

MEMORANDUM

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer
Stephen Betts, Deputy Executive Officer

SUBJECT: 11-22 – Review and Consideration of the Draft Sphere of Influence Plan and Municipal Service Review Update for the City of Oroville

DATE: November 24, 2014, for the meeting of December 4, 2014

Summary / Background

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 requires LAFCo to review and update, as necessary, local agency Spheres of Influence (SOIs) (California Government Code §56425(g)). In addition, LAFCo is required to conduct a Municipal Service Review (MSR) for each agency prior to, or in conjunction with, an agency's SOI update (California Government Code §56430(a)).

The City of Oroville (City) is proposing to add 1,104 parcels, totaling approximately 9,838 acres, to the City's Sphere of Influence (SOI) in order to facilitate the future annexation of those parcels to accommodate future population growth. The City is also proposing to remove 276 parcels, totaling approximately 2,734 acres, from their SOI. To support the SOI update, the City's existing Municipal Service Review (MSR), which was approved by the Commission in 2009, has been updated.

The Draft SOI Plan was circulated for a 21-day noticed public review period that began on November 6, 2014, and ended on November 26, 2014. As of the date of this report, only two comments regarding the draft documents have been received (**Attachment D**). Any comments received after the date of this report will be provided to the Commission prior to or at the Commission's December 4, 2014, meeting.

Staff recommends that the Commission adopt Resolution 07 2014/15 (**Attachment C**) approving the MSR update and the proposed SOI Plan, which includes changes to the City's SOI, subject to any changes that the Commission may direct. The Final SOI Plan will include the adopting resolution and a copy of any comments received in regards to the draft document.

Municipal Service Review Update

The Cortese-Knox-Hertzberg Act requires that a Municipal Service Review (MSR) be conducted prior to, or in conjunction with, the update of an entity's Sphere of Influence (SOI). A MSR is a comprehensive, contemporary analysis of service provision by each of the special districts and cities within the legislative authority of the LAFCo. It essentially evaluates the capability of an agency to deliver the services it is empowered to provide.

The current City of Oroville Municipal Service Review, which was adopted by the Commission on October 1, 2009, contained an evaluation of the municipal services provided by the City and the information in the MSR provided the baseline information for the SOI study. However, due to significant changes to City finances and operations in recent years, information in the 2009 MSR warranted a fresh evaluation in order to effectively evaluate the proposed SOI. Portions of the MSR were significantly revised to ensure that the MSR contained an updated description of the ability of the City of Oroville to provide municipal services to the proposed SOI. Attachment A to this report provides a summary of the updated MSR Determinations.

The MSR determined that the City has experienced recent financial difficulties due to the downturn in the economy and the loss of Redevelopment Agency funds, both of which resulted in a significant reduction in revenue flow to the City. Due to the loss of revenue, the City took numerous cost-saving measures to address the loss of revenue, including a significant reduction in the City workforce. Reductions were made to core services, including police and fire protection services. Due to the cost-saving measures taken by the City, and due to a stronger economy, the City's financial situation has improved and the outlook is for revenues to gradually increase over time. As the City's financial situation improves, services, such as police and fire protection services, will incrementally be augmented to provide for increased level of services. It is important to note that such expectations are merely forecasts at this time, and while appropriate for this MSR review, should not be viewed as guarantees of expanded services in the short term.

Two written comments have been received regarding the Draft MSR Update, which are attached to this report as Attachment D. Changes to Draft MSR Update and Draft SOI Plan are identified in the "Changes to the Draft MSR Update and the Draft SOI Plan" section on Page 11 of this report.

Staff supports the changes to the MSR and recommends that the Commission adopt the Updated MSR.

Sphere of Influence Plan and Update

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) empowers LAFCo with the responsibility for developing and determining the SOI of each local agency within the county, and for enacting policies designed to promote the logical and orderly development of areas within the spheres.

A SOI is defined as a plan for the probable physical boundaries and service area of a local agency, as determined by LAFCo. The intent of a SOI is to identify the most appropriate areas for an agency's extension of services in the foreseeable future (i.e., 10-20 year horizon). Accordingly, territory included in an agency's sphere is an indication that the probable need for service has been established, and that the subject agency has been determined by LAFCo to be the most logical service provider for the area. *It is important to understand there is no particular "right" methodology in determining the size of a SOI as each agency has unique variables of service delivery, land uses, and geography that play a role in determining an appropriate SOI.*

The CKH Act requires that LAFCo decisions regarding subsequent boundary changes be consistent with SOIs of local agencies. LAFCo is prohibited from approving annexations that are not within the annexing agency's SOI. Once an SOI is established, annexations must still be individually considered and evaluated on their own merit. There is no "automatic" annexation just because specific territory is within the agency's SOI, and many factors may influence this future decision.

