
**BUTTE LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER’S REPORT**

TO: Local Agency Formation Commission

FROM: Shannon Costa, Deputy Executive Officer

SUBJECT: **LAFCo File 23-14 – City of Chico – Extension of Sewer Services to the Town of Paradise**

DATE: May 24, 2023, for the meeting of June 1, 2023

Summary

The City of Chico is requesting approval to extend sanitary sewer services outside of its jurisdictional boundary and sphere of influence the Town of Paradise. The proposed extension of services would facilitate the Paradise Sewer Project, reducing the Town’s reliance on septic systems and supporting the Town’s recovery and rebuilding efforts after the 2018 Camp Fire that destroyed 90 percent of the Town’s structures. Sewer services would be extended to parcels primarily located along the Town’s main transportation corridors zoned for commercial and high-density residential uses. The proposal is consistent with Butte LAFCo policies regarding extension of services requests outside of an agency’s sphere and with Government Code Section 56133(c) (Threat to Health and Safety). Staff recommends that the Commission approve the Extension of Services request. Draft Resolution 23 2022/23 (**Exhibit B**) contains recommended conditions of approval.

General Information

Application Submitted: April 4, 2023

Application Deemed Complete: April 20, 2023

100% Landowner Consent: Not Applicable.

Notice and Hearing Required: No, however; notice was published in the Chico Enterprise Record on May 11, 2023.

Proponent: City of Chico in cooperation with the Town of Paradise

Landowners: Multiple.

Location: The Town of Paradise is located 12 miles east of the City of Chico. Parcels identified for sewer service are limited to those within the “Core Collection System-Sewer Service Area”, including approximately 1,500 parcels along Skyway, Clark Road, and Pearson Road corridors with the Town of Paradise. The territory is located in Supervisorial District 5.

Proposal: Extension of City of Chico sanitary sewer service to approximately 1,500 parcels in the Sewer Service Area in the Town of Paradise.

Requested Action: Adopt Resolution 23 2022/23 (**Exhibit B**) approving the extension of City of Chico sanitary sewer service

DISCUSSION AND ANALYSIS

Background

Since its incorporation in 1979, the Town of Paradise has sought a formal wastewater treatment solution that did not rely on individual septic/leach field systems. The need for a wastewater treatment solution has been studied in seven prior reports, primarily focusing on commercial and densely populated residential areas along the Town’s main corridors. Each study has essentially come to the same conclusion; that a formal wastewater treatment and disposal system is essential to the ongoing economic vitality of the Town of Paradise and for the protection of groundwater in the region.

Prior to the Camp Fire, the Town of Paradise was the largest unsewered community in California. Historically, wastewater treatment and disposal facilities in the town consisted of privately owned septic tanks and leach fields, as well as several engineered subsurface disposal systems serving commercial and institutional facilities. These systems are prone to failure and limit development opportunities due to the cost and sizing constraints.

In 2017, the Town completed a feasibility study, which evaluated advancing a sustainable wastewater solution for the benefit of the Town’s economy, environment, and community. The *Town of Paradise Sewer Project, Alternatives Analysis and Feasibility Report: Determining a Preferred Option for Implementation* (Bennett Engineering 2017) analyzed several options, including a “No Project” option, and identified the most feasible solution and next steps. The regional connection to the Chico Water Pollution Control Plant (WPCP) was recommended by the study as the best long-term solution for the Town.

In November 2018, the Camp Fire destroyed 90-percent of structures in the Town, including more than 11,000 homes and 1,000 businesses. Since that time, the Town has made significant progress towards rebuilding and repopulating, including adoption of a series of guiding documents prioritizing recovery projects (i.e. Long Term Recovery Plan, Disaster Recovery Projects, 2021 Federal Advocacy Platform), all of which identify that the need for a sewer system to support the recovery of the Town.

In 2020, the Town contracted with HDR, an engineering consulting firm, to prepare an updated assessment of wastewater options. Several options were considered and compared, including local wastewater treatment and discharge and a regional alternative involving piping wastewater to the Chico WPCP. In 2021, the Paradise Town Council voted to move forward with the regional alternative, ultimately connecting the Town to the City of Chico’s WPCP. The regional alternative was recommended because it had the lowest cost, fewest community impacts, least probable environmental impacts, as well as the simplest operations and support from the Central Valley Regional Water Quality Control Board.

