

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: January 25, 2024, for the meeting of February 1, 2024.

ADMINISTRATION:

- As a result of the amendments to the LAFCo-County Contractual Services Agreement that cancelled payroll services, the Commission Clerk has spent countless hours rapidly learning and integrating the County WorkDay Enterprise system with our new Paylocity payroll software. This has been an extraordinarily complex transition, and our Clerk is to be commended for her efforts.
- This process has also caused the Executive Officer to consider future organizational structures for our agency into the future. This may include retirements, staff position changes, hiring of new staff, and other measures necessary to provide a continuation of the Commission's good work and respected status within the CALAFCO community.

PROJECT/GENERAL NOTES:

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

- ***NEW Public Request*** – Review of relationship between South Feather Water and Power Agency (SFWPA) and the North Yuba Water District (NYWD). At its December 7, 2023, meeting, the Commission received information from Butte County resident Tod Hickman concerning the relationship between the SFWPA and the NYWD. Butte LAFCo is the “principal” LAFCo for the SFWPA and Yuba LAFCo is the “principal” LAFCo for the NYWD. This means that boundary, service and organization issues are handled by the principal LAFCo for each agency. Butte LAFCo has no authority to act on matters related to the services and boundaries of the NYWD.
- ***City of Biggs*** – The City of Biggs in close coordination with Staff has developed a Phased Annexation Plan that outlines the City's intent to annex lands to the east of the City in order to enhance its exposure and opportunities along SR 99. Staff suggested the City seek a SB2 Planning Grant from the State Department of Housing and Community Development (HCD) to prepare a Phased Annexation Plan. The Phased Annexation Plan (Plan) outlines four phases to pre-zone and annex approximately 520 acres adjacent to the eastern city limits. The Plan envisions that pre-zone districts will be consistent with existing General Plan designations. Current acreage within the Biggs city limits is approximately 414 acres. When fully implemented, the project would facilitate potential development of approximately 2,380 new housing units. The City Council adopted the Plan on October 10, 2023. Staff is excited to work with our City partner on making this effort as success and continues to meet on the matter as necessary. The complete [Biggs Annexation Plan](#) can be viewed by clicking [HERE](#).
- ***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 entered into a Letter Agreement with the City 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 in 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. Staff has assumed the responsibility to complete this project and expects to have a Public Review Draft available in December with a public meeting tentatively scheduled for March 2024.
- **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.
- **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. Staff met with County PW staff on September 27 to further discuss and will report out to the Commission of any progress.

CALAFCO:

- DEO Costa has volunteered to be on the CALAFCO Staff Workshop Program Committee which develops the program content for the Workshop to be held in Pleasanton, April 23-26, 2024. This is a great opportunity to learn of issues of statewide and local concern to LAFCos.

LEGISLATION: Commissioner Connelly, the Executive Officer and Legal Counsel were all reappointed as voting members of the Legislative Committee. The Committee's work began with a kick-off meeting on January 12, 2024, for the legislative session which began January 3, 2024. All new proposed bills must be submitted to the Legislative Analyst for review by January 19, 2024. CALAFCO issues expected to be addressed this cycle include: Indemnification authorization in CKH and clarity as to LAFCo's role in allowing exemptions to Government Code 56133 (Extension of Services). Should agencies be able to "self-exempt"?

APPLICATION ACTIVITY:

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Project Status As of January 22, 2024

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 - awaiting election
22-10	Gridley	W Biggs-Gridley Rd Annexation No. 3	03/28/22	05/16/22	11/03/22	5/18/23	5/30/23	Completed
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			Election results in
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	10/18/23	10/23/23	Completed
23-15	BWD	BWG Water District Reorganization	05/25/23	06/26/23	08/03/23	9/8/23	9/11/23	Completed
24-01	BWD	BWG Water District - Sycamore St Detach. No	12/12/23	01/10/24	TBD			In progress