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FINAL
Municipal Service Review Update

OROVILLE AREA WATER AND WASTEWATER

City Of Oroville
Lake Oroville Public Utility District
Sewerage Commission Oroville Region
South Feather Water And Power Agency
Thermalito Water And Sewer
CalWater - Oroville



Prepared by:



Prepared for:

Butte LAFCO

<https://www.buttelafo.org/>

Approved by Resolution #24-2022/2023 on June 1, 2023

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ACRONYMS AND ABBREVIATIONS

ACS	American Community Survey
ADD	Average Day Demand
ADWF	Average Dry Weather Flow
AF	Acre Feet
AF/Yr	Acre Feet Per Year
AMP	Asset Management Plan
BMP	Best Management Practices
CAFR	Comprehensive Annual Financial Report
CDF	California Department of Forestry
CEC	California Energy Commission
CEQA	California Environmental Quality Act
CDFW	California Department of Fish and Wildlife
CFR	Code of Federal Regulations
CIP	Capital Improvement Plan
CKH	Cortese-Knox-Hertzberg Reorganization Act of 2000
COR	City Of Oroville
CPUC	California Public Utilities Commission
CTR	California Toxics Rule
CVP	Central Valley Project
CY	Calendar Year
DAC	Disadvantaged Community
DOC	California Department of Conservation
DUC	Disadvantaged Unincorporated Community
DWR	Department of Water Resources
EDU	Equivalent Dwelling Unit
EPA	U. S. Environmental Protection Agency
FAR	Floor Area Ratio
FERC	Federal Energy Regulatory Commission
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GHG	Greenhouse Gas
GIS	Geographic Information System
GPM	Gallons per Minute
GSA	Groundwater Sustainability Agency
HUC	Hydrological Unit Code

I/I	Infiltration and Inflow
IMS	Irrigation Management System
LAFCO	Local Agency Formation Commission
LOAPUD	Lake Oroville Area Public Utility District
MDD	Maximum Daily Demand
MGD	Million Gallons per Day
MHI	Median Household Income
MOU	Memorandum of Understanding
MTP/SCS	Metropolitan Transportation Plan/Sustainable Communities Strategy
MSR	Municipal Services Review
NACWA	National Association of Clean Water Agencies
NEPA	National Environmental Policy Act
NPDES	National Pollutant Discharge Elimination System
O&M	Operation and Maintenance
PRC	California Public Resources Code
PUD	Public Utility District
RTP	Regional Transportation Plan
RWQCB	Regional Water Quality Control Board
SCADA	Supervisory Control and Data Acquisition; a software application
SCOR	Sewerage Commission Oroville Region
SCS	Sustainable Communities Strategy
SCO	State Controller's Office
SFR	Single Family Residence
SFWPA	South Feather Water And Power Agency
SGMA	Sustainable Groundwater Management Act
SOI	Sphere of Influence
SSMP	Sewer System Management Plan
SWPPP	Storm Water Pollution Prevention Plan
SWRCB	State Water Resources Control Board
TWSD	Thermalito Water And Sewer
USBR	U.S. Bureau of Reclamation
UWMP	Urban Water Management Plan
WMP	Water Master Plan
WRF	Water Recycling Facility
WTP	Water Treatment Plant (for drinking water)
WWTP	Wastewater Treatment Plant

CHAPTER 1: EXECUTIVE SUMMARY

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1.1 Overview

This Municipal Service Review (MSR) examines how municipal water and wastewater services are delivered to the Oroville Area by six providers:

- One charter city, the City of Oroville (Chapter 3);
- Three independent special districts, Lake Oroville Area Public Utility District (Chapter 4); the South Feather Water and Power Agency (Chapter 6); Thermalito Water and Sewer District (Chapter 7);
- One joint powers agency (JPA), Sewerage Commission – Oroville Region (Chapter 5); and
- One private company, Cal Water -Oroville.

In addition, this MSR Update discusses service delivery and efficiency, including an analysis of each of the following analytical factors:

- Growth and population projections for the three affected areas;
- Disadvantaged unincorporated communities;
- Present and planned capacity of public facilities;
- Financial ability of each agency to provide services;
- Opportunities for shared facilities;
- Accountability for government service needs; and
- Any other matter related to service delivery as required by Commission Policy.

Throughout this document, acronyms are utilized to refer to the six service providers as follows:

- City of Oroville (COOR)
- Lake Oroville Area Public Utility District (LOAPUD)
- South Feather Water and Power Agency (SFWPA)

- Thermalito Water and Sewer District (TWSD)
- Sewerage Commission – Oroville Region (SC-OR)
- Cal Water – Oroville (CWS)

The six service providers have been previously reviewed by Butte LAFCo, as listed in Table 1-1 below. These previous MSRs and Sphere of Influence (SOI) studies are available upon request to LAFCo as listed at: <https://www.buttelafco.org/contact>

Title	Year	Providers Studied
Domestic Water and Wastewater Service Providers MSR	June 1, 2006	LOAPUD, COOR, SC-OR, Thermalito Irrigation District (now TWSD), SFWPA, CWS
Wastewater Service Providers MSR	November 5, 2009	LOAPUD, COOR, SC-OR, TWSD
Municipal Service Review of Irrigation, Drainage, And Reclamation Service Providers	January 2007	SFWPA
City Of Oroville MSR Update and SOI Plan Update	December 4, 2014	COOR
Oroville Region Water Service Study	May 1, 2018	TWSD, SFWPA, CWS

This MSR also presents a written statement of conclusions, known as determinations, for the affected service providers'. The key facts that support each determination are discussed in Chapters 3-7. The areas of description and analysis contain the essential operational and management aspects of the six service providers and constitute a review of each provider's ability to meet the service demands of the customers within their respective boundaries. Only municipal water and wastewater services are considered in this MSR Update. These services are primarily provided to residents and visitors by the six service providers in cooperation with Butte County and the City of Oroville. Boundaries and spheres of influence (SOI) are determined by the Local Agency Formation Commission (LAFCo) for the COOR, SFWPA, TWSD, and LOAPUD. CWS, as a private cooperation/public utility, has a service area approved by the CA Public Utilities Commission.

Demographic information for Butte County is provided in Appendix A, and for the City of Oroville in Appendix B. Several options for the Commission to consider when they next update the SOI for the six service providers under LAFCo oversight are described in Appendix C. Laws and regulations related to the provision of Municipal Water are described in Appendix D. Public Water Systems in Butte County are listed in Appendix E. U.S. EPA Drinking Water Regulations related to water quality are described in Appendix F. Laws and regulations related to the provision of wastewater and sewer services are described in Appendix G. A summary of economic information for Butte County is provided in Appendix H. Appendix I describes the Feather River Watershed

Near Oroville, CA. Appendix J describes the flood risk in Oroville. Appendix K shares Water and Wastewater Recommendations from the American Society of Civil Engineers. Cal Water – Oroville is analyzed as a service provider in Chapter 8. Appendix L describes Butte County and the Oroville Area housing programs and data.

In recent years, the six water and wastewater agencies have had to address numerous crises, including:

- 2017 Oroville Dam Crisis
- 2018 Wall Fire
- 2018 Camp Fire
- 2019 Public Safety Power Shutoffs
- 2020 COVID-19 Stay-at-Home Executive Order

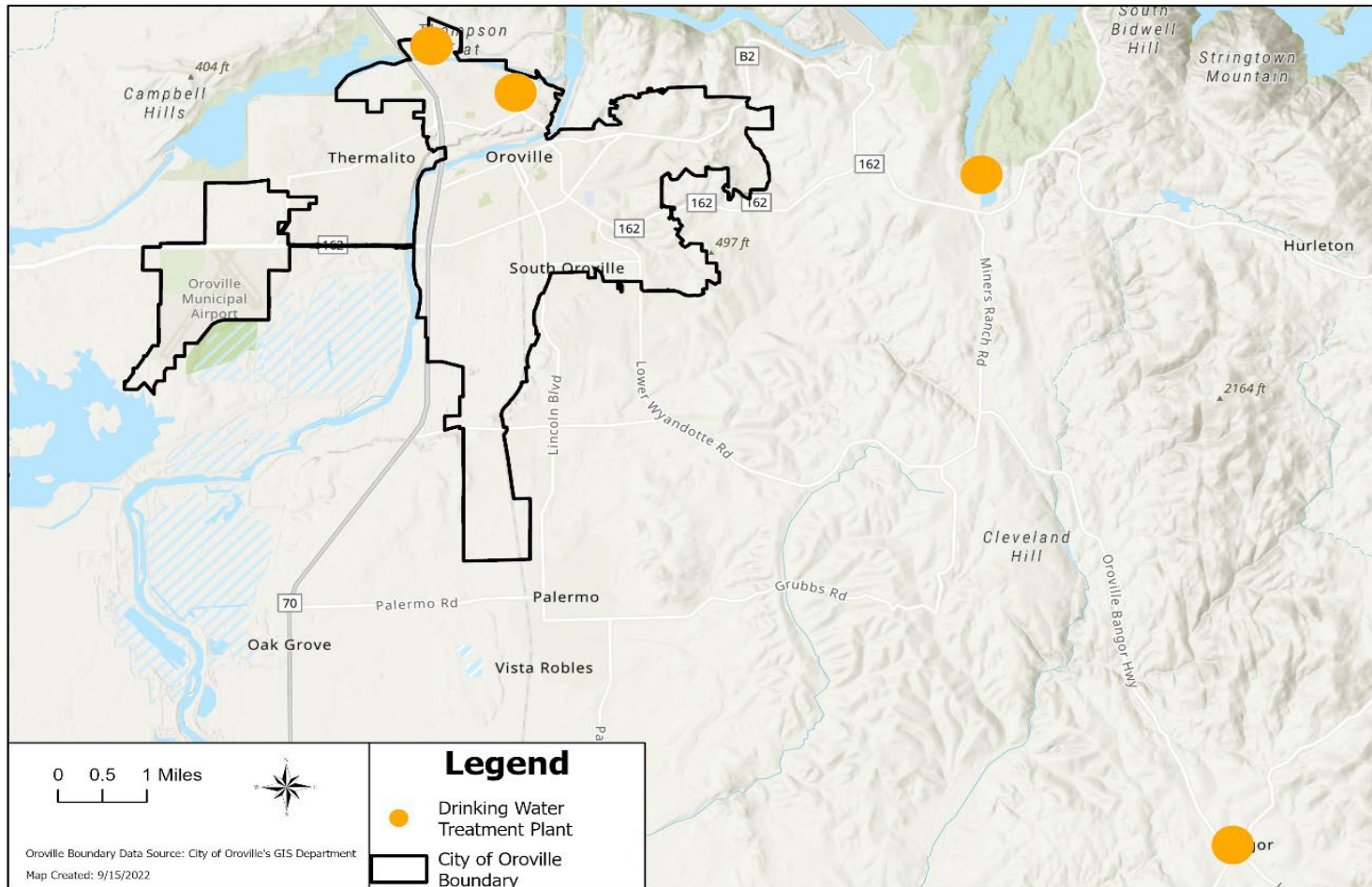
These events created challenges for local government agencies, but each agency studied in this MSR met and addressed its obligations. For example, several agencies have coordinated with the Butte County Office of Emergency Services to create a chapter in the Local Hazard Mitigation Plan. Details about each district's plans are described in detail in their respective chapter.

Key Issues

This MSR analysis describes several key issues regarding service provision. The most significant issue relates to the duplicity of the current service provisions within the Oroville region, including three independent sewer collection systems, three independent public water distribution systems, and four drinking water treatment plants that provide service to the Oroville Area, as shown in Figure 1-1 below. Two water treatment plants are operated by SFWPA, one near Lake Oroville and one in nearby Bangor. TWSD operates one water treatment plant, and it is located on Table Mountain Blvd., near the Thermalito Power Canal. Cal Water – Oroville also has a drinking water treatment plant located near the Thermalito Power Canal.

Figure 1-1: Four Water Treatment Plants in the Oroville Area

Drinking Water Treatment Plants in the Oroville Area



Another key issue relates to water affordability. The Butte Local Agency Formation Commission (LAFCO) prepared a study on water utility service in the greater Oroville area in 2018, including Cal Water’s Oroville service area. The report, titled “Oroville Region Water Service Study,” compared the costs and operations among three water service providers: South Feather Water and Power Agency (South Feather) and Thermalito Water and Sewer District (Thermalito), and Cal Water. The study identified key differences among the water service providers. For example, the study highlighted the fact that “Cal Water pays taxes” while South Feather and Thermalito “do not” (LAFCO, 2018). As Chapters 3-7 describes, there are several disadvantaged communities locally. Residents in these areas may dedicate a higher percentage of their income toward paying their water bill.

The third key issue is the geographic overlap between service providers' boundaries and/or SOI. The areas of geographic overlap are discussed in the individual chapter for each service provider. One example of geographic overlap is the overlap between the Cal Water – Oroville service area with the boundaries of TWSD and SFWPA, as shown in Figure 1-2 (next page).

1.2 Cross-Comparisons

This section compares geographic, demographic, and service-related information among the service providers. Key information and determinations are standardized to the extent possible in chapters 3 to 7 for each agency. Butte LAFCO has a standard cross-comparison table to summarize local agencies, and this data is shown in Table 1-2 below.

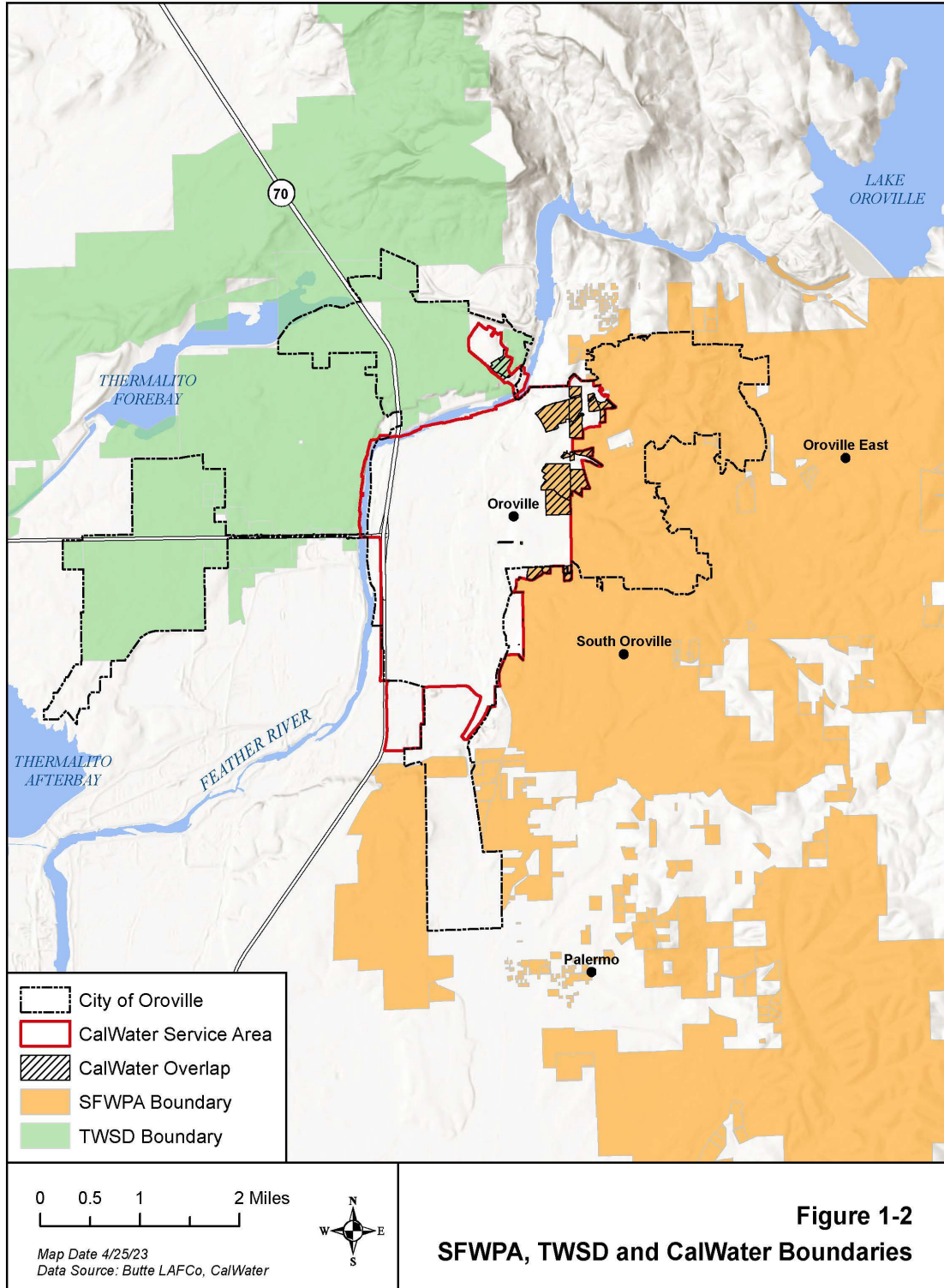


Table 1-2: Summary of Water and Wastewater Service Providers in Oroville Area								
District Name	Services Provided	No. of Parcels (APNs)	Estimated Population (2022)	Net Position (as of 6-30-20)	FY 20/21 Revenue	FY 20/21 Expenditures	Parcel Assessment (i.e., Property Tax \$ Received)	Per Capita Expenditures (FY 20/21)
COOR	General government, land use planning and building services, parks, fire protection, and emergency services, law enforcement, roadways and stormwater drainage, and wastewater collection and conveyance services.	7,447	18,863 (2020)	\$2,750,158	\$4,303,809	\$5,385,555	Not applicable to Sewer Enterprise Fund	\$286
LOAPUD	Wastewater collection and conveyance	5,558	12,768 (2020)	\$9,924,726	\$2,468,806	\$2,021,978	\$347,112	\$158
SFWPA	Raw untreated water for agricultural irrigation; Water treatment and distribution for municipal purposes (residential and commercial); Recreation; and Hydropower.	11,127	16,770 (2020)	\$92,594,339	\$17,391,542	\$21,219,507	\$681,269	\$1,265
TWSD	Management of raw water supply, water treatment, and distribution of potable water for residential, commercial, and municipal purposes; Wastewater collection and transport; and Solar	3,798	10,500 (2020)	\$19,340,395	\$4,336,141	\$3,553,692	Not applicable to Water and Sewer Enterprise Fund	\$338

	electricity generation for internal use only.							
SC-OR	Wastewater treatment, disposal, Limited wastewater collection, Recycled water production and distribution for irrigation purposes, Solar photovoltaic electricity generation	14,163	42,156 (2020)	\$21,883,109	\$5,786,946	\$2,783,765	Not applicable to Sewer Enterprise Fund	\$66
CWS	Water treatment and distribution for residential, commercial, and other domestic purposes.	n/a	10,849 (2020)	n/a	\$4,419,604 in 2015	n/a	Not applicable to a private company	n/a

Data Source: Butte County and Butte LAFCO GIS Data, CA DOF, U.S. Census

1: The difference between (1) assets and deferred outflows of resources, and (2) liabilities and deferred inflows of resources is called **net position**.

Details for the geographic size of each service provider is listed in Table 1-3 below. The Butte County Assessor establishes assessor parcel numbers (APNs) for every lot in Butte County for tax purposes. The cumulative number of APNs was summed for the service providers as listed in Table 1-3 below.

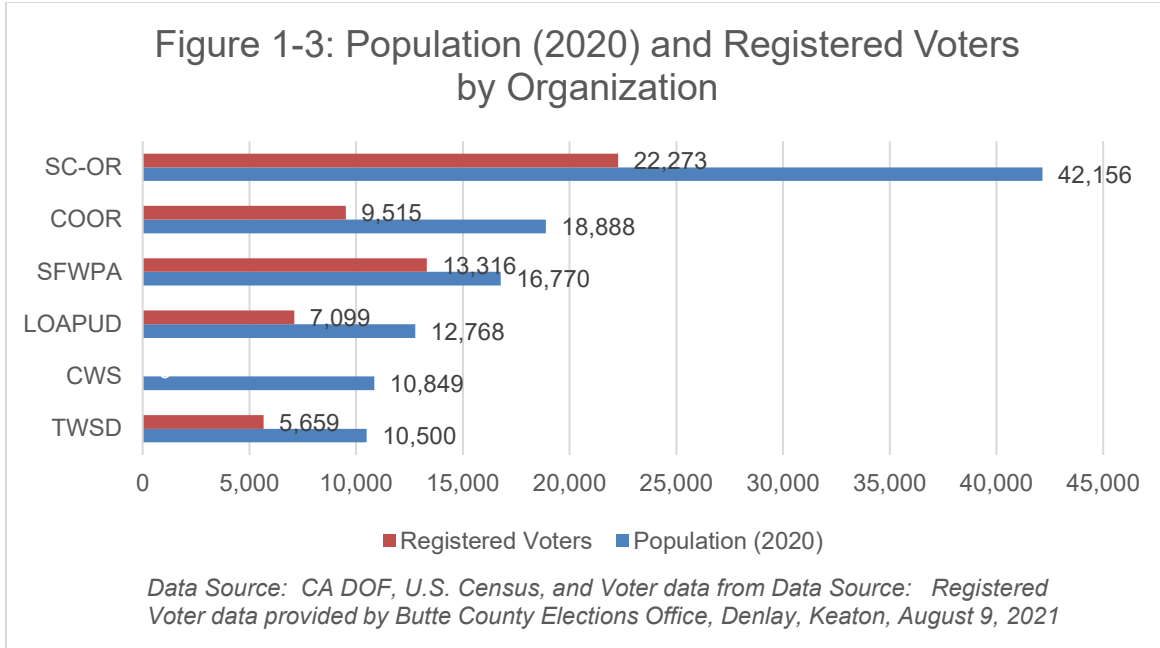
Agency	# of acres in the boundary	# of acres in the SOI only	# of parcels (APNs) in boundary	# of parcels in SOI only
COOR	8,873	33,744	7,447	16,917
LOAPUD	8,582	20,295	5,558	8,013
SC-OR	29,189	75,200	14,163	18,148
SFWPA	33,718	64,125	11,127	11,853
TWSD	14,873	44,101	3,798	4,383
CWS ¹	3,449	0	n/a	0

Data Source: Butte County and Butte LAFCO GIS Data
 1: Acreage of CWS boundary is estimated based on LAFCO's GIS data.

Please note that Table 1-3 above lists acreage for the proper boundary the City of Oroville at 8,873 acres. However, the City provides wastewater collection service to a smaller area, 5,734 acres.

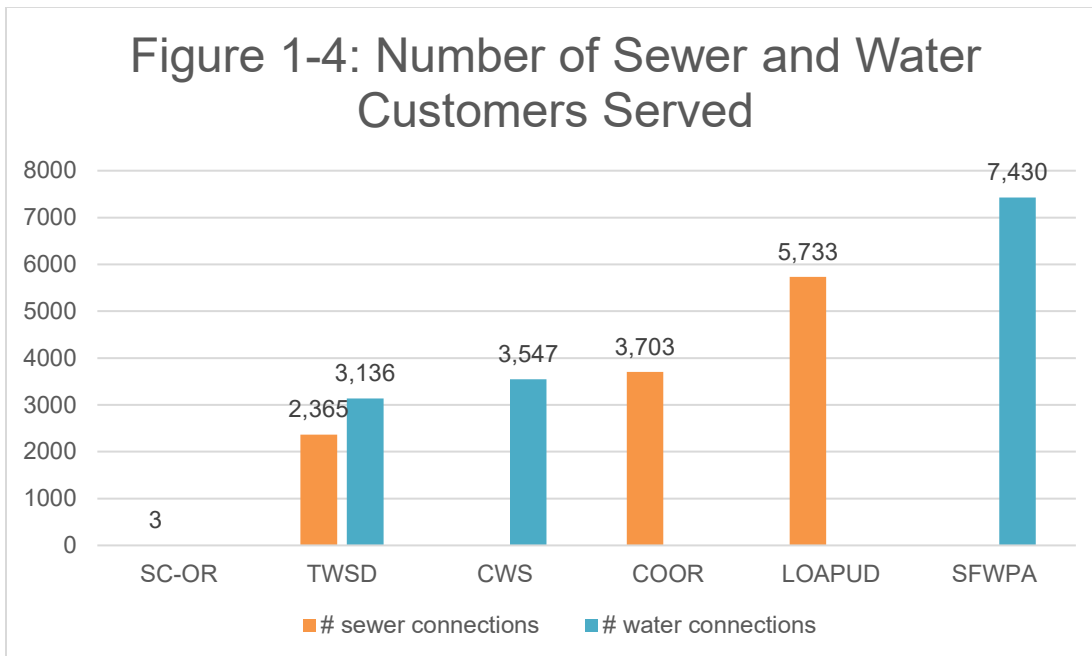
Population

Providing specified municipal services to local residents and businesses is the primary aim of the service providers described herein. Analysis of population trends allows LAFCO to consider whether the service capacity of each service provider is sufficient to serve the existing and projected population. As shown in Figure 1-3, SC-OR has the largest population (42,156) and the largest number of registered voters (22,273). TWSD serves the smallest population (10,500) and the smallest number of registered voters (5,659). Please note that although a significant number of registered voters live within the Cal Water – Oroville boundaries, which is a private company and not involved in elections. Data on the number of registered voters within the CWS boundary was not readily available.



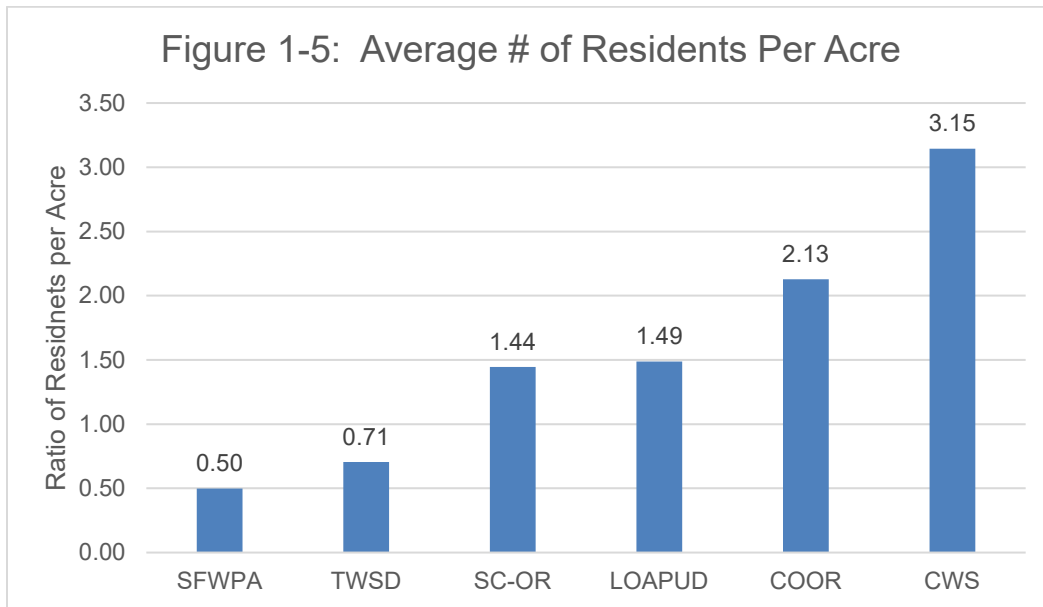
Number of Customers

Since SC-OR is a JPA, it does not provide retail sewer service to individual homes or businesses. Technically, it has only three customers, its member entities including COOR, LOAPUD, and TWSD. The largest retail provider is SFWPA, which provides water service to 7430 customers, including retail customers in the Oroville area, Bangor, and raw water customers, as shown in Figure 1-4 below. TWSD is the only district that provides both water and wastewater collection services in the Oroville Area.



Residents per Acre

Figure 1-5 below shows the average number of residents per acre in each of the six studied population areas. LAFCO consultants utilize the population per acre number as a metric because agencies with a higher population per acre tend to have higher tax revenue as a result of more optimal leverage of land-use economics (Badger, 2012). The higher tax revenue relates to the financial determinations that LAFCO is required to make. The most densely populated area is the boundary area served by Cal Water – Oroville, with 3.15 residents per acre, on average. SFWPA has the lowest density, with an average of 0.50 residents per acre.



Parcel Density

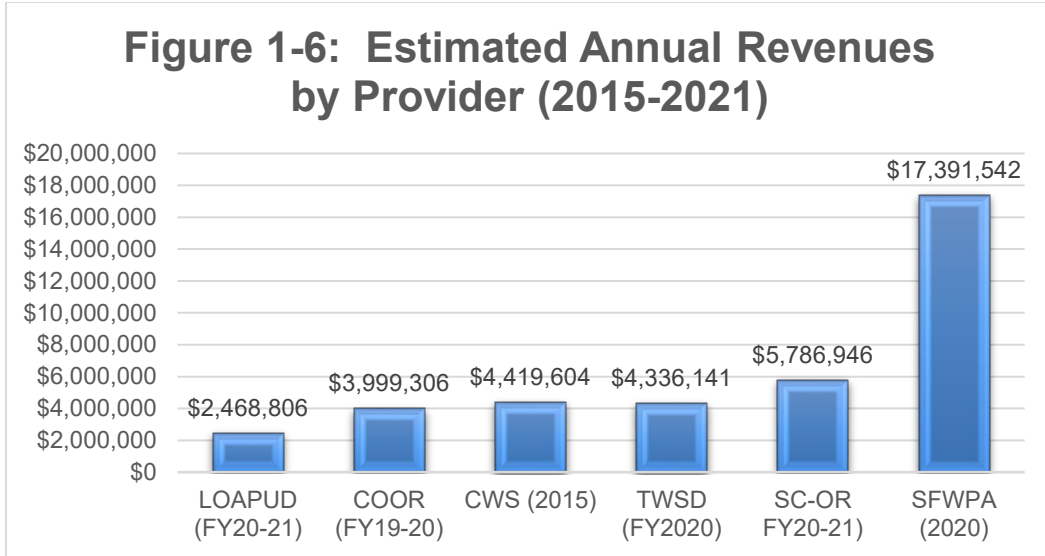
The population density is related to the character of the community (urban or rural) and to the efficiency of providing services. For water and sewer service, it is sometimes more efficient to provide service to homes and businesses that are located in closer proximity. To characterize the population density for each area within a provider's boundary, a density ratio was calculated using the number of acres within a boundary and the number of APNs within a boundary from Table 1-4. The number of APNs relates to parcelization, with smaller parcels likely indicating a higher number of APNs within a given area. Land-use decisions by cities and counties result in a specific density of parcels in an area. This analysis shows that COOR has the highest parcel density per acre at 0.84. TWSD has the lowest parcel density per acre at 0.26, as shown in Table 1-4 below. GIS data was not available for Cal-Water – Oroville at the time of calculation, so it is not included in Table 1-4.

Agency	Urban Density (# of APNs per acre)
COOR	0.84
LOAPUD	0.65
SC-OR	0.49
SFWPA	0.33
TWSD	0.26

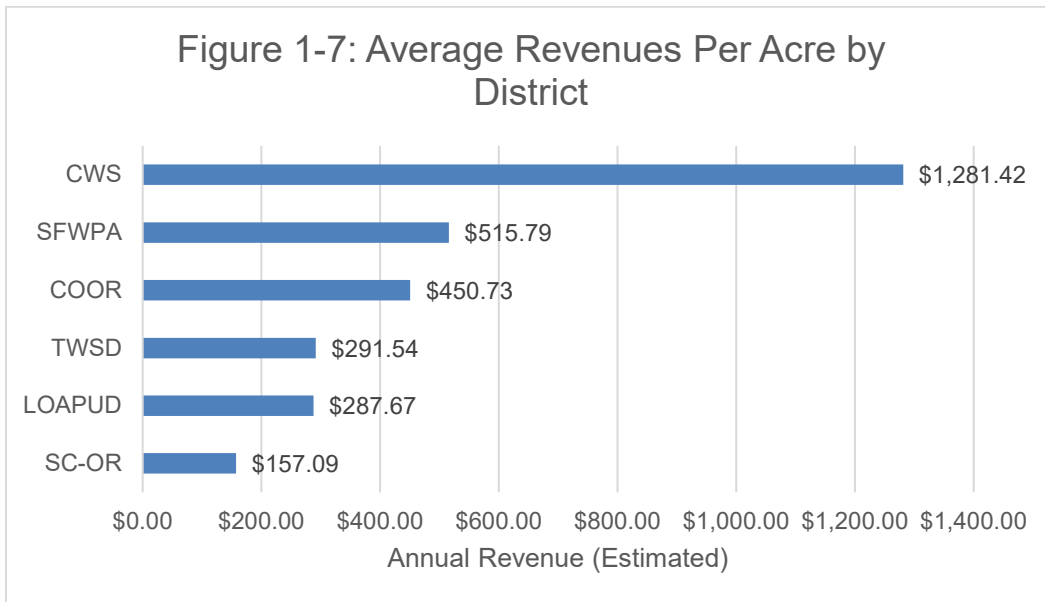
Annual Revenues

Municipal water and wastewater services are typically operated as an enterprise fund. This means that charges and fees for service directly pay for the cost of providing the specific service. LAFCO's 2018 Oroville Region Water Service Study formally compared rates among each water service provider, and readers are encouraged to read the specific details in that report. There are some constraints in the data available to create a comparison of annual revenue due to variations in data availability, sources of data, and timing in the data release. Given these constraints, Figure 1-6 (next page) shows the estimated annual revenue for the Oroville Area's six wastewater and water service providers. COOR's revenue of 3,999,306 is attributed only to its Sewer Enterprise Fund. However, SFWPA's revenue shown in Figure includes its water and hydropower revenue since both services are studied in this MSR. SFWPA generates the most annual revenue due to its hydroelectric energy production. LOAPUD generates the least amount of annual revenue.

The data listed in Figure 1-6 was obtained from a variety of sources as follows: LOAPUD data from the FY20-21 CAFR; COOR data from FY19-20 CAFR; CWS from 2015 per LAFCO 2018; TWSD from FY2020 CAFR; SC-OR data for the 2022 budget cycle; and SFWPA from FY2020 CAFR. Given the variation in fiscal year start dates, age of data, and source of data, Figure 1-6 should be interpreted loosely with moderate degrees of error, meaning that direct comparison is not advised. Given these caveats, the data in Figure 1-6 is the best currently available. Since MSRs are necessarily "snapshots in time" and since each organization regularly updates its financial data, readers are encouraged to visit an organization's website to obtain more recent data directly.



The average revenues per acre by District are shown in Figure 1-7 below. The acreage data is derived from GIS Data, as shown in Table 1-3. The revenues are from Figure 1-6 above. The acreage and revenues were divided to obtain the average revenues per acre, creating a per-unit index that does not emphasize size. For example, SFWPA has the highest annual revenue (\$17,391,542), and it also covers the largest area (33,718 acres). Cal Water Oroville’s - boundary covers the smallest area compared to other districts, yet it is very efficient at generating revenue on a per-acre basis. This is related to the relatively higher population density that the Cal Water service area enjoys compared to SFWPA, which has a relatively low population density.



Accountability

Accountability and transparency in local government agencies are key themes of the Cortese Knox Hertzberg Act and LAFCOs across California. This MSR provides an in-depth analysis of government and organizational accountability and transparency in Chapters 3-8 for the five governmental service providers and Cal Water – Oroville, a private company. Table 1-5 below summarizes a few key accountability factors.

Table 1-5: Summary of Accountability for Six Service Providers						
	COOR	CWS	LOAPUD	SC-OR	SFWPA	TWSD
Direct Service Provider?	Yes	Yes	Yes	No	Yes	Yes
Broadcast regular monthly meetings via internet?	Yes	No*	Yes	Yes	Yes	Yes
Discloses Annual Audited Financial Statements?	Yes	Partial**	Yes	Yes	Yes	Yes
<p>*Note: Cal Water’s Board of Directors guide this private company. Meetings of its Board of Directors are not required to issue a public notice and are not held on a regular monthly basis in the Oroville Area. Annual stockholder meetings and other meetings may be broadcast over the internet as noted in Cal Water’s May 30, 2023 letter presented in Chapter 9.</p> <p>**Note: Limited financial information is available for Cal Water Oroville as described in Chapter 8. Cal Water Oroville is a private company, and its financial data disclosure is made to the CPUC in a different format and under a different frequency etc.</p>						

1.3 NARRATIVE SUMMARY FOR EACH SERVICE PROVIDER

The following text summarizes key features of the six service providers discussed in this MSR.

City of Oroville Wastewater Services

Table 1-6 : Agency Profile

Type of Agency:	Incorporated Charter City (1906)
Principal Act:	City Charter, CA Government Code §34450
Functions/Services:	General government, land use planning and building services, parks, fire protection, and emergency services, law enforcement, roadways and stormwater drainage, and wastewater collection and conveyance services.
Main Office:	1735 Montgomery St. Oroville, CA, 95965
Mailing Address:	Same
Phone No.:	(530) 538-2436
Fax No.:	(530) 538-2468
Web Site:	https://www.cityoforoville.org/home
City Administrator:	Vacant, Email: admin@cityoforoville.org
Alternate Contact:	Assistant City Administrator Ruth Wright, E-mail: finance@cityoforoville.org
Meeting Schedule:	Regular City Council meetings on the 1 st and 3 rd Tuesday of every month.
Meeting Location:	City Hall, Council Chambers, 1735 Montgomery St, Oroville, CA 95965
Date of Formation:	January 3, 1906
Area Served:	8,873 acres (13.86 square miles)
Population	18,863 (2022)
# Sewer Connections	3,703 connections (residential, commercial, and industrial)
Gross Revenue	\$36,050,818 city-wide revenue (FY19/20)
Principal LAFCO:	Butte LAFCO
Other LAFCO:	None

CITY OF OROVILLE: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

In 2020, the City of Oroville held 19 closed sessions, which equates to 65% of the total Council meetings held. This is an issue that needs improvement. It is recommended that the City Council consider ways to reduce the number of closed sessions it holds in the upcoming years. LAFCO should reevaluate this metric when it next prepares an MSR or SOI for the City. Compliance with the 2016 updates to the Brown Act described in Government Code §54954.2 was evaluated in this MSR. The City of Oroville website partially complies with the Brown Act 2016 Updates described in AB2257. COOR makes its agenda available on its website as a link from the homepage, which directs to the “services” tab and then to the nested “City Clerk” subtab. The nested sub-links from the home page do not meet the structural webpage agenda distribution requirements of AB2257. This is an item that needs improvement. It is recommended that the COOR update its website accordingly. Website functionality was evaluated in this MSR. The City’s website is kept up to date with current and past meeting agendas and meeting minutes. The website also provides copies of certified annual financial statements and compensation reports (CAFR). The City of Oroville does not seem to have a policy requiring that the COOR website be user-friendly and contain accurate and up-to-date information. It is recommended that the City adopt a policy requiring its website to be user-friendly and contain up-to-date information.

City Council members' terms of office and next election date are not disclosed on the City’s website. This is an item that needs improvement. It is recommended that the City update its website accordingly. Committee appointments are posted in a PDF file online.

- 1) The City’s Code of Ethics is consistent with the Political Reform Act’s intent and is available to the public on the City’s website. City Council Members have filed Form 700, Statements of Economic Interests, with the City Clerk. Compliance with Fair Political Practice Act was assessed by querying the FPPD Complaint and Case Information Portal. Query results for the COOR found one open complaint regarding two current City Council members (Janet Goodson and Art Hatley) with case number 2018-01102, opened on October 16, 2018, which remains pending.
- 2) Local government officials are required to take ethics training every two years, consistent with Assembly Bill 1234 (Salinas, 2005). Ethics training for the City Council and city managers/supervisors is conducted biannually. This is a regularly recurring training. Therefore, COOR’s City Council complies with AB 1234.
- 3) Local government officials must receive the required sexual harassment prevention two-hour training every two years consistent with Government Code 53237 et. seq. Sexual harassment prevention training for the City Council and City managers/supervisors is conducted biannually. This is a regularly recurring training. Therefore, COOR’s City Council complies with Gov. Code 53237 et. seq.

In 2018, the City of Oroville was the subject of a grand jury report regarding additional sources of revenue for the City of Oroville. Due to an increased cost of doing business, the City staff has had to implement drastic staffing cuts as well as a 10% cut in pay and/or benefits. The Grand Jury concluded that the City of Oroville has been left “with a demoralized, depleted staff” and that

drastic measures must be taken to find new sources of revenue for the City. Of the nine recommendations made by the Grand Jury, six were implemented. Recently, City-wide staffing levels and associated pay/benefits have been restored, and most of the issues raised in the grand jury report have been resolved. The City of Oroville is not currently involved in any litigation.

CITY OF OROVILLE: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

The City of Oroville's geographic boundary encompasses 8,872 acres and includes 7,447 assessor parcels. The original SOI study prepared for the City of Oroville was completed in 1985. Today, the City's SOI encompasses 33,744 acres and 16,917 assessor parcels. City staff indicated that it believes that the current configuration of the Sphere of Influence is adequate for projected future growth in wastewater customers. The COOR does provide extra-territorial services to customers located outside of its City boundary. Specifically, the City provides wastewater collection services to 19 parcels outside the City boundaries.

In the "moderate" growth estimate, the DOF's population projection for the County of Butte is utilized to extrapolate population growth rates for the City of Oroville. By the year 2045, it is estimated that COOR's existing boundary could encompass a population of 22,830 persons. This represents an average annual growth rate (i.e., compound rate) of 0.76 percent between the years 2020 and 2045. However, due to a decline in population from 2020 to 2021, potentially related to movement related to the Camp Fire, the "low" growth scenario may be more on-trend. Currently, the City's boundary area supports an average of two persons per acre, which is considered low population density. The City's General Plan suggests that future growth may occur within the COOR's boundary. The City's boundaries contain a sufficient land area to accommodate projected growth. There are agricultural lands within the City's boundary and SOI. The City's land-use decisions do have a direct effect on agricultural land and open space.

CITY OF OROVILLE: LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

There are no DUCs within the City's boundary. However, several areas within the City's SOI can be classified as a disadvantaged unincorporated community since the MHI is less than the \$60,188.00 threshold for 2019. All SOI areas receive essential municipal services of water, wastewater, and structural fire protection (or acceptable private alternatives). Therefore, no communities within the existing COOR boundary or in the City's SOI lack public services, and no health or safety issues have been identified.

CITY OF OROVILLE: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

The City of Oroville has two plans that are relevant to the current management of its wastewater conveyance and transmission service:

- Sanitary Sewer Master Plan January 2013
- Sewer System Management Plan October 2019

Implementation of plan goals and policies are codified in the Municipal Code. The City has been diligent in updating its plans to accommodate the infrastructure and service needs of current and future constituents and to help ensure that infrastructure needs and deficiencies are addressed in a timely manner. Although the SSMP, as updated in October 2019, is available at City Hall upon request, it has not yet been properly posted to the City's website. It is recommended that the City update the Public Works webpage to allow readers easy access to the newer 2019 version. In 2007, the City completed an "Inflow/Infiltration Study," and this report is now 14 years old. It is recommended that the City update this I/I study within the next few years.

The City's infrastructure relates to wastewater collection and conveyance only. The City's wastewater collection system includes approximately 69 miles of sanitary sewer pipes, approximately 1,350 sewer maintenance holes, and 7 sewage lift stations. The sewer system conveys wastewater to a treatment plant owned and operated by the Sewerage Commission - Oroville Region. The City's sewer pipes are configured such that expansion into new geographic areas is possible if needed. However, new pumps or lift stations may be needed depending on the elevation of any future expansion area. Several nearby agencies offer wastewater services similar to that of the City of Oroville (such as TWSD and LOAPUD). However, within the City's sewer service area, the City is the only provider, and there is no geographic overlap.

The City's 2019 SSMP contains a detailed capital improvement plan and schedule. Since 2010, the City has spent approximately \$2 million on capital equipment and system rehabilitation (slip lining, pipe patching, etc.). The City continues to undertake rehabilitation projects, such as repairing, relining, and replacing existing pipes that are structurally deficient and/or subject to re-occurring tree root infestation and or subject to excessive infiltration and inflow and repair or replacement of deficient maintenance holes. The City plans to spend about \$3.1 million between 2020 and 2029 on wastewater projects listed in the CIP COOR, SSMP, 2019. However, due to the City's past financial challenges, its plans have not been consistently implemented, resulting in a deficit in maintenance.

In the recent past, the City has experienced financial challenges which have prevented the City from retaining staff engineers and other professionals necessary for the City to serve a leadership role by assisting with and/or assuming services provided by other agencies. Retention of staff engineers and associated institutional knowledge of the wastewater system is an area that needs improvement. However, the City has close collaborative relationships with nearby independent wastewater providers such as TWSD, SC-OR, and LOAPUD.

CITY OF OROVILLE: FINANCIAL ABILITY TO PROVIDE SERVICES

COOR's Comprehensive Annual Financial Reports and Budgets are prepared annually, and they clearly and transparently present financial information. Oroville's 2019 CAFR was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association. The City's published policy for reserve funds is available from the City's Finance Department. The General Fund Reserve Policy described the purpose and suggested size of reserves. However, the Policy does not indicate how reserve funds should be invested. This is an item that needs improvement. It is recommended that the next time the City updates its General Fund Reserve Policy, it should add a statement about how reserve funds should be invested. COOR's Comprehensive Annual Financial Report contains a list of its accounting policies. Additionally, the Municipal Code describes several financial policies, with specific procedures for purchases and procurement practices. The City's Municipal Code is readily available on the COOR's website. Required reports on employee wages are sent to the California State Controller for Government Compensation. Although the City's Master Salary Scale is not directly posted to a webpage, it is available using the "search" feature on the COOR website.

The City's Sewer Fund had Total Revenues that exceeded Total Expenditures in each of the five study years. Changes to the Net Position show a steady increase, year to year. For example, in FY19/20, the Net Position increased by 2,750,158 from the previous year. The Sewer Fund operates as an enterprise fund within the City and therefore does not utilize tax revenue. Therefore, the Tax Revenues/Connection Ratio is zero.

COOR's City Council adopted the fee schedule for the Public Works Department through Resolution #5889. Rates for sewer service provided to City residents include the City's collection fees and SC-OR's fees for treatment and disposal. The City's rates were approved by Council Resolution No. 5889, and the fee can increase by 3.1% in accordance with the Engineering News Record Construction Cost Index. Rates are displayed on the City's website for the Public Works Department at: <https://www.cityoforoville.org/services/public-works-department/engineering-division/engineering-fees>.

CITY OF OROVILLE: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

The City collaborates with multiple other agencies to deliver sewer services within its boundary, including SC-OR, TWSD, and LOAPUD. The City is a member of the wastewater JPA (aka SC-OR), along with TWSD and LOAPUD. TWSD and LOAPUD also provide wastewater services to some geographic areas within the City's jurisdictional boundary. The three members of the JPA, along with SC-OR, provide each other with mutual aid assistance on an as-needed basis. While the current organization of sewer services between three collection agencies and the wastewater treatment plant (SC-OR) effectively delivers sewer services to the Oroville region, this duplication of services should be evaluated to determine if a reorganization of service providers and/or boundaries would result in a more transparent and cost-effective provision of sewer services. At present, both LOAPUD and TWSD provide sewage collection services within COOR boundaries. It is recommended that the City initiate dialogue with its sewage collection partners to consider potential reorganization options that would allow for greater efficiencies, cost savings, and offer a

more streamlined approach that would benefit not only current users but new development interests as well. Wastewater systems generally have a fixed cost associated with infrastructure, operations, and maintenance and have a variable cost related to demand. Given these constraints, COOR pursues an array of cost avoidance techniques that each contributes incrementally towards keeping costs at a reasonable level. Specifically, COOR carefully utilizes its budgeting processes to serve as one means to avoid unnecessary costs. Additionally, COOR participates in two joint powers authorities (SC-OR and NCCSIF) to reduce wastewater treatment and disposal costs. Overhead is currently minimized to the greatest extent feasible (COOR, 2021d). There is little opportunity for further cost savings because the system has been deprived of maintenance for many years.

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Lake Oroville Area Public Utility District

Table 1-7: Agency Profile

Type of Agency:	Public Utility District
Principal Act:	California Public Utility District Act. Public Utilities Code §§ 15501-18055
Functions/Services:	Wastewater collection and conveyance
Main Office:	1960 Elgin Street, Oroville, CA 95966
Mailing Address:	Same
Phone No.:	(530) 533-2000
Web Site:	https://www.loapud.com/
General Manager:	David Goyer at email manager@loapud.com
Alternate Contact:	Kelly Hamblin at email: acct_payable@loapud.com
Meeting Schedule:	The Board of Directors meets the 2nd Tuesday of every month at 2:00 pm.
Meeting Location:	District Office located at 1960 Elgin St., Oroville, CA 95966.
Date of Formation:	1938
Area Served:	Serving approximately 8,582 acres (13.4 square miles)
Population	12,768 permanent residents
Number of sewer connections	5,733 sewer connections
Gross Revenue	\$2.49 million
Principal LAFCo:	Butte LAFCo
Other LAFCo:	None

LOAPUD: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

For the LOAPUD, the number of closed sessions was evaluated. In 2020, the LOAPUD held one closed session, which is well below the 50 percent threshold, which indicates that LOAPUD does a very good job of providing transparency. Compliance with the 2016 updates to the Brown Act described in Government Code §54954.2 was evaluated in this MSR. LOAPUD’s website agenda distribution complies with the Brown Act 2016 Updates described in AB2257 in that meeting agendas are retrievable, downloadable, searchable, and indexable. The LOAPUD Board’s current meeting agenda is posted directly on the District’s primary homepage website. Additionally, LOAPUD makes its agenda and minutes available in .pdf format on its website through a direct “Quick” link to the recent and archived accessed directly from the homepage. An alternative pathway to Board agendas is provided through a dropdown menu “Who We Are/Board Meetings.” The meeting minutes are posted directly under the meeting agenda. Board packets for both regular and special meetings are listed. However, several Board policies are not posted on the website, including the Board’s Policy No. 3065, Sewer Use Regulations. Therefore, when LOAPUD next restructures its website, it is recommended that the complete catalog of Board policies be posted online.

Compliance with the Special District Transparency Act (Gov. Code, §6270.6 and 53087.8) was evaluated in this MSR. The LOAPUD’s website complies with the Special District Transparency Act by listing contact information, posting financial statements, compensation reports, and other relevant public information. It is recommended that the LOAPUD adopt a policy requiring its website to be user-friendly or contain up-to-date information. In addition, it is recommended that the next time LOAPUD updates its website, it considers adding a feature to allow community members to sign up for a free electronic subscription service that will send automatic email notifications when a new meeting agenda is available.

LOAPUD’s current Board of Directors members and terms of office are available online through the District website under the “Board Members” tab. However, the webpage does not disclose the next election date. In addition, the committee appointments are not directly disclosed on the District’s webpage, and this is an item that needs improvement. LOAPUD’s elected Board members must submit required forms and receive required training as prescribed by the three state laws regarding accountability and ethics, including 1) the Political Reform Act; 2) Assembly Bill 1234 (Salinas, 2005), which requires ethics training; and 3) Government Code 53237 et. seq. which mandates sexual harassment prevention training

- 1) The Political Reform Act: LOAPUD’s conflict of interest code is enacted as Board Policy No. 1020, originally adopted on February 8, 1984, and amended on February 8, 2005. LOAPUD’s conflict of interest policy is available to the public at the District Website: https://www.loapud.com/board-policy-no-1020-conflict-of-interest#body_file-34da7246-572e-4071-94cf-06e9734ab4a7. The Political Reform Act also requires special district board members to disclose all personal economic interests by filing a “Statement of Economic Interests” with the District Clerk or Butte County. All required LOAPUD Staff and Board members file the “Statement of Economic Interests” annually with Butte County. Additionally,

there have been no complaints to the CA FPPC regarding filing Economic Statements of Interest required under the Political Reform Act.

- 2) Ethics training as required by AB 1234: LOAPUD posts ethics training certification on its website at: <https://www.loapud.com/board-members-ethics-certificates>. Training is offered regularly. Each of the five Board members has completed this training. Special district board members must receive the required sexual harassment prevention two-hour training every two years per Gov. Code 53237 et. seq. LOAPUD posts certification of the prevention training on its website. Training is offered regularly. Each of the five Board members has completed this training.

The Butte County grand jury has not investigated Lake Oroville Area Public Utility District. Lake Oroville Area Public Utility District is not currently involved in any litigation. This suggests that LOAPUD's management team is successfully using alternative dispute resolution methods.

LOAPUD: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

LOAPUD's 8,582-acre boundary area is located mainly in the unincorporated County of Butte. A small portion of LOAPUD's boundary overlaps with the City of Oroville. The boundary area has an irregular shape and includes 5,558 assessor parcels. The District's SOI was most recently updated on July 10, 2013. In addition to the 8,582-boundary area, the District's SOI covers 20,295 acres for a total of 28,877. Given the large geographic size of the Sphere of Influence area, it is adequate for projected future needs. The LOAPUD does not provide extra-territorial services outside of its District boundary.

Approximately 12,768 permanent residents live within the LOAPUD boundaries. From 2020 to 2045, it is anticipated that an additional 2,892 persons are expected to reside within LOAPUD boundaries. This represents a 22.65 percent increase in the projected future population (or 0.82 percent per year). This will bring the total population within the District's service area to approximately 15,660 persons by the year 2045. Currently, the District's boundary area supports an average of 1.5 persons per acre, which is considered low population density. The County General Plan suggests that growth may occur within the LOAPUD boundary. LOAPUD's boundaries contain a sufficient land area to accommodate projected growth.

LOAPUD's boundary and SOI include grazing land, prime farmland, farmland of statewide importance, and unique farmland. Most farms and agricultural land in the area rely on septic tanks and do not receive wastewater collection services. LOAPUD does provide wastewater collection service to state lands associated with Lake Oroville and surrounding open space, thereby protecting water quality. However, the provision of wastewater collection services generally has minimal effect on agricultural land and open space.

LOAPUD: LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

DUCs have a MHI of less than the \$60,188.00 threshold for 2019. There are six census “blocks” with median household income below the state threshold within the LOAPUD boundary and SOI. These areas are classified as DUC’s. Additionally, eight of the nine census tracts encompassing the LOAPUD boundary and SOI are classified as DUCs. Within LOAPUD’s boundary, identified DUCs receive essential water, wastewater, and structural fire protection services. However, within LOAPUD’s SOI, the community of Palermo has experienced water quality contamination resulting in a potential health or safety issue that requires attention. LAFCo’s 2013 SOI Update Report found that “Large portions of LOAPUD’s updated SOI are identified as disadvantaged unincorporated communities, including the unincorporated community of Palermo. The disadvantaged unincorporated communities within LOAPUD’s SOI will require District sanitary sewer services in the future to replace poorly performing or failing septic systems or to facilitate new development. Therefore, there is a present and probable need for public sanitary sewer services within the areas designated as disadvantaged unincorporated communities in LOAPUD’s updated SOI.

LOAPUD: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

LOAPUD regularly reviews and updates its service plans to help ensure that infrastructure needs and deficiencies are addressed in a timely manner. For example, LOAPUD originally adopted its Sewer System Management Plan on July 14, 2009, and subsequently updated it on July 14, 2013. The most recent comprehensive update to the Management Plan occurred in September 2021. However, The Sewer System Management Plan (2021) is not posted as an individual item on the LOAPUD website, and this is an issue that needs improvement. LOAPUD has demonstrated its diligence in developing plans to accommodate current and future constituents’ infrastructure and service needs by creating a capital improvement plan as part of its 2021 Sewer System Master Plan.

LOAPUD’s infrastructure relates to wastewater collection and conveyance only. The wastewater collection system includes approximately 77 miles of pipelines, 1,550 individual maintenance holes, and nine lift stations. The sewer system conveys wastewater to a treatment plant owned and operated by the Sewerage Commission - Oroville Region. The District’s sewer pipes are configured such that expansion into new geographic areas is possible if needed. However, new pumps or lift stations may be needed. The District’s 2021 Sewer System Master Plan identifies new facilities that would be needed to accommodate future growth. More importantly, the 2021 SSMP outlines a range of actions the PUD will undertake to address geographic areas known to receive high wet weather flows due to inflow and infiltration (I&I). One of the primary sources of I&I into LOAPUD’s facilities identified by the 2021 SSMP is the privately-owned sewer laterals connecting individual homes and businesses to the District’s sewer main. When private property

owners do not maintain these laterals, it can become an I&I problem. In addition, inflow and infiltration are infrastructure-related issues that need improvement.

Several nearby agencies offer wastewater services similar to that of the LOAPUD (such as TWSD and the City of Oroville). However, within the District's sewer service area, the LOAPUD is the only provider, and there is no overlap of actual infrastructure. However, a small portion of LOAPUD's boundary overlaps with the City of Oroville. The LOAPUD SOI overlaps significantly with the City of Oroville's SOI.

Infiltration and inflow are significant within the District's existing system due to the age and deteriorated condition of older pipes, joints, and related infrastructure. LOAPUD's 2021 Sewer System Master Plan contains a detailed capital improvement plan, including cost estimates, that will continue the District's work to address the infiltration and inflow issue. The District regularly undertakes rehabilitation projects, such as repairing, relining, and replacing existing aged or poorly functioning pipes. The District is planning to spend approximately \$20 million on the pipeline replacement projects and the proposed collection system expansion projects listed in its 2021 Sewer System Master Plan. However, a timeframe for these expenditures has not yet been determined.

LOAPUD has demonstrated some capacity to assist with or assume services provided by other agencies. For example, the LOAPUD has close collaborative relationships with nearby independent wastewater providers such as TWSD, SC-OR, and the City of Oroville. LOAPUD's leadership capacity could be improved by assigning specific timeframes to the projects in its capital improvement plan and by posting its Sewer System Master Plan (2021) and Sewer System Management Plan (2021) on the website in a timely manner.

LOAPUD: FINANCIAL ABILITY TO PROVIDE SERVICES

LOAPUD's Financial Statement and Budget are prepared annually and clearly and transparently present financial information. The District's fiscal year begins July 1st. LOAPUD's reserve policy is described in its annual financial statement, posted on the District website. LOAPUD's Financial Statement contains a list of its accounting policies. Employee wage scale is available in LOAPUD's annual budget, posted on the District website. In addition, required reports are sent to the California State Controller for Government Compensation.

About 67 percent of all revenues for the LOAPUD comes from wastewater Service Charges. Total revenue was more than the total expenditures in each of the five study years. Please note that in future fiscal years, capital contributions will be made to fund capital improvement projects, and it is recognized that capital improvement projects are expensive and necessary. Many wastewater districts in California are in a similar situation. The Net Position steadily increased year to year in each of the five study years. As of June 31, 2021, the District's net position was \$10,371,553. This was an increase of \$446,828 from the prior year. Tax Revenues/Connection Ratio calculates tax revenues (\$347,112) per the number of sewer connections (5,733) which equates to a ratio

of 60.5, meaning that on average, each sewer connection pays \$60.5 in property tax annually to LOAPUD.

The District Board adopted its wastewater rate schedule via Resolution 05-2019, adopted on June 11, 2019. These rates were adopted based on a wastewater rate study by Sauers Engineering, Inc. (a Civil & Environmental Engineer firm) which considered several options to fairly allocate the cost of service to the District's customers through increased rates. LOAPUD mailed its customers the Notice of Rate Increase on April 25, 2019. A public hearing was held at 2 PM on June 11th, 2019, consistent with Proposition 218. The LOAPUD's fee schedule provides information regarding wastewater rates, prominently posted on its website at: <https://www.loapud.com/documents-maps-forms-and-fees>.

LOAPUD: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

LOAPUD collaborates with several other agencies to deliver services within its boundary by implementing the following practices: facility sharing through SC-OR, information sharing, and cost reduction. LOAPUD does not currently participate in any formal Joint Agreements or Mutual Aid. However, it is a member of SC-OR. LOAPUD assists SC-OR and receives assistance from SC-OR. Municipal wastewater systems generally have a fixed cost associated with infrastructure, operations, and maintenance and have a variable cost related to demand. Given these constraints, LOAPUD pursues several cost avoidance techniques that each contribute incrementally towards keeping costs reasonable. Specifically, LOAPUD carefully utilizes its budgeting processes to serve as one means to avoid unnecessary costs. LOAPUD participates in one Joint Powers Authority (SC-OR).

Sewerage Commission - Oroville Region

Table 1-8: Agency Profile

Type of Agency:	Joint Powers Agreement/Agency
Principal Act:	Ca. Govt. Code Sec. 6500 et al., the Joint Exercise of Powers Act.
Functions/Services:	<ul style="list-style-type: none"> • Wastewater treatment, disposal • Limited wastewater collection • Recycled water production and distribution for irrigation purposes • Solar photovoltaic electricity generation
Main Office:	2880 S. 5th Ave, Oroville, CA, 95965
Mailing Address:	PO BOX 1350, Oroville CA, 95965
Phone No.:	(530) 534-0353
Web Site:	https://www.sc-or.org/
General Manager:	Glen E. Sturdevant Email: gsturdevant@sc-or.org

Alternate Contact: Mikah Salsi, Plant Supervisor. Email: msalsi@sc-or.org

Meeting Schedule: The fourth Tuesday of each month at 5:00 PM (except for November and December when the meetings are held earlier due to holidays)

Meeting Location: Commission HQ: 2880 S. 5th Ave, Oroville, CA, 95965

Date of Formation: The JPA was formed on June 18, 1971.

Area Served: Serving roughly 28,712 acres (50.5 square miles)

Population	41,131 permanent residents
Number of water/sewer connections	There are two direct connections to SC-OR's main trunk line. All other connections are managed by the JPA member entities (SC-OR, 2021b).
Gross Revenue	Gross revenues are based on monthly sewer service fees and are \$4,585,157 for the 2022 budget cycle
Principal LAFCO:	Butte LAFCO
Other LAFCO:	None

SC-OR: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

In the year 2020, SC-OR held a total of 17 Board meetings which included 12 regular meetings and five special meetings. Ten of those 17 meetings (59 percent) included a closed session. This exceeds the suggested 50 percent metric. However, it is recognized that 2020 may not have been a typical year for SC-OR Board meetings, given the special circumstances related to employee and contract negotiation, which increased the number of closed sessions. Therefore, it is recommended that LAFCO re-evaluate this metric in the next MSR for SC-OR. Compliance with the 2016 updates to the Brown Act described in Government Code §54954.2 was evaluated in this MSR. SC-OR makes its current Board agenda directly available from its website homepage. Additionally, the agenda can be found on the website via the “Board Meetings” subsection under the “Governance” tab at the following URL: <https://www.sc-or.org/board-meetings>. This webpage contains dates, meeting minutes, and agendas dating from the most recent meeting back to Jan. 8, 2019. Agendas are posted to the website at least 72 hours prior to each meeting. Therefore, the Commission’s website agenda distribution does comply with the requirements of the Brown Act 2016 updates described in AB 2257.

Compliance with the Special District Transparency Act (Gov. Code, §6270.6 and 53087.8) was evaluated in this MSR. SC-OR’s website is regularly updated and easily navigable to allow for access to a directory containing current and past agenda packets, meeting minutes, and audio recordings for download. In the “Transparency” subsection under the “Governance” tab, users can access the current budget plan and financial statements covering the current year and up to 3 years prior. When SC-OR next updates its website, it is recommended to consider adopting a Commission policy providing guidance on keeping its website updated and installing a web-enabled electronic subscription service. The Sewerage Commission-Oroville Region mostly

complies with the requirements of the Special District Transparency Act. Since the Commission members are appointed, the three-member entities are responsible for reporting the terms of office and the next election date for SC-OR Commissioners. SC-OR's Board does not currently have any committees.

SC-OR is a JPA, and it relies upon its three-member agencies that appoint Commission members to comply with the three state laws regarding accountability and ethics, including 1) the Political Reform Act; 2) Assembly Bill 1234 (Salinas, 2005), which requires ethics training; and 3) Government Code 53237 et. seq. which mandates sexual harassment prevention training.

- 1) SC-OR's Commission complies with the Political Reform Act by listing its conflict of interest policy on the SC-OR website. The FPPC database query results for the SC-OR found no violations. Additionally, SC-OR's policy states that designated employees are to "file statements of economic interests with the Clerk of the Board of Supervisors of the County of Butte."
- 2) Ethics training is required by Assembly Bill 1234 for most local agencies. However, it appears that ethics training may not be required for JPAs as they are not defined as "local agencies."
- 3) Harassment prevention training is required by Government Code 53237 et. seq. This requirement seems to be mandatory for all employers. SC-OR's website does not contain up-to-date training certificates for its Commission members. This is an item that needs improvement.

The Butte County grand jury has not investigated this Commission as of 2021. In addition, the Commission is not currently involved in any litigation. This indicates that SC-OR's management team successfully uses alternative dispute resolution methods.

SC-OR: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

SC-OR is a Joint Powers Agency and therefore does not have a LAFCo adopted official district boundary. However, the area served by the SC-OR regional wastewater treatment facility is determined by the LAFCo-approved boundaries of the three-member entities (COOR, TWSD, and LOAPUD). The 28,712-acre combined service area (i.e., "boundary") encompasses land within the unincorporated County of Butte and the City of Oroville. SC-OR is not a special district and therefore does not have a LAFCo adopted official sphere of influence. However, the area served by the SC-OR regional wastewater treatment facility is determined by the SOI of the three-member entities (COOR, TWSD, and LOAPUD). SC-OR's three-member agencies have SOIs that encompass 75,199.8 acres and include less than 29,000 parcels.

The SC-OR does not "directly" provide extra-territorial services outside the boundary of its three-member entities. However, SC-OR accepts and treats domestic septage trucked in by approved septage haulers licensed by Butte County Environmental Health Department and SC-OR. The septage originates from pumped residential septic tanks and is brought to the SC-OR WWTP for treatment and disposal. SC-OR accepts approximately 1 million gallons per year of domestic septage from within their service area.

From 2020 to 2045, it is anticipated that an additional 7,462 permanent residents will be expected within SC-OR's Service Area. This represents an overall 17.7 percent increase in the projected future population (or 0.65 percent per year). This will bring the total population within the Commission's service area to approximately 49,618 persons by 2045. Currently, the Commission's "boundary" area supports an average of 1.27 persons per acre, which is considered to be a low population density. The County General Plan and the City of Oroville General Plan both suggest that growth may occur within the boundaries of the three-member entities. SC-OR's "boundaries" contain a sufficient land area to accommodate projected growth.

The boundaries and SOIs for the three-member entities include grazing land, prime farmland, farmland of statewide importance, and unique farmland. Most farms and agricultural land in the area rely on septic tanks and do not receive wastewater collection services. LOAPUD, in particular, does provide wastewater collection service to state lands associated with Lake Oroville and surrounding open space, thereby protecting water quality. However, the provision of wastewater treatment services generally has minimal effect on agricultural land and open space. Wastewater disposal occurs at a site along the Feather River. SC-OR aims to protect water quality (and associated open space values) by complying with the regulations of the Regional Water Quality Board and other state regulators.

SC-OR: LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

The median household income is identified. The DUC threshold MHI (80 percent of the statewide MHI) is clearly stated. The MHI in the Agency's boundary is described. This MSR analysis identified DUCs within the SC-OR service area and area of interest. Water service to the DUCs is provided by several methods, including the Thermalito Water and Sewer District, the South Feather Water and Power Agency, Cal Water Oroville, or by individual wells. Wastewater collection services are provided by Thermalito Water and Sewer District, Lake Oroville PUD, the City of Oroville, or by individual septic systems. Wastewater treatment and disposal services are provided by SC-OR. Fire protection service for most of the parcels within the SC-OR service area and AOI is provided by the Butte County Fire Department and CAL FIRE. SC-OR's Service Area and AOI areas receive essential municipal services of water, wastewater, and structural fire protection (or acceptable private alternatives). Therefore, no DUCs within the existing SC-OR service area and AOI areas lack essential public services, and no public health or safety issues have been identified.

SC-OR: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

SC-OR has been moderately diligent in developing plans to accommodate the infrastructure and service needs of current and future constituents. SC-OR adopted a Sewer System Management Plan Update in February 2019. This SSMP complies with the RWQCB rules to complete a Comprehensive Master Plan pertaining to its sewer systems and includes a Sewer Overflow

Emergency Response Plan Element for Sanitary Sewer Overflows reporting. The 2019 SSMP is not available on SC-OR's website. It is recommended that the SSMP be posted on SC-OR's website to promote transparency. The 2019 SSMP is an update to the 2005 SSMP. However, much of the underlying data and assumptions were not updated in 2019 and instead retains the 2005 data. This means that the SSMP contains old data, and it was difficult to utilize this data in this current MSR analysis. This is a situation that needs improvement. Therefore, it is recommended that when SC-OR next updates its SSMP, it should provide a comprehensive update that utilizes up-to-date flow data and population projections.

SC-OR's infrastructure relates to the treatment and disposal of wastewater. SC-OR operates and maintains an advanced secondary conventional activated sludge wastewater treatment plant. The collection systems belonging to the three-member entities (City of Oroville, Lake Oroville PUD, and Thermalito Water and Sewer District) bring the wastewater to SC-OR's facilities. SC-OR is responsible for 2.3 miles of interceptor sewer trunk lines (East, West, and Main), including a 1.6-mile force main, two pump stations (Ruddy Creek and Feather River), and the seven-mile effluent outfall pipe and diffuser on the Feather River. There is no duplicate infrastructure or service by other agencies nearby. However, SC-OR does have three-member entities (City of Oroville, Lake Oroville PUD, and Thermalito Water and Sewer District), and each has expertise in wastewater conveyance (as opposed to treatment). The three-member agencies provide support and assistance to SC-OR.

SC-OR's 2019 Sewer System Management Plan describes preventative maintenance measures and has planned for the replacement of aging infrastructure. Additionally, SC-OR has successfully obtained a state grant to assist with costs associated with the New Influent Pump Station. However, infiltration and inflow remain significant within the SC-OR existing service area due to the age and deterioration of older pipes, joints, and related infrastructure maintained by the three-member entities.

The American Society of Civil Engineers, Region 9 has several recommended remedies for California's aging wastewater infrastructure as outlined in Appendix K and as summarized below:

1. Implement an education program at the state and local level about what a wastewater treatment plant is, what kind of wastes it can treat, and what impact wastes have on the sewer pipes. Continue educational programs about identifying a sewer overflow and whom to call if such an event occurs.
2. Make risk-based decisions on capital improvements, maintenance, and operations.
3. Continue advancements in water reuse/recycling.

SC-OR has demonstrated some capacity to assist with or assume services provided by other agencies. For example, the SC-OR has close collaborative relationships with its three-member entities, including TWSD, LOAPUD, and the City of Oroville. However, SC-OR's leadership capacity could be improved by implementing the recommendations from this MSR. For example, SC-OR should develop a capital improvement plan and promptly post its Sewer System Management Plan on the website.

SC-OR: Financial Ability to Provide Services

SC-OR's Annual Financial Statement and the Annual Budget are prepared for a timeframe of one fiscal year. The financial statements and budgets clearly and transparently present financial information. Although SC-OR does not seem to have a specific reserve policy, its financial reserves are listed within its Annual Financial Statements. SC-OR has a policy called "Investment in Local Agency Investment Fund Policy" adopted by the Commission and is available on its website at <<https://www.sc-or.org/board-policies>>. SC-OR Policy #3130 was originally adopted on December 18, 1985, and subsequently updated on August 22, 2007. SC-OR's "Reimbursement Policy: SC-OR policy #5200 establishes Agency policy on travel expenditure reimbursements. SC-OR's Annual Financial Statement contains a list of its accounting policies. For example, the Commission's Financial Statement describes its Investment Policy with specific procedures and practices. However, some of SC-OR's financial policies do not seem to be codified. Employee wage reports are sent to the California State Controller for Government Compensation, and a link to this report is provided from SC-OR's website.

SC-OR's total revenue exceeded total expenditures in each of the three study years, FY 2019, FY2020, and FY2021. All revenues for this JPA come from wastewater fees for service and are considered business-type activities. The reliance on the sale of wastewater service furthers the importance of ensuring reliable service and keeping rates at a sustainable level for the JPA member agencies. Changes to the Net Position are shown in Table 5-24 to be variable, with moderate increases in Net Position seen each year. LAFCO requested that the "Tax Revenues/Connection Ratio" performance measure be studied in this MSR. Since SC-OR is a JPA and does not receive property tax revenue, the Tax Revenues/Connection Ratio is zero (0).

SC-OR Board of Directors adopted the rate structure during a public meeting. SC-OR's staff and their consultants prepare rate studies before adopting changes to the rate structure. These rate studies are considered during public meetings. The process for adopting rates is consistent with Proposition 218. Rates are provided to the JPA's three-member entities. It is recommended that SC-OR consider displaying its rates on its website to promote financial transparency.

SC-OR: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

SC-OR collaborates with several other agencies to deliver services within its Service Area by implementing the following practices: sharing the wastewater treatment plant as a JPA, information sharing, and cost reduction. SC-OR does not currently participate in any formal Mutual Aid Agreement. However, SC-OR does informally cooperate with its three-member entities. As a JPA, the agreement with the three-member entities expires in 2030. Municipal wastewater systems generally have a fixed cost associated with infrastructure, operations, and maintenance and have a variable cost related to demand. Given these constraints, SC-OR pursues several cost avoidance techniques that each contribute incrementally towards keeping costs reasonable. Specifically, SC-OR carefully utilizes its budgeting processes to serve as one means to avoid unnecessary costs. While the current organization of sewer services between three collection agencies and the wastewater treatment plant (SC-OR) effectively delivers sewer

services to the Oroville region, this duplication of services should be evaluated to determine if a reorganization of service providers and/or boundaries would result in a more transparent and cost-effective provision of sewer services. Given that the SC-OR JPA expires in 2030, it is an appropriate time for SC-OR to evaluate its role in the overall sewage collection configuration for the Oroville Region. Currently, SC-OR is in a reactive mode as it responds to the collection demands of its JPA members. Therefore, it may be beneficial to improve accountability and efficiency for wastewater treatment plant management. Additionally, it may be efficient to have the collection system operated under a single agency with one set of comprehensive policies and procedures umbrella.

South Feather Water and Power Agency

Table 1-9: Agency Profile

Type of Agency:	Irrigation District
Principal Act:	California Water Code, Division 11, §20500 et seq.
Functions/Services:	<ul style="list-style-type: none"> • Raw untreated water for agricultural irrigation; • Water treatment and distribution for municipal purposes (residential and commercial); • Recreation; and • Hydropower.
Main Office:	2310 Oro Quincy Highway, Oroville, CA 95966
Mailing Address:	Same
Phone No.:	(530) 533-4578
Fax No.:	(530) 533-9700
Web Site:	https://southfeather.com/
General Manager:	Rath Moseley Email: rmoseley@southfeather.com
Alternate Contact:	Jaymie Perrin Email: jperrin@southfeather.com
Meeting Schedule:	Fourth Tuesday of every month, starting at 2:00 PM PST
Meeting Location:	2310 Oro Quincy Highway, Oroville, California 95966.
Date of Formation:	November 1919
Area Served:	33,718 acres (52.68 square miles)
Population:	Existing population ranges from 16,770 to 24,300
Number of water connections:	Miners Ranch Treatment Plant serves 6,909 connections. The Bangor Treatment Plant serves 22 connections.
Annual Total Revenue:	Approximately \$17.4 million in FY2020
Principal LAFCO:	Butte LAFCO

Other LAFCO: None

SFWPA: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

100 percent (i.e., 13) of the SFWPA Board of Directors meetings included closed sessions during the year 2020. This number exceeds the 50 percent accountability indicator and is, therefore, an item that needs improvement. Therefore, it is recommended that the Board and staff reduce the number of closed sessions held each year by reducing the number of concurrent lawsuits.

Compliance with the 2016 updates to the Brown Act described in Government Code §54954.2 was evaluated in this MSR. The Agency’s website agenda distribution complies with the Brown Act 2016 Updates described in AB2257 in that meeting agendas are retrievable, downloadable, searchable, and indexable. SFWPA makes its agenda and minutes available in .pdf format on its website under a tab entitled “Publications” under its “Board Agenda Information” section at the following URL: <https://southfeather.com/publications/agenda/>. Agendas are also found directly on its homepage at the bottom. Board packets for both regular and special meetings are listed.

Compliance with the Special District Transparency Act (Gov. Code, §6270.6 and 53087.8) was evaluated in this MSR. The SFWPA currently maintains a website that lists staff and the Board contact information. Financial reports are also available at: <https://southfeather.com/publications/financial-reports/>. Compensation reports were not found on the SFWPA website; however, the data is available from the CA Auditor’s website. Therefore, the SFWPA mostly complies with the Special District Transparency Act. It is recommended that the SFWPA website be updated to include a link from the home page to the CA Auditor’s website for access to compensation data.

Terms of office for each Board member are listed on the Agency’s website. The next election date is disclosed for Board members by year, but not by the specific month and day, and this item could be improved by updating the website. In addition, board committee appointments are not online. It is recommended that the website be updated to list Board committee appointments.

Compliance by SFWPA Board members in submitting required forms and receiving required training as prescribed by the three state laws regarding accountability and ethics was assessed in this MSR.

- 1) SFWPA Board members comply with the Political Reform Act by submitting required economic interest forms to the SFWPA Finance Dept.
- 2) Assembly Bill 1234 (Salinas, 2005) requires ethics training, and compliance with this law is currently in-progress. SFWPA Board members will receive this training in August 2022. It is recommended that the SFWPA website be updated to share training certifications.
- 3) Government Code 53237 et. seq. mandates sexual harassment prevention training, and compliance with this law is currently in-progress. SFWPA Board members will receive this training in August 2022. It is recommended that the SFWPA website be updated to share training certifications.

The Butte County grand jury has not investigated SFWPA since 2011, which was regarding ensuring SFWPA's continued compliance with the ethics training requirements of AB 1234. SFWPA was involved in eight litigation cases in 2020, including seven active cases and one anticipated case. For example, the SFWPA is currently being sued by the North Yuba Water District, asserting a number of legal issues such as "breach of contract and breach of fiduciary duty." Therefore, it is recommended that new SFWPA managerial staff continue their work to reduce the number of concurrent lawsuits.

SFWPA: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

SFWPA's 33,718-acre boundary area is located mainly in the unincorporated County of Butte. A small portion of the City of Oroville is located within the SFWPA boundary. The boundary area has an irregular shape, and 19 detached and isolated boundary pockets are located east of the sphere of influence. The boundary includes 11,127 assessor parcels. The Agency's SOI was last affirmed in the 2011 MSR/SOI for the Agency. The Agency's SOI encompasses 64,125 acres and includes 11,853 parcels. Agency staff believes the Sphere of Influence boundary is adequate for projected future needs. However, in its 2006/07 MSR, SFWPA noted that their Sphere of Influence boundary should be co-terminus with their "place-of-use" boundary designated by the State Water Resources Control Board to best accommodate future needs regarding the approved area for distribution of water per existing water rights.

LAFCO's 2006 MSR (by Kleinschmidt) noted that SFWPA served water to six customers outside its boundaries via surplus water agreements that were considered for renewal annually. These six customers received irrigation water (not potable). However, there are no current surplus water agreements for these six customers. Otherwise, the SFWPA has not provided extra-territorial services outside its District boundary.

The addition of 4,117 to 5,075 more people to the SFWPA boundary area by the year 2045 is projected as the area contains under-developed areas that could potentially be annexed to the City and/or made available for more intensive residential development. Areas located near the City of Oroville have a moderate probability of developing over the next twenty years since the City continues to grow and expand. This represents an average annual growth rate of less than one percent per year. This could bring the total population within the Agency's service area to approximately 29,375 persons by the year 2045.

Currently, the Agency's boundary area supports an average of 0.72 persons per acre, considered low population density. The County General Plan suggests that growth may occur within the SFWPA boundary. SFWPA boundaries contain a sufficient land area to accommodate projected growth. SFWPA's boundary and SOI include grazing land, prime farmland, farmland of statewide importance, and unique farmland. SFWPA provides raw (untreated) irrigation water to approximately 67 customers, thereby supporting agriculture in the community. The Agency's provision of water services to other open space areas (i.e., non-structural) within its boundaries occurs occasionally. However, natural areas and parks may be unconnected to the SFWPA

system and therefore be rainfall or groundwater-dependent. Therefore, water service generally has minimal effect on agricultural land and open space.

SFWPA: LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

There are six census “blocks” with median household income below the state threshold (\$60,188.00) for 2019 within the SFWPA boundary and SOI. These areas are classified as DUC’s. Due to the identified DUCs receiving essential services of water, wastewater, and structural fire protection, there are not any communities within the existing SFWPA boundary or SOI that lack public services (or a private alternative), and no health or safety issues have been identified.

SFWPA: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

SFWPA has a 5-year strategic plan which includes a capital improvement plan. The strategic plan and CIP were presented at the May 2022 SFWPA board meeting. Implementation of these plans in the future will help ensure that infrastructure needs and deficiencies are addressed in a timely manner.

SFWPA: FINANCIAL ABILITY TO PROVIDE SERVICES

Financial information is clearly articulated in SFWPA’s Annual Audited Financial Statement and budgets, prepared annually with a fiscal year beginning January 1st. The SFWPA annual budget and financial statement are available to the public through the District website. SFWPA’s policy for reserve funds is formally described in the 2005 agreement between SFWPA and the NYWD. SFWPA’s Annual Financial Statement contains a list of its accounting policies. The District’s Rules and Regulations also describe a list of fees and financial responsibilities. The District Rules and Regulations document is readily available on the SFWPA’s website. The Schedule of Employee Pay Ranges is approved annually by the Board of Directors and available on the SFWPA website. Required reports are sent to the California State Controller for Government Compensation.

Total revenues exceeded the total expenditures in four of the five study years. Changes to the Net Position are shown to be highly variable. Although the general trend of the Net Position is to increase year over the year, 2020 saw a decline in the Net Position due to reduced sale of hydroelectric power due to the drought. Each water connection paid an average of \$9.80 in property tax for the year 2020. This ratio was based on property tax revenue of \$681,269 in 2020 and 69,500 water connections in SFWPA.

The SFWPA Board of Directors adopts and publishes its water rate schedule as part of its Rules and Regulations Governing Water Service document. Monthly rates charged to customers for potable water have three components, including 1) monthly service charge, 2) rates of use charge, and 3) meter charge. SFWPA’s Rules and Regulations indicate that fees can increase on

an annual basis in accordance with the Engineering News Record's National Construction Cost Index. Rates are displayed in the Rules and Regulations document on the District's website under the "publications" tab at: <<https://southfeather.com/publications/>>

SFWPA: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

SFWPA collaborates with multiple other agencies for the delivery of services within its boundary. For example, SFWPA closely coordinates with the Plumas National Forest to provide recreation facilities. SFWPA has four mutual aid agreements with the following agencies: North Yuba Water District (NYWD), Lake Madrone CSD, Berry Creek CSD, and Paradise Irrigation District. The Agreements for mutual aid are periodically reviewed to ensure fiscal neutrality. In the recent past, SFWPA has implemented an array of cost avoidance techniques that each contributes incrementally towards keeping costs at a reasonable level, including cooperation with other municipal water purveyors and fire departments in Butte County to implement new fire safety regulations, utilizing its budgeting processes to avoid unnecessary costs, three-party bid process, and electronic payment system. No other cost-efficiency or risk-reduction strategies have been identified. The 2018 Oroville Region Water Study described the current domestic water system organization between SFWPA, TWSD, and CWS. SFWPA has more than adequate treated water supply capabilities that could assist its neighboring service provider, CWS, with more cost-effective water supplies that may reduce costs to CWS customers. This would also address the duplication of existing water treatment plants that serve the Oroville region. It is recommended that SFWPA and CWS cooperatively evaluate their service capabilities, service demands, and water rates to determine if any cooperative agreement would be beneficial to current customers.

Thermalito Water and Sewer District

Table 1-10: Agency Profile

Type of Agency:	Irrigation District
Principal Act:	California Water Code, Division 11, §20500 et seq
Functions/Services:	<ul style="list-style-type: none"> • Management of raw water supply, water treatment, and distribution of potable water for residential, commercial, and municipal purposes; • Wastewater collection and transport; and • Solar electricity generation for internal use only.
Main Office:	410 Grand Avenue, Oroville, CA 95965
Mailing Address:	Same
Phone No.:	(530) 533-0740
Fax No.:	None
Web Site:	https://www.twsd.info/
General Manager:	Jayne Boucher at < jboucher@twsd.info >
Alternate Contact:	Chris Heindell at < cheindell@twsd.info >

Meeting Schedule: 3rd Tuesday of the month at 2:00 p.m.
Meeting Location: District Office Boardroom, 410 Grand Avenue – Oroville, California 95965
Date of Formation: 1922
Area Served: 14,873 acres near Oroville, CA

Population: Estimate ranges from 10,500 to 11,318 persons
Number of water/sewer connections: 3,136 water connections and 2,365 sewer connections
Gross Revenue: \$4,336,141 in FY2020
Principal LAFCO: Butte LAFCO
Other LAFCO: N/A

TWSD: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

In the year 2020, the TWSD held a total of 13, and six of these meetings included closed sessions. In other words, 46 percent of the TWSD Board meetings in 2020 included closed sessions. The government code sections applicable to each closed session were listed on the meeting agenda. Compliance with the 2016 updates to the Brown Act described in Government Code §54954.2 was evaluated in this MSR. The new law requires that meeting agendas be retrievable, downloadable, searchable, and indexable. TWSD makes the current board agenda directly available on the homepage of its website at: <https://www.twsd.info/>. Additionally, from the homepage, a “quick-link” to the Board Meeting webpage containing minutes and agendas for the current year and past years. However, Board packets (which contain staff reports) for both regular and special meetings are only available by special request and are not provided via the website. The District website agenda distribution meets the minimum requirements of the Brown Act 2016 Updates described in AB2257. It is recommended that Board packets also be made available via the website. Compliance with the Special District Transparency Act (Gov. Code, §6270.6 and 53087.8) was evaluated in this MSR. Although the District website partially complies with the requirements of the Special District Transparency Act, there is always room for improvement, and it is recommended that TWSD consider adding the following features associated with its website and other public communication:

- Adopt a policy requiring that the TWSD website be user-friendly and contain accurate and up-to-date information; and
- Create a web page where community members can sign up for a free electronic subscription service to send automatic email notifications when a new agenda is available.
- Create a webpage that contains District news, and that is updated regularly.
(continued)
- Ideally, all independent districts in California would post their employee wage scale by bargaining unit onto their website as described in the Finance Section of this Chapter. Therefore, it is recommended that TWSD Post either the employee compensation rates OR a link to the California State Controller Government Compensation website at:

<https://publicpay.ca.gov/>. (TWSD’s existing link does not currently link to helpful information).

TWSD’s website discloses the terms of office for each District Board member. Although the next election date for District Board members and committee appointments can be determined by making a special inquiry to District staff, this information is not currently available online. This is an item that needs improvement, and it is recommended that the TWSD website be updated to disclose the terms of office and the next election date.

TWSD’s elected Board members must submit required forms and receive required training as prescribed by the three state laws regarding accountability and ethics, including 1) the Political Reform Act; 2) Assembly Bill 1234 (Salinas, 2005), which requires ethics training; and 3) Government Code 53237 et. seq. which mandates sexual harassment prevention training.

- 1) The Political Reform Act: TWSD’s Board adopted a code of ethics on November 19, 2019. TWSD’s conflict of interest policies are available to the public at <https://www.twsd.info/board-policy>. The Political Reform Act also requires special district board members to disclose all personal economic interests by filing a “Statement of Economic Interests” with the District Clerk or Butte County. TWSD Board members submit the forms to the County Clerk annually. Additionally, There have been no complaints to the CA FPPC regarding filing Economic Statements of Interest required under the Political Reform Act.
- 2) Ethics training as required by AB 1234: TWSD posts ethics training certification on its website at: <https://www.twsd.info/board-members-ethics-certificates>. Training is offered on a regular basis. Two board members (Latulippe and Wristen) have completed this training. Three board members have not. Therefore, TWSD’s Board is partially in compliance with AB 1234. This is an item that needs improvement.
- 3) Special district board members must receive the required sexual harassment prevention two-hour training every two years per Gov. Code 53237 et. seq. TWSD posts certification of the prevention training on its website. Training is offered on a regular basis. Three board members (Hatley, Latulippe, and Wristen) have completed this training. Two board members have not. Therefore, TWSD’s Board is partially in compliance with Gov. Code 53237 et. seq. This is an item that needs improvement.

TWSD works to inform and educate homeowners regarding water or wastewater safety and prevention consistent with Butte County General Plan Objective 6.2.5 through the following Public Outreach programs: 1) informational fliers distributed in the monthly bill statements and 2) notices posted on the District website. There are sufficient opportunities for local involvement in District activities, and information regarding the District is available to members of the public. TWSD is currently involved in litigation against PG&E for damages incurred by the Camp Fire related to operations at the Concow Reservoir and subsequent water quality issues at the District’s treatment plant. TWSD has not been subject to a grand jury report in recent years.

TWSD: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

TWSD's 14,873-acre boundary area is located in the unincorporated County of Butte and includes most of the community of Thermalito. TWSD's boundary overlaps with small portions of the Thermalito Forebay operated by the CA State Parks. LAFCO initially established the District's SOI in 1985. The District's SOI encompasses 44,101 acres and includes 4,383 parcels. District staff indicates that the Sphere of Influence boundary is adequate for projected future needs due to its large size. The TWSD does not provide extra-territorial services outside of its District boundary. By the year 2045, it is estimated that TWSD's existing boundary will encompass a population ranging from 9,605 to 14,911 persons. This represents an additional 507 to 2,845 persons expected to reside within TWSD boundaries.

Currently, the District's boundary area supports an average of 0.81 persons per acre, which is considered to be low population density. The City of Oroville General Plan suggests that growth may occur in the southern portions of the TWSD boundary, and there are opportunities for infill development. Additionally, the City of Oroville has plans to annex the Thermalito area. These data indicate that the TWSD boundaries contain a sufficient land area to accommodate projected population growth. Farmland of statewide importance and grazing land exists within the TWSD boundaries. However, TWSD does not provide raw water for irrigation purposes. Farmland within the boundaries and SOI are rainfall and/or groundwater-dependent and may utilize individual septic systems to dispose of wastewater. The services provided by TWSD have minimal effects on agricultural land and open space.

TWSD: LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

Four of the five census tracts encompassing the TWSD boundary and SOI have a MHI of less than the \$60,188.00 threshold for 2019 and are classified as DUCs. Due to the identified DUCs receiving essential services of water, wastewater, and structural fire protection, there are not any communities within the existing TWSD boundary or SOI that lack public services (or a private alternative). No health or safety issues have been identified other than the Golden Feather Mobile Home Park. However, water affordability remains an issue for local residents, and recommendations have been provided in the finance section.

TWSD: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

TWSD has a significant plan relevant to delivering potable water: its Urban Water Management Plan of 2020. TWSD's 2020 Sewer System Management Plan supports its delivery of wastewater conveyance services. It is recommended that TWSD post both plans on its website so they are readily accessible to constituents. TWSD has made a good start towards developing a formal capital improvement plan by listing wastewater improvement projects in its SSMP and listing proposed capital expenses for one year in the annual budget. However, it is recommended that

TWSD improve its capital planning by projecting multiple years of capital expenses consistent with projects that should be described for both wastewater (SSMP) and potable water (UWMP). In addition, it is recommended that TWSD improve its diligence in developing plans to accommodate the infrastructure and service needs of current and future constituents and to ensure that infrastructure needs and deficiencies are addressed in a timely manner.

TWSD provides sufficient services to meet current and future demands as follows:

- 1) Based on the water supply and water demand assessments described in TWSD's 2020 UWMP, the Concow Reservoir and the four active groundwater wells contain sufficient supply to adequately meet the current and foreseeable demand through 2045.
- 2) TWSD provides wastewater collection and conveyance, and its wastewater collection system includes approximately 34.7 miles of gravity sewer line with approximately 570 maintenance holes and one sewage lift station.
- 3) The sewer system conveys wastewater to a treatment plant owned and operated by the Sewerage Commission - Oroville Region. TWSD wastewater infrastructure currently covers 25 percent of its boundary area. Expansion into new geographic areas is possible if needed. However, new pumps or lift stations may be needed depending on the elevation of any future expansion area.
- 4) TWSD generates electricity using solar panels, which offsets the utility costs at the treatment plant.

Two nearby agencies offer wastewater services similar to TWSD, including the City of Oroville and LOAPUD. Since TWSD provides sewer/water services to COOR lands, there is geographic overlap. Similarly, two nearby agencies offer drinking water services similar to TWSD, including SFWPA and the private California Water Company. However, within the TWSD's boundary area, it is the only water service provider. If, in the future, an opportunity to reduce the number of drinking water treatment plants were to arise, it is possible that the improved efficiency could be beneficial to the community. LAFCO's 2018 Oroville Region Water Service Study recommended that the three entities openly and honestly consider the potential for treatment plant consolidation in the future. It should be noted, however, that the actual potential for this will be limited due to the very different ownership models of the entities. The Authors of this MSR concur with this recommendation of LAFCO's 2018 Oroville Region Water Service Study.

TWSD actively implements preventative maintenance on its water and wastewater infrastructure; however, the MSR Authors did not find a summary describing the recent improvements. In addition, a multi-year plan for the replacement of aging infrastructure (i.e., a Capital Improvement Plan) for both water and wastewater could not be found by the MSR Authors. Therefore, there is insufficient information to address this determination. However, the SSMP lists capital projects for the wastewater system, and the District's annual budget lists capital expenses for the upcoming year. Additionally, TWSD staff have identified infrastructure needs and deficiencies as aging pipeline infrastructure. TWSD has demonstrated some capacity to assist with or assume services provided by other agencies. For example, TWSD has a good financial basis with revenues in line with expenses. TWSD has retained staff engineers and other professionals necessary to serve a leadership role, and these skilled staff persons have the ability to assist with or assume services

provided by other agencies. Additionally, TWSD has close collaborative relationships with nearby independent government agencies, as demonstrated by its collaboration with the SC-OR and the Wyandotte GSA. TWSD successfully communicates with nearby local agencies such as the City of Oroville, Butte County, and SFWPA. TWSD's leadership capacity could be improved by developing a clear and multi-year capital improvement plan and by posting its UWMP and SSMP on the website in a timely manner.

TWSD: FINANCIAL ABILITY TO PROVIDE SERVICES

The Consolidated Financial Statement and budgets are prepared annually and clearly and transparently present TWSD's financial information. TWSD reserve policy is called the "Cash and Investment Policy" and is described in their Annual Financial Report posted on the District website. TWSD's Annual Financial Report contains a list of its accounting policies. Additionally, specific District finance policies are posted on the District website. However, TWSD does not seem to have an adopted purchasing policy, and this is an item that needs improvement. The employee wage scale by bargaining unit and the unrepresented employee wage scale are not available on the TWSD website, and this is an item that needs improvement. Required compensation reports are sent to the California State Controller for Government Compensation.

Total revenue exceeded total expenditures in four of the five study years. For the TWSD water fund: About 95 percent of all revenues for this fund are derived from water sales and associated services. The reliance on the sale of water and service furthers the importance of ensuring sustainable and reliable sources to keep rates at a reasonable level for customers. Changes to the Net Position have been relatively stable, with small increases each year. Tax revenue is not listed as a line item in the District's Annual Financial Report. Therefore, the Tax Revenues/Service Ratio is zero. TWSD does not collect any amount of property taxes.

The District Board adopted its water rate schedule during a public meeting via Resolution 04-10 on June 23, 2010. The sewer rates were amended twice, by Resolution 02-15 on June 16, 2015, and Resolution 02-16 on May 21, 2019. TWSD must satisfy the requirements of Proposition 218 for rate increases, including nexus documentation. Therefore, TWSD cannot charge more for the water delivered than it costs to produce and supply it. The sewer fund has similar rate constraints. TWSD's water and wastewater service rates are displayed on the District's website at: <<https://www.twsd.info/twtd-policies-fees>>. The average TWSD water customer paid approximately \$66.50 per month in 2018. An average TWSD wastewater customer in a single-family home will pay \$35.27 per month.

TWSD: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

TWSD actively collaborates with multiple other agencies to deliver services within its boundary by implementing the following practices: facility sharing through SC-OR, mutual aid, information sharing, and cost reduction. TWSD actively utilizes mutual aid to reduce long-term costs and to receive and provide assistance during emergencies. The District has mutual aid agreements with surrounding agencies to allow for sharing equipment and personnel as needed. It is

recommended that TWSD periodically review agreements for mutual aid or any other appropriate agreement (i.e., Tax Sharing Agreement) to ensure fiscal neutrality. While the current organization of sewer services between three collection agencies and the wastewater treatment plant (SC-OR) effectively delivers sewer services to the Oroville region, this duplication of services should be evaluated to determine if a reorganization of service providers and/or boundaries would result in a more transparent and cost-effective provision of sewer services. At present, TWSD provides sewage collection services within COOR boundaries. It is recommended that the District initiate dialogue with the COOR to consider opportunities for collection system consolidation west of the Feather River that would allow for greater efficiencies, cost savings and offer a more streamlined approach that would benefit not only current users but new development interests as well.

In general, municipal water systems and wastewater systems have a fixed cost associated with infrastructure, operations, and maintenance and have a variable cost related to demand. Given these constraints, TWSD pursues an array of cost avoidance techniques that each contributes incrementally towards keeping costs at a reasonable level. Specifically, TWSD carefully utilizes its budgeting processes to serve as one means to avoid unnecessary costs. In addition, TWSD participates in two Joint Powers Authority (SC-OR and Wyandotte Creek Groundwater Sustainability Agency).

Cal Water – Oroville

Table 1-11: Company Profile

Type of Organization:	Private investor-owned utility serving the public and regulated by the California Public Utilities Commission
Principal Act:	Although there is no Principal Act, CalWater is operated consistent with the California Constitution, Article 12, Section 3; California Public Utilities Code, Section 216(a).
Functions/Services:	Water treatment and distribution for residential, commercial, and other domestic purposes.
Local Office:	1905 High Street, Oroville, CA 95965
Administrative Contact:	1720 North First Street, San Jose, CA 95112
Phone No.:	(530) 533-4034
Web Site:	www.calwater.com ; or visit https://www.facebook.com/calwater , https://www.instagram.com/calwater/ , or https://twitter.com/calwater
General Manager:	Loni Lind, Operations Manager
Alternate Contact:	Dan Armendariz, Director of Field Operations
Meeting Schedule:	None
Meeting Location:	None
Date of Formation:	1927

Area Served: Cal Water serves 3,463 acres (5.41 square miles) located in the Oroville community in Butte County.

Population	11,022 persons
Number of water connections	3,547
Principal LAFCO:	Butte LAFCO
Other LAFCO:	none

CAL WATER: ACCOUNTABILITY FOR COMMUNITY SERVICE NEEDS, INCLUDING GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

As a private company, California Water Service does not have a government structure. Cal Water's Board of Directors does not hold public meetings and is not subject to compliance with the Brown Act. Limited information regarding the Company is readily available to members of the public. LAFCO's 2006 MSR determined that consideration should be given to resolving inefficiencies in service provision in relation to SFWPA and TID [TWSD], and this determination remains valid. However, as a utility that serves the public and is regulated by the California Public Utilities Commission (CPUC), Cal Water – Oroville must comply with different laws and regulations than government-owned utilities. The laws and regulations to which Cal Water – Oroville is subject allow opportunities for public involvement, oversight, and accountability. However, those opportunities are somewhat more limited and geographically separated as compared to local special districts. Cal Water Oroville does currently maintain a website at: <https://www.calwater.com/>. Cal Water - Oroville is regulated by the California Public Utility Commission (CPUC), which regularly holds public meetings in Sacramento and San Francisco. During rate-setting proceedings, local public participation hearings may also be held. The public can participate in CPUC meetings remotely, via phone or web conference. Providing in-person public testimony to regulators may be difficult for Oroville residents due to driving distances and the reduced frequency of meetings compared to local special districts.

The number of employees (seven) is appropriate, given the operation and size of the Cal Water Oroville District.

CAL WATER: GROWTH AND POPULATION PROJECTIONS FOR THE AFFECTED AREA

Cal Water Oroville's 3,463-acre service area is located in the City of Oroville. LAFCO's 2006 MSR/SOI depicts the Cal Water Oroville Sphere as congruent with its boundary. Cal Water Oroville does not provide extra-territorial services outside its Company service area. However, to supply its operations, Cal Water Oroville has a purchase agreement with the Pacific Gas and Electric Company to purchase up to 3,000 acre-feet per year of water. In addition, it has an agreement with Butte County to purchase 150 AFY of surface water.

There are approximately 11,022 residents within the Cal Water service area boundaries as of 2022. From 2020 to 2045, it is anticipated that an additional 345 to 1,068 persons are expected to reside within Cal Water Oroville boundaries. This represents an overall 3.2% percent increase in the projected future population. Currently, the Company's service area supports an average of 3 persons per acre, which is considered low population density. Therefore, the existing service

area boundaries contain a sufficient land area to accommodate projected growth. The City of Oroville's boundary and SOI do contain agricultural lands, as described in Chapter 3. However, Cal Water Oroville is a private company with no jurisdiction over land use and no influence over agricultural or open space lands. Therefore, the provision of treated municipal water services generally has minimal effects on agricultural land and open space. Open space, agriculture, and urban areas are all part of the modern landscape, and associated local hazards such as earthquakes, fires, and floods are also ephemeral features that can significantly impact water service operations. Butte County adopted the Local Hazard Mitigation Plan (LHMP) in November 2019. At that time, an invitation to participate in the LHMP process was not given to Cal Water. It is recommended that Cal Water Oroville contact the Butte County Office of Emergency Services and ask to be invited to the next update of the LHMP.

CAL WATER: LOCATION AND CHARACTERISTICS OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN OR CONTIGUOUS TO THE SPHERE OF INFLUENCE

The statewide annual median household income (MHI) in California for 2019 was \$75,235 (U.S. Census, 2021). Eighty percent of the statewide MHI (2019) equals \$60,188.00, the threshold used to determine which geographic areas qualify for classification as disadvantaged communities. The year 2019 is utilized as the baseline year because it corresponds to the CALAFCO map. The Cal Water Service area extends primarily to areas within the City of Oroville. Several DACs have been identified within the City, as described in Chapter 3. However, based on new GIS data provided by Cal Water, there seems to be one unincorporated area that could qualify as a DUC within the Cal Water Oroville Service Area. The provision of adequate water, wastewater, and structural fire protection services to DUCs is considered in Chapter 3. No public health or safety issues have been identified. Water affordability for disadvantaged communities is an issue that deserves further consideration by LAFCO and its partners.

CAL WATER: PRESENT AND PLANNED CAPACITY OF PUBLIC FACILITIES AND ADEQUACY OF PUBLIC SERVICES, INCLUDING INFRASTRUCTURE NEEDS OR DEFICIENCIES

Regarding water quality, Cal Water Oroville meets current state and federal requirements. Cal Water Oroville submits regular reports to Calif. Public Utilities Commission. Water demands are expected to be somewhat higher in dry-year periods, potentially up to 2,833 AFY by 2025, during an extended five-year drought. The drought demand of 2,833 AFY exceeds the projected 2045 supply (2,586 AFY). However, Cal Water's staff has noted that the future drought demand is projected to be less than the 3,150 AFY of "Total Right or Safe Yield." The UWMP's projected future water demand calculations do not consider the effect of climate change on water demand. However, the UWMP does note that Cal Water is studying this issue. The population in Oroville and the associated water demand will likely rise in the future. Given the identified data gaps, it is recommended that the next MSR or SOI update prepared by LAFCO for Cal Water study this issue of projected future water demand for the Cal Water Oroville service area in more detail. This long-term water demand question would ideally be hydrologically modeled by a hydrologist. In 2021, the State Water Resources Control Board Division of Drinking Water completed an Inspection Report, which found that Cal Water Oroville's water system is in general compliance with regulatory requirements and is professionally operated and maintained. Minor deficiencies were found during the inspection.

Duplicate domestic water service infrastructure is located near the Cal Water Oroville service area. For example, four drinking water treatment plants are located in the Oroville/Bangor area. Additionally, areas of geographic overlap exist between Cal Water Oroville, SFWPA, and TWSD. Specifically, 228.5 acres are located in both SFWPA and Cal Water boundaries. 19.7 acres are located in both TWSD and Cal Water boundaries. It is recommended that LAFCO study this issue in more detail when the next MSR or SOI is prepared for the area. Additionally, LAFCO should formally notify CPUC of the overlapping service areas.

Cal Water Oroville’s staff indicate that they file an infrastructure improvement plan every three years with the CPUC. The CPUC determines if those infrastructure investments are prudent and necessary. The CPUC determines the revenue necessary to safely and reliably operate the water system; the infrastructure improvement plan is key in determining that revenue requirement. Rates are adjusted up or down to meet the revenue requirement for that three-year cycle. Cal Water Oroville has demonstrated an ability to collaborate professionally as follows:

- Participated in the development of the Northern Sacramento Integrated Regional Water Plan (NSV-IRWMP),
- Participates in the regional WAC/SGMA
- Maintains water inter-tie infrastructure with TWSD.

It is also noted that Cal Water’s 2020 UWMP did not mention any additional infrastructure capacity or water supply capacity that could be made available to assist nearby water service providers.

CAL WATER: FINANCIAL POLICIES & FISCAL SUSTAINABILITY

Pursuant to CPUC General Order 104-A, Cal Water submits to the CPUC an annual report that provides detailed financial information for Cal Water as a whole, as well as each individual service area, including Cal Water – Oroville. These reports are publicly available on the CPUC’s website. The most recent report for the year ending December 31, 2021, was filed in May 2022 and is available here: <https://bit.ly/3IQ40Ah>. Although the Cal Water Oroville report does not appear to have been audited, it is similar to financial reports provided by government-owned utilities. Cal Water’s most recent proposed Infrastructure Improvement Plan is available on its website at: <https://www.calwater.com/rates/iip-2021/>. Pursuant to federal securities laws, California Water Service Group, of which Cal Water is a subsidiary, prepares and submits comprehensive annual financial reports. These reports are publicly available on the organization’s website at: <https://ir.calwatergroup.com/financial-reports/annual-reports>. Additional financial information has been shared with the public concerning Cal Water - Oroville's rates, finances, and operations in several recent reports, including:

- Analysis Group, Inc. January 2017. A Comparison of Residential Water Bills: Cal Water Oroville and South Feather Water & Power Agency. Contributions from David Sosa. Commissioned by Cal Water. 15-pages.
- Butte LAFCO. May 3, 2018. Oroville Region Water Service Study. 23-pages. Prepared by Northstar Engineering.
- West Yost Associates. May 2017. Oroville System Report. Prepared for California Water Service. 30-pages.

The California Public Utilities Commission (CPUC) regulates the compensation offered to Cal water employees. Pursuant to CPUC General Order 77-M, Cal Water prepares and submits to the CPUC an annual report that documents the names, titles, and duties of all Executive Officers and the compensation received by each; and the names, titles, and duties of all employees who received compensation at the rate of \$85,000 or more per annum, and the compensation received by each. These reports are available on the CPUC’s website at: <https://bit.ly/3QJZ4i8>. However,

Since Cal Water Oroville is a private company, they are not required to share or post information related to compensation reports and financial transaction reports to the State Controller's Office. The 2018 Service Study by Northstar Engineering found that as a private corporation, Cal Water is not required to comply with Prop 218. Instead, every three years, the CPUC reviews applications from Cal Water for rate increases. The CPUC's general proceeding is a formal review process that considers how projects could potentially affect utility ratepayers. The CPUC's general proceedings include a public participation hearing where local customers can provide written or oral input.

Water affordability relates to the monthly fee for domestic water in comparison to the ability of lower-income communities to pay. Since the City of Oroville is located in proximity to DACs and DUCs, water affordability will remain an ongoing concern. It is recommended that any future MSR or SOI for the Oroville Area contain a more detailed analysis of this water affordability issue, including modeling different affordability scenarios, such as a two percent threshold or a two-and-one-half percent threshold. Additionally, an affordability scenario that includes both water and sewer rates might be informative. In the future, the City of Oroville and/or LAFCo may wish to share median household income data with the CPUC to explore whether water affordability by local residents is an issue that the CPUC could help address. A different option would be for LAFCO to continue to explore structural or efficiency measures or infrastructure features that could be studied over the long term.

Between the years 2009 to 2016, Cal Water Oroville made several significant capital expenditures to improve system facilities and pipelines, resulting in enhanced system capacity, improved reliability, and/or maintenance of infrastructure conditions. In addition, Cal Water files a general rates case with the CPUC, including an infrastructure improvement plan, every three years. This triennial process determines the revenue required to safely and reliably operate the water system. Rates are adjusted up or down as appropriate to meet that revenue requirement.

CAL WATER: STATUS OF, AND OPPORTUNITIES FOR, SHARED FACILITIES

Cal-Water Oroville collaborates with multiple other agencies for the delivery of services within its service area. Specifically, Cal Water Oroville:

- Sustains a level of communication with nearby municipal service providers.
- Participates in regional planning efforts such as the IRWMP and SGMA.
- Maintains a physical infrastructure connection with Thermalito Irrigation District, which can be used during emergencies or treatment plant maintenance.
- Is considering a future consolidation with Cal Water Chico.

Cal Water Oroville has a physical infrastructure connection with Thermalito Irrigation District, which can be used during emergencies or treatment plant maintenance.

1.4 Bibliography

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CHAPTER 2: INTRODUCTION



Image of Concow Lake, 1884, courtesy of Cal State Chico

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2.1: ROLE AND RESPONSIBILITY OF LAFCO

Local Agency Formation Commissions (LAFCOs) are independent agencies established by state legislation in 1963 in each county in California to oversee changes in local agency boundaries and organizational structures. It is LAFCO's responsibility to:

- oversee the logical, efficient, and most appropriate formation of local cities and special districts;
- provide for the logical progression of agency boundaries and efficient expansion of municipal services;
- assure the efficient provision of municipal services; and
- discourage the premature conversion of agricultural and open space lands. (Government Code [GC] §§ 56100, 56301, 56425, 56430, 56378).

The Cortese-Knox-Hertzberg (CKH) Local Government Reorganization Act of 2000 (CKH Act) requires each LAFCO to prepare a Municipal Service Review (MSR) for its cities and special districts. MSRs are required prior to and in conjunction with a Sphere of Influence (SOI) update. This MSR Update is intended to provide Butte LAFCO with the necessary and relevant information related to five local government agencies providing water and/or wastewater services in the Oroville area, including:

- City Of Oroville (COR)
- Lake Oroville Public Utility District (LOPUD)
- Sewerage Commission Oroville Region (SCOR)
- South Feather Water and Power Agency (SFWPA)
- Thermalito Water and Sewer (TWSD)

Additionally, information about a sixth service provider, a private company called California Water Service, with a service area in Oroville (Cal Water Oroville), is provided in Chapter 8.

2.2: ABOUT BUTTE LAFCO

Each LAFCO works to implement the CKH Act, and there is flexibility in how these state regulations are implemented to adapt to local needs. As a result, Butte LAFCO has adopted Policies and Guidelines that guide its operations, which were adopted on May 6, 2010. LAFCO's Policies and Guidelines can be found on Butte LAFCO's website (<https://www.buttelafco.org/resources>). This MSR Update was written under the auspices of Butte LAFCO. The mission of Butte LAFCO is to coordinate logical and timely changes in local governmental boundaries (§56001); conduct special studies which review ways to reorganize, simplify and streamline governmental structures (§56301); and prepare spheres of influence for each city and special district within the County (§56425). The Commission promotes the provision of efficient and economical services while encouraging the protection of agricultural and open space lands (§56001, §56300). Further efforts include discouraging urban sprawl and encouraging orderly formation and development of local agencies based upon local conditions and circumstances (§56301) (Butte LAFCO, 2010).

An MSR is an information tool that can be used to facilitate cooperation among agency managers and LAFCO to achieve efficient delivery of services. Describing existing efficiencies in service deliveries and suggesting new opportunities to improve efficiencies is a key objective of this MSR Update, consistent with Butte LAFCO's purpose. Since this MSR Update is published on the LAFCO website, it also contributes to Butte LAFCO's principle relating to public accessibility and accountability. Butte LAFCO conducted a public hearing on this MSR Update on June 1 of 2023, thereby contributing to the aim of encouraging an open and engaged process.

Commissioners

Butte LAFCO is composed of seven regular Commissioners: two members from the Board of Supervisors; two members who represent cities; two members who represent special districts; and one public member who represents the public as a whole. In addition, there are four alternate Commissioners, one from each of the above membership categories. County representatives (regular and alternate) to LAFCO are selected as part of the Board of Supervisors' committee assignment process. Since Butte County has five cities (Biggs, Chico, Gridley, Oroville, and Paradise), the City Selection committee, made up of the mayor of each incorporated city within Butte County, appoints two city council members and one alternate. Special district representatives (regular and alternate) to LAFCO are elected by the governing boards of the special districts. The regular county, city, and special district members of LAFCO select one person to represent the public at large and one person to serve as his/her alternate. The public member and alternate cannot be an elected or appointed official of any public agency in the County of Butte. Commissioners are listed in Table 2.1 below.

Commissioner Name	Representing	Date Term Expires
Bill Connelly (Chair)	County Supervisor	May 2023
Tod Kimmelshue (Vice-Chair)	County Supervisor	May 2025
Al McGreehan	Special District Appointment	May 2025
Bill Sharman	Special District Appointment	May 2024
Bruce Johnson	City Appointment	May 2022
Greg Bolin	City Appointment	May 2023
Steve Betts	Public Member Appointment	May 2024
Larry Bradley	Alternate Special District Appointment	May 2025
Vacant		May 2024
Vacant		May 2023
Don Rust	Alternate Public Member	May 2025

Staff / Administrative

LAFCO's staff work to implement the CKH Act and they can be contacted at the Oroville office at (530) 538-7784. LAFCO staff includes:

- Stephen Lucas, Executive Officer
- Shannon Costa, Deputy Executive Officer
- P. Scott Browne, Legal Counsel
- Jill Broderson, Management Analyst
- Krystal Bradford, Commission Clerk

Funding

The funding for this MSR Update was provided through an agreement between the County of Butte and Butte LAFCO to utilize funding provided through the Senate Bill (SB) 2 Planning Grant Implementation Program (aka SB 2 Grant). These funds are provided by the State of California through the Building Homes and Jobs Act of 2017 (known as SB 2). SB 2 was passed to provide funding and technical assistance to local agencies to streamline housing approvals in compliance with the Housing Accountability Act and SB 35 and accelerate housing production¹. In October 2019, the County of Butte and Butte LAFCO signed an agreement to prepare this MSR to study water and wastewater service providers in the Oroville area (Butte County, 2019).

2.3: PURPOSE OF THE MUNICIPAL SERVICE REVIEW

MSRs are intended to provide a comprehensive analysis of services provided by each of the special districts and other service providers identified within an MSR and that fall under the legislative authority of the LAFCO. With this MSR Update, Butte LAFCO can make informed decisions based on the best available data for the service provider and area. As required by law, written determinations are presented following the analysis in Chapters 3 to 8. LAFCO is ultimately the decision maker on approval or disapproval of any determinations, policies, boundaries, and discretionary items. This review provides technical and administrative information to support Butte LAFCO's future evaluation of the existing boundary and sphere of influence for six water and/or wastewater districts in the Oroville area, including:

- City Of Oroville (Sewage Collection)
- Lake Oroville Public Utility District (Sewage Collection)
- Sewerage Commission Oroville Region (Sewage Treatment WWTP)
- South Feather Water and Power Agency (Domestic and Irrigation Water)
- Thermalito Water and Sewer (Domestic Water and Sewage Collection Services)
- CalWater - Oroville

Three of the above agencies are special districts (LOAPUD, SFWPA, and TWSD). The City of Oroville is an incorporated municipality. The Sewerage Commission – Oroville Region is a joint powers agency. CalWater – Oroville is a private service provider.

¹ Additional information about the SB 2 Planning Grants is provided by the California Department of Housing and Community Development at: < <https://www.hcd.ca.gov/grants-funding/active-funding/planning-grants.shtml>>.

This updated MSR makes determinations in each of seven mandated areas of evaluation for MSRs. The analysis in Chapter 3 to 8 provides the basis for Butte LAFCO to consider future potential changes to the boundaries or SOI. Appendix C contains a range of alternative options offered as suggestions for LAFCO to consider when it next updates the SOI for each agency. An SOI is defined in GC § 56425 as "a plan for the probable physical boundary and service area of a local agency or municipality as determined by the Commission." The CKH Act indicates that LAFCO should review and update a sphere of influence every five years, as necessary, consistent with GC § 56425(g) and § 56106². When reviewing and determining SOI for the five water and/or wastewater districts in the future, LAFCO will consider and make recommendations based on the following information:

- The present and planned land uses in the area, including agricultural and open-space lands;
- The present and probable need for public services and facilities in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides;
- The existence of any social or economic communities of interest in the area if LAFCO determines that they are relevant to the service provider; and
- The presence of disadvantaged unincorporated communities for those agencies that provide water, wastewater, or structural fire protection services.

In addition to the above, Butte LAFCO's Policies and Procedures include special criteria for review of the sphere of influence amendments, including the following:

- Sphere Boundaries (3.1.4): When establishing the boundaries of a sphere of influence for an agency, LAFCO will consider the factors listed in Section 56425 of the Government Code as well as the following factors:
 - LAFCO will discourage including lands that are:
 - Unlikely to require the services provided by the agency, for example, lands not designated for inclusion to a city by the applicable general plan;
 - Areas where topographical factors constrain development;
 - Areas where the projected and/or historical growth rates do not indicate a need for service within the time frame of the Sphere Plan;
 - Areas in an agency's sphere of influence that cannot feasibly be served by the agency within a 20-year time frame, consistent with the Sphere Plan (3.1.4.1).
 - (*Data Source: LAFCO, 2010*)

Ideally, an MSR will support LAFCO and will also provide the following benefits to the subject agencies:

- Provide a broad overview of agency operations, including the type and extent of services provided;
- Serve as a prerequisite for a sphere of influence update;
- Evaluate governance options and financial information;

² The CKH Act (GC § 56106) states that all timeframes are directives. Any provision governing the time in which Commission is to act, is deemed directory rather than mandatory.

- Demonstrate accountability and transparency to LAFCO and the public; and
- Allow agencies to compare their operations and services with other similar agencies.

2.4 METHODOLOGY FOR THIS MSR UPDATE

Six Water and Wastewater Agencies

This 2022 MSR Update evaluates the structure and operation of the six water and wastewater service providers and determines the capacity of each provider to serve existing customers and accommodate additional service demands. The six service providers are the South Feather Water and Power Agency (SFWPA), Thermalito Water and Sewer District (TWSD), Lake Oroville Area Public Utility District (LOAPUD), Sewerage Commission Oroville Region (SCOR), and the City of Oroville (COR). Additionally, a sixth service provider, Cal Water Oroville, a private company, is described in Chapter 8.

Types of Service Providers

There are four main types of public service providers operating in Butte County, including:

- An independent special district is independent of other government bodies. It is important to note independent special districts are not part of state or county governments. They are only directly accountable to the people residing within the districts' boundaries. They are governed by an elected board that oversees the district's functions and finances. SFWPA (water service), TWSD (water and wastewater collection), and LOAPUD (wastewater collection) are three independent special districts described in this MSR.
- A dependent special district is governed by other governmental entities. For example, members of city councils or county boards of supervisors would serve on the board of a dependent special district. Another way to view a dependent district is that they are components of other government bodies. This MSR does not include any dependent special districts.
- The third type of special district is a joint powers authority, commonly referred to as a JPA. Joint powers authorities are permitted under California Government Code § 6502. The code allows two or more public authorities, such as utility or transport districts, to jointly exercise any power common to all of them even though they reside in different counties. While each public authority involved has its own governing board, the JPA also has a board of directors. SC-OR is a JPA described in this MSR and provides wastewater treatment and disposal services.
- The fourth type of service provider is a municipality (i.e., a City or a County). A municipality is usually a single administrative division having corporate status and powers of self-government or jurisdiction as granted by national and State laws to which it is subordinate. California Government Code (commencing with Section 34100) dictates that cities may be organized under either the general laws of the State or under a charter adopted by the local voters. Cities that are organized under the general laws of the State (Section 34102) have less autonomy compared to those that adopt their own charter (Section 34101). General law cities follow the rules described in the CA Government Code commencing

with Section 34000. The City of Oroville is a charter city analyzed in this MSR as a provider of wastewater collection services.

In addition to the four types of public service providers listed above, private companies such as the California Water Company can also provide municipal services.

Data Collection

This MSR has been compiled using a three-step data gathering process. This process included a comprehensive review of pre-existing plans and data, a Request for Information (RFI) distribution to each service provider, in-person interviews, and other periodic discussions with agency staff, LAFCO staff, and the consulting team. Key references and information sources for this study were gathered and include: published reports; review of agency files and databases (agendas, minutes, budgets, contracts, audits, etc.); master plans; capital improvement plans; engineering reports; environmental impact reports; finance studies; general plans; and state and regional agency information (permits, reviews, communications, regulatory requirements, etc.). MSRs were previously adopted by LAFCO for each of the six municipal agencies under consideration herein, as listed in Table 2-2 below. Reviewing previous MSRs was a key feature of the data collection process.

Name of Service Provider	Link to Previous MSR	Date of MSR
South Feather Water and Power Agency	<ul style="list-style-type: none"> • https://www.buttelafo.org/south-feather-water-power-agency and • Irrigation, Drainage, and Reclamation Service Providers MSR (not available on-line) 	June 1, 2006 2007
Thermalito Water and Sewer District	https://www.buttelafo.org/thermalitoirragation-district	June 1, 2006
Lake Oroville Public Utility District	https://www.buttelafo.org/lake-oroville-public-utility-district	July 10, 2013
Sewerage Commission Oroville region	Domestic Water and Wastewater Service Providers MSR (not available on-line)	June 1, 2006
City of Oroville	<ul style="list-style-type: none"> • Domestic Water and Wastewater Service Providers MSR (not available on-line) • https://www.buttelafo.org/oroville 	June 1, 2006, and December 4, 2014
Cal Water - Oroville	Domestic Water and Wastewater Service Providers MSR (not available on-line)	June 1, 2006

A RFI was completed by each of the five public service providers. The in-person interviews were conducted in May 2021. All data were reviewed and analyzed by a team of municipal management and water resource professionals to provide a fair and honest analysis of key metrics and the development of realistic determinations. Interviews with Cal Water – Oroville Staff were conducted via Zoom in December 2022.

This MSR forms the basis for specific judgments, known as determinations, about each agency that LAFCO is required to make (GC § 56425, 56430). These determinations are described in the MSR Guidelines from the Office of Planning & Research (OPR) as set forth in the CKH Act, and they fall into seven categories, as listed below:

1. Growth and population projections for the affected area;
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence;
3. Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies;
4. Financial ability of an agency to provide services;
5. Status of, and opportunities for, shared facilities;
6. Accountability for community service needs, including government structure and operational efficiencies; and
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

An MSR must include an analysis of the issues and written determination(s) for each of the above determination categories.

California Environmental Quality Act

The California Environmental Quality Act (CEQA) is contained in Public Resources Code § 21000, et seq. Under this law, public agencies must evaluate their actions' potential environmental effects. Typically, MSRs are exempt from CEQA under a Class 6 categorical exemption. CEQA Guidelines §15306 states that "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource."

Appendix C of this document includes alternative options to update the SOI for each of the water and wastewater service providers. Modifications to a SOI are subject to CEQA, and this will be evaluated by LAFCO when the Commission considers the SOI Updates in the future.

Other Service Providers

The California Water Service Company is a private company that provides drinking water to a significant portion of the residents within the City of Oroville. Details about the California Water Service Company are provided in Chapter 8 of this MSR.

Residents of the Oroville area also receive public services from an array of service providers such as the County of Butte, several school districts, Butte County Association of Governments, Butte Regional Transit (B-Line), Butte County Mosquito and Vector Control District, Feather River Recreation and Park District, private utility companies, Butte County/CALFIRE Fire Department, , and several state and regional agencies. This list shows that residents interact with a networked

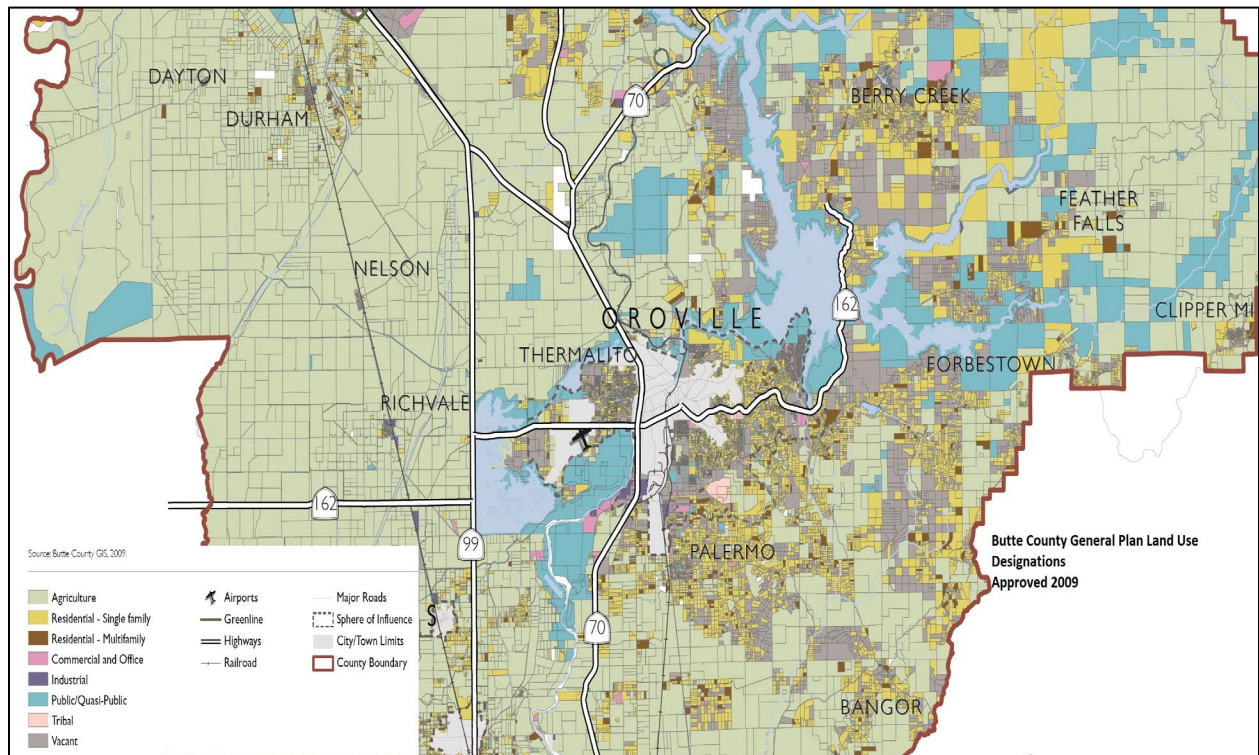
array of private and public service providers. Understanding and documenting the space within this network for water and wastewater service providers is one of the objectives of this MSR Update. LAFCO may utilize this information to support its determination regarding accountability for community service needs, including government structure and operational efficiencies.

Planning Documents

General Plans:

The City of Oroville and the County of Butte have adopted General Plans. The Butte County General Plan 2030 was updated and adopted on October 26, 2010 (County Resolution 10-152) and amended on November 6, 2012 (County Resolution 12-124). Butte County is currently preparing a 2040 General Plan Update. A visual image of the Butte County General Plan Map is shown in Figure 2-1 below. Existing land-uses are summarized in the Draft Environmental Impact Report (EIR) for the General Plan. Butte County is a moderately sized county, covering 1,677 sq. miles, and it contains a diverse array of land-uses. The City of Oroville has its own general plan and EIR, as described in Chapter 3.

Figure 2-1: Butte County General Plan Map



Regional Transportation Plans & Sustainable Community Strategies

California Senate Bill (SB) 215 (Wiggins in 2009)³ requires LAFCo to consider regional transportation plans before making boundary decisions. Regional transportation plans are adopted pursuant to Section 65080 of the Cal Gov. Code. Metropolitan planning organizations (MPOs) must adopt "sustainable communities' strategies" or "alternative planning strategies" as part of their regional transportation plans. These strategies align regional planning for transportation and housing. In preparing a sustainable community's strategy, MPOs must consider city and special district spheres of influence as adopted by the local LAFCo. The Butte County Association of Governments (BCAG) Board of Directors approved the 2020 Regional Transportation Plan (RTP) & Sustainable Community Strategy (SCS), and Supplemental Environmental Impact Report (EIR) on December 10, 2020. All relevant RTP/SCS or SEIR material is posted on-line on BCAG's website at: <http://www.bcag.org/Planning/RTP--SCS/>. The RTP identifies that the City of Oroville has an Urban Center and Corridor. Future growth within an Urban Center may likely consist of compact infill developments on underutilized lands or redevelopment of existing developed lands. Both the City and the surrounding Oroville area are identified in the RTP as "Established" developed areas. Established areas generally consist of the remaining existing urban development footprint surrounding the Urban Center with a mix of uses and urban densities. Future growth within an "Established" area may potentially utilize locations of currently planned developments or vacant infill parcels. "New" areas are proposed for development to the west of the City and to the south of the City, as shown in "pink" in Figure 2-2 below. New areas currently consist of vacant land adjacent to existing development and represent areas of future urban expansion. Local plans could identify these areas as special planning or specific plan areas, master plans, and planned development or planned growth areas (BCAG, 2020). These proposed "New" areas may experience an increase in demand for water and wastewater services (if developed in the future), and this relates to the topic of this MSR.

Other Plans

The County of Butte and the City of Oroville have each conducted recent planning efforts that aim to improve the quality of life in the Feather River watershed, including the following:

- Feather River Recreation and Park District Master Plan (2011)
- Butte County Climate Action Plan (2014),
- Oroville Balanced Mode Circulation Plan (2015),
- Oroville Community Climate Action Plan (2015)
- Oroville Area Urban Greening Plan (2015)
- Butte Regional Conservation Plan (Draft – Pending)
- Northern Sacramento Valley Integrated Regional Water Management Plan (IRWMP)⁴

³ SB 215 was codified as Section 56668 of the CA Government Code.

⁴ The Northern Sacramento Valley Integrated Regional Water Management Plan (IRWMP) covers the six counties of the northern Sacramento Valley, including Butte, Colusa, Glenn, Shasta, Sutter, and Tehama Counties. The IRWMP was adopted on March 3, 2014 with the goal to enhance coordination of the region's water resources. The plan considers several water resource issues including: Water supply

Land Use

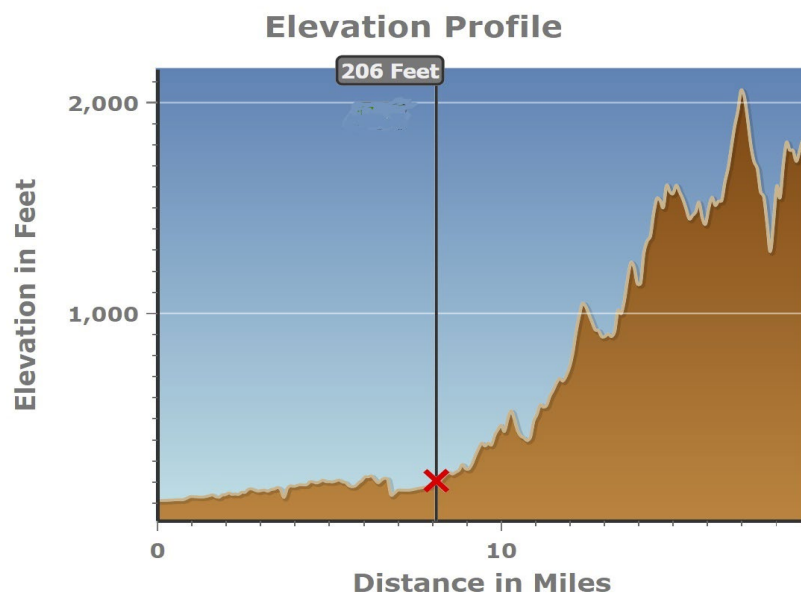
This MSR covers service providers within the unincorporated Butte County and the incorporated City of Oroville. The City of Oroville sits at an elevation of approximately 200 feet msl, as shown in Figure 2-3. The foothills to the east of Oroville climb steeply to an elevation exceeding 2,000 feet msl. Specific details about existing land uses within the boundary and SOI for each service provider are described in Chapters 3 to 8.

Figure 2-3: Elevation Profile for City of Oroville

Housing

The provision of low-income and moderate-income housing in California has been challenging in recent years, and one result is that housing costs are relatively high for many people. Appendix L provides background information on housing in the Oroville area, including:

- Several housing-related agencies aim to support the development of new housing, including the Housing Authority of the County of Butte and the Butte County Association of Governments
- City of Oroville's 2022-2030 Housing Element was adopted by the City Council on July 19, 2022.
- Butte County released the Public Review Draft of the 2022-2030 Housing Element in June 2022.
- Building Homes and Jobs Act (SB 2, 2017), administered by the California Department of Housing and Community Development.
- California Housing Act (SB 9), effective January 1, 2022, is designed to provide new ways to increase housing supply options in urban areas.
- Financing mechanisms



Data Source: <https://enviroatlas.epa.gov/enviroatlas/interactivemap/#>

Watershed Context

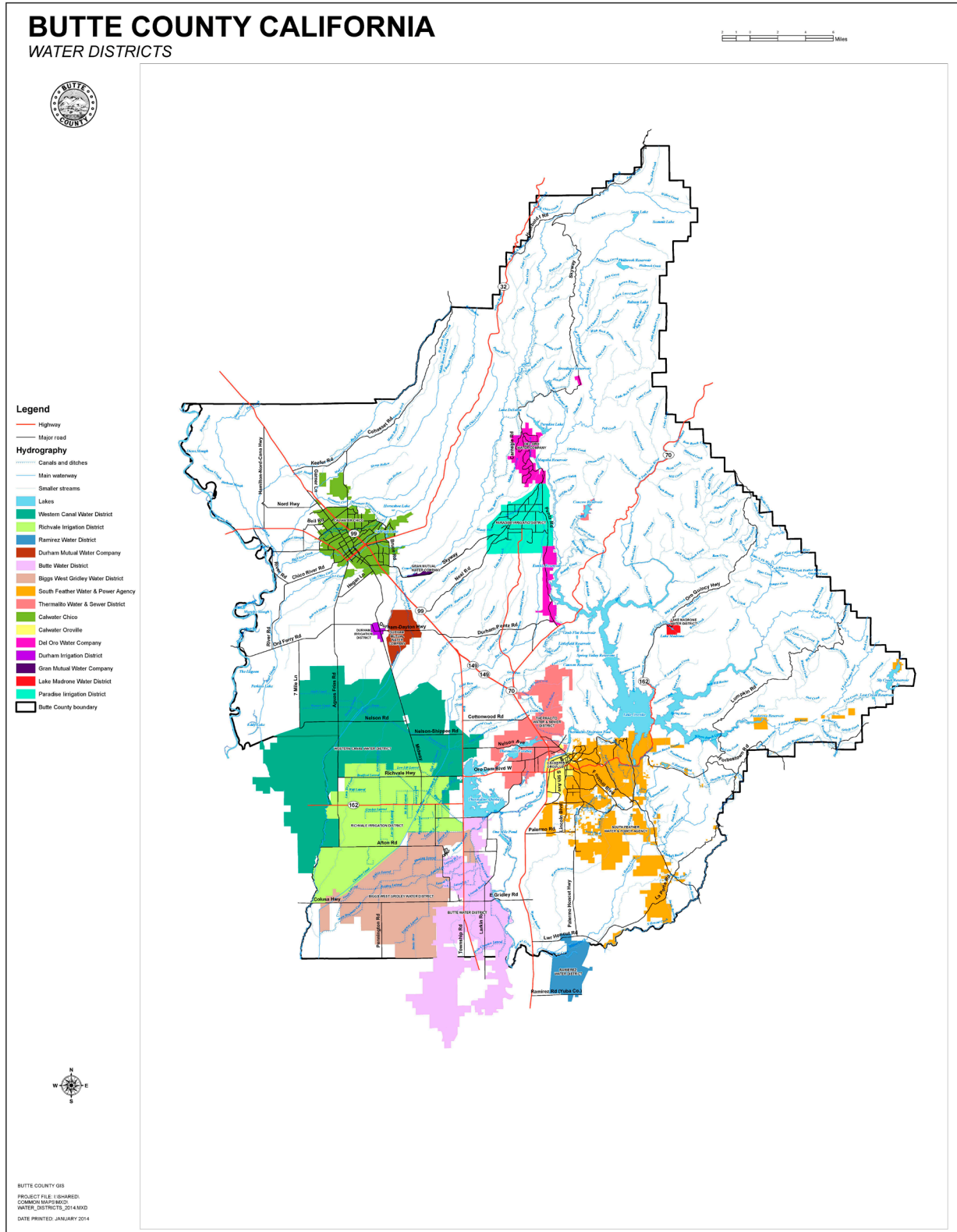
A watershed is the land area that drains into a river (aka catchment area). In this case, the six water and wastewater service providers are located in the lower Feather River Watershed. The lower Feather Watershed encompasses smaller streams, and they ultimately combine at a common point to join the Sacramento River. The Lower Feather River Watershed begins downstream of Lake Oroville and ends when it joins with the Sacramento River at Verona. The Feather River Basin is a crucial part of California's water-supply system and is a major contributor of water to Lake Oroville. Wastewater from the SCOR sewage treatment plant is discharged into the watershed. Regulations pertaining to drinking water and wastewater collection and treatment are summarized in Appendices D, E, F, and G. Additional details about the lower Feather River watershed and maps are provided in Appendix I.

Domestic Water Districts in Butte County

There are 15 water districts in Butte County as shown in Figure 2-7. Six of these districts are irrigation providers. Nine provide municipal water service as listed below. Two districts of the California Water Service Company, Cal Water Chico and Cal Water Oroville, also provide domestic water service.

- 1) South Feather Water & Power Agency
- 2) Thermalito Water & Sewer District
- 3) Calwater Chico
- 4) Calwater Oroville
- 5) Del Oro Water Company
- 6) Durham Irrigation District
- 7) Gran Mutual Water Company
- 8) Lake Madrone Water District
- 9) Paradise Irrigation District

Figure 2-7: Water Districts in Butte County



Local Hazard Mitigation

Butte County collaborated with five incorporated communities and ten special districts to prepare the November 2019 Local Hazard Mitigation Plan (LHMP). The LHMP aims to reduce risks from hazards and to serve as a tool to help decision-makers direct mitigation activities and resources. Protecting community assets such as public water and wastewater infrastructure, schools, transportation infrastructure (railroad tracks and roads), and hospitals is another important aim of an LHMP. The LHMP Update allows the participating agencies to continue to be eligible for federal disaster assistance, such as the FEMA Hazard Mitigation Grant Program, Pre-Disaster Mitigation Program, and Flood Mitigation Assistance Program (Butte County, 2019). Butte County continues to be vulnerable to numerous hazards, including floods, earthquakes, drought, levee failures, landslides, wildfires, heat waves, smoky air, and other severe weather events. In the past, these types of hazard incidents have had significant economic and social impacts on the County. Recent local hazards experienced in Butte County are listed below in Table 2-3.

Name of Hazard Incident	Type of Hazard	Date
Dixie Fire	Wildland Fire	July - August 2021
Camp Fire	Wildland Fire destroyed City of Paradise	November 2018
North Complex Fire	Wildland Fire caused evacuation of some SFWPA residents	September 2020
Oroville Dam main and emergency spillway crisis	Risk of potential flooding necessitated large-scale evacuation	February 2017
Drought 2019 to 2022	Drought with State-wide water availability concerns and dry soils	March 2019 to December 2022

In addition to the above hazards, Butte County and local water and wastewater districts have faced smaller challenges that don't reach the "hazard" level but are nonetheless difficult. For example, in 2021, the drought caused local hydropower facilities to be shut down temporarily due to a lack of water. Another example is the PG&E PSP power outages that occurred during the summers of 2019, 2020, and 2021 during high wind conditions and high temperatures that were conducive to supporting wildland fires. Other hazards that the Sacramento Valley could experience include air quality degradation, soil dryness, extreme precipitation, extreme heat, landslides, and decreased snowpack.

The State Budget (FY 21/22) contained funding allocated to the implementation of pilot projects and shovel-ready projects listed in a General Plan Safety Element. State funds are to be granted on a competitive basis. It is important for the County and the City to regularly update their General Plan Safety Elements to remain eligible for these state grants that could help protect lives, property, and economic productivity in Butte County.

Drought

Drought is one of the issues addressed in the County's Local Hazard Mitigation Plan. In addition, the California Dept of Water Resources and the State Water Resources Control Board have recently developed several databases with associated mapping tools to assess drought risk for California's water suppliers. These databases were queried, and the results are summarized here.



DWR Self-Supplied Communities

The California interactive site for Drought and Water Shortage Risk of Self-Supplied Communities database was queried for Butte County. The California Dept. of Water Resources (DWR) developed this on-line database to support drought resilience planning among rural communities. Indicators were developed through a stakeholder participation process as part of the legislative requirements (AB 1668) to identify rural communities in California at risk of drought and water shortage. Database query results show the relative risks of drought in the Oroville area, as shown in Figure 2-9 below. The Thermalito area has a high drought risk (DWR, 2021). Butte County has approximately 10,867 domestic wells utilizing groundwater resources on record with DWR since 1970. This yields a domestic well reliance of 21% of the households in Butte County. DWR estimates a poverty rate of 13% in Butte County, indicating there are sensitive populations who could experience risk during a drought (DWR, 2021a).

The DWR database depicts the drought risk profile for Butte County, as shown in Figure 2-9 (next page). The risk profile indicates that Butte County has a high degree of risk for the following variables: Local Early Drought Forecast, Groundwater Decline, Fractured Rock, and Shallow Domestic Wells.

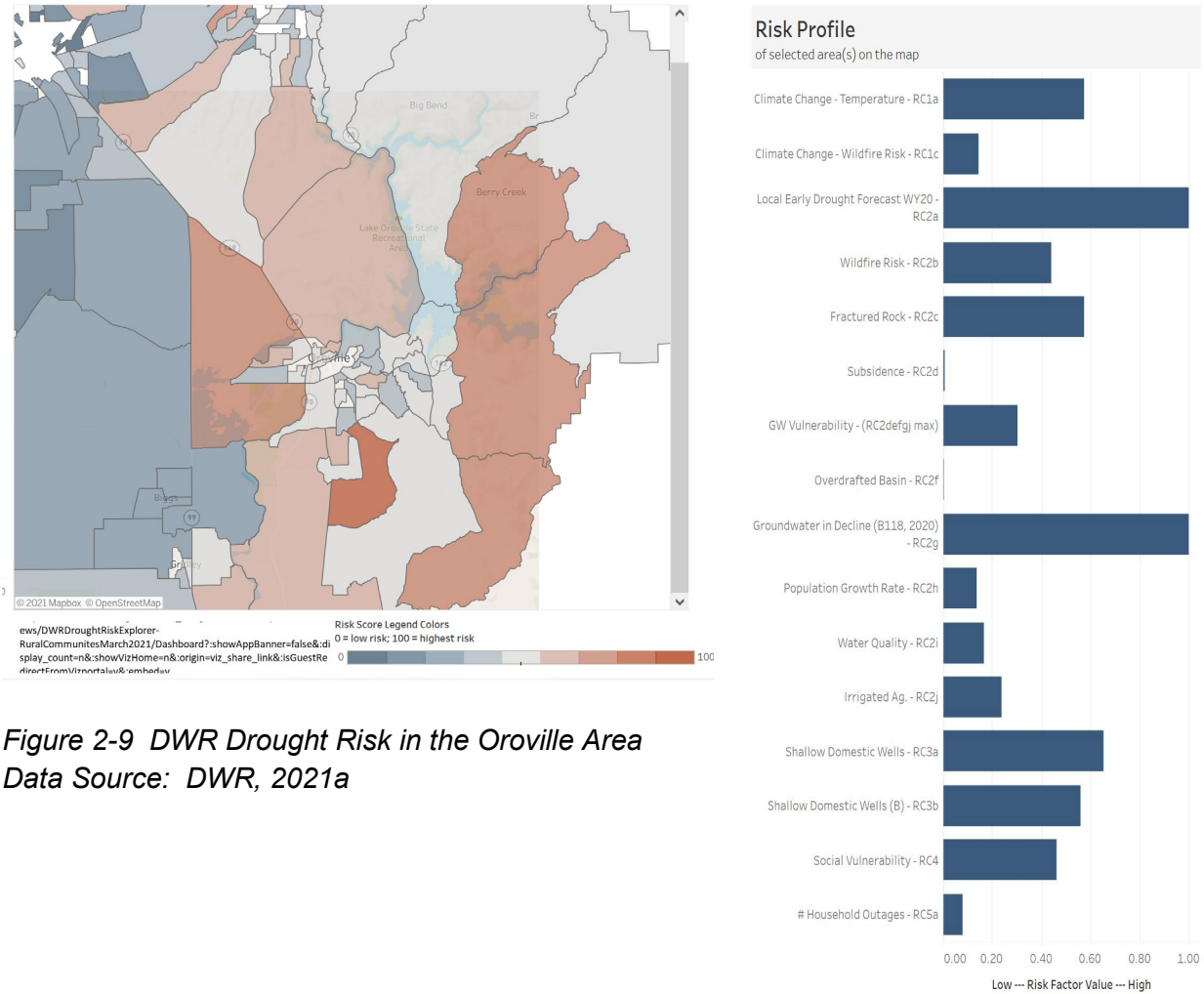
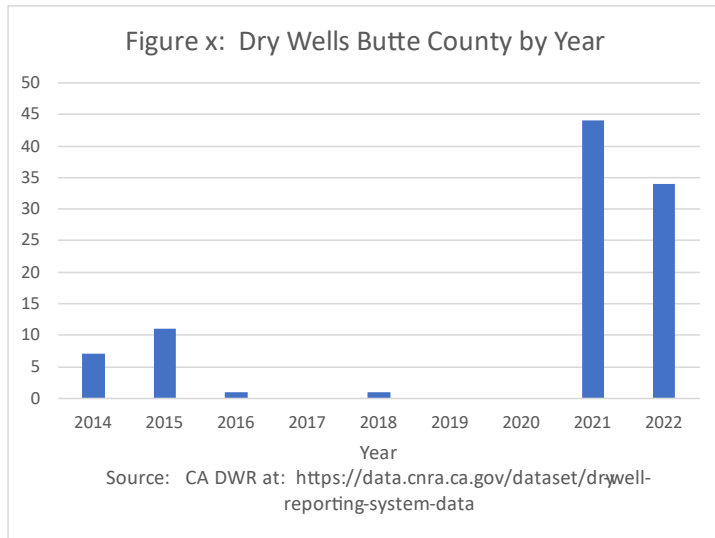


Figure 2-9 DWR Drought Risk in the Oroville Area
 Data Source: DWR, 2021a

Dry Wells

In Butte County there are approximately 10,867 domestic water wells with approximately 65,018 residents reliant upon these wells as described in Appendix I, Feather River Watershed. Between the years 2014 to 2022, there were a total of 109 wells in Butte County that were reported “dry” to the DWR database. In the year 2022, a total of 34 dry wells were reported and 11 of these reports derived from the Oroville area. As seen in Figure 2-10, the year 2021 had the greatest number of reported dry wells. The years 2017, 2019, and 2020 did not have reported dry wells (DWR, 2022). The wells are primarily used for households, but some are used for schools and agricultural purposes. From the database query, it is evident that many of the wells are no longer producing water, or their pumps are not functioning properly (CA DWR, 2022).

Figure 2-10: Dry Wells in Butte County by Year



DWR Small Water Suppliers

DWR provides a database entitled "Drought and Water Shortage Risk of Small Water Suppliers in California." DWR developed this database to support drought resilience planning among small water suppliers. Indicators of risk and scoring were developed through an extensive stakeholder participatory process as part of fulfilling state law, Assembly Bill 1668. This database was queried for Butte County. In the localized Oroville area covered by this MSR, there are only two small water suppliers at risk of drought and water shortage, as listed below:

Table 2-4: DWR Small Supplier Drought Risk	
Golden Feather Mobile Home Park	Oroville Mobile Home Park
<p>GOLDEN FEATHER MHP Public Water System ID #: CA0400030 Connections: 100 County: BUTTE Risk Score: 50</p> <p>Summary of Risk Factors (by Category)</p>	<p>OROVILLE MOBILE HOME PARK Public Water System ID #: CA0400019 Connections: 35 County: BUTTE Risk Score: 67</p> <p>Summary of Risk Factors (by Category)</p>
<i>Data Source: DWR 2021b</i>	

Although this MSR's study area has only two small water supplies at risk of drought and water shortage, Butte County has over 45 small suppliers at risk, including, the Cities of Biggs and Gridley (DWR, 2021b).

SWRCB Human Right to Water List

On September 25, 2012, Governor Edmund G. Brown Jr. signed Assembly Bill 685, making California the first State in the nation to legislatively recognize the human right to water (HR2W). Now in the Water Code as Section 106.3, the State statutorily recognizes that "every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes." The human right to water extends to all Californians, including disadvantaged individuals, groups, and communities in rural and urban areas. An HR2W system is defined as a Community Water Systems and Non-Community Water Systems that serve schools and daycares and were identified as out of compliance for consistently failing to meet primary drinking water standards. The HR2W list criteria were expanded in March 2021 to better align with statutory definitions of what it means for a water system to "consistently fail" to meet primary drinking water standards. The SWRCB publishes a list of systems on the Human Right to Water List in excel format. The MSR consultants reviewed this list, and four water systems in Butte County were identified. Two of the four are located in the Oroville Area. The remaining two water systems are located outside this MSR's study area. The two identified water systems in the Oroville area serve the Spring Valley School and the Feather River School, as listed in Table 2-5 below.

PWSID	SYSTEM NAME	REGULATOR	SYSTEM TYPE	CURRENT STATUS
CA0400065	Spring Valley School	LPA34 - BUTTE COUNTY	Public Water System	HR2W
CA0400067	Feather River School	LPA34 - BUTTE COUNTY	Public Water System	HR2W

Data Source: SWRCB, https://www.waterboards.ca.gov/water_issues/programs/hr2w/

Drought Resilience

Infrastructure improvement projects can improve drought resilience. Examples include: installing water-efficient appliances, installing water reuse infrastructure, installing drought-resistant landscaping, educating on water conservation, outreach to educate about recycled water safety, building alternative forms of water recreation, diversifying water supply sources, developing a groundwater sustainability plan, and implementing local water recycling.

Drinking Water Systems with Violations Tool

The State Water Board has developed an interactive database to provide information on Drinking Water Systems with violations. Information includes the type of violation, system population and service connections, median household income, amount and type of financial assistance a system is receiving from the State, and more. The MSR consultants queried this database and found no drinking water systems with violations in the Oroville Area (SWB, 2021a). Butte County contains only one drinking water system with violations, the Feather Ridge Estates Water Co., located outside the MSR study area.

Aquifer Risk Map

The State Water Board has developed an interactive mapping tool called the Aquifer Risk Map. This Aquifer Risk Map was developed by the SWB to fulfill the requirements of Senate Bill (SB) 200 and is intended to help prioritize areas where domestic wells and state small water systems may be accessing groundwater that does not meet primary drinking water standards. In accordance with SB-200, the risk map is updated annually. The CA Fund Expenditure Plan states that the risk map will be used by the Water Boards staff to help prioritize areas for available SAFER funding. The MSR consultants queried the Aquifer Risk Map for the Oroville area, and the query results are shown in Figure 2-11 below.

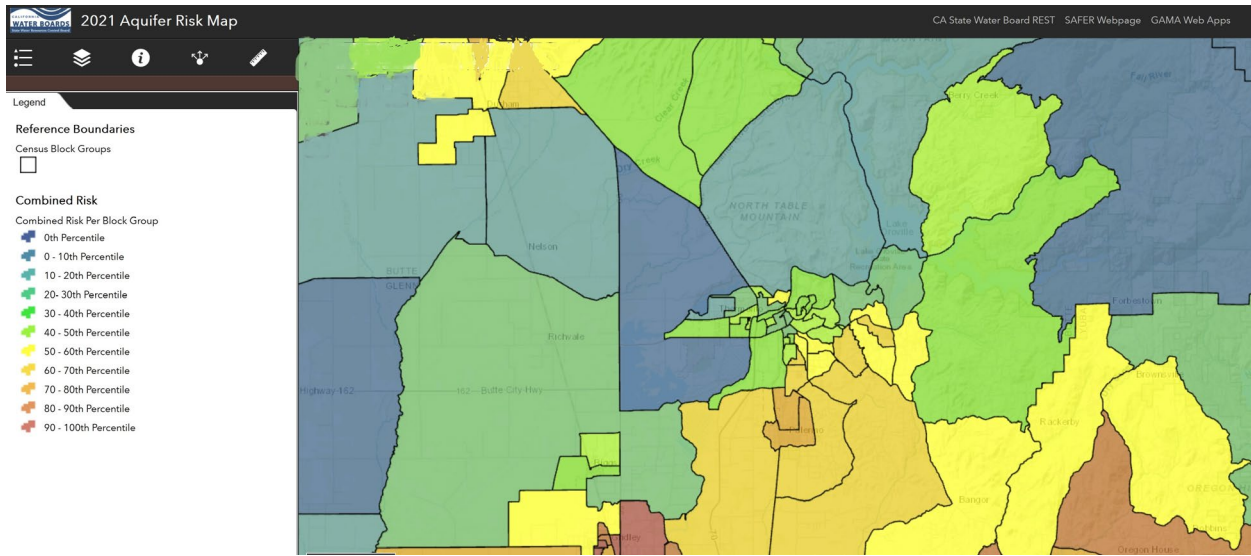


Figure 2-11 Aquifer Risk Map (SWB, 2021b)

As shown in Figure 2-11 above, most portions of the Oroville area have a low risk of aquifer depletion. However, a few census tracts do have a risk profile that is above 60 percent, and this indicates a concern, as shown in Table 2-6 below.

Table 2-6: Aquifer Risk Above 60 Percent	
Census Block Group Number	Combined Risk Percentile
060070030022	66 percent
060070031001	65 percent
060070033001	61 percent
060070032002	65 percent
060070032001	79 percent
060070033003	70 percent
Data Source: (SWB, 2021b)	

Groundwater Ambient Monitoring and Assessment Program

The State Water Board's Groundwater Ambient Monitoring and Assessment Program (GAMA) and the U.S. Geological Survey have created tools to help users understand groundwater quality

in California (SWB, 2021c). Four groundwater basins in the Oroville area include East Butte, East Butte Highlands, North Yuba, and North Yuba Highlands, as shown in Figure 2-12 below (SWB, 2021c).

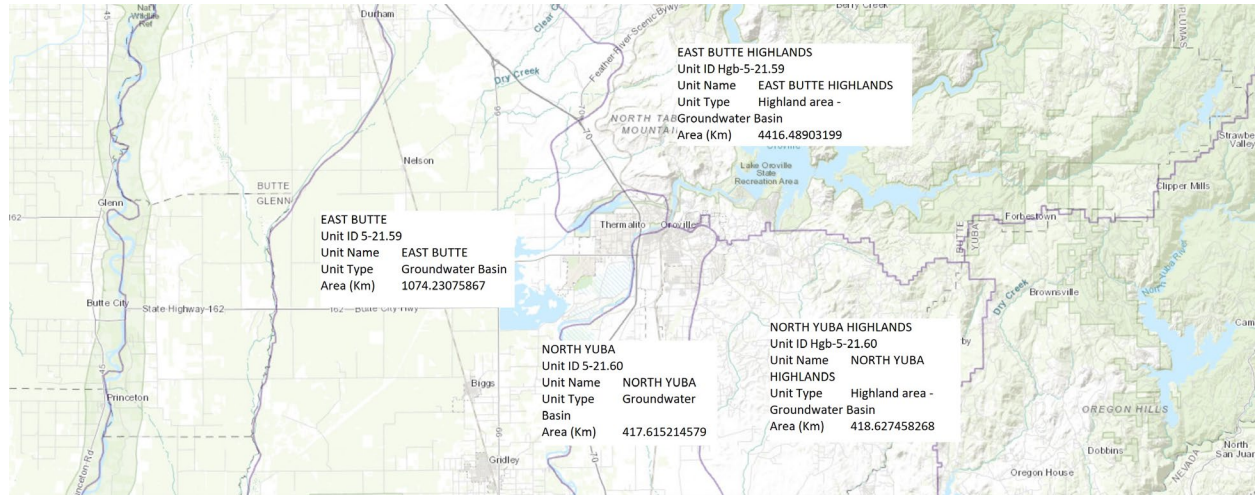


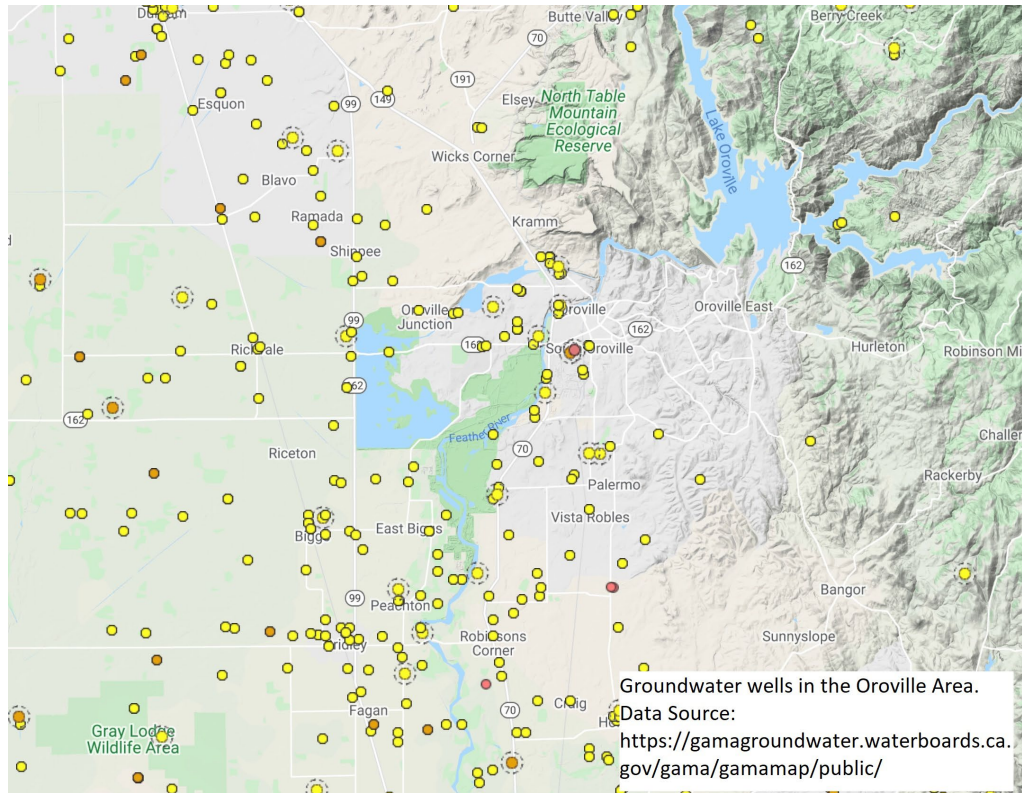
Figure 2-12: Groundwater Basins in the Oroville Area (SWB, 2021c)

In this MSR, the Thermalito Water and Sewer District is the only public agency that utilizes groundwater as a drinking water source. Cal Water, a private company, providing municipal water to its Oroville customers, also utilizes groundwater for a small percentage of its total supply, as described in Chapter 8. However, there are a number of residential, agricultural, industrial, monitoring, and other types of wells accessing groundwater basins in the Oroville Area. The spatial distribution of approximately 150 wells is depicted in Figure 2-13 (next page).

Sustainable Groundwater Management Act (SGMA)

Wyandotte Creek Groundwater Sustainability Agency is responsible for sustainable groundwater within its region. Thermalito Water and Sewer District and Cal Water Oroville both participate in the Wyandotte Creek Groundwater Sustainability Agency. SGMA is described in more detail in Appendix D, Municipal Water Regulations.

Figure 2-13:
Spatial
Distribution of
Groundwater
Wells in the
Oroville Area.

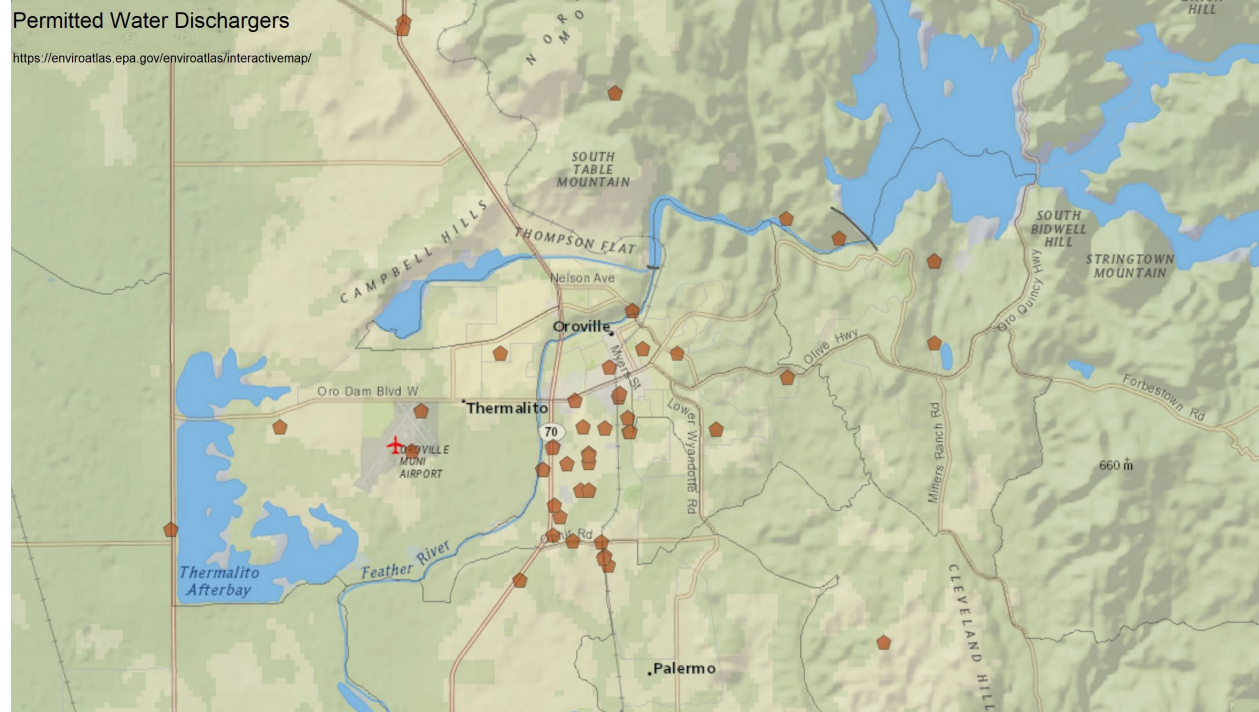


Regional Dischargers - Water Quality

Discharges to local rivers and streams can sometimes degrade water quality if pollutant discharges exceed state and national standards or if discharges are not carefully monitored. Regulations aim to prevent these types of discharges, which can potentially put water supplies at risk. SC-OR is a water discharger, described in Chapter 5 of this MSR, that is subject to water quality regulations. The spatial distribution of water dischargers who operate under a permit from the CA Water Board or from EPA (in addition to SC-OR) is shown in Figure 2-14 below. For example, some of the permittees depicted on the map below include:

- Lake Oroville Marina LLC DBA Bidwell Canyon Marina
- Miners Ranch Water Treatment Plant

Figure 2-14: Permitted Water Dischargers



Municipal Water Regional Context

This MSR studies three municipal drinking water providers, including Thermalito Water and Sewer District (Chapter 7), South Feather Water and Power Agency (Chapter 6), and California Water Company (Chapter 8). However, the region has several additional water providers, as shown in Figure 2-15 (next page).

Figure 2-15: Regional Context Map – Water Suppliers

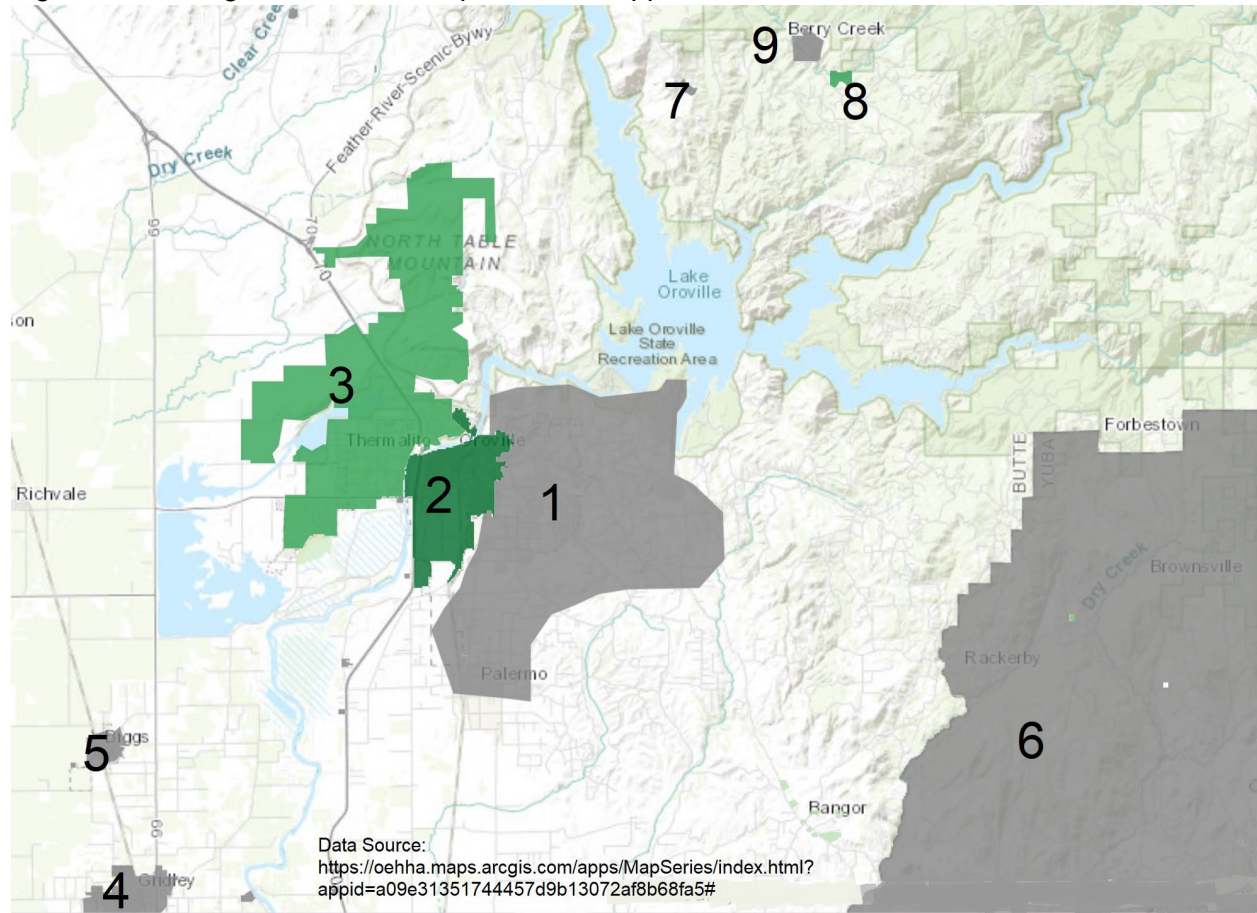


Table 2-7 provides a key to the regional water system map shown in Figure 2-15 above by defining the numbers shown on the map to the name of the system, the Public Water System Identification (PWSID) number, and the estimated number of residents relying upon the water system.

Map Reference #	Name of Water System	PWSID #	Population Estimate
1	South Feather Water and Power Agency SFWP-Miners Ranch	CA0410006	24,846
2	California Water Service Company-Oroville	CA0410005	10,556
3	Thermalito Water and Sewer District	CA0410008	9,771
4	City Of Gridley	CA0410004	6,608
5	City Of Biggs	CA0410001	1,805
6	North Yuba Water District	CA5810006	2,591
7	Feather Ridge Estates Water Co	CA0400081	37

8	Berry Creek Community Service Dist.	CA0400016	77
9	Lake Madrone Water District	CA0400014	297
<i>Data Source: CA OEHHA, Human Right to Water Data Tool (CalHRTW 1.0) Community Water Systems https://oehha.maps.arcgis.com/apps/MapSeries/index.html?appid=a09e31351744457d9b13072af8b68fa5# </i>			

In addition to the water suppliers listed in Table 2-7 above and the small suppliers at drought risk listed in Tables 2-4 and 2-5, there are four other small water suppliers to list for completeness, including the River Reflections RV & Campground, Dingerville USA Park, Falling Rock RV Park, and Golden Oaks Mobile Estates. The following tables provide additional details on these four small water suppliers, which are not studied in this MSR.

Table 2-8: River Reflections RV & Campground

Boundary Type	Water Service Area
Water System Number	Ca0400111
Water System Name	River Reflections RV & Campground
County	Butte
Population	125
Regulating Agency	Lpa34 - Butte County
State Classification	Transient Non-Community
Address Line 1	4360 Pacific Heights Rd
City	Oroville
State	CA
Zip Code	95965
Service Connections	94
Contact Phone Number	530-533-1995
Data source:	https://gispublic.waterboards.ca.gov/portal/apps/webappviewer/index.html?id=272351aa7db14435989647a86e6d3ad8

Table 2-9: Dingerville USA Park

Boundary Type	Water Service Area
Water System Number	CA0400051
Water System Name	Dingerville USA Park
County	Butte
Population	447
Regulating Agency	LPA34 - Butte County
State Classification	Community
Address Line 1	5813 Pacific Heights Rd.
City	Oroville
State	CA
Zip Code	95965
Service Connections	80
Contact Phone Number	530-533-6300

Data source:

<https://gispublic.waterboards.ca.gov/portal/apps/webappviewer/index.html?id=272351aa7db14435989647a86e6d3ad8>

Table 2-10: Falling Rock RV Park

Boundary Type	Water Service Area
Water System Number	CA0400117
Water System Name	Falling Rock RV Park
County	Butte
Population	52
Regulating Agency	LPA34 - Butte County
State Classification	Transient Non-Community
Address Line 1	3454 Hwy 70
City	Oroville
State	CA
Zip Code	95965
Service Connections	22
Contact Phone Number	530-533-9070

Data source: <https://gispublic.waterboards.ca.gov/portal/>

Table 2-11: Golden Oaks Mobile Estates

Boundary Type	Water Service Area
Water System Number	CA0400023
Water System Name	Golden Oaks Mobile Estates
County	Butte
Population	34
Regulating Agency	LPA34 - Butte County
State Classification	Community
Address Line 1	3289 Hwy 70
City	Oroville
State	CA
Zip Code	95965
Service Connections	52
Contact Phone Number	209-785-5500

Data source: <https://gispublic.waterboards.ca.gov/portal/>

Metrics

This MSR utilizes key metrics to support LAFCO's determinations related to governance, social, environmental, and financial factors prescribed by the CKH Act. These key metrics were selected to help nudge local activities toward addressing items consistent with LAFCO's values of transparency and efficiency. The use of key metrics can result in cost savings by leveraging and building upon the financial resources dedicated to local infrastructure and the provision of public services. Through improved communication and coordination, costly duplication of efforts and conflicting actions can be reduced; this is a standard goal of LAFCOs throughout the State. The continual improvement of a product, process, or service is often depicted as a Deming Wheel, or Deming Cycle, as shown in Figure 2-16 below. This is integrated learning-improvement model described by Dr. Deming and Walter Shewhart from Bell Laboratories in New York (Deming, n.d.).

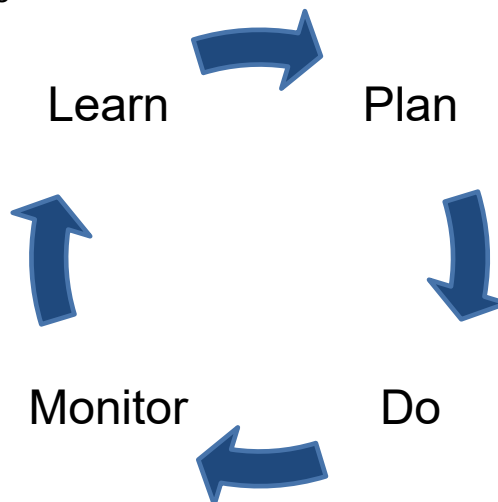


Figure 2-16: Continuous Learning Cycle

California water scientists and the CA Department of Water Resources use a similar continuous learning cycle called adaptive management. LAFCO's role in the above continuous learning cycle is the "monitor" phase through the use of MSRs, which monitor an agency's adherence to specific laws and other LAFCO criteria. This MSR standardizes metrics to enable cross-comparison among the six study agencies/organizations. Metrics have been assigned to each of LAFCO's determination criteria as listed in Table 2-12 below.

Table 2-12: Metrics Utilized in this MSR	
Determination Topic	MSR Metrics
Local Accountability and Governance	<ul style="list-style-type: none"> ▪ Number of closed sessions during the past six months. ▪ Agency website complies with the 2016 updates to the Brown Act described in Government Code §54954.2 and enacted by Assembly Bill 2257. ▪ Compliance with the Special District Transparency Act (SB 929 or California Government Code, §6270.6 and 53087.8), which requires special districts to have a functional website that lists contact information and contains financial statements, compensation reports, and other relevant public information. ▪ Terms of office and next election date are disclosed for District Board members, and committee appointments are on-line. ▪ Do elected Board members submit required forms and receive required trainings as prescribed by the three state laws regarding accountability and ethics, including: 1) the Political Reform Act; 2) Assembly Bill 1234 (Salinas, 2005), which requires ethics training; and 3) Government Code 53237 et. seq. which mandates sexual harassment prevention training? ▪ Current litigation, grand jury inquiry, and/or censure from a state agency.
Growth and Population	<ul style="list-style-type: none"> ▪ Existing boundary • Overlapping services ▪ Existing Sphere of Influence ▪ Extra-territorial services ▪ Present and projected service population over 20-year time frame ▪ Land use and significant growth areas
Disadvantaged and Unincorporated Communities	<ul style="list-style-type: none"> ▪ Location and Characteristics ▪ Public services provided to DUC
Present and Planned Capacity	<ul style="list-style-type: none"> ▪ Description of services (water, wastewater) ▪ Age and condition of facilities ▪ Preventative maintenance measures ▪ Plans for expansion and/or upgrades (i.e., plans to replace aging infrastructure) ▪ Capacity Analysis

	<ul style="list-style-type: none"> ○ Sufficiency for present and projected need (i.e., reserve capacity) ○ State databases [wastewater = sanitary sewer overflow; water = CA Drinking Water Watch, California Integrated Water Quality System Project (CIWQS), and Environmental Working Group's Tap Water Database]
<p>Financial Ability, Constraints and Opportunities</p>	<ul style="list-style-type: none"> ▪ Finance policies clearly articulated ▪ Compensation reports and financial transaction reports (including audits) that are required to be submitted to the State Controller's Office are posted to the district website. ▪ Revenues exceed expenditures in 50% of studied fiscal years ▪ Pension Payments (contributions in relation to actuarially covered payroll) ▪ Rates <ul style="list-style-type: none"> ○ Current Rate Structure Basis ○ Connection fees ○ Tax Revenues/Service Ratio ○ Rates/Service Ratio
<p>Shared Facilities</p>	<ul style="list-style-type: none"> ▪ Currently Shared Resources, Facilities, Personnel, and Systems <ul style="list-style-type: none"> ○ Opportunities for Expanded Sharing ○ Government Structure Options ▪ Cost Avoidance Opportunities <ul style="list-style-type: none"> ○ Other practices and opportunities that may help to reduce or eliminate unnecessary costs

Brown Act

As part of the Local Accountability and Governance determination listed in Table 2-12 above, this MSR determines whether each of the five public service providers comply with the Brown Act originally approved by the California State Legislature in 1953 (California Government Code § 54950). The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, be open and public and that all persons be permitted to attend and participate. The Act also requires the legislative body of a local agency to post an agenda containing a brief general description of each item of business to be transacted or discussed at a regular meeting, in a location that is freely accessible to members of the public. Agendas must be posted 72 hours prior to the meeting. The State Legislature updated the Brown Act in 2016 as codified in Government Code §54954.2 (see also Assembly Bill 2257). The 2016 update added new requirements for posting meeting agendas on the local agency's website. There are additional requirements governing the location, platform, and methods by which an agenda must be accessible. The new requirements include that the agenda be retrievable, downloadable, searchable, and indexable. This MSR interprets these new requirements as follows:

- **Prominent Direct Link:** With one click from the agency's homepage the current agenda opens up. That one click does not take the individual to another page which would require the user to perform an additional action to reveal the agenda link.

- Downloadable: the agenda can be downloaded and saved to a computer.
- Searchable: the agenda document can be searched for specific terms using the search-on-the-page function provided in browsers.
- Indexable: commonly used search engines will respond to a search with the agenda for that legislative body.

Website

As part of the Local Accountability and Governance determination listed in Table 2-12 above, this MSR considers compliance with a new state law called the Special District Transparency Act (SB 929 or California Government Code, §6270.6 and 53087.8). The Special District Transparency Act aims to improve information transparency by local government agencies by requiring that special districts have a functional website prior to January 1st, 2020. The Act requires a district website to list contact information and also suggests that agendas and minutes, budgets and financial statements, compensation reports, and other relevant public information and documents be posted to the website. A district may exempt itself from the law by adopting a resolution by a majority vote of its governing body including findings regarding any hardships that prevents the district from establishing or maintaining a website. Such resolution must be adopted annually as long as the hardship exists. For additional information see a legal analysis article at: <https://www.jdsupra.com/legalnews/ab-2257-new-brown-act-requirements-for-35346/>.

Chapters 3 to 8 evaluate each district's compliance with the Special District Transparency Act (Gov Code §6270.6 and 53087.8) and the results of this evaluation is a metric utilized in the determinations for each district.

2.5: PUBLIC PARTICIPATION

LAFCO conducted a public workshop/meeting on the Draft MSR Update on June 1, 2023. Comments from the public were solicited and are addressed in Chapter 9. The MSR Update was approved by the Commission via Resolution #24-2022/2023. This Final MSR Update is published on the Commission's website (<https://www.buttelafco.org>), thereby making the information contained herein available to anyone with access to an internet connection. A copy of this MSR Update may also be viewed during posted office hours at LAFCO's office located at 1453 Downer Street, Suite C, Oroville, CA 95965. In addition to this MSR Update, LAFCO's office maintains files for each service provider and copies of many of the planning documents and studies that were utilized in developing this MSR. These materials are also available to the public for review.

2.6: REFERENCES

- Butte County Association of Governments (BCAG). Butte County 2020 Regional Transportation Plan // Sustainable Communities Strategy. 2020-2040. Chico, CA 210-pages. Retrieved on August 2, 2021 from <<http://www.bcag.org/Planning/RTP--SCS/index.html>>.
- Butte County, City of Oroville, Feather River Recreation and Park District, Oroville Arts Commission. (December 2015). Oroville Area Urban Greening Plan - Final. Prepared by Placeworks with funding from California's Proposition 84 to Improve the Sustainability and Livability of California's Communities through the Strategic Growth Council. 190-pages. Retrieved on July 31, 2021 from: <<https://www.buttecounty.net/dds/Planning/Notable-Projects/ButteOroGreen>>.
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