

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 6.1 - Executive Officer's Report**

DATE: July 26, 2023 for the meeting of August 3, 2023.

ADMINISTRATION:

- Deputy Executive Officer Shannon Costa has been selected to participate in the North Valley Community Foundations Community Leadership Program Class of 2024. The program is designed to identify and create a network of local leaders who are committed to contributing to a thriving community. The program will focus on professional development, networking, and team building. Sessions are once monthly and run from September 2023 to May 2024. There is a nominal cost which is within budgeted training funds.
- As previously reported, staff continues to work with County Administration/Human Resources to amend the Contractual Service Agreement No. 3 by transitioning payroll services from County HR to another provider. This is not an easy transition for our small (3) staff as we must juggle staff duties to manage this transition, which will cost additional staff time/resources. We have had initial discussions with Paylocity, a national human resources firm that provides payroll services, and received a quote for services. BCAG is also transitioning to Paylocity as they have also been bumped from County due to the transition to Workday. County HR has been assisting with creating the contract and other documentation necessary to move forward. I anticipate that we will finalize a draft payroll contract within the next month and return to the Commission with a proposal to consider a new Paylocity contract and amendments to our Contractual Services Agreement with the County.
- Staff has been assisting Butte Water District with service issues related to development proposals in the City of Gridley and its Sphere of Influence. The issues are related to mitigations for open canals that represent significant health and safety issues, which is also a LAFCo concern. There is also frustration with the City's processing of entitlements/projects related to early consultations with affected agencies, timely public hearing notices to affected agencies and landowners, and other irregularities. The Commission has consistently directed its Staff to assist our member agencies when appropriate and we will continue to monitor this issue and assist however we can help so as to resolve these types of issues before a LAFCo application is submitted.

PROJECT/GENERAL NOTES:

The following issues/proposals are being reviewed, discussed and/or considered at various stages.

- **(NEW) County Service Area (CSA) Reorganization** – At its June 13, 2023, meeting, the Board of Supervisors was provided with an update on the status of the CSA program, administered by the Butte County Public Works Department. The report indicated that many CSAs within the County are severely underfunded and pursuing additional funding is difficult given the costly Prop 218 process. Ultimately, staff was given direction by the Board to pursue a ballot initiative for CSAs providing essential sewer service, and to coordinate with LAFCo staff to potentially dissolve or consolidate underperforming or underutilized CSAs. LAFCo staff has since met with Public Works staff and Deputy CAO Dawn Nevers to convey our willingness to collaborate on this endeavor.

- ***(NEW) Paradise Irrigation District MSR Update*** – The administrative draft has been delivered to PID and LAFCo staff for review and edit. The MSR will evaluate PIDs current financial position and service capabilities.
- ***Chico Island Annexations*** – At it's October 6, 2022, and February 2, 2023, meetings, the Commission approved the annexations of the last four remaining island areas within the City of Chico. Consistent with the Island Annexation Agreement (2022), recordation of the islands would be staggered to allow the City reasonable time to prepare for the provision of services to the areas. The Chico Canyon Road Island Area was approved subject to protest proceedings, which concluded on March 29, 2023, resulting in protest ballots received from 40% of the registered voters in the affected territory. As such, the annexation must be confirmed by the registered voters residing in the territory. The Chico City Council called for a special mailed ballot municipal election on October 3, 2023.
- ***Water District Map Clean-up*** – Staff is working with the Butte Water District to reconcile old and current maps of the District's boundaries for the purpose of accurate record keeping and collection of stand-by fees. This process entails researching mapping discrepancies using old maps and annexation records. This effort will result in a final electronic (GIS) version of the District's maps, which will allow for better record keeping, collection of fees, and fairness amongst District customers during drought-years.
- ***Proposed Cemetery District Formation*** – A group of Durham residents have approached the County and LAFCo seeking a solution to the long-term maintenance and operation of the historical Durham Cemetery to include forming a new independent cemetery district, contracts with other service providers, County operation under the umbrella of the dependent (BOS) Thompson Flat Cemetery District. As with most service issues, funding is the need and the goal. Discussions are ongoing.
- ***Gridley-Biggs Area of Concern*** – LAFCo adopted the Gridley-Biggs Area of Concern (AOC) in 2004 in response to increased development opportunities that existed between the Cities of Biggs and Gridley. It was agreed by all affected agencies that the AOC would be the growth area for each city moving forward in order to reduce development pressure on substantial agricultural lands bordering the cities and AOC. This was also supported by the Butte County Farm Bureau. Recently, development interest has returned to both cities, and this has created a great opportunity for the affected agencies to renew their efforts to plan the AOC.
- ***City of Gridley MSR/SOI Update*** – The City has expressed an interest in updating its MSR and SOI Plan in anticipation of new development proposals being considered. Staff anticipates that the City and LAFCo may enter into a Letter Agreement to conduct this effort, similar to agreements with the City of Chico and City of Oroville.
- ***City of Oroville MSR Update*** – The City of Oroville is starting the process to evaluate its growth goals and has determined that the City needs to update its SOI to accommodate new development goals and at the same time update its MSR to reflect its current service capabilities and financial position. The City has requested LAFCo update its MSR at City expense and executed a Letter Agreement with LAFCo to prepare the MSR update. The City has entered into a contract with Policy Consulting Associates to complete the project under LAFCo supervision. The administrative draft is under review.
- ***County of Butte – General Updates*** - The County is currently undertaking the following notable planning efforts:
 - ***[General Plan 2040 Update](#)*** -The General Plan establishes the community's long-term vision for the future, including where people in Butte County will live, work, shop, learn, and recreate. It will shape future housing, support job growth, foster healthy and resilient neighborhoods, protect and manage

natural resources and agricultural lands, ensure community safety, and promote social and economic equity. A variety of factors contribute to the need to update the General Plan. The existing General Plan 2030 was adopted nearly 12 years ago (October 26, 2010) - updates are needed to keep the plan topical and relevant to changing conditions such as: the redistribution of population and impacts and recovery needs of the Camp Fire, North Complex Fire and Dixie Fire, Legislative mandates from the State concerning climate change and adaptation policy, environmental justice policy, and fire hazard impacts, and the updated of the Housing Element in 2022 for the next effective period until 2030. The county has posted the Notice of Availability for the Draft Environmental Impact Report (DEIR) which establishes 45 days period for comments to close on February 21, 2023. The County BOS held a public hearing on March 28, 2023.

[Tuscan Ridge Planned Development \(PUD21-0001\)](#) - The proposed project includes subdivision of the project site to develop a total of 165 single-family residential lots. The 163 acre site on the south side of Skyway about 3 miles west of Paradise and 4 miles east of Chico which was used as staging area for Camp Fire workers in 2018/19 and was previously the former Tuscan Ridge Golf Course. The site is to be served by an existing on-site well for domestic water and an existing permitted on-site wastewater treatment system, both of which were initially proposed to be managed by a newly formed Community Service District (CSD) that would require LAFCo approval. The County now indicates that the sewage disposal and potable water systems could be maintained and operated under a contractual agreement with the Paradise Irrigation District (PID), which may or may not cause the PID to initiate annexation of the site, which is currently not contiguous to the PID boundaries. The County has released a Notice of Preparation for the Environmental Impact Report on February 23, 2022. The updated project description indicates the PID will annex the territory and maintain the water and sewer systems on-site. Staff has provided initial observations to the project consultant. associated infrastructure requirements and demands.

CALAFCO: (NEW) The 2023 Annual Conference has been scheduled for October 18 - 20th. LAFCo staff will attend the conference as well as CALAFCO Chair, Bill Connelly. This year, Deputy Executive Officer Shannon Costa has volunteered to organize and moderate a general session.

LEGISLATION: The 2022/23 Legislative session is underway. Commissioner Connelly, the Executive Officer and Legal Counsel are voting members of the Legislative Committee. CALAFCO priorities for the coming year include:

1. 2. Clarifications to GC56133 (service extensions) that will specifically direct that all service extension exemptions are approved by each local LAFCo as opposed to local agencies “self-exempting” from the law. CALAFCO will join San Diego LAFCo in developing this legislation and related lobbying effort.

APPLICATION**ACTIVITY:**

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<i>Project Status As of July 24, 2023</i>								
File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
18-09	TWSD	Clay Pit State Recreation Area Annexation						On hold. Incomplete Application
19-12	County	CSA 158 - Mandville Park Subd. Annex	05/02/19	05/29/19	10/03/19			Approved w/ conditions - 218 Hearing
20-08	Oroville	Municipal Service Review Update (MSR)	05/20/20	N/A				In progress
20-09	LAFCO	Oroville Region Sewer & Water MSR	N/A	N/A				In progress
21-06	Landowners	Tuscan Water District Formation	02/22/21	10/01/21	12/02/21			Approved - waiting on election
22-10	Gridley	W Biggs-Gridley Rd Annexation No. 3	03/28/22	05/16/22	11/03/22			In progress
23-02	Chico	El Monte Ave Annex. No. 1	08/16/22	09/08/22	11/03/22			Will Record 8-1-25
23-03	Chico	Chico Canyon Annex. No. 8	08/16/22	09/08/22	02/02/23			In progress
23-04	Chico	W Sacramento Ave Annex No. 31	08/16/22	09/08/22	10/06/22			Will Record 8-1-23
23-05	Chico	W East Ave Annex. No 1	08/16/22	09/08/22	10/06/22			Will Record 8-1-24
23-09	Paradise	PID - MSR Update 2022	11/15/22	n/a				In progress
23-12	Gridley	MSR Update 2022	01/06/23	n/a				In progress
23-13	Biggs	W Rio Bonito Road Annex. No. 8	01/13/23	02/13/23	05/04/23			In progress

Attachments: None