

BUTTE LOCAL AGENCY FORMATION COMMISSION
DRAFT Minutes of March 5, 2015

1. CALL TO ORDER

Vice Chair Lotter called the meeting to order at 9:01 a.m., on March 5, 2015, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Present: Commissioners Scott Lotter (City), Larry Duncan (Special District), Bill Connelly (County), Tom Lando (Special District), and Linda Dahlmeier (City), and Chair Carl Leverenz (Public). Alternate Commissioner John Busch (City).

Absent: Commissioner Steve Lambert (County). Alternate Commissioners Larry Wahl (County), Greg Steel (Public) and Wes Gilbert (Special District).

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

2. CONSENT AGENDA

2.1 Approval of the Minutes of February 5, 2015

2.2 Employment Agreement – Executive Officer

Chair Leverenz asked if anyone wanted any item removed from the consent agenda. None stated. No corrections to the minutes were noted.

Commissioner Duncan made a motion to approve the consent agenda as presented. The motion was seconded by Commissioner Lando.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Connelly, Lando, Dahlmeier, and Chair Leverenz

NOES: None

ABSENT: Commissioner Lambert

ABSTAINS: None

3. NOTICED PUBLIC HEARINGS

3.1 15-03 – Review, Consideration and Adoption of the Public Review Draft Municipal Service Review Update and Sphere of Influence Plan Update for the County of Butte – County Service Area No. 04 (Sierra Del Oro Drainage and Street Lighting) – Expansion of Powers

Steve Betts stated the project consist of three distinct aspects: 1) Review and approval of the municipal review update; 2) Review and approval of the sphere of influence plan; and 3) Review and approval of an expansion of powers requests to allow CSA 4 to provide enhanced road maintenance services to the more heavily utilized roads within the CSA. No changes to CSA 4 existing SOI or the jurisdictional boundaries are proposed. History of the CSA, the current status of

the CSA and a map showing the area within the CSA was provided. A PowerPoint presentation was provided.

Chair Leverenz asked how the County determines the approximate cost of services.

Steve Betts stated Butte County Public Works determines the work needed and they build that cost into the budget which is adopted by the Butte County Board of Supervisors.

Commissioner Lando asked if this CSA is subject to a Proposition 218 vote.

Steve Betts stated there is no separate property tax assessment and the CSA is funded through existing property taxes collected. The Draft MSR determined that the CSA would have adequate funding, based on the CSA's existing large fund balance and based on normal yearly revenues and expenditures, to perform the requested road maintenance services. Staff would like to amend the Draft MSR determination 3.1.7 to state CSA 4 funding for roadway maintenance on Skyway should only be utilized for maintenance on those portions of the Skyway that are within the jurisdictional boundaries of CSA 4 and should be based on a "fair share" calculation based on traffic counts." In addition, the condition in the resolution would be revised to state "Use of CSA 4 funds for road maintenance on Skyway shall be restricted to those portions of Skyway that are within the jurisdictional boundaries of CSA 4 and funding shall be on a "fair share" calculation based on the number of vehicle trips generated by the uses within CSA 4 as determined by a traffic count performed at the time any road maintenance work is planned."

Commissioner Lando asked if the County & Public Works satisfied with this condition.

Mike Crump, Director of Public Works for Butte County stated the County is satisfied with this condition.

Commissioner Lotter asked if the snowplow is charged to this CSA.

Mike Crump stated the snowplow is paid through the general road funds.

Commissioner Duncan asked if the District has a Board.

Steve Betts and Chair Leverenz stated the Butte County Board of Supervisors acts as the governing board for CSA 4.

Commissioner Duncan asked if there is ever in any flooding in the area.

Mike Crump stated there are minor flooding issues that affect the parcel yards but not the buildings.

Steve Betts stated there are areas in the Draft MSR that refer to the expansion of powers request that will be updated depending on what is adopted today. Staff is recommending the Commission approve the MSR & SOI plan updates as presented and apply the modifications to the MSR determination and resolution condition.

Chair Leverenz opened this item for public comment. None stated and public portion was closed.

