

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

1. CALL TO ORDER

Vice Chair Lotter called the meeting to order at 9:05 a.m., on February 5, 2015, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Present: Commissioners Larry Duncan (Special District), Bill Connelly (County), Linda Dahlmeier (City), Steve Lambert (County) and Vice Chair Scott Lotter (City), Alternate Commissioner Greg Steel (Public).

Absent: Commissioner Tom Lando (Special District) and Chair Carl Leverenz (Public). Alternate Commissioners Larry Wahl (County), John Busch (City) and Wes Gilbert (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
Scott Browne, LAFCO Legal Counsel

2. CONSENT AGENDA

2.1 Approval of the Minutes of December 4, 2014

Vice Chair Lotter asked if there were any corrections or changes. None stated.

2.2 Acceptance of Independent Auditor’s Report and Financial Statements for Fiscal Years ending June 30, 2014 and 2013.

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

The motion was carried by the following roll call vote:

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

3. NOTICED PUBLIC HEARINGS

Chair Leverenz arrived at 9:10 a.m.

3.1 15-04 – City of Oroville – South Oroville Annexation No. 1

Steve Betts provided a PowerPoint presentation and identified the various zoning areas on the map. Steve Betts stated staff is now recommending the three parcels that are in County Service

Area (CSA) No. 33 should be detached from CSA No 33 to ensure logical and jurisdictional boundaries are maintained and staff has prepared a revised resolution to reflect this change.

Of the 21 LAFCo factors to be reviewed when making a recommendation, 20 of the 21 factors are consistent, but the cost that it would take for the City to provide services to the area, exceeds the amount of revenue that would be received. The other 20 factors, including that this is a Disadvantaged Unincorporated Community, exceeds the one factor. The Sheriff's Department has agreed to help provide service to the area to help the City meet the needs of the area so the City's Police Department will not take a big hit by providing service to the area.

The territory will remain within the CSA 17, SFWPA, LOAPUD, El Medio Fire Protection District, Oroville Mosquito Abatement District and the Butte County Mosquito and Vector Control District.

Staff recommends approving Option 1 on the staff report.

Commissioner Duncan asked if the Police and Sheriff agreement will be put in writing.

Steve Betts stated he does not believe it will be put in writing.

Chair Leverenz asked if there is an existing mutual aid agreement.

Steve Betts stated yes and normally in an emergency situation the County Sheriff would come to help but this agreement is beyond just emergency calls.

Commissioner Dahlmeier stated she would like to request the agreement be put in writing.

Commissioner Connelly stated by law the Sheriff must provide protection to all the citizens of Butte County and the Sheriff has stated he is not going to pull out.

Chair Leverenz opened this item to the public hearing.

Allen Young, residing in the downtown historic district of Oroville, asked that the annexation not be delayed for a requirement for a written agreement. The Sheriff has stated many times that South Oroville like Oroville itself is in the County and it will be covered. Whether you have a written agreement or not, the agreement is there.

Pastor Kevin Thompson stated this annexation is not something that just came to the community. People have been fighting to be annexed for over 50 years. He wanted to encourage the Commission to not get to the finish line of this great historical moment and allow something as small as a signed agreement between the City and the County to undermine this. For whatever reason, people have been trying to delay something that should have been annexed over 50 years ago.

Don Rust, Community Development Director, stated this application for annexation came forward on a 5-2 vote. Five members very much support this but there were two members that had concerns, and funding is a big issue. What the Mayor [Commissioner Dahlmeier] is asking for may help eliminate this funding issue. There is a handshake agreement between the Sheriff and the Police Chief. The community is more interested in being annexed than having the funding. It could be several years before a lot of the services become available for this area, such as curbs and gutters. The annexation of South Oroville helps heal many wounds and helps to bring the community together. City staff will continue to work with LAFCo staff towards obtaining grants and look into SB628 funding that may be available.

Chair Leverenz asked if there was anyone else that wished to speak. No one else came forward and Chair Leverenz closed the public portion of the hearing.

There was discussion regarding the revenue sources, including sales tax income.

Commissioner Connelly made a motion to approve staff's recommendation including adopting resolution No. 08 2014/15 as stated in Option 1 on the Staff Report. The motion was seconded by Commissioner Duncan.

