



BUTTE LOCAL AGENCY FORMATION COMMISSION Minutes of March 3, 2022

(A complete voice recording of the Commission's meetings can be obtained from www.buttelafco.org)

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., February 3, 2022, in the City of Oroville Council Chambers, 1735 Montgomery Street, Oroville, California. The meeting was also available to be viewed through Zoom Webinar.

1.1 Roll Call

Commissioners Present: Carl Leverenz (Chair-Public)
Greg Bolin (City)
Bill Connelly (County)
Tod Kimmelshue (County)
Bill Sharman (Special District)
James T. "Bo" Sheppard (City)

Commissioners Absent: Al McGreehan (Special District)

Alternate Commissioners Present: Steve Betts (Public)

Alternate Commissioners Absent: Larry Bradley (Special District), Bruce Johnson (City) & Debra Lucero (County)

Others Present: Stephen Lucas, LAFCO Executive Officer
Shannon Costa, LAFCO Government Planning Analyst
Joy Stover, LAFCO Commission Clerk
Marsha Burch, LAFCO Legal Counsel Representative

2. CONSENT AGENDA

2.1 Approval of the Minutes of February 3, 2022

2.2 Adoption of a Renewing Resolution in Support of AB361

2.3 Letter of Support for AB1773 (Paterson) - Williamson Act Subvention Payments

2.4 Acceptance of Independent Auditor's Report and Financial Statements for Fiscal Year ending June 30, 2021.

Chair Leverenz asked if there were any comments from the Commissioners. None stated.

Commissioner Kimmelshue made a motion to approve the consent agenda, approving the February 3, 2022 minutes, adopting Resolution No. 14 2021/22 in

support of AB361, approving a letter of Support for AB 1773 and acceptance of the Auditor's Report. The motion was seconded by Commissioner Sheppard.

The motion was carried by the following roll vote:

AYES: Commissioners Bolin, Kimmelshue, Connelly, Sharman, Sheppard and Chair Leverenz
NOES: None
ABSENT: McGreehan
ABSTAINS: None

3. NOTICED PUBLIC HEARINGS - None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda- None

4.2 22-05 - City of Gridley - West Biggs-Gridley Road Annexation No. 2

Shannon Costa described the annexation project and summarized the staff report. Staff has modified the original proposal to include a single parcel that bisects the territory. The parcel is owned by the Biggs West Gridley Water District (BWGWD) and contains an irrigation canal. Discussions between the BWGWD and the City of Gridley have resulted in a letter agreement between the two that would require certain conditions be placed on the final map. Those conditions include undergrounding the irrigation canal upon construction and an application to detach these parcels from the District upon development for uses other than agriculture. These conditions are reflected as condition numbers 4 & 5 of the LAFCo resolution and the letter agreement is included as attachment "E" to the report. Staff believes the City of Gridley made an adequate environmental determination in that the project would not directly result in any substantial impact to the environment. Staff recommends the Commission adopt the Negative Mitigation Declaration prepared by the City of Gridley and adopt Resolution No. 10 2021/22 conditionally approving this project.

Chair Leverenz asked if any of the Commissioners had any questions about the staff report. No responses.

Chair Leverenz opened the item for public comment. No responses.

Commissioner Sheppard made a motion to approve the annexation and adopt Resolution No. 10 2021/22. The motion was seconded by Commissioner Kimmelshue.

The motion was carried by the following roll call vote:

AYES: Commissioners Bolin, Kimmelshue, Connelly, Sharman, Sheppard and Chair Leverenz
NOES: None
ABSENT: McGreehan
ABSTAINS: None

4.3 Paradise Irrigation District - Stakeholder Draft Options Study Report - February 2022

Steve Lucas stated, in general, the Options Study is a very thorough document with a lot of good factual background. LAFCo has been brought into the process and it has been written into the document that LAFCo is the agency necessary to complete some of these actions. While this document is not intended to be a Municipal Service Review (MSR), this document provides a lot of information LAFCo can use in developing a MSR for the PID. Developing a MSR for PID will be required in order to update the District's Sphere or any possible changes that may come up. This is not the end of the process. This is almost the beginning of the process of identifying the options. There's going to be a lot of discussions amongst the agencies to decide how to move forward. At the end of the day, it is going to be the PID Board who makes whatever final decisions as to which way the District wants to go. It was very clear throughout the process that it was important to everyone involved that this stay a local control issue. Steve Lucas emphasized the importance of the Portfolio Summaries on page 105 (Table 9-1) of the Options Study which includes Financial Claims, Water Transfers, Agency Reorganization, Chico Intertie and the Miocene Canal.

Chair Leverenz opened this item for public comment.

Debra Lucero stated she is wondering why the consolidation with the Town of Paradise was so low on the Feasibility Study. It seems like an obvious solution and she's curious about the reluctance there.

Kevin Phillips, Town Manager for the Town of Paradise, stated there was an opportunity to reach out regarding the grading of each one of the items, but the draft came out before the Town had a meeting with the consultants to go over those items. The Town is trying to formulate the true ranking that the Town feels should be on the Options Study. The Town does not agree with the scoring that was used for ranking. Paradise Irrigation District's service boundaries are almost the exact same service boundaries as the Town of Paradise. Paradise Irrigation District (PID) will need to stand on their own and there are going to be financial issues. There are efficiencies that could be gained through shared resources between the Town and PID. The Town is supporting PID through their claim process. Kevin stated they would like to see that the scoring is a true scoring associated with each of the options.

Commissioner Connelly stated he doesn't feel it is LAFCo's place to direct control of rankings and he feels that is a local issue.