Commissioner Lotter made a motion to approve staff's recommendation including amending the condition in the resolution and the determination in the MSR as stated and adopt Resolution No. 10 2014/15 approving the Municipal Service Review Update and Sphere of Influence Plan for the County Service Area No. 4. The motion was seconded by Commissioner Dahlmeier.

The motion was carried by the following roll call vote:

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

3.2 15-05 – City of Oroville – Lower Wyandotte Road Annexation No. 04

Steve Betts provided a PowerPoint presentation.

Steve Betts stated we do not have 100% consent of all affected property owners and therefore we will hold a protest hearing and all affected property owners and registered voters within the affected area will be notified of the protest hearing.

Chair Leverenz opened the public portion of the hearing.

Mike Guyer, residing at 1390 Claremont Drive, stated he has some signatures of people against the annexation and he wanted to submit them. If the property owners get annexed, what is the City going to do about the large animals.

Don Rust, Community Development Director for the City of Oroville, stated if it is a legal use in the County, it would be considered a legal use going forward into the City.

Mike Guyer asked if the City is going to make improvements, are the taxes going to go up and will he still have to pay the CalFire fee.

Thom Kinsey, residing at 3097 Lower Wyandotte Road, asked if he is annexed at what point in time is he responsible for curbs, sidewalks and irrigation drains.

Chair Leverenz stated the general rule is that you are not required to put in curbs and gutters unless you do major improvements.

Don Rust stated the City of Oroville has adjusted their threshold and now it is \$52,000 in improvements, before curbs and gutters will be required. That is only if the City Engineer determines it is appropriate, depending on the nature of the existing neighborhood.

Thom Kinsey asked if his house burns down and the replacement cost is over the \$52,000 would he then be required to put in curb and gutters.

Don Rust stated if he is just replacing the existing house, as long as he is not expanding the house, he would not have to put in the improvements.

There was discussion on burning permit requirements, wood stove burning restrictions and street improvement potential within the City.

Commissioner Connelly stated this area has been marked for road work next year.

Scott Boulant, residing at 3899 Lower Wyandotte, voiced his concerns regarding the possibility of the City of Oroville going bankrupt, as was reported in the news. If the City is having financial difficulties, how can the City afford to take over an area and not raise the taxes yet still provide the services required.

Chair Leverenz stated the City of Chico and the City of Oroville both have had some financial difficulties, but are not going bankrupt. The City of Oroville is actually in a better financial state than the City of Chico is.

Scott Boulant stated he bought his house because it was in the County and if it moves into the City he might have to sell his place. He would like to receive information on any upcoming community meetings for this area.

Don Rust stated if any community member would like to be noticed of the community meetings, the City would like to receive their email addresses so they can be electronically noticed.

Leighton & Monica Jenkins, residing at 4275 VC Avenue, stated they would like to have their parcel included in this annexation. He stated he has lived on this parcel for over 20 years and he has not seen any significant improvements. There are a lot of run down houses, illegal dumpings, inadequate streets and street lighting. He would just like to see some improvements, either by the County or the City.

Commissioner Lando asked if we were to add this parcel, would it set the process back.

Steve Lucas, stated for legal purposes, this parcel would be contiguous to the annexation area and since the property owner is here today and this is a noticed public hearing, Mr. Jenkins could have his parcel added to the annexation at this time and we could expand this boundary to include this parcel.

There was discussion regarding the possibility of annexing the area south of V7 Road. It was determined this area was not included in the original financial study and would be looked at being annexed in the future.

Commissioner Lotter wanted to thank the citizens that came to the meeting today and stated this is a good opportunity for the City to hone their skills in educating the citizens in how an annexation will change them.

Steve Lucas stated if the annexation is approved today, there is a 30 day reconsideration period. By law, all the landowners and registered voters in this area will receive a mailed notice of the protest hearing that will explain the resolution that was adopted and the notice will include a protest form. The protest forms can be brought to LAFCo, mailed in or brought to the protest hearing, and need to be received by the close of the protest hearing.