State law requires LAFCo to review and update, as necessary, the SOI of each local agency not less than every five years. The level of review and the matter of necessity are determined by each local commission based on local policies and circumstances. Sphere of Influence updates may range from an affirmation of the existing SOI boundaries to modifications to the SOI boundaries up to an including finding that an agency should have no SOI at all (zero sphere) based in its complete inability to provide its defined services. LAFCo is not required to initiate changes to an SOI based on findings and recommendations of the service review, although it does have the power to do so.

Existing Conditions

The current Sphere of Influence Plan for the City of Oroville (Attachment 1 to the Draft SOI Plan) was adopted in April 1985 as a part of the *Oroville - Thermalito Area Sphere of Influence Study* and consumed the majority of the developed area surrounding the City. The City's SOI has remained virtually unchanged since the 1985 SOI Plan was adopted aside from increased development in the unincorporated urban area around the City. Although there have been no significant changes to the City's SOI since 1985, the existing SOI Plan is significantly out of date and a comprehensive SOI update is warranted.

Oroville's existing Sphere of Influence is currently approximately 18,304 acres in size (excluding the area within the current City jurisdictional boundaries, which is approximately 8,309 acres in size). Within the portion of the SOI outside City boundaries, there are approximately 7,710 housing units and approximately 19,660 residents. Approximately 65% of the parcels within the City's SOI are developed with a residential use, while almost 13% of the parcels are assessed as residential undeveloped. Commercial and industrial uses within the City's SOI comprise approximately 12% and 1% of the land uses, respectively. Agricultural uses within the City's current SOI vary in type and intensity and are found on approximately 40 parcels.

Domestic water supply for parcels within the SOI is provided by on-site private wells or by two special districts - the South Feather Water and Power Agency (SFWPA), which essentially services the Oroville urban area east and south of the Feather River, and the Thermalito Water & Sewer District (TWSD) which essentially serves the Oroville urban area west and north of the Feather River – to parcels within their jurisdictional boundaries. The California Water Service Company, which is a private company, provides domestic water services primarily to parcels within the City of Oroville, but does provide service to approximately 1,074 unincorporated parcels in the South Oroville area. Wastewater disposal within the City's SOI is handled by either on-site septic systems or by two special districts: the Lake Oroville Area Public Utility District (LOAPUD) in areas east and south of the City or TWSD in areas west and north of the City.

Sphere of Influence Expansion Request

An amendment to the City of Oroville's Sphere of Influence is being requested by the City as a part of this SOI Plan. The City proposes to add 1,104 parcels, totaling approximately 9,838 acres, to their SOI. The City also proposes to remove 276 parcels, totaling approximately 2,445 acres, from the City's existing SOI. The following table shows the SOI acreages as currently approved and the proposed adjustments for areas to be removed.

Current Oroville SOI (excluding City boundaries)	18,304 ac
Area proposed to be added to Oroville SOI	+9,838 ac
Area proposed to be removed from Oroville SOI	- 2,445 ac
Total Size of Updated Oroville SOI	25,697 ac
Net Change of SOI	+7,393 ac

Although not requested by the City of Oroville, LAFCo staff, with the concurrence of the City, proposes that the unincorporated community of Palermo be added to the City's SOI as a Special Study Area. Additionally, also with the concurrence of the City, the Kelly Ridge area - which is already within the City's SOI and substantially developed under County jurisdiction - is proposed to be designated as a Special Study Area. These Special Study Areas are intended to recognize the spatial relationship of these developed communities to the City, their close socio-economic ties to the City and in the case of Palermo, the potential need for urban level services at some point in the near future. However, at this time, it is not appropriate to make a full commitment to place these communities within the City's SOI until such time as annexation appears more imminent.

The City's 2030 General Plan land use map, which was adopted by the City Council in 2009, shows the SOI expansion and reduction areas, with the exception of the Palermo area. Oroville's General Plan designates the SOI expansion area for a wide range of residential, commercial, public, and industrial uses, including the large County controlled Rio d'Oro Specific Plan Area project located immediately south of the City along the SR 70 corridor. LAFCo will review future annexation requests in the City's SOI for consistency with the City's General Plan Land Use Map and rezoning.

Prior to applying to LAFCo for a SOI update, California Government Code §56425 and Butte LAFCo Policy 3.2.2 require a city to meet with the affected county to discuss the proposed SOI, development standards, and planning and zoning requirements to ensure that development within the SOI reflects the concerns of the affected city and promotes the logical and orderly development of areas within the sphere. Accordingly, the City of Oroville and Butte County representatives met to discuss these matters, and County officials voiced no objections to the City's proposed SOI update nor did the City and County enter into any agreements related to the SOI Update.

Pursuant to California Government Code §56425(e), as part of a SOI update, the Commission is required to consider the following five factors and make appropriate determinations in relationship to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sections 4.0 to 4.4 of the Draft SOI Plan contain a detailed analysis and determinations for each of the five factors. The proposed SOI determinations are attached to this report as Attachment B.

Butte LAFCo Policies

Section 3 (Sphere of Influence) of Butte LAFCo Policies provides the standards for determinations regarding spheres of influence. Policy 3.1.4 states that when establishing the boundaries of a sphere of influence for an agency, LAFCo will consider the factors listed in Section 56425 of the Government Code as well as the factors found in LAFCo Policy 3.1.4.1, which state that LAFCo will discourage including lands in an agency's sphere of influence that are:

- Unlikely to require the services provided by the agency, for example, lands not designated for inclusion to a city by the applicable general plan;
- Areas where development is constrained by topographical factors;
- Areas where the projected and/or historical growth rates do not indicate a need for service within the time frame of the Sphere Plan;
- Areas in an agency's sphere of influence which cannot feasibly be served by the agency within a 20 year time frame consistent with the Sphere Plan.

The proposed SOI expansion is consistent with this Policy because:

- The City of Oroville's General Plan shows, and plans for, the subject area (excluding the areas designated as Special Study Areas) to be annexed to the City within the 20-year time span of the General Plan;
- There are no significant topographical factors that constrain development of the SOI expansion area. The large portions of the City's updated SOI that are owned by the State of California can be expected to remain undeveloped except for existing or future State Water Project facilities and for recreational uses;
- As shown in the Updated MSR and in the Draft SOI Plan, the City of Oroville does plan for, and believes it could feasibly serve, future development in the SOI expansion area (excluding the Special Study Areas) barring unforeseen developments or factors out of its immediate control, such as the state/national economy.

Butte LAFCo Policy 3.1.8 states that LAFCo shall not approve a change to a sphere of influence to include lands that are subject to a Williamson Act contract if the annexing agency has the ability to provide sewer service, nonagricultural water, streets and/or roads unless these facilities or services specifically benefit the land uses that are allowed under the contract and the landowner consents to the sphere change. The City's current SOI includes five parcels that are subject to a Williamson Act contract. However, these five parcels would be removed from the City's updated SOI. None of the parcels within the SOI Expansion Areas are subject to a Williamson Act contract.

Although not applicable to SOI proposals, Butte LAFCo Policy 2.13.1 states that LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) that are likely to result in the conversion of prime agricultural/open space land uses to other uses. Only if the Commission finds that the proposal will lead to planned, orderly, and efficient development, will the Commission approve such a conversion. For purposes of this standard, a proposal leads to planned, orderly, and efficient development only if all of the following criteria are met:

- The land subject to the change of organization or reorganization is contiguous to either lands developed with an urban use or lands within the sphere and designated for urban development;
- The proposed development of the subject lands is consistent with the Sphere of Influence Plan, including the Municipal Service Review of the affected agency or agencies and the land subject to the change of organization is within the current 10-year Sphere of Influence boundary;
- The land subject to the change of organization is likely to be developed within five years. In the case of very large developments, annexation should be phased wherever feasible. If the Commission finds phasing infeasible for specific reasons, it may approve annexation if all or a substantial portion of the subject land is likely to develop within a reasonable period of time;
- Insufficient vacant non-prime or open space land exists within the existing agency boundaries or applicable 10-year Sphere of Influence that is planned and developable for the same general type of use; and,
- The proposal will have no significant adverse effect on the physical and economic integrity of other agricultural/open space lands.

LAFCo will review all future annexation requests for consistency with the agricultural preservation requirements of the Cortese-Knox-Hertzberg Act and with Butte LAFCo Policies.

Based upon the City's proposed land use plan for the SOI expansion areas, future urban development within that area will result in the planned, orderly, and efficient development of the area as required by California Government Code §56377. The City of Oroville's proposed SOI expansion, with the inclusion of the Kelly Ridge and Palermo areas as Special Study Areas, represents a logical and reasonable extension of the City boundaries based on local policies and the integrated nature of municipal services within the larger Oroville urban area.

Policy Summary

As shown above, the proposed SOI expansion is consistent with the applicable Butte LAFCo policies regarding SOI proposals.

Size of Oroville's Sphere of Influence

It is fully acknowledged that the City's existing SOI, at 18,304 acres in size (excluding the area within City jurisdictional boundaries) is very large and annexation of certain areas to the City, such as the Kelly Ridge area, may be beyond a 20-year time frame. The City's updated SOI will be approximately 25,697 acres in size, which is an increase of approximately 41% from the current SOI. *It is important to understand there is no particular "right" methodology in determining the size of a SOI, as each agency has unique variables of service delivery, land uses, and geography that play a role in determining an appropriate SOI.*

The City's updated SOI will continue to be large, as reflected for the past 30 years, due to the manner in which the Oroville area developed while under County jurisdiction. However, a large portion of the City's updated SOI will either be undevelopable open space for quality of life purposes or will be a part of the City's SOI as a Special Study Area for reasons discussed above. Approximately 5,955 acres (23%) of the City's updated SOI will consist of State-owned lands where no urban-type development will occur and where, if annexed to the City, very few City

services would be needed. Approximately 6,172 acres (24%) of the City’s updated SOI will be designated as Special Study Areas. The parcels within the Special Study Areas, although within the City’s updated SOI, would not be able to be annexed to the City without additional studies being prepared and without the removal of the Special Study Area designation by the Commission, and therefore would not be available for City development within the SOI. The total area that would generally be unavailable for urban development within the City’s updated SOI is 12,127 acres, which represents approximately 47% of the City’s SOI. As the table below shows, the current SOI update actually reduces the useable urban territory within the SOI by approximately 4,734 acres.

Current Oroville SOI (excluding City boundaries)	18,304 ac
Area proposed to be added to Oroville SOI	+9,838 ac
Area proposed to be removed from Oroville SOI	-2,445 ac
Total Size of Updated Oroville SOI	25,697 ac
State-owned lands in updated SOI (undevelopable-open space lands)	-5,955 ac
Special Study Areas (precludes annexation at this time)	-6,172 ac
Total Area Unavailable for City Development	12,127 ac
Area available for possible development in Updated SOI	13,570 ac
<i>Difference between current SOI acres and proposed SOI</i>	<i>-4,734 ac</i>

Overlapping Jurisdictional Boundaries and Sphere’s of Influences

As identified in the City of Oroville MSR Update and in the SOI Plan, there are four independent special districts that are located within portions of the City’s current and updated SOI that provide domestic water, sewer, or fire protection services. The four districts are:

- El Medio Fire Protection District (EMFPD) – fire protection services
- Lake Oroville Area Public Utility District (LOAPUD) – sanitary sewer service
- South Feather Water and Power Agency (SFWPA) – domestic and irrigation water services
- Thermalito Water and Sewer District (TWSD) - sanitary sewer service and domestic water service

Also within the City’s current and updated SOI are a number of County Service Areas (CSAs) that provide various types of services, predominately street lighting or drainage services. CSAs are dependent special agencies that are governed by the Butte County Board of Supervisors.

Butte LAFCo Policy 3.1.9 provides guidance to the Commission on overlapping SOIs. Policy 3.1.9 states that in instances where the Commission determines that more than one agency appears equally qualified to serve an area with one or more approved services, and if fiscal considerations or community input do not clearly disfavor a specific agency, overlapping spheres may be approved on a case by case basis.

The El Medio Fire Protection District provides fire protection services to the south and east Oroville areas, including 88 parcels within the City of Oroville. All of EMFPD’s SOI is within the City’s current SOI, but a small portion of the District’s SOI will be outside of the City’s updated SOI. Because the City also provides fire protection services, LAFCO will need to review and carefully

assess issues that may arise when parcels within EMFPD's boundaries or SOI are annexed to the City. Removing parcels from EMFPD due to annexations to the City of Oroville would have a significant negative impact to the ability of the District to continue to provide acceptable levels of service to its remaining service area. For a recent annexation of 75 parcels to the City of Oroville that were within EMFPD's boundaries, the Commission, pursuant to Butte LAFCo Policy 4.2, identified EMFPD as the most efficient fire protection service provider to that territory as it was primarily the first responder. Future annexations to the City of Oroville of parcels within EMFPD's boundaries can be expected to continue to identify EMFPD as the most effective fire protection service provider for those annexations as the District is likely to remain first responder. It may be necessary in the future for LAFCo to work cooperatively with the District and the City to develop a fresh strategy to address fire service delivery in the south/east Oroville urban areas, which could include cooperative agreements or reorganizations of jurisdictional boundaries. However, at this time fire services are being effectively delivered and no clear justification exists to alter the current boundaries.

The City of Oroville does not provide domestic water services, thus the overlapping SOI's with SFWPA are not an issue. The City provides sanitary sewer service and its SOI overlaps with LOAPUD's and TWSD's SOIs. However, the City has expressed no interest in expanding or competing with these sewage collection agencies, which are all currently members of a Joint Powers Authority that manages the Sewerage Commission-Oroville Region (SC-OR) wastewater treatment plant. As thoroughly discussed in the MSR for Wastewater Service Providers-Oroville Region adopted in 2009, LOAPUD and TWSD would appear to be the most efficient and logical providers of sanitary sewer services within their SOIs as these agencies already have infrastructure in place throughout large areas of their SOI and have master plans for future infrastructure improvements within their spheres. The City of Oroville lacks sewer system infrastructure in LOAPUD's and TWSD's SOIs and the cost of extending City sewer infrastructure to those areas would be very high.