Chair Leverenz stated we have put a charge on the staff to be helpful and accommodate and assist PID and the Town of Paradise to recover. We are also charged by legislature to prepare Municipal Service Reviews and ensure the agencies are functional. He agrees with Commissioner Connelly in that ultimately PID has to make the decisions as to what they are going to do.

Commissioner Kimmelshue asked what it would take for PID to become a subsidiary of the Town of Paradise.

Steve Lucas stated in an ideal world there would be an agreement that would precipitate that outcome. What would have to happen is an affected agency, by resolution of application, would bring that reorganization to LAFCo. It could also come by petition of the public as well. Then LAFCo would have to determine whether or not a subsidiary district makes the most sense. The population is one in the same. He feels what the Town is looking at is what is in the best interest of the Town and its community

moving forward. PID just has one, very important part, it is just one municipal service. Steve sees it perhaps as a joining of two equally important decision making bodies that support the same population.

Commissioner Bolin stated it not only supports the population now but the future population. If we don't have enough water to keep us moving and growing, then we are stopped and we're done. If we move this water down the hill, the cost is going to precipitate a certain length of time in which we make that happen. If that's more water than we can give up to rebuild our Town, then what have we done to ourselves? He sees this as something that keeps us viable, keeps us moving forward and building back the way we want to build back and not causing us to stop because we made deals to save PID at this point in time. That will be the death of the Town.

Chair Leverenz stated LAFCo wants to help implement whatever ultimately the District and the Town decides works best. He would hope that we don't end up with a situation like we have with El Medio, where we have a district that is not functional.

Commissioner Bolin stated PID made an unfortunate decision at the very beginning to not settle at the start. Where they are going to end up we don't know. We know they are going into mediation. PID is going to need help and he feels the Town is set and ready to make that happen. It's an unfortunate situation but it could be a very fortunate situation to bring our two teams together and end up with a stronger Paradise.

Cliff Jacobsen, past Division 5 Director of PID and a citizen of Paradise for quite a few years. He has been very involved in the situation since the Camp Fire and he is very concerned about what is happening with our water. This Option Study was created as a result of the state giving money to PID to survive for the first year and then two years after the fire. Cliff voiced his concerns regarding the stake holders that were involved in creating this Study and the lack of local people being involved. He is concerned we may lose our water to outside sources. We don't mind helping our neighbors but we don't want them to take advantage of us simply because we are in a bad situation right now. The Town could take over PID as a subsidiary district but if there is no will there then PID has to either stand on their own or become insolvent or sell their water out of the local area. Then we would lose control of our water and we would not get it back. That would affect the growth of our Town. We need to keep PID in tack somehow until we know how much water we will need. We need to solve our problems within our Town before we let outside sources decide how we're going to do it. If we can't control our water, we can't control our growth.

Chair Leverenz stated LAFCo's function is to implement whatever is decided by the district and in conjunction with the Town. LAFCo has a separate responsibility legislatively to watch and analyze the functionality of the Town and the District as they move forward.

Commissioner Bolin stated the Options Study did what they had to do but with no emotions and no care about the Town. It was about how do we produce money to keep the district going. We have to look at what the Town needs to move forward and how it is going to exist.

Debra Lucero asked Steve Lucas what the requirements are in the letters that were sent to PID requiring them to participate in this Study. Were there any other requirements brought up at the end of the Study.

Kevin Phillips stated there were no new requirements.

Commissioner Connelly stated water districts every year that they have excess water, temporarily sell it. The selling of water is not a transfer of water rights unless you chose to do it.

Commissioner Bolin asked what is it that LAFCo need from the Town of Paradise to make PID a subsidiary of the Town.

Chair Leverenz stated he feels there needs to be some agreement between the Town of Paradise and the Paradise Irrigation District.

Steve Lucas stated what we are providing is information and asking for comments. We just want to make the Study as good as it can be and is accurately reflecting the options. Once the Options Study is approved and finished, that is when PID has to make their determinations. The Commission will not be involved with making decisions until the Board of PID evaluate the final product and start to make decisions about what they want to do. That is the time when LAFCo can provide feedback.

5. Public Comment on Items not on the Agenda

None stated.

6. Reports and Communications

6.1 Executive Officer's Report

Steve Lucas summarized the Executive Officer's report and provided updates.

There was discussion regarding holding the LAFCo meetings at the City of Oroville Council Chambers and also whether we should continue to have the Zoom option. Steve Lucas stated we are not required to have the Zoom meetings.

Debra Lucero stated there is legislation moving through the legislature to make using Zoom type meetings a permanent option for meetings. It does allow for public participation for people that otherwise might not be able to participate.

Chair Leverenz asked is anyone has a problem with continuing to meet at the City of Oroville Chambers. It was agreed to bring back a by-law change as to the location of our meetings.

Steve Lucas asked whether the Commission wants us to continue to Zoom the meetings out to the public.

It was agreed to continue using Zoom for the public to be allowed to view the meetings but if they want to comment, they need to come to the meeting.

6.2 Correspondence - None

7. CLOSED SESSION (Fireside Room). Public Employee Performance Evaluation. With respect to every item of business to be discussed in a closed session pursuant to Government Code Section 54957. Title: Executive Officer.

Chair Leverenz adjourned the Commission to closed session at 10:10 am.

Chair Leverenz re-opened the meeting at 10:26 am and stated the Commission held a personnel meeting and no reportable action was taken.

8. ADMINISTRATION.

9. ADJOURNMENT NOTICE:

There being no further business, the meeting was adjourned at 10:27 a.m. to the next LAFCO meeting scheduled for Thursday, April 7, 2022.

LOCAL AGENCY FORMATION COMMISSION



By: Stephen Lucas, Executive Officer

Minutes prepared by Joy Stover, Commission Clerk