



## RESOLUTION NO. 2024-03

### RESOLUTION OF INTENT TO INITIATE THE DISSOLUTION OF THE POST MOUNTAIN PUBLIC UTILITY DISTRICT

**WHEREAS**, the Trinity Local Agency Formation Commission (“Commission” or “LAFCo”) is responsible for regulating boundary changes affecting special districts pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH Act”); and

**WHEREAS**, the Post Mountain Public Utility District (“PMPUD” or “District”) is a multipurpose independent special district, formed in 1983 as a Community Services District and later reorganized in 1988 pursuant to the Public Utility District Act (Public Utilities Code §15501-18055) to provide fire protection, road maintenance, and electricity acquisition services to the community of Post Mountain located 15 miles south of Hayfork off of Highway 3 in Trinity County; and

**WHEREAS**, the PMPUD service area is inhabited and encompasses approximately 43 square miles and 1,045 parcels; and

**WHEREAS**, on August 15, 2023, the Commission adopted a Municipal Service Review (MSR) and Sphere of Influence (SOI) Update for PMPUD that identified multiple service and governance needs and deficiencies; and

**WHEREAS**, as part of the 2023 MSR/SOI Update, the Commission did adopt a provisional SOI for the District and outlined several action items and/or areas of improvement for the District to pursue as stated in Resolution No. 2023-05, and the District was provided a one-year period to make improvements at which point the Commission would consider adopting a zero SOI and initiate proceedings for reorganization and/or dissolution of the District in accordance with Government Code 56375(2) or 56375.1; and

**WHEREAS**, the Commission did receive an status update on District services and governance at the April 30, 2024 Special Meeting, where it was determined that the District had made progress on completing audits and was working with the Trinity County Auditor on regular financial reporting requirements. However, the District had not made sufficient progress in seeking approval for a special tax or assessment to fund road maintenance, and still had significant deficiencies related to the provision of fire services including limited volunteers, insufficient required training, lack of mutual or auto aid agreements with neighboring agencies, and inadequate equipment to be able to respond to calls in the Post Mountain area, including medical; and

**WHEREAS**, pursuant to Government Code 56375.1, LAFCo may initiate a proposal for the dissolution of a district if at a public hearing the Commission approves, adopts, or accepts a study prepared pursuant to Government Code 56430; and

**WHEREAS**, the study must demonstrate that there is a preponderance of evidence, that the district has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies; and

**WHEREAS**, as set forth in the August 15, 2023 PMPUD MSR/SOI Update, the April 30, 2024 PMPUD Status Update, and the October 15, 2024 Executive Officer's Report, the existing documented chronic service provision deficiencies include the following:

- PMPUD is unable to respond to medical calls in their service area which accounts for over 50% of calls for service. PMPUD's agreement to participate in the EMS system was terminated by Nor-Cal EMS in April 2018, after PMPUD was no longer operating and complying with all applicable policies, procedures, laws, regulations and requirements for BLS (non-transport) providers. In 2018, primary responsibility for the area was shifted to surrounding VFDs and other fire protection providers.
- There are a limited number of volunteer firefighters for the District and it is unknown if they maintain current training certifications, including public safety first aid training. As such, the District lacks adequate staffing and is unable to respond to calls within their service area.
- The non-profit status of the Post Mountain Volunteer Fire Department became inactive on March 28, 2019, based on an Administrative Termination by the California Franchise Tax Board. The FTB has the authority to administratively terminate (e.g., cancel, dissolve, surrender) any nonprofit corporation if a nonprofit corporation's rights, powers, and privileges have been suspended or forfeited by FTB for at least 48 continuous months.
- District equipment has historically been unmaintained and reported to be in poor condition. It is unknown if all apparatus are in functioning order and ongoing maintenance is needed. There is also a need for more hand tools, wildland PPE, and communication equipment.
- The District does not have a dedicated funding source for roads and has relied on fire assessment funds and reimbursements as available. Roadwork capacity is very needed in the community as PMPUD does not have its own grader or necessary equipment and must contract out all work. The District operates a snowplow which was involved in a vehicle related incident and subsequent lawsuit, the status of which is unknown.
- Electric service has not been historically provided by PMPUD and there is currently no electricity service to the area. As such, electric service has become a latent power for the District.
- PMPUD is behind on their regular audits and they are in non-compliance for fiscal reporting. Based on available information from the State Controller's Office, the District operated at a loss for five of the six fiscal years reviewed.
- In Fiscal Year 2020-21, the District incorrectly charged landowners \$100 per parcel instead of the approved \$24 for fire suppression. Property owners were provided a refund by the District in FY 2021-22;