Butte LAFCo Policy 3.1.11 allows the Commission to establish the most appropriate sphere category for cities and special districts. Policy 3.1.11 identifies the following types of spheres that can be established:

- A traditional "**growth**" sphere of influence which contains territory beyond the jurisdictional boundary of the local agency and is an indication that the need for public services in the area has been established and the agency has the ability to effectively and efficiently extend the full spectrum of services provided by the agency.
- A "**coterminous**" sphere of influence which coincides with the jurisdictional boundary of the local agency and is an indication that there is no anticipated need for the agency's services outside of its existing boundaries, or the agency lacks the capacity or ability to serve additional territory or there is insufficient information to make such a determination.
- A "**zero**" sphere of influence (encompassing no territory) for an agency when the Commission has determined that one or more of the public service functions of the agency are either non-existent, inadequate, no longer needed, or should be reallocated to some other agency of government. Adoption of a "zero" sphere indicates the agency should ultimately be reorganized or dissolved. The Commission may initiate dissolution of an agency when it deems such appropriate.

- A “**minus**” sphere when it has determined that some territory within the agency’s jurisdictional boundaries is not in need of all or some of the agency’s services, or when the agency has no feasible plans to provide efficient and adequate service to the territory in question.
- A “**limited or service specific**” sphere designation for territory outside the agency’s jurisdiction that may require some-but not all-of the services that the agency is authorized to provide. Assigning a service specific sphere allows LAFCo to retain review authority over the provision of important governmental services in order to promote the timely and orderly expansion of services.

Most of the City’s updated SOI will remain as a traditional growth SOI. However, the portions of the City’s updated SOI that overlap with the SOIs of the El Medio Fire Protection District, the Lake Oroville Area Public Utility District, and the Thermalito Water and Sewer District SOI’s could be designated as a “limited or service specific” SOI, where identified municipal services are currently or are anticipated to be provided by these districts, and not by the City of Oroville. The following table shows the specific services that the City is not anticipated to provide within certain areas of their SOI. While the Commission retains the option to examine or approve a limited or service specific sphere with respect to these agencies/services, there has been no requests from these affected districts or the City to do so. As City annexations are submitted and evaluated, Staff will evaluate the services provided with the expectation that the existing districts will remain the primary service providers unless there is adequate evidence that shows the City would be the most efficient and logical service provider to these areas. In the case of any disagreements between agencies, and at the direction of the Commission, Staff could undertake a reorganization study that could result in the formation of specific agreements or consolidations in service delivery options.

	<u>EMFPD SOI</u>	<u>LOAPUD SOI</u>	<u>TWSD SOI</u>
Service not provided by the City	Fire Protection	Sanitary Sewer	1. Domestic Water 2. Sanitary Sewer

Agricultural Impacts

Portions of the City’s existing and updated SOI contain prime agricultural lands and are utilized for agricultural purposes. Within the South SOI Expansion Area, thirty-six parcels, totaling approximately 1,109 acres, are assessed by the Butte County Assessor’s Office for agricultural uses, which includes grazing, olives, vines, and rice crops. The largest concentration of the agricultural uses, which consists of seasonal livestock grazing on marginal soils, are found along State Route 70, north of Palermo Road. The parcels on the west side of this section of State Route 70 are within the Rio d’Oro Specific Plan Area. The predominant agricultural use within the Palermo Special Study Area is olives, many of which are the remnants of much larger orchards. The North SOI Expansion Area includes two parcels, totaling 30.5 acres, which are assessed by the Butte County Assessor’s Office as having agricultural uses. A review of recent aerial photographs for these two parcels shows that no agricultural uses of any type exist on the parcels, although the parcels could possibly be utilized for seasonal livestock grazing.

The City’s 2030 General Plan and the Draft SOI Plan show that portions of the SOI expansion areas are designated for future residential, commercial, public, and industrial uses and future development of the area will result in the permanent conversion of scattered agricultural lands to urban uses. Additionally, future development in the SOI expansion areas may have an impact on adjacent agricultural operations.

The environmental impact report certified by the City of Oroville for their 2030 General Plan determined that the impacts to agricultural resources are significant and unavoidable, with no feasible mitigation available. In adopting the 2030 General Plan, the Oroville City Council adopted findings of overriding considerations for impacts to agricultural resources.

The City's 2030 General Plan includes several goals, policies, or actions that address potential impacts to agricultural uses caused by implementation of the General Plan and the SOI Plan. Policies in the Open Space, Natural Resources and Conservation Element of the Oroville 2030 General Plan include:

- Goal OPS-6** Preserve the maximum feasible amount of agriculturally productive land, in order to maintain agriculture's contributions to the local economy, lifestyle, air quality, habitat value and sense of Oroville's heritage.
- Policy P6.1** Support the South Feather Water and Power Agency and the Thermalito Water and Sewer District investigations of the need, availability and cost of irrigation water to support agriculture within the Planning Area.
- Policy P6.2** Cooperate with Butte County to retain agricultural uses on lands within the Oroville Sphere of Influence prior to their annexation to the City.
- Action A6.1** Study the possibility of forming a local land trust, possibly in cooperation with Butte County, or solicit the interest of an existing land trust experienced in acquiring agricultural land and open space in California.