Commissioner Connelly made a motion to approve the annexation and staff's recommendation of including one parcel [4275 VC Avenue, Oroville] and amend and adopt resolution No. 11 2014/15. The motion was seconded by Commissioner Dahlmeier.

Steve Lucas stated the County's planned road improvements within Area B are a critical component at obviously reducing eventual expenses to the City and his recommendation is the resolution should be amended at Section 3 D to add a condition that states: "The Commission acknowledges the currently planned road maintenance to be conducted within the affected territory by the Butte County Department of Public Works and finds that such planned road improvements are in the public interest and should proceed unabated and conducted without regard to annexation of the territory to the City of Oroville, subject to agreement between Butte County and the City of Oroville".

Commissioner Connelly stated he would like to amend his motion to include this condition. Commissioner Dahlmeier seconded this amendment.

The motion was carried by the following roll call vote:

AYES: Commissioners Lotter, Duncan, Connelly, Lando, Dahlmeier and Chair Leverenz

NOES: None

ABSENT: Commissioner Lambert

ABSTAINS: None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Update of the Sewer Extension and Annexation Agreement progress with the City of Chico and Consideration of Amendments to the Agreement.

Steve Lucas stated today he picked up the signed Annexation Agreement that has been signed and executed. This is a great outcome from a long process and our ability to see this through to the end, ended up with a great product. The steps going forward included by April 30th the City of Chico has to make an application to us for the Chapman and Mulberry areas. Once that is submitted, we will continue to process that application and expect that to conclude sometime in June. One of the issues that came up in the Community meeting is that this all has been conducted in Oroville and the suggestion has been made that if we have a hearing for these areas, could the meeting be held in Chico.

Commissioner Lotter made a motion to have the Chapman/Mulberry annexation hearing held in Chico if possible. Commissioner Dahlmeier seconded that motion.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Dahlmeier and Chair Leverenz

NOES: Commissioners Connelly and Lando

ABSENT: Commissioner Lambert

ABSTAINS: None

Steve Lucas stated the island annexation applications, once they come in and are approved, included in that will be the request for the automatic authorization for sewer connections within those two islands, meaning none of those will come to us for approval on an individual basis ever again. That won't take place until we actually approve the island annexations. To make sure we don't prematurely get people connected until all the final documents have been executed. The agreement also requires the City reimburse LAFCo for substantial expenses, approximately \$17,000 related to investigating unauthorized connections, due to LAFCo on March 19th. The Agreement also requires a single comprehensive application for all the remaining unauthorized connections outside the Mulberry/Chapman area no later than May 18, 2015. The final piece is outside of those two areas, are at status quo. There are a lot of areas north of Lassen Avenue that are potentially looking at annexation.

Chair Leverenz stated since the Commission reduced the LAFCo fees for the City of Chico to \$600 each, the staff needs to go back and talk to the City about continuing to reduce our fees for those parcels that have failed septic systems.

Steve Lucas stated this process that has unfolded has caused a lot of other LAFCo feedback in support of our position in this process. A lot of these other LAFCo's are experiencing the same issues in their counties.

4.3 15-06 – City of Chico – Extension of Services – 2174 Mulberry Street

Commissioner Lando made a motion to adopt Resolution No. 13 2014/15, approving the extension of City of Chico sanitary sewer service. The motion was seconded by Commissioner Connelly.

The motion was carried by the following roll call vote:

AYES: Commissioners Lotter, Duncan, Connelly, Lando, Dahlmeier and Chair Leverenz

NOES: None

ABSENT: Commissioner Lambert

ABSTAINS: None

5. PUBLIC COMMENTS NOT ON THE AGENDA - None

6. REPORTS AND COMMUNICATION

6.1 Executive Officer's Report

Steve Lucas summarized the Executive Officer's Report and stated the County has been notified that the one regular County LAFCo representative and the alternate, is due to expire at the end of May. The County will meet and make their selections.

Commissioner Lotter stated the City Selection Committee has selected him to remain on LAFCo for another four years.

6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:47 a.m. to the next LAFCo meeting to be held on **Thursday, April 2, 2015** at 9:00 a.m.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer