

BUTTE LOCAL AGENCY FORMATION COMMISSION
Minutes of October 5, 2017

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

1. Call to Order

Chair Leverenz called the meeting to order at 9:00 a.m., October 5, 2017, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Commissioners Present: Scott Lotter (City), Bill Connelly (County), Tom Lando (Special District), Steve Lambert (County) and Chair Carl Leverenz (Public).

Alternate Commissioner Present: Greg Steel (Public).

Absent Commissioners: Linda Dahlmeier (City) and Steven Onken (Special District).
Alternate Commissioners: Larry Wahl (County-Alternate), Al McGreehan (Special District) and Bruce Johnson (City-Alternate).

Others Present: Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Craig Sanders, LAFCO Deputy Executive Officer
Joy Stover, LAFCO Commission Clerk
P. Scott Browne, LAFCO Legal Counsel

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2. Consent Agenda

2.1 Approval of the Minutes of September 7, 2017

Chair Leverenz asked if there were any corrections or additions to the minutes. None stated.

Commissioner Lotter made a motion to approve the September 7, 2017 Minutes. The motion was seconded by Commissioner Lambert.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Connelly, Lando, Lambert and Chair Leverenz
NOES: None
ABSENT: Commissioners Dahlmeier and Onken
ABSTAINS: None

3. NOTICED PUBLIC HEARINGS

3.1 18-02 - City of Chico - Esplanade Annexation 29

(Continued Open from the September 7, 2017 meeting)

Stephen Lucas, LAFCo Executive Officer, stated two pieces of correspondence were distributed to the Commission this morning; one is an email from Supervisor Wahl giving his recommendation to approve the annexation as submitted and the other is a letter from the City of Chico requesting the Commission move forward with the recommendation to approve.

Chair Leverenz opened the hearing to the public. No responses received. Chair Leverenz closed the hearing to the public.

Commissioner Lando made a motion to Adopt Resolution No. 04 2017/18 approving the annexation to the City of Chico. The motion was seconded by Commissioner Lotter.

Commissioner Connelly stated he hopes staff will work with the City of Chico to get busy and annex more of that area of the county so we can move on.

Steve Lucas stated he has met with City of Chico staff and the City Manager this week and the indication is they are actively considering the north Chico area as a whole and that may require multiple annexations as shown on the map provided today.

The motion was carried by the following roll call vote:

AYES:	Commissioners Lotter, Connelly, Lando, Lambert and Chair Leverenz
NOES:	None
ABSENT:	Commissioners Dahlmeier and Onken
ABSTAINS:	None

3.2 17-07 - Public Review Draft Municipal Service Reviews and Sphere of Influence Plans for the Mosquito Abatement Districts in Butte County: Butte County Mosquito and Vector Control District, Durham Mosquito Abatement District and Oroville Mosquito Abatement District. *(Continued from August 3, 2017)*

Steve Betts stated the Commission has continued the project open. Since the last meeting the general manager of the Oroville Mosquito Abatement District (OMAD) has died unexpectedly. The BCMVCD and DMAD have both offered their assistance to the OMAD Board. Steve Lucas has offered his assistance to the OMAD Board with regards to options that the district could take. Since the Sept. 7th meeting, staff has met with both the district managers for BCMVCD & DMAD to obtain additional information regarding the contents of the Public Review Draft MSR and SOI Plan and to clarify some issues. One of the issues is the rice fields that are in DMAD. DMAD does not provide treatment to the numerous rice fields within their district. This constitutes a clear public health issue. The other issue is in regards to the Butte Creek Estates Subdivision. A portion of this subdivision is within DMAD and the other portion is within BCMVCD. This has created some issues related to fog spraying. This is an ongoing issue. As for the rice fields, both district managers agree that the rice fields should be detached from DMAD and annexed into BCMVCD, but that would happen at a later time as it is not part of the MSR/SOI Plan process. Steve Betts identified the areas requested for changes by using a map on the wall. Staff provided potential loss of revenue to DMAD within the staff report. Staff

received an additional letter from the Butte County Public Health administration and a copy has been provided to the Commission. Steve Betts read the letter for the record and the audience.

Chair Leverenz asked if BCMVCD is able to provide all the five components listed in the Public Health letter. And DMAD does not have the ability to provide all five?

Steve Betts stated yes, BCMVCD has the ability to provide all five components and DMAD does not.

Chair Leverenz went over the various options the Commission could take today including dissolving one district and amending the sphere of influence for another.

Steve Lucas stated with respect to DMAD, the suggested changes of both south Butte Creek Estates Country Club and the rice fields add up to about \$23,000 worth of lost revenue to DMAD. Staff believes those areas could be better served by BCMVCD, especially the rice fields, it would leave DMAD with \$23,000 less in revenue and would be a substantial impact to their ability to continue to provide effective mosquito control in Durham proper.