LAFCo will review all future annexation requests within the City's SOI for consistency with the agricultural preservation requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Butte LAFCo Policies, and with the goals, programs, and policies contained in the City of Oroville's General Plan. LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) that are likely to result in the conversion of prime agricultural/open space land use to other uses. Only if the Commission finds that the proposal will lead to planned, orderly, and efficient development, will the Commission approve such a conversion.

Future Annexations

It should be clearly understood that the Commission, in reviewing the supporting environmental documents, is *only* considering the adoption of the Sphere of Influence Plan, which includes an amendment to the City of Oroville's Sphere of Influence, and not specific annexation proposals or individual development projects that may present specific impacts not associated with the broader policy question at hand. The primary purpose of the Sphere of Influence is to provide guidance for the location of future growth and allow the affected agency to effectively plan for the delivery of services to the proposed growth area. It is not the purpose of the Sphere of Influence Plan to resolve all potential impacts of new development, but to provide guidance for local decision makers in managing growth boundaries of local agencies. The Commission should make it clear to the City that while it accepts the general mitigation measures proposed for the SOI Update, it will not allow the City to solely rely on the General Plan Draft EIR and the General Plan Final EIR for future project-specific impacts. This statement has been included as a condition of approval for the SOI Update.

Changes to the Draft MSR Update and the Draft SOI Plan

As of the date of this report, two written comments (**Attachment D**) have been received concerning the Draft MSR Update. The first comment was from the Butte County Fire Department/CalFire, which noted several minor errors and recommended that data regarding the number of Butte County and City of Oroville out-of-jurisdiction first response calls be updated because the data in the Draft MSR is 8 to 10 years old. Staff requested the updated information from both the City of Oroville and Butte County Fire Department/CalFire, which was provided and is discussed below.

According to the County Fire Department, the updated out-of-jurisdiction call data for 2011 to 2013 does show that the imbalance between the number of calls within city limits where BCFD/CalFire is the first responder and the number of calls in the County where OFD is the first responder shows a greater imbalance, with the County Fire Department responding to many more out-of-jurisdiction calls than the Oroville Fire Department. The City of Oroville Fire Department acknowledges the imbalance in call responses. However, the Oroville Fire Department indicates that the City and County have begun a process to mitigate this imbalance by altering primary response territory. The MSR will be amended to reflect the new numbers and the City's response. This revised information will not change any of the MSR determinations as reflected in the Draft MSR.

The second written comment received was from the Butte County Environmental Health Division, which recommended several changes to Section 3.4 (Solid Waste) of the Draft MSR Update. The changes are mostly minor in nature, but do require that Determination 3.4-2 be revised as follows:

Determination 3.4-2 (Solid Waste)

The City of Oroville is adequately mitigating potential impacts on the capacity of the landfill through compliance with Assembly Bill 939, as amended by Assembly Bill 341, and with the County Integrated Waste Management Plan.

The City's budget figures found throughout the Draft MSR were based on the City's adopted budget for Fiscal Year 2014-15 (adopted by the City Council on July 1, 2014) and on proposed revisions to the budget ("August Revision"), but which was not acted on by the City Council. However, on November 2, 2014, the City Council approved revisions to the adopted budget which made many of the budget figures in the Draft MSR incorrect. Staff reviewed the November revisions to the City's FY 2014-15 budget and determined that the revisions were not significant and do not change any of the MSR or SOI determinations. The Final MSR will contain the City's November revision budget figures.

One significant error was found in the Draft MSR, which is found in Table 4.1-2 on Page 4.1-2. On the "Fire Department: Fire / Rescue" line, the "\$2,902,900" figure should have been "\$1,902,900". With the November revision to the City's FY 2014-15 budget, this figure will actually be \$1,947,652.

Staff recommends that Determination 4.2-2 (Opportunities for Shared Facilities) be revised, as shown below, that emphasizes the need for the City and the Feather River Recreation and Park District to develop a comprehensive park plan for the area within the City's SOI.

Determination 4.2-2 (Opportunities for Shared Facilities)

The Feather River Recreation and Park District's facilities, rental agreements and partnerships make a significant contribution to the City's Park and Trees Department's ability to meet its goals for park provision and park coverage. The City should continue to engage in partnerships with Feather River Recreation and Parks District to fund capital improvements as well as joint ownership and shared maintenance agreements with Feather River Recreation and Park District. The City and the Feather River Recreation and Park District should develop a comprehensive parks plan for the area within the City's SOI and assigning sole responsibility to a single agency for operations and maintenance of specified facilities.

Staff has also found miscellaneous typographical errors in the Draft MSR Update and in the Draft SOI Plan. These errors are minor in nature and will be corrected for the final versions of the MSR and SOI Plan.

Any changes to the Draft MSR and Draft SOI Plan as recommended by the Commission at the December 4 meeting will be incorporated into the final versions of these documents.

Environmental Determination

The California Environmental Quality Act (CEQA) requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. Butte LAFCo is the Lead Agency for environmental review for the proposed updates to the MSR determinations and acted as a Responsible Agency for environmental review for the SOI Plan/Update. The City of Oroville served as the Lead Agency for environmental review for the SOI Plan/Update, conducted in conjunction with the City's 2030 General Plan update, as requested by LAFCo when the City began its General Plan update process.

The update of the City's existing MSR is categorically exempt from the preparation of environmental documentation under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." The MSR collects data for the purpose of evaluating municipal services provided by the agency. There is no land use change or environmental impact created by such a study. There is no possibility that the MSR update will have a significant effect on the environment because there are no land use changes associated with the MSR update.

The City of Oroville, as Lead Agency for the SOI Plan/Update, prepared the City of Oroville 2030 General Plan Draft Environmental Impact Report. On June 2, 2009, the Oroville City Council adopted Resolution Numbers 7344 and 7345 that approved the City of Oroville 2030 General Plan, certified the 2030 General Plan Final EIR, and adopted Findings of Fact/Statement of Overriding Considerations. Copies of the City's 2030 General Plan, the 2030 General Plan Draft EIR, the 2030 General Plan Final EIR, and the Findings of Fact/Statement of Overriding Considerations were previously provided to the Commission and are available in the LAFCo office and on LAFCo's webpage.

The City of Oroville's 2030 General Plan Environmental Impact Report (EIR) is a program EIR, as described under CEQA and the State CEQA Guidelines. A program EIR is used to address the impacts of "a series of actions that can be characterized as one large project and are related...in connection with the issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program." Most general plans in California are accompanied by program (rather than project) EIRs. The analysis in the program EIR is considered the first tier of environmental review and creates the foundation upon which future, project-specific CEQA documents can build. Future projects included in annexations to the City of Oroville would be subject to the requirements of CEQA. The City would determine on a project-by-project basis whether the appropriate action for future projects would be a CEQA Exemption, Negative Declaration, or EIR.

The City of Oroville 2030 General Plan EIR evaluated the potential environmental impacts of implementation of the City's 2030 General Plan, including adding additional area to the City's Sphere of Influence to provide for future growth. The EIR identifies potentially significant unavoidable environmental effects, for which the City adopted findings and a statement of overriding considerations.

As responsible agency, LAFCo is required to rely on the City's environmental documentation in acting on the proposal, but must prepare and issue its own findings. The Commission now has the decision to affirm the environmental documents prepared and adopted by the City of Oroville for the City's 2030 General Plan, which include the SOI Update, or to find that the environmental documents do not adequately address the potential significant impacts to the environment.

In making that determination, the Commission should consider the following direction regarding standards for adequacy of an EIR set forth in the CEQA Guidelines, §15151:

CEQA Guidelines Section 15151:

An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.

Based on the adequacy requirements established in CEQA §15151, staff recommends that the Commission find that the City's General Plan 2030 Draft EIR, the Certified Final EIR, and the Findings of Fact and Statement of Overriding Considerations, provide the Commission with sufficient information to enable them to make a decision that purposefully takes account of environmental consequences and adopts reasonably feasible measures to mitigate the adverse impacts of the Sphere Amendment.

CONCLUSION

The City of Oroville's 2030 General Plan identifies the future land uses within the City's SOI in order to provide for the future growth of the City. The City's updated SOI continues to be large, although approximately 47 percent of it will not be developable, either because it consists of State-

owned open space/recreation lands where urban development will not occur, or will be designated as Special Study Areas, where annexation to the City of Oroville will not occur until additional studies are prepared that show the City will have the capability to provide municipal services to those areas. The SOI Plan also anticipates that the City of Oroville would have the necessary resources to provide the required municipal services to its existing and proposed SOI area. In addition, the proposed SOI expansion is consistent with the City of Oroville's 2030 General Plan.

The proposal substantially conforms to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and with LAFCo policy. The Executive Officer recommends approval of this proposal.

ALTERNATIVES FOR COMMISSION ACTION

After reviewing this report, the proposed MSR Update, the SOI Plan, the Final Environmental Impact Report and other CEQA documentation, and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 APPROVE the MSR Update and approve the Sphere of Influence Plan for the City of Oroville, as may be modified by the Commission and with the changes as identified in this report, as follows:

