

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: September 27, 2023 for the meeting of October 5, 3023.

ADMINISTRATION:

- Staff continues to work closely with County HR representatives to implement the Paylocity payroll services for the next pay period. The transition is quite time intensive at this stage with a fair amount of frustration.
- Staff participated in a California Office of Emergency Services LISTOS Regional Disaster Ready Summit on September 15 in Chico. The presentation was extremely helpful and informative and caused Staff to see a role for LAFCo to play in preparing for disasters. Locally, we have coordinated with the Butte County Office Emergency Services and provided information regarding the Local Hazard Mitigation Plan. We see an opportunity for LAFCo to further assist with local disaster preparedness by using our knowledge of all local agencies obtained through municipal service reviews (MSR) to connect disaster needs with local agency resources. It is Staff's intention to develop a quick guide of local agencies and the ways and resources they can assist in emergencies. This is also a big topic at the upcoming CALAFCO Conference.

PROJECT/GENERAL NOTES:

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

- **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 coordinate with LAFCo staff to potentially dissolve or consolidate underperforming or underutilized CSAs. **NEW** Staff met with County PW staff on September 27 to further discuss and will report out to the Commission of any progress.
- **Water Districts** - 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.
- **Chico Island Annexations** – 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.
- **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.
- **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.
- **County of Butte – General Updates** - The County is currently undertaking the following notable planning efforts:
 - [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: None

LEGISLATION: Commissioner Connelly, the Executive Officer and Legal Counsel are voting members of the Legislative Committee.

- AB399 (Assemblymember Tasha Boerner). This bill allows a County Water Authority to circumvent the current LAFCo process for reorganizing water authority member agencies by requiring a vote not only within the affected local agencies, but in all County Water Authority jurisdictions which is counter to CKH. CALAFCO is opposed as well as the Butte County Board of Supervisors and many other organizations who favor local government over Sacramento. Butte LAFCo opposition letter was submitted to the Legislative Portal as our local Assemblyman and Senator. The bill passed out the legislative and now awaits the Governor’s signature. Staff has submitted a letter requesting the Governor to veto the bill (**Attachment 1**)

APPLICATION ACTIVITY:

APPLICATION ACTIVITY								
Project Status As of September 27, 2023								
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	8/1/2023	8/7/2023	Completed
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
23-15	BWD	BWG Water District Reorganization	05/25/23	06/26/23	08/03/23	9/8/2023	9/11/2023	Completed

Attachments: 1. Butte LAFCo Letter Requesting Veto of AB399 – September 14, 2023



BUTTE LOCAL AGENCY FORMATION COMMISSION

1453 Downer Street, Suite C • Oroville, California 95965-4950
 (530)538-7784 • Fax (530)538-2847 • www.buttelafo.org

September 14, 2023

The Honorable Gavin Newsom
 Governor, State of California
 1021 O Street, Suite 9000
 Sacramento, CA 95814

DELIVERED BY ELECTRONIC MAIL:
christine.aurre@gov.ca.gov

Re: AB 399 **Veto** Request

Dear Governor Newsom,

The Butte Local Agency Formation Commission (LAFCO) is adamantly opposed to **AB 399** and urges you to veto the bill which has the intended or unintended consequence of undermining and diminishing the functions and authority of local government in the form of LAFCo's and its locally elected leaders representing seven different jurisdictions and the public at large.

A common refrain from Sacramento is the desire to promote local control and pass along to local agencies numerous unfunded mandated functions so as to relieve the state from accomplishing these tasks. It is therefore ironic that this bill proposes to completely erode the authority of locally elected leaders on San Diego LAFCo and replace their expertise and commitment to their local constituents with that of state government 500 miles away.

Governor Brown and the state legislature created LAFCo's in 1963 for the very explicit purpose of evaluating and regulating the boundaries and services of local agencies in each county. It was understood *then* that local leaders are in the best position to understand and implement local plans and desires of their constituents. It is without question that local LAFCo's expertise in managing local agency boundaries and municipal services to effectuate orderly and responsive growth and development is of paramount importance. As quasi-legislative agencies, LAFCo decisions cannot be appealed to a higher authority and are only subject to judicial intervention. Courts will defer to LAFCo decisions as long as they are procedurally correct, consistent with state law and supported by substantial evidence, all of which San Diego LAFCo accomplished. In this case however, those challenging San Diego LAFCo's decision chose the most damaging and troublesome path of all...seeking overreaching state legislative intervention to change the law mid-stream and erode San Diego LAFCo's authority and dismiss the decisions of locally elected leaders. This is patently counter to the legislative intent for forming LAFCo's in each county.

Should you or your staff have any questions and/or would like to schedule a meeting, please contact LAFCO Executive Officer Stephen Lucas by telephone at 530-538-7784 or e-mail at slucas@buttecounty.net.

Sincerely,

Bill Connelly

Bill Connelly
 Chair

cc: Rob Charles, Chief of Staff, Assemblymember Tasha Boerner
 René LaRoche, Executive Director, CALAFCO