There was discussion regarding the DMAD budget & how changes to their boundaries will affect their finances.

An email from Matt Ball, manager for BCMVCD, was provided to the Commission and added as part of the LAFCo record for this item.

Steve Lucas stated he met with the manager of DMAD. The district has a strong community support for their district but on the other hand they have serious issues to confront. DMAD is currently getting a website in place. DMAD's manager has also agreed that he will undertake the preparation of an Integrated Vector Management Plan, something that DMAD does not currently have.

Chair Leverenz stated the DMAD Board needs to formally recognize that the district cannot serve the rice areas and they need to agree to take action to remove the parcels identified so they can be annexed into BCMVCD.

Commissioner Lotter asked Steve Lucas if he feels, based on the DMAD budget, if the DMAD Board took action as Chair Leverenz suggested, does he feel DMAD would still be able to provide the services needed as this is a serious public health issue that needs to be dealt with.

Commissioner Lando said he wanted to piggy back on Commissioner Lotter's comment, and stated as he's reading the letter about what all Butte County does, he's concerned how they will be able to provide the services.

Steve Lucas stated most of the budgeted money goes to the district manager and his duties and the rest goes to technicians and a lesser amount goes to chemicals. If you take out the rice fields, they add up to about \$15,000 in revenue, but there is no question that they need to be removed from DMAD. If the northern part of the Country Club was removed from DMAD as well, it would greatly affect the district financially.

There was discussion on the importance of eradication due to the new mosquitoes predicted to come into our area.

Commissioner Connelly stated as for OMAD it is the opportune time to do what is right and turn this district over to BCMVCD. The City of Oroville agrees with this. He agrees with Steve Lucas in that just fogging alone is not good enough. Mosquitoes can build up a resistance to the chemicals.

Chair Leverenz opened this item to the public.

Tasha Levinson of Oroville stated she hadn't planned to speak on this item, but she has reviewed the public draft MSR. Tasha stated if you want the public to support your decisions, she thinks you need to cover a little bit better. There was no easy executive summary provided showing the differences of services.

Lance Smith, member of the DMAD Board and a long standing active member of the Durham community, stated he received a copy of the staff memo on Sept. 28th and the Board has not met since then. The district is asking for the Commission to continue this item to allow the Board to go over the new information. Perception is reality and when people perceive that they have an accountable, local and responsive district they don't want to lose that. If we do something wrong in Durham, you know about it before you get home. And if you want to incur the wrath of Durham, all you have to do is tell them "this is what is best for you". It is all born out of a dedication to their community and that feeling of community.

Chair Leverenz stated the staff recommendation is to continue this item and even twice if needed.

Lance Smith stated if the two Boards had an opportunity to sit down and to create a plan that they could bring forward, DMAD would do that. We need to have the opportunity and the Commission's blessing to pursue that in order to come up with something that serves us.

Chair Leverenz stated you have our commitment to follow the staff recommendation to continue this matter open and hopefully between now and then the two boards will communicate with our staff's help.

Commissioner Lando asked if there has been discussion on shared services.

Lance Smith stated his board would be willing to discuss shared services between the two districts, there may be other areas in the county that maybe DMAD could provided the fogging services such as the Dayton area.

Steve Lucas stated he appreciates the commitment of the DMAD board and he feels there might be opportunity for shared services.

Sandra Atteberry, trustee for DMAD, stated in the memorandum there was email sent on 9/21/17 and she has no response to date. As a board member she wanted to state that this was sent after their last board meeting so there has been no opportunity to discuss the issues on the memorandum. Aaron is doing a good job; he keeps up with the chemicals and what is going on by being a member of the state organization.

Bill Bynum, from Oroville, stated he looked over the Draft MSR and it just seems to him after hearing the presentation and listening to Mr. Connelly, that you have to follow the best practices, follow the science and do what is best health wise for the County of Butte.

He is on a school board and if it can be done better at a higher level it should be done at a higher level. In education you do what is best for the kids and as far as health is concerned you do what is best for the people of Butte County. He would appreciate it if the Commission would take the whole county into consideration and do what is best for everybody and not just prop up something just because it has been done in the past.

Dean Talley, a Durham resident, stated he is here to get an education and become informed. He appreciates the DMAD board members efforts today. The residents are interested in this and he feels they are going to be a lot better off probably.

Celia Hirschman, Oroville resident and certified health coach, stated she wants to underscore a timeline to address this although we are going into the winter months so that is an advantage. Health should always be the number one priority to your residents when you are dealing with a virus that can be spread through insects that you can't even see.

Ken Fleming, Chico resident, stated he wants to urge the Commission to go ahead and make a decision on this. This is a public health decision and it is the only decision. There is no political decision here that can overcome or overwhelm the science or good judgment that needs to be brought to this. Ken stated he doesn't want to see his neighbors sick because we were afraid of big government or losing a historical relic that is no longer able to do the job.

Chair Leverenz stated it is suggested that the Commission continue this item open to receive more comments. Chair Leverenz stated no matter what we decide we are burdened with a process and in order for us to go from one spot to another, whether we lower the size of a district or dissolve a district, there is a certain element of due process which the legislature has dictated.

Commissioner Connelly stated as it has been eloquently stated, we don't like big government. But when you sit up here on the Commission, you have to look at the public's health first, or whatever issue we are taking on and he thinks what has happened over the years, the minimum baseline that is required for mosquitoes has grown. When the two boards meet, you are going to have to convince me with some sort of hybrid agreement, that what you can't provide the public with now, is going to be provided by the larger agency or you are going to have to raise your fees so you can provide more services because you can't simply fog.

Commissioner Lando stated he would like to echo Commissioner Connelly's comments and encourage the two districts to meet sooner rather than later and with that he would move to continue this item open to the Commission's next meeting. The motion was seconded by Commissioner Connelly.

The motion was carried by the following vote:

AYES:	Commissioners Lotter, Connelly, Lando, Lambert and Chair Leverenz
NOES:	None
ABSENT:	Commissioners Dahlmeier and Onken
ABSTAINS:	None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda. None

5. Public Comment on Items not on the Agenda.

Chair Leverenz asked if there was anyone who wished to speak on something not on the agenda.

Jack Kiely, primarily working with Lower Oroville Water Rates, spoke about the Water Study.

Chair Leverenz stated LAFCo stated this has been an ongoing item that our staff has reported to us by way of an administrative report, as it has not been on the agenda per say.

Steve Lucas stated we have received no responses from the Request for Proposals (RFP). With the sewer study, they were all public agencies that played under the same rules. It is far more difficult to have an apple to apple comparison when you have a private company involved in that mix that LAFCo has no regulatory authority over. That doesn't mean we can't study it, it just means it's a different animal to study than if you're looking at just public entities.

Jack Kiely stated we are not looking for authority over Cal Water. We just want some common sense approach of what is available and who has the water. We want to see if there are opportunities for some cooperation between that private utility and the public utilities to come up with some common ground.

Tasha Levinson, City of Oroville resident, stated they feel that one of the things that the LAFCo study could do is provide a little bit of innovative thinking for how these companies can work together. The City of Oroville does not want to take over for Cal Water; Cal Water has made it clear they would drive the city to bankruptcy with legal fees if the city tried to use eminent domain; and they are not even trying to play that game. We are trying to see if there are ways that these agencies can work together that will bring cost savings to the town.

Ken Fleming stated he looked at the minutes of the last meeting. He was interested in the issue of Courtesy Motors and that annexation in Chico. He feels the ongoing chronic fiscal problems of Oroville and the Town of Paradise for example are the result of the County historically allowing building outside of city limits over and over again to the point where you have a city of 18,000 basically carrying the infrastructure cost for another 40,000 that live around them.

Celia Hirschman, Oroville resident, stated she was able to get people from Oroville to go before the Cal Water Commission that resulted in nothing. She stated she lives alone and pays \$98 per month for water for her home and garden and she doesn't use a lot of water. So you can imagine when you have 44 percent of the population downtown, living under the poverty level, 50 percent of them are renters, you can just imagine how a difficult a problem this is for people that live downtown. She has done a lot of analysis of the downtown Oroville area and it is true that there are a lot of people around Oroville that participate and enjoy the services of Oroville but don't represent the tax base that impoverished the community. The City Council is not directed to address this in any way.

Chair Leverenz stated LAFCo does not have the power to initiate annexations. Because of that, the problem Ms. Hirschman is talking about has to be dealt with either by citizens that want to annex or public entities that want to annex.

Bill Bynum stated he has been a member of the Lower Oroville Water Rates (LOWR) since its inception when residents went to the PUC when Cal Water wanted to again raise their rates.

Oroville's water is twice as high as Chico and that is Cal Water also. It is infuriating. He stated he was at the City of Oroville City Council meeting last night and the Cal Water representative stated Oroville is thriving and there is no use for Cal Water to reduce water rates. It was nonsense and a lie. Bill stated Oroville should be green as it is surrounded by water. It is not green because of the greed of that corporation and all they want is a study to show the comparisons and put it out to the public.

Chair Leverenz stated unfortunately we haven't been able to find anybody willing to do the study. Perhaps if it is scaled down, we can get someone to respond to the request for performance.

6. Reports and Communications.

6.1 Executive Officer's Report.

Steve Lucas summarized the Executive Officer's Report.

There was discussion as to whether state legislature was able to change the Special District LAFCo appointment to a majority vote.

Scott Browne stated you still have to get a majority of the Special Districts to respond.

Steve Lucas introduced the new LAFCo Deputy Executive Officer, Craig Sanders.

6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:20 a.m. to the Thursday, November 2, 2017 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION



By: Stephen Lucas, Executive Officer