

**BUTTE LOCAL AGENCY FORMATION COMMISSION
Draft Minutes of March 2, 2017**

1. Call to Order

Chair Leverenz called the meeting to order at 9:01 a.m., March 2, 2017, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

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

Alternate Commissioners Present: Greg Steel (Public) and Bruce Johnson (City)

Absent: Commissioner Larry Wahl (County-Alternate)

Others Present: Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Joy Stover, LAFCO Commission Clerk
Marsha Burch, LAFCO Legal Counsel Associate

2.1 Special Recognition – Departing Commissioner Larry Duncan

Commissioner Connelly made a motion to approve the resolution of commendation for Larry Duncan. Commissioner Lando seconded the motion. The motion carried by unanimous vote.

Pamela Miller, Executive Director of the California Association of Local Agency Formation Commissions, stated it is her privilege to be here today to honor, acknowledge and thank former Commissioner Duncan for all of his work on the CALAFCO Board of Directors. On behalf of the Board of Directors, Pamela read and presented a Certificate of Recognition to Larry Duncan.

Larry Duncan stated he has enjoyed being on LAFCo for the last 10 years and on CALAFCO for 6 ½ years. It has been a pleasure working with the Commission and he feels the Commission has had LAFCo at heart even though the members represent other entities.

Chair Leverenz stated he personally has valued Larry's participation.

2. Consent Agenda

2.1 Approval of the Minutes of February 2, 2017

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

Commissioner Dahlmeier made a motion to approve the consent agenda. The motion was seconded by Commissioner McGreehan.

The motion was carried by the following vote:

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

3. NOTICED PUBLIC HEARINGS – None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 City of Oroville – Request to Administer the Preparation of Regional Water Service Review

Steve Lucas stated he wanted to bring to the Commission's attention comments received from Cal Water.

Chair Leverenz stated as part of the record he received his copy yesterday and the printed copy today.

Steve Lucas stated the City of Oroville has unanimously requested that LAFCo move forward with the preparation of a water study. The Oroville region is being served by two public water entities: Thermalito Water & Sewer District and South Feather Water & Power Agency and one private water entity: California Water Co. (Cal Water). This region represents about 42 thousand people. The City is requesting LAFCo, as a neutral body, prepare a water service study to see if there are opportunities for savings or other cooperation that can lead to providing better services to the citizens of the greater Oroville area. LAFCo's role is just to administer the study. It is not necessarily a project from our perspective. If you move forward, our job is then to follow through with the preparation of a scope of work, meeting with the stakeholders, developing the request for proposals, hiring a consultant and then seeing the study project through to completion. Ultimately the water study will be brought back to the Commission for acceptance.

Steve Lucas stated he wants to stress that the water study is not intended to look at any boundary changes or governance models. It is simply a factual document that is going to look at the facts as related to water service and the costs of the water service to the residents of Oroville. The cost of this study has been borne by a private individual who provided \$30,000 as a deposit for this study. Steve Lucas stated he cannot guarantee the deposit will cover the entire cost of developing the water study.

Chair Leverenz went over the proposed options as listed on the staff report prepared for the meeting today. The last option would provide that the interested parties- the water districts, the public and the City would be able to interact with LAFCo staff

Chair Leverenz opened this item to the public for comment.

Jack Kiely, 5317 Royal Oaks Dr., Oroville, stated he is a supporter of Lower Oroville Water Rates (L.O.W.R.) and the reason he is here is because only LAFCo has the authority to approve a service review or amend a district's sphere of influence. This independent review could best serve the long term needs of the greater Oroville area. L.O.W.R. has over 1000 supporters. They would like to see if there is a way to have their water service rates reduced. L.O.W.R.'s recommendation is that the Commission proceed with the water study.

Tasha Levinson, 1453 Bridge St., Oroville, stated she is a resident of Oroville and right now we have a situation where downtown Oroville is not going to be able to develop unless they start having affordable water rates. Realtors are finding that people are avoiding the area because of how expensive the water is in the area and homeowners are having trouble selling their homes because of how expensive the water rates are. Cal Water rates for central Oroville are about four times those charged by South Feather and about double those charged by Thermalito. One option the residents have thought of is why can't California Water buy treated water from South Feather. Possibly this could reduce the rates to be closer to those in the Thermalito area.

Linda Draper, 1715 Hammen Ave., Oroville stated she is speaking as a city resident as well as someone on the City of Oroville Council. The issue that is most important to people in Oroville that she found while running for City Council, is the high water rates that we are all paying. This is a huge burden, not just for residents but also for businesses in the area. The demarcation line for South Feather and Cal Water makes a huge difference for businesses as to what side of the line you are on. She would like to encourage the Commission to go forward with this study without delay. People have been working on this issue for several years.

Richard Harriman, from Chico, stated he has been working with L.O.W.R. for several years now and he would like to address a single point from Jack Kiely's presentation and that is the issue of timing. When he came to Chico in 1995 his focus was on sustainable rural economic development. In ordinary times, this measure would be a good suggestion but these are not ordinary times because of what has been happening with the Dam and the focus of the public. If we are going to have a chance to have sustainable economical development in the City of Oroville, whose time has finally arrived, we need to take action now. He would like to speak in support of the Executive Officer's recommendation.

Commissioner Dahlmeier made a motion to move forward with Option #4 as stated on the staff report:

"Direct staff to meet with stakeholders, prepare scope of work and release RFP."

Commissioner Lotter seconded the motion.

There was discussion regarding the letter from California Water Service, specifically in that the LAFCo Consultant should have sufficient background and experience working with both government-owned water suppliers and those regulated by the California Public Utilities Commission.

Steve Lucas asked if the Commission wants to be involved in the selection of the consultant for this study.

Chair Leverenz stated the Commission trusts the staff's judgment and if something comes up we can put together a sub-committee if needed.

The motion was carried by the following roll call vote:

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

5. Public Comment on Items not on the Agenda

Pamela Miller stated she wanted to thank Commissioner Connelly for his service on the CALAFCO board and now serving on the Legislative Committee as he is adding a lot to the conversations.

Commissioner Connelly stated it has been stimulating being around the really intelligent people and to try to move state policy forward while serving on the Legislative Committee

She stated she also wants to acknowledge the Executive Officer Steve Lucas. He continues to do an outstanding job representing Butte LAFCo and the entire state as the CALAFCO Executive Officer. She realizes it takes time away from his responsibilities with this LAFCo, but he is making significant contributions and making a huge difference statewide.

6. Reports and Communications

6.1 Executive Officer's Report

Steve Lucas summarized the Executive Officer's report.

6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT.

There being no further business, the meeting was adjourned at 9:25 a.m. to the Wednesday, April 4, 2017 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer

Minutes prepared by Joy Stover, LAFCO Commission Clerk