire from Lassen County; two of his staff would also like to do that. He appreciates the consideration and states they do want to continue to provide the services.

AUDITOR

Auditor Karen Fouch introduces Brad Constantine from Bartig, Basler & Ray (BB&R) who reviews information on the June 30, 2007 audit reports.

Supervisor Chapman questions the timeliness of the audit report; states it is almost ten months from the end of the last fiscal year and states than even though the report is good, his concern is that if there was an issue or something that was not favorable, the ability to address it is compromised by the delay in time. He asks what can be done by the County or the auditing company that could help. Mr. Constantine states that they try to get the audit report out by at least December 31 and the single audit requirement is a March 31 deadline. He agrees that they would like to make the process a little bit quicker and are willing to work with the County on that. Auditor Fouch states the Auditor's office is in the process of transitioning with the upgraded system and they are changing some business practices in their office and also county-wide and there are new auditing standards they are being challenged to get in compliance with. This year the Auditor completed the capital asset audit which was the final leg of gaining compliance with GASB 34.

Supervisor Keefer asks if there is something in the audit that is significant, how could the Board deal with it when the report is so late. Auditor Fouch responds that if there was a

specific concern she would make the Board aware of it and believes the outside auditors would do the same.

Mr. Constantine feels the biggest issue is because of the new standard that is out that requires the counties to prepare the financial statements themselves; previously the outside auditor would prepare the report. The standards are changing. We have a comment in the report this year about the fact that the County needs to take more responsibility in preparing the financials themselves. There are three options as to how to comply with that 1) the County does it themselves, 2) they hire a CPA firm other than BB&R to do it, or 3) don't comply and have a material weakness in the report. Those are issues that have to be addressed and that is more of a staffing issue to make sure there are people on staff who can do it.

Further discussion is held.

COMMUNITY DEVELOPMENT DEPARTMENT - BUILDING AND PLANNING DIVISION
The public hearing was previously held for Ordinance No. 467-AE revising various chapters within Title 18 of the Zoning Ordinance and Lassen County Building Code, Title 12.

It is moved by Supervisor Keefer, seconded by Supervisor Pyle to introduce and adopt , by title only, Ordinance No. 467-AE implementing the amendments to various chapters within Title 18 of the Lassen County Zoning Ordinance and Lassen County Building Code, Title 12, as recommended by the Planning Commission, revising mobile home placement criteria for specific zoning districts; amending Section 18.108.270 (maximum size for second dwelling units); and adding Section 18.108.235 (architectural requirements for buildings within residential zoning districts). The amendments will not change the zoning of any parcel of land.

County Counsel Settlemire states that while the agenda stated the action requested was to introduce and adopt the Ordinance, the zoning ordinance is not actually moving a piece of property from one zone to another and does not fit with other categories so it should only be introduced at this time and will be adopted at a later meeting. Supervisors Keefer and Pyle amend their motion and second to introduce only Ordinance No. 467-AE. Chief Planner Maurice Anderson notes there were some typographical errors that were corrected and the language regarding the snow load should be changed to be clear that it should be 60 pounds and above. The motion carries unanimously.

PLANNING / BUILDING DIVISION

Chief Planner Maurice Anderson presents Department Report/update on the following projects:

1) Red Rock Water Project/Washoe County's workshop regarding water importation. A couple of applications have been filed for water withdrawal near Red Rock, specifically about 2 miles in from the turnoff into RR off of 395 on the NV side. Both applications were for considerable amounts, 5.0 cubic feet per second. Lassen County did protest those applications but they have had limited success with protests. One application did receive

a reduction. Did attend a workshop in Washoe County on water importation that was given to Planning Commissioners. It was interesting but not a lot to report. They talked about looking at water basins above Honey Lake and will analyze the water in those basins and see if it is something that can be utilized by the County. Have also seen some applications being made up towards the Modoc County line. These issues will be watched and reports will be brought to the Board.

2) Parcel Map Application #2005-021, Walter Sphar; and Initial Study Application #2006-133 for a Parcel Map, Thomas Hammond, located at the intersection of U.S. Highway 395 and the Herlong Access Road, Herlong. The project engineer for Mr. Sphar came to the Board as he was dissatisfied with the progress that was being made. A meeting was held with the engineer, the applicant and CAO Ketelsen and staff. It was a very productive meeting. Community Development was directed to do a mitigated negative declaration and staff feels it is about 90% done but one of the remaining stumbling blocks has been traffic. A meeting was held with Caltrans and they had concerns and they want a traffic study done. They want to see what is being proposed as it was unclear what the project was proposing to do, where the access was going to be and how it was going to work. At the conclusion of the meeting the project engineer stated he understood where he needed to go and the ball was in his court in order to proceed.

3) Code Enforcement on Marr Road, Ravendale. Mr. Anderson reports that cars that were the subject of the complaint have all been removed. A crusher was brought in and it has been completed. The Health Department did inspections during the crushing to make sure all was done correctly.

COUNTY COUNSEL – AGREEMENT

County Counsel Settlemire states a memo regarding the proposed agreement for Wilke, Fleury, Hoffelt, Gould & Birney LLP to provide Lassen County with specialized legal services with regard to the Dyer Mountain (DM) bankruptcy proceeding was included in the agenda packet. It is anticipated that to start off the services will be more in the nature of occasional consultation and monitoring of the bankruptcy process rather than an intensive legal activity. At this time the parties to the State court action that has been filed challenging this board's action with regard to the DM project is automatically stayed by the bankruptcy petition. All the parties to the State court action do agree the stay applies and puts the State court action on hold for now. Further discussion is held. Supervisor Chapman states he will be voting no on the motion and wants the minutes to reflect that he has been unhappy with the progress this project has taken and the fact the Board is in a position where it has to take an action like that is unfortunate and he is not pleased.

It is moved by Supervisor Dahle, seconded by Supervisor Pyle and carried, with Supervisor Chapman voting NO, to approve agreement with Wilke, Fleury, Hoffelt, Gould & Birney LLP to represent Lassen County in the Chapter 11 bankruptcy case of Dyer Mountain Associates, LLC and in connection with enforcing the County's rights against Dyer Mountain Associates, LLC, including collection of property taxes and enforcement, or termination, of a development agreement between the County and Dyer Mountain Associates LLC, at the hourly rate of \$335 per attorney and \$250 per paralegal.

COUNTY ADMINISTRATIVE OFFICE - WILDFIRE RISK ON LASSEN NATIONAL FOREST

SUBJECT: Resolution declaring State of Emergency on Lassen National Forest. CAO Ketelsen states there is a resolution by Plumas County to call attention to the condition of the Plumas National Forest on the Quad County agenda. Plumas County was requesting Lassen County adopt a similar resolution. He feels that to adopt a resolution having to do with the Lassen National Forest is probably not exactly correct in the sense that Lassen does not have as much concern as Plumas does right now. The resolution handed out by Mr. Ketelsen would be more endorsing their resolution because a portion of Plumas National Forest is in Lassen County. Discussion is held and the Board agrees to discuss this further at the Quad Counties meeting next week.

INFORMATION FOR THE BOARD

CAO Ketelsen reports that he volunteered for the Executive Steering Committee that is concerned with the expenditure of the first \$750 million of bonds that were made available by AB 900, regarding local jail expansions or new facilities. A meeting was held and the eleven member board did grant what he requested for small counties ability to compete for that money. However, he did not realize when he volunteered that he would also need to be part of a board that is evaluating the 24 applications for that money which means more work and more meetings. He will be spending the rest of the week in Sacramento assisting in deciding how that money gets distributed.

UNAGENDIZED REPORTS - CONTINUED

7. Supervisor Hanson attended a small health care meeting yesterday with Chester and Northeastern, Banner and others and he agrees with comments from Supervisors Chapman and Dahle that the State is going to kill the counties on reimbursements. Supervisor Chapman states his big concern for the budget is the Senior programs; they have cut their program from 5 days a week to 4 days a week just because of food and fuel costs. CAO Ketelsen states that Senator Cox carried a bill exempting small counties, including Lassen, from the delay of payment.

QUAD COUNTIES MEETING

The Board will meet Tuesday April 29, 2008, 10:00 a.m. at the Plumas County Fairgrounds.

ADJOURNMENT IN MEMORY

There being no further business, the meeting is adjourned at 11:56 a.m. in memory of Jim Blickenstaff and Fred McCallister.

CHAIRMAN OF THE BOARD OF SUPERVISORS

ATTEST:

SUSAN OSGOOD, DEPUTY CLERK OF THE BOARD