DISCUSSION

Sewer Service Area and Infrastructure

The Paradise Sewer Project consists of three components: Core Collection System, Export Pipeline, and Extended Collection System. The area identified to be served by sewer infrastructure is referred to as the Sewer Service Area (SSA). The Core Collection System would serve approximately 1,500 parcels in the SSA along the Skyway, Clark Road, and Pearson Road corridors which represent most businesses in Paradise and parcels that could provide for future

development of multifamily development. The Core Collection System is a gravity sewer line that would be sized to serve parcels at maximum buildout based on current land use designations.

Wastewater would be conveyed from the Core Collections System to the WPCP via an export pipeline. The Export Pipeline System would start at the southern end of the Core Collection System as a gravity sewer line and would continue southwest approximately 18 miles to the City of Chico where it ultimately connects to the Chico WPCP. The pipeline would primarily be constructed in Butte County right-of-way until the intersection of Skyway and an inactive Union Pacific Railroad-owned parcel. The pipeline would cross two privately owned parcels, then realign with public ROW at Highway 99 and Entler Avenue, continuing to the WPCP.

The Extended Collection System would be a future extension of the Core Collection System that would allow collection of sewage from parcels outside the Core Collection System, but within the Town limits. Connection of any parcels in the Extended Collection System to the Core Collection System would require further analysis by the Town in order to evaluate the Town's current total wastewater flow compared to the contractual total allowed from of 0.464 mgd to the WPCP. Such an extension would also require an application to LAFCo to expand the sewer service area at such time it is has been adequately studied and the Town has updated its General Plan documents to support such a proposal.

City of Chico Wastewater Pollution Control Plant

The City of Chico (City) provides wastewater collection, treatment, and disposal services for residents within the City's jurisdictional boundary. Wastewater in the City is treated at the Chico WPCP. The Chico WPCP is a secondary treatment, activated sludge, wastewater plant with a 12 million gallons per day (mgd) capacity, with future expandability of up to 15 mgd. The annual average flow coming into the Chico WPCP currently is 6.3 mgd. The Paradise Sewer Project would add an additional 0.109 mgd of wastewater to the Chico WPCP influent at the time of initial connection (estimated for 2026) and a maximum of 0.464 mgd at full build-out (estimated for 2057) and would not significantly impact the availability of sewer service within the City.

Wastewater services were examined in the 2018 City of Chico Municipal Service Review (MSR) and Sphere of Influence Plan, which found that at the time, the City used approximately 63-percent of its average dry weather capacity. To understand capacity post-Camp Fire, a *Sewer Regionalization Planning Report for the Paradise Sewer Project* was prepared in May 2022. The study examined three main categories related to facility improvements, including capacity-driven needs, regulatory-driven needs, and condition-driven needs. The report determined that the Chico WPCP has adequate capacity to serve the Town Sewer Service Area's projected demand at no detriment to the City's current service area, including the approximately 3,000 parcels within the City that are not currently connected to the City's sewer system.

Inter-Municipal Agreement

In 2021, after agreement between the City of Chico and the Town of Paradise to pursue the regional approach for the Paradise Sewer Project, the Sewer Regionalization Project Advisory Committee (SRPAC) was formed to facilitate the process from each agency. Numerous meetings were held in 2021 and 2022 to address the draft Principles of Agreement (POA), which outlined key parameters of the project, including that Chico ratepayers would not be financially responsible for any aspect of the Town's treatment needs. Approval of the POA in 2022 led to the drafting of the Inter-Municipal Agreement (IMA) which would provide contractual language for wastewater treatment services by the City of Chico to the Town of Paradise (**Exhibit C**). The IMA is required by Chico Municipal Code Section 15.40.285 (*Regulation of Waste Received from Other*

Jurisdictions), which provides for certain requirements of the contributing municipality. Each requirement was considered and included in the IMA, including that:

1. The City of Chico will provide 0.464 Million Gallons Per Day (mgd) of capacity for the Town of Paradise, which is recognized as the rate of flow at full buildout estimated to be 57 years.
2. The Town will pay the City \$14.9 million for its capacity prior to the City accepting any wastewater flows. If the Town reaches ninety percent (90%) of the 0.464 mgd cap, the Town will immediately prepare a report which outlines options for maintaining the current cap or increasing the cap per the City reviews and approval.
3. The City will establish a treatment-only fee as part of the fee schedule that will be applicable for Town connections. The City will not be responsible for the collection system portion of the monthly fee, as the Town of Paradise will own the proposed sewer pipe.
4. The Town shall adopt a Sewer Use Ordinance to address a sewer application process including a Town-reviewed portion for connection to the Core Collection System and a City-reviewed portion for treatment of industrial uses which meet discharge requirements.
5. The boundaries of the area served under this Agreement cannot exceed the boundaries of the Town. (It should be noted here that only the Core Collection System is being considered by LAFCo at this time and any future expansion would require an application to LAFCo to expand the boundaries of the sewer system)
6. The Town of Paradise will own the entire export pipeline and provide all operations and maintenance associated with it.

ANALYSIS

Growth Inducing Impacts

The primary needs for implementation of the Paradise Sewer Project is for public health and safety, however, a secondary need is the accommodate the return of pre-Camp Fire residents and commercial business to Paradise. Prior to the 2018 Camp Fire, Paradise provided workforce housing for a population whose employment was distributed throughout the County. This loss of affordable workforce housing development has caused a workforce shortage in surrounding communities.

Growth inducing impacts are those that directly or indirectly foster population growth, economic expansion, results in development in an isolated or adjacent area of open space or removes an obstacle to growth. Significant growth impacts could also occur if the project provides infrastructure or service capacity to accommodate growth levels beyond those anticipated by local or regional plans and policies.

The Paradise Sewer Project is intended to allow for the replacement of private, failing, or damaged septic systems and to foster planned population regrowth, support construction of multi-family and affordable housing where previously planned and generate economic recovery within the Town. Short-term growth that could occur as a result of the proposed sewer line would be a return, or repopulation, of the Town toward pre-fire population levels and growth patterns. Any growth beyond pre-fire levels that could occur in the longer term would be consistent with the Town of Paradise 2022-2030 Housing Element Update. Such growth would be limited by (1) the current boundaries of the Town, (2) the capacity of the sewer project infrastructure, and (3) the Chico WPCP operational (disposal permit allowance) and existing plant infrastructure (facilities limitations) capacity. In either case, implementation of the Paradise Sewer Project would not

cause unplanned or unexpected growth, but it would reduce obstacles to planned growth within the Town.

The project is additionally conditioned by LAFCo to only approve the extension of sewer services to the Core Collection System within the Town and restrict any other access to the sewer trunk line outside of the Core Collection System to include any unincorporated County territory.

Given the parameters imposed on the project so as to remain consistent with the Town of Paradise General Plan and updated Town of Paradise 2022-2030 Housing Element, compliance with the inter-municipal agreement between the City and Town, and with LAFCo added conditions restricting the service area, the Paradise Sewer Project would not be considered growth inducing.

Governing Law

Provisions for extension of service requests are found in Government Code §56133(c) and in Section 4.5 of the Commission Policies and Procedures. In brief, the law permits the Commission to authorize a city or district to provide new or extended service outside its jurisdictional boundaries and outside of its sphere of influence (SOI) in response to an existing or impending threat to the health or safety of the public or residents within the affected territory when both of the following criteria are met:

1. The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.
2. The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

Threat to Health and Safety

The need for a reliable municipal sewer collection system for the Town of Paradise is driven primarily by two factors: the effect of septic systems on the human and natural environment, and the effect on the area's economy and recovery from the 2018 Camp Fire. Government Code Section 56133(c) provides that the Commission may authorize a city to provide new or extended services outside of its sphere of influence to respond to an existing or impending threat to health or safety of the public or residents of the territory. As such, the threat to health and safety on the human and natural environment due to the Town's reliance on septic tanks will be the primary focus of this analysis.

As previously mentioned, the Town of Paradise is entirely reliant upon onsite septic tanks for wastewater disposal. The lack of reliable sewer infrastructure, due to the probability of failure and limitations on treatment and discharge, poses an environmental threat to groundwater and surface water quality. When a septic system fails, it can either contaminate the groundwater underneath it or surface water nearby creating environmental concerns for nearby streams and lakes as well as polluting the drinking water supply.

Concerns about groundwater quality and the need for a feasible wastewater treatment solution have been studied since before the Town's incorporation in 1979. Various studies have continued to show evidence of fecal coliform and septic effluent in the water supply. The parcels identified for the Core Collection System represent those with the highest probability for groundwater degradation associated with more concentrated uses, poor soils, high groundwater, and limited parcel sizes. The extension of sewer service from Chico's WPCP would facilitate rebuild efforts

for the Town while reducing public health risks associated with underperforming and failing septic systems.

Should the Paradise Sewer Project not be implemented, the Town would continue its reliance on private, individual septic systems for wastewater management and the risk of water contamination, public health risks, burdens of on-site wastewater management for business and restrictions on essential community services, multi-family, and affordable housing would continue. Additionally, regrowth and repopulation in the community would be limited by a requirement for costly or infeasible septic systems. Multi-family housing construction in the core area of Town would be restricted in size and numbers and would limit the Town from fully implementing its land use designations. Business growth would be limited to septic systems consistent with individual lot sizes, limiting growth for larger businesses and those that have higher capacity needs for sewage management (e.g., restaurants).

Notice for Alternate Service Provider

Government Code Section 56133(c)(2) provides that the Commission may authorize a city to provide service outside of its sphere of influence after the Commission has notified any alternate service provider, including any “water corporation” as defined in Section 241 of the Public Utilities Code, that has filed a map and statement of its service capabilities with the Commission. A water corporation includes “every corporation or person owning, controlling, operating, or managing any water system for compensation within the state”. No other alternative service provider exists that could collect, treat, and dispose of the wastewater generated by the Town of Paradise.

LAFCo Policy

Pursuant to Butte LAFCo Policy 4.5.4.D, the Executive Officer is required to evaluate the following five factors when reviewing an extension of services request. The factors are intended to provide the Commission with information about certain topics that are often relevant to extension of services request. No single factor is determinative. An evaluation of these factors as it relates to the proposed extension of service request follows.

- 1) The ability of the local agency to provide service to the proposal area without detracting from current service levels.

The City of Chico (City) provides wastewater collection, treatment, and disposal services for residents within the City’s jurisdictional boundary. Wastewater in the City is treated at the Chico WPCP. The Chico WPCP is a secondary treatment, activated sludge, wastewater plant with a 12 million gallons per day (mgd) capacity, with future expandability of up to 15 mgd. The annual average flow coming into the Chico WPCP currently is 6.3 mgd. The Paradise Sewer Project would add an additional 0.109 mgd of wastewater to the Chico WPCP influent at the time of initial connection (estimated for 2026) and a maximum of 0.464 mgd at full build-out (estimated for 2057) and would not significantly alter the availability of sewer service within the City.

Wastewater services were examined in the 2018 City of Chico Municipal Service Review (MSR) and Sphere of Influence Plan, which found that at the time, the City used approximately 63-percent of its average dry weather capacity. To understand capacity post-Camp Fire, a sewer Regionalization Planning Report for the Paradise Sewer Project was prepared in May 2022. The study examined three main categories related to facility improvements, including capacity-driven needs, regulatory-driven needs, and condition-driven needs. The report determined that the Chico WPCP has adequate capacity to serve the Town Sewer Service Area’s projected demand at no detriment to the City’s current service area, including the approximately 3,000 parcels within the City that are not currently connected to the City’s sewer system.

2) The proposal's consistency with the policies and general plans of all affected local agencies.

The Town of Paradise General Plan, adopted in 1994, provides for a number of goals, policies, and objectives that provide for the planning and implementation of a sewer system to serve the Town's core commercial area (Implementation Measure LUI-7, Objective LUO-10, Policy LUP-16). The Town recognizes its growth limitations and the desire to maintain the "small town" characteristics that make the Town an ideal location. As such, the establishment of the SSA is consistent with General Plan policies that aim to control population growth while accommodating the service industry (Objective LUO-4, Goal LUG-2).

Land uses identified within the Sewer Service Area are primarily commercial (Neighborhood Commercial, Central Business Commercial, and Community Commercial), multi-family residential, with some industrial and small-lot residential areas. Existing land uses include commercial businesses which had either survived the Camp Fire or have rebuilt since that time (Wells Fargo, Holiday Market, Hudson's Appliance, Hootch Hut Market, Taco Bell, and the Paradise Plaza).

The Paradise Sewer Project will be beneficial both locally and regionally. The project would provide wastewater disposal surety to help businesses and jobs return to Paradise, spurring recovery and boosting the economy. Special districts that serve the Paradise area, including Paradise Recreation and Park District and Paradise Irrigation District, who rely on property tax income and a broad customer base to ensure their own viability, will benefit from the town's repopulation.

