

**BUTTE LOCAL AGENCY FORMATION COMMISSION
Draft Minutes of May 3, 2018**

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

1. Call to Order

Chair Leverenz called the meeting to order at 9:01 a.m., May 3, 2018, 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)
Linda Dahlmeier (City)
Steve Lambert (County)
Chair Carl Leverenz (Public)
Al McGreehan (Alternate - Special District)

Alternate Commissioners Present:

Greg Steel (Public)

Commissioners Absent:

Tom Lando (Special District) – Leave of Absence

Alternate Commissioners Absent:

Larry Wahl (County)
Bruce Johnson (City)

Others Present:

Stephen Lucas, LAFCO Executive Officer
Craig Sanders, LAFCO Deputy Executive Officer
Jill Broderson, LAFCO Management Analyst
Joy Stover, LAFCO Commission Clerk
P. Scott Browne, LAFCO Legal Counsel

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Chair Leverenz stated the Commission needs to add an item to the agenda and called for a motion to add the item at 4.3 under the Regular Agenda section.

Commissioner Connelly made a motion to add one item to the agenda at section 4.3. The motion was seconded by Commissioner Dahlmeier.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Connelly, McGreehan, Dahlmeier, Lambert and Chair Leverenz

NOES: None

ABSENT: Commissioner Lando

ABSTAINS: None

1.2 Special Recognition – Departing Commissioners: Linda Dahlmeier and Steve Onken

Commissioner Lotter made a motion to approve both Resolutions of Commendation for Linda Dahlmeier and Steve Onken. The motion was seconded by Commissioner Lambert.

The motion was carried by the following vote:

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

1.3 Nomination and Election of LAFCO Chair and Vice-Chair

Commissioner Lotter made a motion to nominate Carl Leverenz as Chair. The motion was seconded by Commissioner Connelly.

The motion was carried by the following vote:

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

Commissioner Connelly made a motion to nominate Scott Lotter as Vice-Chair. The motion was seconded by Commissioner Dahlmeier.

The motion was carried by the following vote:

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

2. Consent Agenda

2.1 Approval of the Minutes of April 5, 2018

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

Commissioner McGreehan made a motion to approve the Consent Agenda. The motion was seconded by Commissioner Lotter.

The motion was carried by the following vote:

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

3. NOTICED PUBLIC HEARINGS

3.1 **Review and Consideration of Proposed Budget for FY 2018/19** *(Continued from April 5, 2018)*

Chair Leverenz asked if there were any further comments from the staff concerning the budget.

Jill Broderson stated we have no further comment and staff has received no other comments from anyone.

Chair Leverenz opened this item to the public for comment. No comments received and the public hearing was closed.

Commissioner Lotter made a motion to adopt the Proposed Budget for FY 2018/19. The motion was seconded by Commissioner Dahlmeier.

The motion was carried by the following roll call vote:

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

3.2 **18-10 – Paradise Irrigation District – Round Valley Ranch Road Annexation No. 1**

Craig Sanders stated staff has received a couple of letters in opposition related to this project. The primary concerns relate to potential environmental impacts and environmental concerns related to this annexation. The Notice of Exemption on the last page of the staff report belonged to a prior PID annexation. The executed Notice of Exemption for this project was received and is contained in the file.

Chair Leverenz stated for clarification the issue before the Commission today is an annexation to the Paradise Irrigation District (PID) only and this is not the type of development for which the environmental act would apply. Any project with development would require an environmental impact review. The Commission is simply being asked to move the boundary for PID so this parcel can receive in-district PID water.

Steve Lucas stated the property is developed and has been receiving PID water for some time. What we are really doing is formally annexing this parcel into the district so they don't have to rely on a contract to receive water. There is no indication to us of any other development whatsoever.

Chair Leverenz stated there appears to be a belief that PID is going to want to acquire the property and construct something. If that were to happen, this parcel is in the county and the county would have to deal with that issue as far as a change of use.

Scott Browne, LAFCo counsel, stated a Sphere of Influence Amendment is a project subject to CEQA and it all depends on the foresee ability of development facilitated by that SOI amendment. Here we have no evidence that there is any development that is associated with this project and that is the only reason why this project is not subject to CEQA. In this case, because of the facts in this case we have before us, it is appropriate to consider this project exempt from CEQA in the absence of any evidence to the contrary.

Chair Leverenz stated this property would be coming into the district with existing development only.

Chair Leverenz stated the Commission has received a series of letters today in opposition to allowing PID to increase its sphere but based upon an assumption of a different use on the property. Any additional use or change in use is not before the Commission today. Chair Leverenz opened the item to the public for comments.

Chair Leverenz stated the Commission has received one request to speak from Tasha Levinson.

Tasha Levinson stated she only wishes to speak on item 6.1.

John Cuseo, residing on Round Valley Ranch Road, stated he submitted a number of letters today from the neighborhood. A lot of people have fears that if this is annexed into the City (Town of Paradise), the City could rezone the parcel.

Chair Leverenz states the only issue today is the annexation of this parcel to Paradise Irrigation District.

John Cuseo wanted to confirm that once this property is annexed into the PID, it is still a county property and not annexed into the City (Town of Paradise).

It was stated that the parcel owner or the Town of Paradise can apply to annex and there would be a hearing with the Town of Paradise before they could come to make a request for annexation.

John Cuseo wanted to confirm the letters he submitted today will become a part of the record.

Chair Leverenz confirmed they will be.

Joseph Pennington, owner of the subject property, stated he has no interest in being annexed into the Town of Paradise. Joseph Pennington stated he has been in contract annually with Paradise Irrigation District since he purchased the property about 13 years ago and he wants to get out from under the contract. Joseph Pennington stated he pays a higher amount for not being in the district and this would reduce his fees.

Carolyn Velasquez stated she owns a 1½ acre lot adjacent to the subject parcel and would like to be added to the annexation.

Joseph Pennington stated nothing is changing with the water lines and/or meter. His fear is he does not want to be annexed to the Town either.

Tom Houghton, property owner adjacent to the affected property, stated the neighbors are just concerned of the future use of the parcel.

Chair Leverenz asked if there was anyone else that wished to speak. None stated. The public hearing was closed.

Commissioner McGreehan wanted to confirm this project was circulated to the surrounding property owners. This was confirmed by staff.

Commissioner Lotter moved to approve both Resolution No. 10-S 2017/18 approving the Sphere of Influence Amendment and Resolution No. 10 2017/18 approving the annexation to Paradise Irrigation District. The motion was seconded by Commissioner Connelly.

The motion was carried by the following roll call vote:

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

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda. None

4.2 18-11 – Lake Oroville Area Public Utility District – Oak Knoll Way Annexation No. 1

Craig Sanders stated this is a straight forward annexation into the district. The parcel is within the sphere of influence of the district and contiguous to the district boundary.

Commissioner Connelly stated the road in that area is in really bad condition. Is there any way LAFCo can force the road to be improved before any development can take place?

Steve Lucas stated LAFCo cannot impose a condition on LOAPUD to repair a privately maintained road as a means of approving this annexation.

There was discussion concerning this creating an island for the district. Steve Lucas clarified the issue.

Commissioner Lotter made a motion to adopt Resolution No. 11 2017/18, approving the annexation. The motion was seconded by Commissioner McGreehan.

The motion was carried by the following roll call vote:

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

4.3 Adoption of Resolution No. 17 2017/18 declaring that governing body members shall be deemed employees for the purpose of receiving Worker's Compensation Insurance.

Jill Broderson stated this is regarding the Workers Compensation program. Special District Risk Management Association's excess carrier requires their Worker's Compensation Program members adopt a resolution on or before June 30, 2018 to continue covering their governing body.

Commissioner Lotter made a motion to adopt Resolution No. 17 2017/18 declaring that governing body members be deemed to be employees of the agency for the purpose of providing worker's compensation coverage for said certain individuals while providing their services. The motion was seconded by Commissioner Dahlmeier.

The motion was carried by the following vote:

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

5. Public Comment on Items not on the Agenda

Chair Leverenz asked if there was anyone who wished to speak on anything not on the agenda. No responses received.

6. Reports and Communications.

6.1 Executive Officer's Report.

Tasha Levinson, a City of Oroville resident, stated she had an opportunity to review the Executive Officer's report and it once again refers to the Oroville Water Study as a rate comparison study. The point of the study and the reason we got the grant was to look for opportunities for savings for consumers. We can't keep calling it a rate comparison study. The real point of this is looking for opportunities for savings. We may or may not find it, but if we don't ask we'll never get those opportunities offered to us.

Chair Leverenz stated in reference to that report we should be hearing from NorthStar soon.

Steve Lucas stated we expect this to be on the agenda for June and he wanted to clarify the study. We have five different subject areas that we looked into. It's not just a rate comparison. It is a matter of looking at all of the available data from everything from the source of water to the final delivery of water. We believe this is going to show the opportunities for cooperation that might exist.

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

6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:48 a.m. to the Thursday, June 7, 2018 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer

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