Commissioner Dahlmeier stated she is new to LAFCo and as the mayor of the City of Oroville she helped spearhead this annexation, but it is a question of providing services, especially police services and sheriff.

Chair Leverenz stated if we approve this today, there is nothing to preclude us from reducing this agreement to writing.

Commissioner Connelly stated this is the most urbanized part of Oroville. These people don't drive out of town to shop; they are spending their money right here in this town. The County is supposed to take care of the non-urban areas. We should pass this today and if the Sheriff and the Police Chief want to get something in writing then let them do it.

Chair Leverenz stated the merits of the annexation are manifest; there is no issue there. The real issue is the short fall of the City of Oroville and without too much effort on behalf of the County, personnel could be allocated to do some of the patrolling in the area that is being annexed. It would be nice if the Police Chief and the Sheriff could put something in writing as it would give some assurance to the City and the people in the area that there is going to be that level of support.

Commissioner Duncan stated he does not want anything to delay the annexation.

The motion was carried by the following roll call vote:

AYES: Commissioners Lotter, Duncan, Connelly, 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 Appointment of Budget Committee for the 2015/16 Fiscal Year

Commissioners Duncan, Lotter, Connelly, and Chair Leverenz were appointed to the Budget Committee.

4.3 15-07 – South Feather Water & Power Agency – Railroad Avenue Annexation No. 2

Steve Betts stated he wanted to note that special districts such as this are not required to have contiguous boundaries.

Commissioner Duncan asked if this parcel is within the Sphere of Influence (SOI) of the district, who will benefit from this annexation and is the Municipal Service Review current.

Steve Betts stated the parcel is in the district's SOI and the property owner will benefit from the annexation.

Steve Lucas stated we have a MSR for SFWPA and there is no question that the district is capable of providing this service. We do need to look into updating the district's MSR and SOI in the future.

Commissioner Duncan made a motion to approve the annexation as amended to include the district providing both domestic and agricultural water. The motion was seconded by Commissioner Dahlmeier.

The motion was carried by the following roll call vote:

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

NOES: None

ABSENT: Commissioner Lando

ABSTAINS: None

4.4 Update Concerning Approval of Sewer Service Extension and Annexation Agreement with the City of Chico.

(Continued from the December 4, 2014 Meeting)

Steve Lucas provided a summary of the actions to date and stated the City of Chico has decided to reconsider their prior vote to deny the agreement. On Feb. 7, 2015 there will be a community meeting to discuss the annexation of the Chapman/Mulberry areas. The City of Chico requested the date to submit the applications be changed in the agreement to be April 30, 2015, to give the City time to prepare the annexation.

Steve Lucas stated he is asking the Commission to approve the Chair signing the agreement and to acknowledge that we have temporarily suspended litigation efforts pending the outcome of the Feb. 17, 2015 City of Chico Council meeting.

Commissioner Duncan asked what the legal costs that have incurred so far.

Scott Browne stated around \$1500.

Commissioner Duncan asked if we would get that money back from the City.

Scott Browne stated if we get the agreement approved, the legal cost is a small cost for what the Commission would be getting.

Commissioner Lotter made a motion to have Chair Leverenz execute an updated version of the agreement, to include the date change, so it can be submitted to the City of Chico by Feb. 17, 2015. The motion was seconded by Commissioner Connelly.

The motion was carried by the following vote:

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

NOES: None

ABSENT: Commissioner Lando

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 added the City of Biggs has formally submitted a letter of request to begin updating their MSR and SOI plans. The City has budgeted resources and we will begin that process immediately. This project is expected to take approximately six months.

Steve Lucas stated the City of Oroville has formally asked LAFCo to review and update the island annexation policies. The City of Chico is suggesting we change the policy from being "substantially surround territory" from 75% to greater than 50%.

Chair Leverenz stated this can be put on a future agenda.

Steve Lucas stated he will put this one a future agenda, with a staff report and recommendation.

6.2 Correspondence – None

7. CLOSED SESSION (*Administration Conference Room Available 9:00 a.m. to 12:00 p.m.*)

7.1 Public Employee Performance Evaluation.

7.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Consideration of Initiation of litigation pursuant to subdivision (D)(4) of Government Code Section 54956.9: (1 case)

8. ADMINISTRATION – None

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:22 a.m. to the next LAFCo meeting to be held on **Thursday, March 5, 2015** at 9:00 a.m.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer