

**BUTTE LOCAL AGENCY FORMATION COMMISSION
Draft Minutes of September 7, 2017**

(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 9:00 a.m., September 7, 2017, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Commissioners Present: Scott Lotter (City), Steven Onken (Special District), Bill Connelly (County), Al McGreehan (Special District-Alternate), Bill Connelly (County), Steve Lambert (County) and Chair Carl Leverenz (Public).

Alternate Commissioner Present: Greg Steel (Public).

Absent Commissioners: Tom Lando (Special District), Linda Dahlmeier (City), Larry Wahl (County-Alternate) and Bruce Johnson (City-Alternate).

Others Present: Stephen Lucas, LAFCO Executive Officer; Stephen Betts, LAFCO Deputy Executive Officer; Jill Broderson, Management Analyst and P. Scott Browne, LAFCO Legal Counsel.

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In an effort to recognize the retiring Deputy Executive Officer, Chair Leverenz called for a motion to adopt Resolution No. 11 2017/18 commending Mr. Stephen Betts for his years of service with LAFCO.

Commissioner Connelly made a motion to adopt Resolution No. 11 2017/18 commending Mr. Stephen Betts for his years of service with Butte LAFCO. The motion was seconded by Commissioner Lambert .

The motion was carried by the following roll call vote:

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

Chair Leverenz said he has greatly appreciated Mr. Bett's many years of service.

Stephen Lucas, Executive Officer, stated that at a CALAFCO level, Stephen Betts is one of the very best. His ability to write and prepare Municipal Service Reviews is

first rate amongst the state. Mr. Lucas added Stephen's work is impressive; that he has done a great job and it has been great working with him.

2. Consent Agenda

2.1 Approval of the Minutes of August 3, 2017

Chair Leverenz asked if there were any corrections or additions to the minutes.

Commissioner McGreehan noted that Item No. 4.2 on Pages 15 and 16 included a duplicated motion and vote.

Commissioner Lotter made a motion to approve the August 3, 2017 Minutes, as corrected. The motion was seconded by Commissioner McGreehan.

The motion was carried by the following roll call vote:

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

3. NOTICED PUBLIC HEARINGS

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

Deputy Executive Officer, Stephen Betts said the City of Chico is proposing an annexation of 20 parcels, approximately 58.7 acres in size and would include the Esplanade, Gardner Lane and Three Sevens Lane right-of-ways. Mr. Betts said an owner of a parcel adjacent to the proposed annexation area has since requested that his parcel be included. With the additional parcel, the annexation area would then consist of 21 parcels, approximately 67.8 acres in size. Staff recommends including the subject parcel.

Mr. Betts said the existing territory currently consists of five undeveloped parcels; however, as proposed, will be developed with a large automobile sales and service department (Courtesy Automobile Center). The center will consist of four buildings for sales, service and collision repair and a car wash and detail shop. Other on-site improvements would consist of vehicle display, employee and customer parking, landscaping, walkways, lighting, storm water measures, and on-site wastewater treatment if the City of Chico cannot provide sanitary service. Mr. Betts did however say that the City is proposing to install a sewer line which will run up the Esplanade to the five parcels.

After consulting with County staff, rather than propose to remove all subject parcels from CSA 114, staff is recommending only the removal of the five parcels that are to be developed from CSA 114.

Chair Leverenz opened the hearing to the public.

Brendan Vieg, City of Chico Community Development Department, Deputy Director, said that on behalf of the City, he supports staff's recommendation and that he is available to

answer questions. On a separate issue, Mr. Vieg stated that he has appreciated working with Mr. Betts for the past 13 years.

Chair Leverenz questioned if the sewer line would be extended in Spring 2018?

Brendan Ottoboni, City of Chico Public Works Director (Engineering), said yes, that it is intended to be served through the City's Master Plan, and in this case, either by the City or the developer.

Commissioner Onken asked what additional resources are added when additional area is absorbed?

Mr. Vieg said that the City refers to its Master Planning documents, as well as other planning documents in assessing current services or with the provision of additional services.

Commissioner Connelly said that years ago, the County planned for the subject area to be commercial, as it would become a source of revenue. Commissioner Connelly stated it is patently unfair for the City to take over the jurisdiction without any form of compensation to the County. Commissioner Connelly also stated that the revenue sharing agreement between the County and the City is terrible; therefore, he is requesting a continuance to the October meeting in an effort to facilitate review for fairness and equality by County Administration, as well as County Counsel.

Chair Leverenz stated that historically, this has been a problem since the creation of the North Valley Mall, which resulted in a negotiated Municipal Affairs Agreement which neither the City of Chico or County likes; however, has seemed to have worked over the years.

Commissioner Lotter was in agreement with Commissioner Connelly, stating that the document is well over 30 years old and needs to be reexamined.

Mr. Vieg stated that sewer availability can be viewed as the driver; it is what allows people to develop at whatever density.

Jim Stevens, representing Courtesy Automotive Group Ownership, stated that from a maintenance and operation perspective, sewer is a benefit because of the intensity of the needs for maintaining an onsite system. Mr. Stevens said they would prefer to have the Commission's decision as soon as possible.

Chair Leverenz stated a 30-day continuance would not impact the annexation proposal. Commissioner Onken asked how costs would compare if the property was to remain within the County.

Mr. Stevens said that it is fairly equal. By annexing into the City, they are relieved from a few fee charging districts, which are then offset by the City's utility users' tax.

Jerry Pajouh, owner of Courtesy Auto Center said time is not a luxury that he has. Mr. Pajouh said he felt the project should not be delayed because there may be issues with the revenue sharing agreement between Butte County and the City of Chico.

