

BUTTE LOCAL AGENCY FORMATION COMMISSION
DRAFT Minutes of November 6, 2014

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., on November 6, 2014, 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), Steve Lambert (County) and Chair Carl Leverenz (Public). Alternate Commissioner John Busch (City)

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

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. CLOSED SESSION

The Commission did not meet in closed session.

3. CONSENT AGENDA

3.1 Approval of the Minutes of September 4, 2014

Chair Leverenz asked if anyone wanted any corrections or changes to the minutes.

Commissioner Duncan requested one addition to be added to the record for Agenda Item 5.4 to include the discussion regarding the possible cost to prepare the City of Oroville SOI by an outside consultant.

Commissioner Lando made a motion to approve the consent agenda with the one addition. The motion was seconded by Commissioner Duncan.

The motion was carried by the following vote:

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

4. NOTICED PUBLIC HEARINGS – None

5. REGULAR AGENDA

5.1 Items Removed from the Consent Agenda – None

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

(Continued from the September 4, 2014 meeting)

Steve Lucas stated the staff report provides a chronological update. The most recent development is the City of Chico was expected to hear this issue on October 21, 2014, as indicated in a letter to LAFCo. This agenda item has been rescheduled for November 18, 2014 due to a lack of individual notices being mailed by the City.

LAFCo staff had originally asked the City to submit an application by October 31, 2014. That date has passed. If the City approves the agreement at the November 18th meeting, the city staff plans to ask for the deadline to submit the application to be extended to February 12, 2015.

Possible future steps for LAFCo were summarized from the staff memo; including going back to a full cost recovery for the outside sewer connections, re-evaluate current policy and practices related to out-of-agency service provisions, a need to update the Chico MSR to reflect the City's current fiscal condition, a moratorium on service connections that are non-emergency and also on annexation of areas outside of existing island areas until a new MSR and SOI Update are completed. The future steps for LAFCo can all be determined based on the outcome of the November 18, 2014 meeting.

Chair Leverenz stated we are in a position that we have to wait until Nov. 18 to see what the City of Chico is going to do. My hope is that the majority of the Council will take some steps to approve this agreement and we'll have this problem behind us. If not, our December meeting will be to take up all of these issues and decide how we want to proceed. If the City does sign the agreement and wants to change the date, the City will have to make a pretty good presentation as preparing the application in of itself is not a very time consuming process.

Commissioner Duncan asked if sending the City of Chico a letter from our attorney for their Nov. 18th meeting will have some input.

Chair Leverenz stated he does not feel it will make a difference. It is in everybody's best interest, from a fiscal point of view, to simply sign the agreement.

Commissioner Duncan stated he feels the City is just kicking the can down the road.

Scott Browne, LAFCo counsel, stated he shares Commissioner Duncan's concern. The consistent pattern of behavior has been to delay.

Commissioner Lando stated if the City signs the agreement, and is committed, then he is not concerned when they actually submit the application, if they sign the agreement. If they don't sign the agreement then we should go full steam ahead with anything we can do.

Commissioner Connelly stated he feels there is support from the County to initiate the annexation.

Chair Leverenz stated in our December meeting, depending on what action the City takes on Nov. 18th, the Commission needs to state the Commission has given the City some deadlines and we expect the City to act responsibly and if the City doesn't act responsibly, there consequences to deal with.

Commissioner Duncan stated he is afraid the City is not aware of how serious this is.

Commissioner Lando stated he thinks the whole time the City has been waiting until after the outcome of the election.

Steve Lucas stated City staff has been fully supportive of this agreement and believes it is in the best interest of the City and he expects that to be the staff's recommendation for the Nov. 18th meeting, but not sure if that will make a difference with any individual councilmember.

Chair Leverenz stated we are going to have to sit back and wait.

No action was taken on this item.

5.3 11-22 – City of Oroville – Municipal Service Review and Sphere of Influence Plan Update

Steve Betts stated the Draft Municipal Service Review and the Draft Sphere of Influence plan for the City of Oroville has been completed. The public review period begins today and ends on Wed., Nov. 26, 2014. We have provided the Commission with copies, either printed or on CD's, as

well as copies of the City of Oroville General Plan and the EIR that went along with the General Plan. All of these documents have been posted on our website and placed in the Oroville Library and CD's were distributed to the affected agencies within the Oroville area. We encourage the Commission to read the draft documents and submit any comments or questions to staff.

The financial information that was used for this draft MSR was based on an August revision to the City's adopted budget for this fiscal year. Last Tuesday the City Council considered revising this information again and we don't know what those revisions will be at this time. When we obtain the figures, we will be updating this draft MSR.

Staff would like the Commission to review these documents prior to the Dec. 4, 2014 meeting, at which time we will hold the public hearing on these documents.

Chair Leverenz requested clarification regarding the two areas that will be dropped from the City of Oroville's SOI area.

Steve Betts stated in the City's 2030 General Plan they have determined they will not be providing services to those two areas.

Commissioner Connelly stated the City will never provide services to the Oroville Wildlife area and asked if it is common to have cities take state lands in as those lands are not urban areas.

Steve Lucas stated the historical prospective is there is a thought that someday the state may surplus those lands and if they are in the City's SOI they may have to opportunity to obtain those lands.

Commissioner Connelly stated the wildlife area is a area of recreation and hunting and it is state controlled. There is nothing to do but expand the flood plain there and expand it for recreation; there is nothing to build there.

There was discussion regarding the status of the Oro Bay Specific Plan project on Hwy. 162 east of Hwy. 99, the Rio D'Oro Specific Plan west of Hwy. 70 and the Thermalito area where there is currently an island area.

Commissioner Connelly stated he really liked the fact that the City of Oroville is considering including the Palermo area.

Don Rust, Community Development Director for the City of Oroville, stated the City is working well with the LAFCo staff and the City is starting to move in the right direction. The City currently has 12 islands, some of them do not meet the criteria for annexation and the City is working on trying to annex what they can at this time. The City is really looking forward to getting the SOI update completed and then moving forward on the annexations in the future.

Commissioner Connelly stated it troubles him that the City is interested in the state wildlife area.

Don Rust stated if the state was to give up the wildlife area, the City would like to take it over. All of the City Counselors have voiced that they want the wildlife area to be in the City's SOI.

No action was taken on this item.

5.4 Adoption of 2015 LAFCo Regular Meeting Calendar

Commissioner Lando made a motion to adopt the 2015 LAFCo meeting calendar. The motion was seconded by Commissioner Duncan.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Connelly, Lando, Busch, Lambert and Chair Leverenz

NOES: None

ABSENT: None

ABSTAINS: None

6. PUBLIC COMMENTS NOT ON THE AGENDA - None

7. REPORTS AND COMMUNICATION

7.1 Executive Officer's Report

Steve Lucas summarized the Executive Officer's Report.

Commissioner Duncan stated ground water is going to be a huge issue in the future for LAFCO and the special districts.

Steve Lucas stated the two latest water bills largely remove LAFCO in managing the ground water districts and they are in favor of allowing the counties and existing groundwater agencies to determine what their best approach is. LAFCo will have a role to play by either forming new districts or consolidating existing districts.

Chair Leverenz asked does the legislation envision multi-county districts or county districts.

Steve Lucas stated that is one of the most difficult questions as the water basins cross county boundaries but the formation of these plans is done on a jurisdictional basis.

Chair Leverenz stated our aquifer in this part of the state covers several counties and you either have some entity to deal with it or defer to the state water resources.

Steve Lucas stated each of the management plans have to be prepared by the individual agencies but there are areas of unincorporated lands that are not part of a specific district. These territories are unmanaged and the question is how those areas are going to be managed and if those counties are going to be able to take over those roles. This is going to require some level of cooperation between agencies.

Scott Browne stated he was one of the speakers on a ground water session at the CALAFCO Conference and there was discussion amongst the panelist regarding it is very likely that within a couple of years there will be much tweaking of this legislature. Every single agency is going to want to maintain control and create its own plan which will make it very difficult as a whole.

Steve Lucas stated the time has come for agencies to start sharing resources more effectively.

7.2 Correspondence – None

8. ADMINISTRATION – None

9. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:59 a.m. to the next LAFCo meeting to be held on Thursday, **December 4, 2014** at 9:00 a.m.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer