

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: April 21, 2023 for the meeting of May 4, 2023

ADMINISTRATION:

- Special District Regular Enterprise Commissioner Sharman's term ends 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. Ballots are due back on or before Friday, May 5, 2023. We currently have received 13 of the necessary 20 ballots to reach a quorum.

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.
- **Paradise Sewer Project** – The Town of Paradise has explored options to provide wastewater treatment services to its existing commercial land uses that are limited from expanding due to sewage disposal constraints. The selected option is to convey the Town cores' wastewater directly to the City of Chico's Water Pollution Control Plant. This alternative would represent an extension of services (GC56133) by the City of Chico outside of its jurisdictional and sphere of influence boundaries requiring LAFCo approval. These efforts can be tracked at <https://paradisesewer.com>. Projected costs are estimated to be approximately \$184 million: \$2M for environmental studies, \$30M for design and right-of-way acquisition, \$152M for construction. The Town released a Notice of Preparation (NOP) for the Environmental Impact Report (EIR) and Staff prepared and submitted NOP comments on May 20, 2022. On November 7th, 2022, the Paradise Town Council unanimously voted to adopt the EIR for the Paradise Sewer Project. The Town has informed Staff that both the City and Town are prepared to act in February to approve the contractual agreement between the two agencies and submit an application to LAFCo to consider the service extension. The Town Council approved the contractual agreement on February 14, 2014. On February 21, 2022, the City of Chico City Council unanimously approved the inter-municipal agreement and directed staff proceed with the extension of services application to LAFCo.

- **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 impacts
 Staff 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.

- **Oroville Region Sewer and Water Service Providers MSR** - The State Department of Housing and Community Development (HCD) has awarded a \$100,000 SB2 Planning Grant to Butte County to contract with LAFCo for the development of a MSR update for backbone service providers in the Oroville region, including the SFWPA, LOAPUD, TWSD and SCOR. LAFCo entered into an Agreement with SWALE Inc. to conduct the study and prepare the documents. A kick-off meeting was held on March 17, 2021 with all the affected Districts staff. The Draft MSR is expected to be released for public review in April 2023.
- **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.
3. Brown Act Proposals/CALAFCO Survey - During the COVID Pandemic, the Governor declared an emergency and temporarily modified the Brown Act to allow public meetings to occur on a digital platform (tele-conferencing/video-conferencing) and waiving most restrictions generally applied to public meetings. Since the expiration of the emergency Brown Act rules, there have been a number of legislative proposals that continue to modify the Brown Act to allow the use of digital meeting platforms. There is much debate about these changes and the apparent march toward permanent-required digital meeting access. This survey is intended to solicit feedback from our membership concerning the Brown Act so as to inform the Board of Directors and the Legislative Committee as they evaluate legislative proposals amending the Brown Act. The big questions:

- If **NOT** required by law, would your LAFCo utilize any digital (video/phone) access options?
- What is the biggest obstacle or deterrent to your LAFCo utilizing digital meeting access?
(*Cost, Staffing, Technical issues/access, Internet reliability, Political will, Philosophical views on public access*)
- Should CALAFCO take formal positions on Brown Act digital access legislation?
- If CALAFCO were to take a position on digital access, what should its focus be?
(*Cost issues (staffing included), Unequal digital access/internet reliability, Philosophical views on public access, in-person v. digital*)

APPLICATION ACTIVITY:

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<i>Project Status As of April 18, 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
23-07	Depweg	Centennial Avenue Annex. No. 1	12/20/23	01/09/23	02/02/23	3/23/2023	4/11/2023	Complete
23-08	Ted Trimble	Drainage District #2 Dissolution	12/19/23	01/20/23	03/02/23	4/3/2023	4/3/2023	Complete
23-09	Paradise	MSR Update 2022	11/15/22	n/a				In progress
23-10	SFWPA	Milligan Lane Annex. No. 1	12/05/23	01/06/23	02/02/23	3/6/2023	3/13/2023	Complete
23-11	SFWPA	Foothill Blvd Annex. No. 8	01/23/23	01/06/23	03/02/23	4/3/2023	4/11/2023	Complete
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