Will Clark, one of the owners of Down Range, respectfully requested that the Commission accept staff's recommendation and approve the annexation, rather than to continue it to the Commission's October meeting.

Chair Leverenz closed the hearing to the public.

Commissioner Connelly made a motion to continue this item open to the October 5th meeting. The motion was seconded by Commissioner Lotter.

Commissioner Connelly reiterated that fact that while the revenue sharing agreement has been overlooked for the past 25 years, it should be looked at again as it impacts the county, jail, law enforcement, district attorney, etc. He stated that the existing revenue sharing agreement is terrible and that it does not allow the County to provide the services to the level it wants to. The review of the said agreement is long, overdue.

Chair Leverenz said that although the revenue sharing agreement has been an issue for numerous years, his concern is that he hates to see this particular application delayed when the issues at hand could have been raised at anytime.

Commissioner Lambert stated that the issue at hand hasve been raised.

Chair Leverenz asked if it was reasonable to attempt to use this application to apply pressure to the City of Chico in an effort to undue an agreement that the City also dislikes.

Commissioner McGreehan agreed with the idea that the master agreement has been a big issue for years and that it does need to be dealt with. However, he wasn't certain that this was proper forum to deal with it, let alone tying it to a specific application. Commissioner McGreehan asked if LAFCO has the ability to condition an annexation, i.e., to require the master agreement to be renegotiated?

P. Scott Browne, LAFCO Legal Counsel said no, LAFCO does not.

Commissioner McGreehan then asked if LAFCO could force the entities to revisit the master agreement.

Chair Leverenz stated that the Commission could request it since it does have jurisdiction over the subject entities.

Mr. Browne said LAFCO can request a review, can indicate that it can potentially affect the Commission's decisions on future annexations; however, it cannot force entities to the table.

Commissioner McGreehan said he agreed with Commissioner Connelly's concerns and motion.

Commissioner Onken said he sympathized with the project applicant, felt it was unfair to place a previously negotiated decision on the back of a proposed development and then asked if this was enough of a project to force the Board of Supervisors to address the problem?

Chair Leverenz said that as he understands Commissioner Connelly, the motion on the table would enable review from both the County and County Counsel.

The motion was carried by the following roll call vote:

AYES: Commissioners Lotter, Onken, Connelly, Lambert and Chair Leverenz
NOES: Commissioner McGreehan
ABSENT: Commissioner Dahlmeier
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~~7~~, 2017)

Executive Officer, Steve Lucas stated he has nothing new to add; however, due to the large amount of testimony received at the Commission's August meeting, staff has formulated a variety of questions and is in the process of following up with each of the district managers.

Chair Leverenz opened the hearing to the public. Acknowledging no interest, Chair Leverenz continued the hearing open to the Commission's October meeting.

Commissioner Onken stated that while Durham consists of approximately 9,000 acres of agricultural land and 1,000 acres of wildlife land, it appears that there is little to no vector control treatment. Commissioner Onken asked if treatment is happening?

Mr. Lucas said Durham only fogs the perimeter and that the Butte County MVCD uses larvicide applied aerially and can cover the entire area.

Mr. Betts clarified that the 1,000 acres (Rancho Esquon Wildlife Area) of managed wetlands is under contract and currently being treated by the Butte County Mosquito & Vector Control District for the provision of mosquito abatement services.

Chair Leverenz stated with the testimony the Commission received at its August meeting, Durham residents are satisfied with the services they received; however, it remains clear that the District is not adequately providing services to the rice fields.

Commissioner Onken shared that he recently attended a meeting at which a friend of his was in a wheelchair and learned that his friend had contracted the West Nile Virus and that the wheelchair was a result. Commissioner Onken said that his friend lives in the residential area of Durham and that his friend knows of three other neighbors in Durham ~~people~~ who have contracted the disease. Commissioner Onken said that something must be done with the 9,000 acres of agricultural land and that the Commission must address this issue.

Commissioner Lotter made a motion to continue this item open to the Commission's October meeting. The motion was seconded by Commissioner Onken.

The motion was carried by the following roll call vote:

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

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda. None.

4.2 18-01 - City of Chico - Extension of Services - 1008 Meier Drive.

Mr. Lucas said that this is simply a request for an extension of services for a failed septic system and that he had nothing in addition to report.

Chair Leverenz opened the hearing to the public. Acknowledging no interest, Chair Leverenz closed the hearing to the public.

Commissioner Lotter made a motion to adopt Resolution No. 03 2017/18, approving the extension of sanitary sewer service. Commissioner McGreehan seconded the motion.

The motion was carried by the following roll call vote:

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

4.3 Response to 2016/17 Butte Grand Jury Report Regarding Mosquito Abatement Districts.

Commissioner Lotter made a motion to approve the response to the Grand Jury Report, dated September 7, 2017. Commissioner McGreehan seconded the motion.

The motion was carried by the following roll call vote:

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

5. Public Comment on Items not on the Agenda. None.

6. Reports and Communications.

6.1 Executive Officer's Report.

Administration: The Commission received an update on the Special District election process and the retirement of the Deputy Executive Officer.

Project Notes: The Commission received an update on the possible formation of a countywide fire protection district and the status of the Oroville Region Water Study.

CALAFCO: The Commission received an update concerning recent CALAFCO Board activities and the Little Hoover Commission activities.

** As a result of another commitment, Commissioner Lotter left the meeting at this time.*

Legislation: The Commission received an update concerning AB1361 (Garcia) and the latest CALAFCO Daily Legislative Report was provided.

General Notes: None.

Application Activity: Project status as of August 30, 2017 was provided.

6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:17 a.m. to the Thursday, October 5, 2017 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer

Minutes prepared by Jill Broderson, Management Analyst