**WHEREAS**, if dissolution is recommended by the Commission, Government Code 56375.1 provides that the Commission adopt a resolution to initiate dissolution with a remediation period of at least 12 months to afford time for the District to address the specified deficiencies; and

**WHEREAS**, the Executive Officer reviewed the Resolution of Intent to Initiate Dissolution pursuant to the California Environmental Quality Act (CEQA), and recommended that the project is exempt from CEQA under §15061(b)(3) because it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA, and, based thereon, the Executive Officer prepared a Notice of Exemption; and

**WHEREAS**, the Executive Officer set a public hearing for October 15, 2024 for consideration of the resolution of intent to initiate dissolution of the PMPUD and caused notice thereof to be published and posted in the manner required by law at least twenty-one (21) days in advance of the date; and

**WHEREAS**, at said hearing, LAFCo reviewed and considered the Executive Officer's Report and Recommendations; each of the policies, priorities and factors set forth in Government Code Sections 56375.1 and 56430 et seq., and all other matters presented as prescribed by law; and

**WHEREAS**, at that time, an opportunity was given to all interested persons, organizations, and agencies to present oral or written testimony and other information concerning the proposal and all related matters; and

**WHEREAS**, the Commission received, heard, discussed, and considered all oral and written testimony related to the intent to dissolve, including but not limited to protests and objections, the Executive Officer's report and recommendation and the 2023 MSR/SOI Update.

**NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED** by the Trinity Local Agency Formation Commission as follows:

1. The foregoing recitals are true and correct.
2. The Commission considered the PMPUD MSR/SOI Update (August 15, 2023), the PMPUD Status Update (April 30, 2024), the Executive Officer's Report, and all reference findings and determinations and hereby adopts such findings and determinations.
3. The Commission finds that less than adequate progress has been made to remediate the documented service deficiencies during the 12-month provisional period and hereby adopts a zero SOI for the District.
4. The Commission is in compliance with Government Code Section 56375.1, which allows the Commission to initiate dissolution.
5. The Commission considered all factors required by law under Government Code Section 56375.1, and all written and oral evidence presented to the Commission, and hereby adopts a Resolution of Intent to Initiate Dissolution of the District based on the

following findings, which are consistent with Government Code 56375.1(a)(1)(A), that there is a preponderance of the evidence, that the District has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies.

6. The Executive Officer is directed to file a Notice of Exemption under §15061(b)(3) in compliance with the California Environmental Quality Act and local ordinances implementing the same.
7. PMPUD shall provide the Commission a mid-point report by April 30, 2025 on such remediation efforts by the District which report may thereafter be considered at a regularly scheduled Commission meeting.
8. At the conclusion of the 12-month remediation period, the Commission will consider at a noticed public hearing whether the District has remedied the identified deficiencies and whether the District shall be dissolved in accordance with Government Code Section 56375.1. If the Commission finds the District has adequately remedied the deficiencies, the Commission shall rescind the notice of intent to initiate dissolution and no further action is required.
9. The Executive Officer is hereby directed to take all further actions required by law and necessary to implement the intent of this resolution.

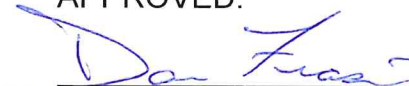
**THE FOREGOING RESOLUTION** was introduced at a regular meeting of the Trinity LAFCo Commission on the 15<sup>th</sup> day of October, 2024, and adopted by the following roll call vote:

AYES: Burke, Carpenter-Harris, Corbett, Fraiser, Gogan, Grossman-Christ  
NOES: None and Johnson  
ABSTAINS: None  
ABSENT: None

ATTEST:

  
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Colette Santsche  
Executive Officer

APPROVED:

  
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Dan Fraiser  
Chair