

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

ADMINISTRATION:

- Special District Regular Enterprise Commissioner Sharman's term ended on May 31, 2023. On January 24, 2023, staff sent a call for Nominations to all Special Districts and Ballots were distributed on March 7, 2023 and due back on or before Friday, May 5, 2023. Staff has extended the deadline to June 30, 2023 as only 16 of the necessary 20 ballots have been received to date.
- 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 a 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 come at cost of additional staff time/resources. We have had initial discussions with Paylocity, a national human resources firm that provides payroll services and received a basic quote for services. BCAG is also transitioning to Paylocity as they have also been bumped from County due to the transition to Workday. There remain sticking points that we must address with County HR in order to move forward. I anticipate that we will finalize a draft solution within the next month or so and return to the Commission with a proposal to consider 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 a 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 as well 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 at various stages of being reviewed, discussed and/or considered.

- **Broadband Services** – Staff met with City of Chico and Butte County Administration on March 27, 2023, to have a preliminary discussion about improvements to broadband infrastructure within the City of Chico as well as the surrounding unincorporated territory. The City and the County are partnering on this endeavor and sought input from Staff as to any service or boundary issues that may arise for LAFCo. At this early stage in the process, it appears that with the City/County partnership intending to provide similar services, Staff believes the activity may be exempt from GC56133 which regulates service extensions outside an agency's boundaries.
- **County Libraries** - Staff was contacted by County Administration to explore opportunities to establish long-term funding resources for the operation of the County library system, to include different models

for the delivery of the service. The BOS directed its staff to further explore all options at its February 14, 2023 meeting.

- **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 as well. 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 in such a way that:
 - maximizes density (rooftops!)
 - establishes efficient service patterns for the cooperating cities and special districts
 - creates adequate and effective agricultural buffers to reduce agricultural impactsStaff is coordinating the discussions between stakeholder agencies.
- **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. Given the issues related to a conceptual potable water pipeline and sewer line to Chico along the Skyway, this proposal does cause concerns related to service provisions, growth inducement and logical/orderly development patterns. 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. The issue of greatest importance to LAFCo staff at this time is the proposed expansion of the PID powers and service area expansion and the District is in need of an updated MSR/SOI. This issue is further complicated by the fact that the Town of Paradise has not net updated its 1994 General Plan and therefore, LAFCo and PID do not have the benefit of post Camp Fire land use plan with associated infrastructure requirements and demands.

- **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.

CALAFCO: None.

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. Indemnification Proposal - *A Commission may require, as a condition for processing a change of organization or reorganization, a sphere amendment or a sphere update, an out-of-agency service or exemption request pursuant to Government Code §§56133 or 56134, or any other action or determination requested of LAFCo, that the applicant defend, indemnify, and hold harmless the Commission, its agents, officers, and employees from any claim, action, or proceeding against the Commission, its agents, officers, or employees to attack, set aside, invalidate void, or annul, a determination of the commission.*
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:

Project Status As of May 22 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	EI 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	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
23-14	Chico	Paradise Extension of Sewer	04/04/23	n/a	06/01/23			In progress

Attachments: None