



BUTTE LOCAL AGENCY FORMATION COMMISSION Minutes of June 6, 2019

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

1. CALL TO ORDER

Vice Chair Connelly called the meeting to order at 9:00 a.m., June 6, 2019, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Commissioners Present: Greg Bolin (City)
Jack Kiely (Special District)
Bill Connelly (Vice Chair - County)
Al McGreehan (Special District-Alt)
Nathan Wilkinson (City)
Steve Lambert (County)
Greg Steel (Public-Alt)

Commissioners Absent: Carl Leverenz (Chair - Public)

Alternate Commissioners Absent: Bruce Johnson (City) and Debra Lucero (County)

Vacant Seat: Regular Commissioner Special District

Others Present: Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Jill Broderson, LAFCO Management Analyst
Joy Stover, LAFCO Commission Clerk
Marsha Burch, LAFCO Legal Counsel Representative
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2. CONSENT AGENDA

2.1 Approval of the Minutes of May 2, 2019

Vice Chair Connelly asked if there was anyone on the Commission or anyone from the public that would like to remove anything from the consent agenda. None stated.

Commissioner Wilkinson made a motion to accept the Consent Agenda. The motion was seconded by Commissioner Kiely.

The motion was carried by unanimous vote:

AYES: Bolin, Kiely, Steel, McGreehan, Wilkinson, Lambert & Vice Chair Connelly
NOES: None
ABSENT: None
ABSTAINS: None

3. NOTICED PUBLIC HEARINGS

3.1 Amendment to Current Staff Charge-out Rates, including Continuation of the Application of the Annual Cost Escalator Based Upon the Employment Cost Index (ECI).

Jill Broderson, LAFCo Management Analyst, stated she does not have anything to add to the staff report and will be happy to answer any questions of the Commission.

Commissioner McGreehan asked if the public notice for this project stated what the extent of the proposed increase was.

Jill Broderson read a copy of the published notice and stated the public notice was published in the Chico Enterprise Record, posted at the Butte LAFCo office and at the Board of Supervisors. The notice was also placed on the Butte LAFCO website.

Commissioner Kiely asked if LAFCo staff has received any comments regarding this item.

Jill Broderson stated LAFCo staff has received no comment.

Vice Chair Connelly opened this item to the public for comments. No responses received. The public portion of the hearing was closed.

Commissioner McGreehan made a motion to adopt Resolution No. 19 2018/19 approving the amendment to current staff charge-out rates and to continue the application of the annual cost escalator based upon the employment cost Index. The motion was seconded by Commissioner Wilkinson.

The motion was carried by the following unanimous vote:

AYES: Bolin, Kiely, Steel, McGreehan, Wilkinson, Lambert & Vice Chair Connelly
NOES: None
ABSENT: None
ABSTAINS: None

3.2 18-04 – Public Review Draft Municipal Service Review and Sphere of Influence Plan Update for the Durham Irrigation District

Steve Betts provided a PowerPoint presentation and stated what is proposed is an expansion of the District's Sphere of Influence boundaries. The Municipal Service Review (MSR) determined the District is well managed and provides adequate levels of domestic water services to the residents of the district. The District recently retained the services of NorthStar Engineering to manage the District's day to day operations. The District recently increased their service fees which will provide adequate funding for future capital improvements.

A copy of the PowerPoint presentation is available upon request.

Steve Betts stated staff is recommending the Commission approve the Municipal Service Review approving Option 1 as stated in the staff report.

Commissioner McGreehan stated the environmental document that was submitted by the District shows the numbers vary from the parcels/acreage listed on the staff report.

Steve Betts stated when staff reviewed the documents submitted by the District; we felt the numbers were not accurate. Butte LAFCo GIS analyst drew a new GIS layer to include the proposed areas to be added to the District's sphere and we believe the parcel and acreage count is accurate at this time. There were new parcels created recently as the area being added to the sphere was recently subdivided.

Commissioner Steel asked if the 3.9 million dollar capital need is for the current sphere or the proposed sphere.

Kristen McKillop, acting as contract General Manager for DID, stated the approved and adopted Capital Improvement Plan is for the existing sphere.

Commissioner Steel stated his concern is that the existing District residents will have to pay the capital cost for people that are being added.

Kristen McKillop stated the District is working diligently with their contract to ensure a process is very open and transparent to ensure all new development is being paid for by all new development. The existing infrastructure dates back to the late 1920's so there are some significant upgrades that need to take place. Whether there is any expansion in the District or not, the improvements still need to be made.

Commissioner Steel stated so the District is working on a plan so that the new development is not subsidized by existing development.

Kristen McKillop stated that is correct and the District is very sensitive to that. This issue has come up multiple times in this process as well as the rate setting that was conducted.

Commissioner Kiely asked if the District is looking at increasing rates or proposing a bond or what is the financing plan.

Kristen McKillop stated the current rate increase that went into effect in January covers a gradual increase over a 4 year period of time. The plan is to hold tight for the first year and see what the financing looks like at the end of the first year. The District is very aware that they are not going to be able to finance all of the capital improvement needs. The District just received one of their first federally funded grants to help assist with some metering solutions to help the District come into compliance with the state regulations to install meters. The District has an outline in their Capital Improvement Plan of how they want to go about funding infrastructure improvements but at some point in time they realize they may have to look at seeking outside funding.

Vice Chair Connelly opened this item to the public for comments. No responses received. The public comment period was closed.

Commissioner Lambert made a motion to adopt Resolution No. 16 2018/19 approving the Municipal Service Review and Sphere of Influence Plan for the Durham Irrigation District. The motion was seconded by Commissioner Wilkinson.

The motion was carried by the following unanimous vote:

AYES: Bolin, Kiely, Steel, McGreehan, Wilkinson. Lambert & Vice Chair Connelly

NOES: None
ABSENT: None
ABSTAINS: None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Letter Agreement to Amend the Sewer Service and Annexation Agreement with the City of Chico.

Steve Lucas read the proposed amendment to the Sewer Service Annexation Agreement with the City of Chico.

Vice Chair Connelly opened this up to public comment. No comments received. Public comment closed.

Commissioner Steel moved to approve the letter agreement and authorize the LAFCO Chair to sign. The motion was seconded by Commissioner McGreehan.

The motion was carried by the following roll call vote:

AYES: Bolin, Kiely, Steel, McGreehan, Wilkinson & Vice Chair Connelly
NOES: None
ABSENT: None
ABSTAINS: None

5. Public Comment on Items not on the Agenda

Vice Chair Connelly opened this item up for public comments and stated we can take public comments but we cannot take action on any item not on the agenda. No comments received. Public comment was closed.

6. Reports and Communications

6.1 Executive Officer's Report.

Steve Lucas summarized the Executive Officer's Report and provided an update to the Special District seat election process. As of today, nineteen (19) ballots have been returned, short of the 21 ballots required to obtain a quorum of votes.

An update to the Camp Fire burn scar area was provided. Steve Lucas stated Butte Strong awarded the Butte County Mosquito and Vector Control District \$310,000 in an effort to combat the increased mosquito threat in the burn scar area. Additionally staff has been assisting the Paradise Recreation and Park District in determining if additional impact fees should apply to building permits in the burn scar area when there is a square footage increase.

Steve Lucas provided an update to the CALAFCO funding issue currently affecting the association.

Vice Chair Connelly stated the goal was to keep all 58 counties in CALAFCO. A compromise was reached in order to ensure some of the larger counties stay within CALAFCO.


6.2 Correspondence - None

7. ADMINISTRATION

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:30 a.m. to the next LAFCO meeting scheduled for August 1, 2019. It was decided that due to a conflict with the Independence Day Holiday on July 4, 2019, the July LAFCo meeting will be cancelled.

LOCAL AGENCY FORMATION COMMISSION



By: Stephen Lucas, Executive Officer

Minutes prepared by Joy Stover, Commission Clerk