3) The proposal's effect on growth and development within and adjacent to the affected land.

The primary need for implementation of the Paradise Sewer Project is for public health and safety, however, a secondary need is to accommodate the return of residents and commercial business to Paradise. Prior to the 2018 Camp Fire, Paradise provided housing for a workforce whose work was distributed throughout the County. This loss of affordable housing development has caused a workforce shortage in surrounding communities.

Growth inducing impacts are those that directly or indirectly foster population growth, economic expansion, results in development in an isolated or adjacent area of open space or removes an obstacle to growth. Significant growth impacts could also occur if the project provides infrastructure or service capacity to accommodate growth levels beyond those anticipated by local or regional plans and policies.

The Paradise Sewer Project is intended to allow for the replacement of private, failing, or damaged septic systems and to foster population regrowth, support re-construction of multi-family and affordable housing, and generate economic recovery within the Town. Short-term growth that would occur as a result of the proposed sewer line would be a return, or repopulation, of the Town toward pre-fire population levels. Any growth beyond pre-fire levels that could occur in the longer term would be consistent with the Town of Paradise 2022-2030 Housing Element Update. Such growth would be limited by (1) the current boundaries of the Town, (2) the capacity of the project infrastructure, and (3) the Chico WPCP operational (disposal permit allowance) and existing plant infrastructure (facilities limitations) capacity. In either case, implementation of the Paradise Sewer Project would not cause growth, but it would accommodate growth, eliminating an obstacle to planned growth within the Town.

Given the parameters imposed on the project so as to remain consistent with the Town of Paradise General Plan and updated Town of Paradise 2022-2030 Housing Element,

compliance with the inter-municipal agreement between the City and Town and remain within Town boundaries the Paradise Sewer Project would not be considered growth inducing.

- 4) Whether the proposal contributes to the premature conversion of agricultural land or other open space land.

No agricultural uses are found within the Sewer Service Area nor would the project result in the premature conversion of agricultural land or open space.

- 5) The likelihood of a later change of organization being initiated by the affected agency.

The extension of service is proposed to be a permanent solution to the Town's sewer service needs. The Town of Paradise is not within the Sphere of Influence of the City of Chico (or vice versa), so it is not anticipated that a later change of organization would occur as a result of the project. Further, the project is conditioned such that under no circumstances shall sewer be made available to any parcel of land outside of the Core Collection Area until such time that further review by LAFCo is completed. This limitation is included as Condition of Approval #B of Resolution 23 2022/23.

Impacts on Public Services

The Town of Paradise provides basic municipal services within its jurisdictional boundaries, including fire protection (by contract with CALFIRE), police protection, building and planning services, and public works. Domestic water is provided to residents by the Paradise Irrigation District and park service is provided by the Paradise Parks and Recreation District. Generally, impacts in these areas are related to an increase in population from residential development. Levels of service are generally based on a service-to-population ratio, except for fire protection, which is usually based on a response time. Increases in housing and businesses that would be supported by operation of the sewer project would primarily consist of regrowth and repopulation toward pre-fire levels. As mentioned above, growth beyond pre-fire conditions would be in alignment with the Town of Paradise General Plan assumptions for future growth.

Conditions of Approval

To focus rebuild efforts in areas examined in the FPEIR, and areas identified for commercial and high-density housing, the proposed extension of sewer service is limited to areas identified within the Core Collection System established in the FPEIR and in Exhibit A (see Condition of Approval B). As development occurs, it is likely that parcels adjacent to the Core Collection System would benefit from connection to the sewer line. Government Code Section 56133 provides a mechanism for the review and approval of such requests by the Commission (or staff) when certain findings can be made. It is not the intent of this extension of service request to encourage or allow for development along the Export Pipeline outside of the Town's jurisdictional boundary. As such, a condition of approval (see Condition of Approval C) would prohibit connection to the Export Pipeline until such time that further review by LAFCo is conducted pursuant to Government Code Section 56133 and CEQA guidelines, and authorization granted.

Environmental Analysis

The Town of Paradise, as the lead agency, has prepared a Final Programmatic Environmental Impact Report (Final PEIR) which assessed the potential environmental impacts of the proposed Project on the physical, human, and natural environment (**Exhibit C**). A wide variety of resource areas were studied to identify potential impacts, including aesthetics, agriculture and forestry resources, air quality and greenhouse gas emissions, biological resources, cultural resources,

energy, geology and soils, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, population and housing, public services, recreation, transportation, tribal cultural resources, utilities and service systems, wildfire, and additional topics as required by the CEQA Guidelines including significant irreversible environmental changes, growth inducement, cumulative impacts, and alternatives. Measures to avoid, minimize, and mitigate any potential adverse impacts were identified and evaluated in the Draft PEIR.

The Town published the required documents for availability, distribution, and comments on the Draft PEIR, including a 45-day public review and comment period extending from July 14, 5pm, to August 29, 2022, and held public meetings (August 8 and August 10). Responsible and trustee agencies, involved federal agencies, interest groups, and members of the public were invited to provide input on the Draft PEIR. A Public Hearing for the FPEIR was held on November 7, 2023, and was approved by the Paradise Town Council. A Notice of Determination was filed with the Butte County Recorder's Office with final certification complete on December 8, 2022.

Butte LAFCo is a responsible agency Pursuant to CEQA Guidelines. Pursuant to Government Code Section 15096, a responsible agency complies with CEQA regulations by considering the FPEIR prepared by the lead agency and by reaching its own conclusions on whether and how to approve the project involved. Prior to reaching a decision on the project, the responsible agency must consider the environmental effects of the project as shown in the FPEIR and shall make the findings required by Section 15091 for each significant effect of the project. As such, a finding is included in Resolution 23 2022/23 that changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the FPEIR and that such changes or alterations are within the responsibility and jurisdiction of the Town of Paradise and such changes have been adopted by the Town of Paradise in the form of a Mitigation Monitoring Program (**Exhibit C**). As the Paradise Sewer Project does not involve concerns unique to LAFCo such as boundary changes, sphere expansion, or substantial impacts to existing services, there is no cause for LAFCo to complete any additional environmental review or studies.

Staff Recommendation

This proposal meets all criteria established to review service extensions in that the Town has produced satisfactory documentation that the extension of service is in response to an impending and existing threat to the health and safety of the public and residents of the territory; the City of Chico has satisfactorily documented that it can provide sewer service to the Town of Paradise at no detriment to the existing citizens of the City of Chico; the sewer extension would not result in the premature conversion of agricultural land or open space, and; that the proposed sewer extension would not result in population growth beyond what is anticipated in the Town of Paradise 2022-2030 Housing Element Update. As such, staff recommends approval of the request to extend sanitary sewer services from the City of Chico to the Town of Paradise Core Collection System in support of the Paradise Sewer Project.

ALTERNATIVES FOR COMMISSION ACTION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – Adopt Resolution 23 2022/23, approving project 23-14 - City of Chico – Extension of Services to the Town of Paradise, subject to the conditions therein, and finding that the Final Programmatic Environmental Impact Report prepared and adopted by the Town of Paradise includes mitigations that lessen the significant environmental impacts associated with the project and that these mitigations are enforceable through the mitigation monitoring program adopted by

the Town of Paradise. Furthermore, the project does not involve concerns unique to LAFCo such as boundary changes, sphere expansion, or substantial impacts on existing services, there is no cause for LAFCo to complete any additional environmental review or studies.

OPTION 2 - DENY the proposal.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

PROPOSED MOTION

I move that the Commission adopt Resolution No. 23 2022/23, approving the request to extend sanitary sewer services from the City of Chico to the Town of Paradise and determining that the Final Programmatic Environmental Impact Report prepared and adopted by the Town of Paradise includes mitigations that lessen the significant environmental impacts associated with the project and that these mitigations are enforceable through the mitigation monitoring program adopted by the Town of Paradise.

Respectfully submitted,

Shannon Costa

Shannon Costa
Deputy Executive Officer

Attachments:

Exhibit A: Area Map – pg. 2

Exhibit B: Draft LAFCo Resolution No. 23 2022/23

Exhibit C: Inter-Municipal Agreement (IMA)

Exhibit D: Final Programmatic Environmental Impact Report and Mitigation Monitoring Program

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE AUTHORIZING THE CITY OF CHICO TO
PROVIDE OUT-OF-AGENCY SANITARY SEWER SERVICES
TO THE TOWN OF PARADISE**

RESOLVED, by the Local Agency Formation Commission of the County of Butte, State of California, that:

WHEREAS, a proposal for the extension of public sanitary sewer services by the City of Chico to the Town of Paradise to parcels identified as within the Core Collection System as depicted in "Exhibit A", located outside of the Chico city limits and outside of the City of Chico's Sphere of Influence was heretofore filed by the City of Chico and accepted for filing on April 20, 2023, by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56658, set June 1, 2023, as the hearing date on this proposal; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission called for and held a hearing on June 1, 2023, and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of Butte **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. Environmental Action:

- A. The Town of Paradise, as the lead agency, has prepared a Final Programmatic Environmental Impact Report (Final PEIR) which assessed the potential environmental impacts of the proposed Project on the physical, human, and natural environment. Measures to avoid, minimize, and mitigate any potential adverse impacts were identified and evaluated in the FPEIR.
- B. Butte LAFCo is a responsible agency Pursuant to CEQA Guidelines and the Commission finds that changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the FPEIR.
- C. As the Paradise Sewer Project does not involve concerns unique to LAFCo such as boundary changes, sphere expansions or substantial impacts to existing services, there is no cause for LAFCo to complete any additional environmental review or studies.
- D. The Commission finds that such changes or alterations are within the responsibility

and jurisdiction of the Town of Paradise and such changes have been adopted by the Town of Paradise in the form of a Mitigation Monitoring Program.

Section 2. Determinations:

- A. On November 8, 2018, the Camp Fire destroyed 90-percent of structures in the Town, including more than 11,000 homes and 1,000 businesses.
- B. The Town of Paradise relies on on-site septic systems for the treatment and disposal of wastewater. When a septic system fails, it can either contaminate the groundwater underneath it or surface water nearby creating environmental concerns for nearby streams and lakes as well as polluting the drinking water supply.
- C. The Town of Paradise experiences public health and safety risks as a result of its failed or failing sewer system and has sought a solution since before its incorporation in 1979.
- D. Through its work on the Paradise Sewer Project, the Town of Paradise identified a connection to the Chico Water Pollution Control Plant (WPCP) as its preferred alternative for wastewater treatment and disposal and approached the City of Chico to explore the feasibility of such a connection.
- E. Wastewater services were examined in the 2018 City of Chico Municipal Service Review and Sphere of Influence Plan adopted by the Commission on October 10, 2018.
- F. A 2022 *Sewer Regionalization Planning Report for the Paradise Sewer Project* found the Chico Wastewater Pollution Control Plant has adequate capacity to serve the Town Sewer Service Area's projected demand at no detriment to the City's current service area, including the approximately 3,000 parcels within the City that are not currently connected to the City's sewer system.
- G. The Paradise Sewer Project consists of three components: Core Collection System, Export Pipeline, and Extended Collection System. The area identified to be served by sewer infrastructure is referred to as the Sewer Service Area (SSA).
- H. The Sewer Service Area is located outside of the City of Chico's jurisdiction and Sphere of Influence and is not within the Sphere of Influence or the district of any other sanitary sewer service provider.
- I. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and City of Chico, Town of Paradise General Plan and zoning consistency, the City of Chico Municipal Service Review, the Town of Paradise Municipal Service Review, the Town of Paradise Housing Element, and other factors specified in Government Code Section 56133, and as described in the staff report dated May 24, 2023, for the meeting of June 1, 2023.

RESOLUTION NO. 23 2022/23

- J. The Commission authorizes the City of Chico to extend sanitary sewer service outside the City’s boundary to the Town of Paradise to properties identified as within the Core Collection System.
- K. The proposal is assigned the following short form designation: 23-14 - City of Chico – Paradise Extension of Sewer.

Section 3. Conditions requested by LAFCo:

- A. All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.
- B. The extension of sewer service authorized by this approval is for the Core Collection System in the Town of Paradise as depicted in Exhibit A. Sewer shall not extend to parcels in the Extended Collection System area until such time that LAFCo has authorized such connections consistent with Government Code Section 56133 and CEQA guidelines. No other municipal services provided by the City of Chico are included in this approval.
- C. Under no circumstances shall sewer be made available to any parcel of land outside of the Town of Paradise nor shall any access or connection be allowed to the Export Pipeline until such time that further review by LAFCo is conducted pursuant to Government Code Section 56133 and CEQA guidelines, and authorization granted.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 1st day of June 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

ATTEST:

Clerk of the Commission

BILL CONNELLY, Chair
Butte Local Agency Formation Commission