- A. Acting as Lead Agency pursuant to the California Environmental Quality Act (CEQA) Guidelines, find that the Municipal Service Review Update for the City of Oroville is Categorically Exempt from the provisions of CEQA under Section 15306, "Information Collection."
- B. Determine that the City of Oroville, as Lead Agency, prepared and certified the Environmental Impact Report for the City of Oroville 2030 General Plan and adopted Findings of Fact and a Statement of Overriding Considerations.
- C. Certify that LAFCO has reviewed and considered the information contained in the EIR prepared and certified by the City of Oroville and in the City's CEQA documentation. Affirm the Findings of Fact and the Statement of Overriding Considerations as approved by the City of Oroville per City of Oroville Resolution Numbers 7344 and 7345.
- D. Find that the Sphere of Influence Plan prepared for the City of Oroville is complete and satisfactory and achieves consistency with LAFCo and State SOI policies and statutes.
- E. Find that the proposed update to the Municipal Service Review for the City of Oroville and the written determinations in the Sphere of Influence Plan satisfy State Law.
- F. Adopt Resolution 07 2014/15 (**Attachment C**) approving the Municipal Service Review Update for the City of Oroville and approving the Sphere of Influence Plan for the City of Oroville, which includes adding area to, and removing area from, the City's Sphere of Influence as shown on Figure 4-1 of the SOI Plan.

- G. Direct staff to prepare a Final Updated MSR and a Final SOI Plan, which will include the adopting resolution and any comments received with regards to the draft SOI Plan.

OPTION 2 CONTINUE this proposal to a future meeting for additional information.

OPTION 3 DIRECT Staff to make any Commission-identified changes to the Draft MSR, the Draft SOI Plan, and/or the Draft SOI Map and CONTINUE this proposal to a future meeting to allow time for Staff to make the needed changes and return with revised draft documents for further Commission review.

RECOMMENDED ACTION:

Approve OPTION 1.

Respectfully submitted,

Stephen Betts

Stephen Betts
Deputy Executive Officer

Attachments:

- A: Summary of MSR Determinations
- B. Summary of SOI Plan Determinations
- C: Draft LAFCo Resolution No. 07 2014/15 w/Attachments
- D: Comments Received

Summary of MSR Determinations

Attachment A

Growth and Population

Determination 2.1 (Growth and Population)

The City's growth rate over the last two decades has remained at approximately one percent, which is expected to continue during the five-year period covered by this Municipal Service Review. It is acknowledged that the City General Plan is planning for an increased annual growth rate of 2.93 percent based on the level of interest for development in Oroville, however; this growth rate is speculative and is not considered the baseline for evaluating updates to the City's Sphere of Influence.

Determination 2.2 (Growth and Population)

Portions of Oroville's Sphere of Influence continue to be approved and developed under County jurisdiction at urban and suburban densities due to the availability of services such as water and sewer service provided by special districts beyond the control of the City.

Determination 2.3 (Annexation)

Annexation of developed unincorporated areas adjacent to the City has the potential to improve the level of service provided to residents of these currently unincorporated areas and to ensure the logical, equitable growth of the City. Annexation would also significantly increase the need for public services, particularly emergency services, within the newly expanded city limits without a corresponding equivalent increase in revenue to fund such services. The reverse is true for the County, which may experience revenue reductions if the annexed territory produces sales tax revenues in excess of service costs.

In 2012, the City initiated, and LAFCo approved, the annexation of six island areas to the City. These areas totaled 159 acres and consisted of 192 parcels with a population of approximately 468. The City is in the process of initiating the annexation of the South Oroville area (consisting of approximately 800 parcels) and the annexation of five other areas. On October 27, 2014, the City submitted two annexation applications to LAFCo that encompass a total of 404 acres and consisting of 976 parcels that are within the South Oroville area

Determination 2.4 (Annexation)

Several developed areas that are populated by low-income and minority populations remain unincorporated immediately adjacent to city limits, and contribute to an irregular pattern of city boundaries. Annexation of these areas as well as existing island areas should be a priority and would begin to address social equity and social justice within the community and contribute to a more regular boundary area. Future annexation proposals for vacant or underdeveloped territory submitted by the City should be reviewed within the context of an overall annexation strategy that includes incorporating existing fringe communities and island areas.

Determination 2.5 (Annexation)

Future annexations to the City of Oroville will be evaluated pursuant to the eighteen factors found in California Government Code §56668 and pursuant to Butte LAFCo Policies. Emphasis on the financial ability of the City of Oroville to provide adequate and acceptable levels of municipal services to the annexed areas, especially police and fire protection services, will be placed on all future annexation proposals.

Determination 2.6 (Capacity to Accommodate Growth)

Based on historical growth rates, there is more than adequate land capacity within the City of Oroville and its current Sphere of Influence to accommodate significant growth into the foreseeable future.

Determination 2.7 (Regional Housing Allocation)

In accordance with the final Butte County Regional Housing Needs Plan, the City should develop 1,793 ~~2,239~~ new housing units, 56 ~~49~~ percent of which should be below market rate units; ~~and 31 replacement units~~ by 2022 ~~2014~~. The City has adequate land to accommodate this new development.

Roads

Determination 3.1-1 (Level of Service Standards)

The City has adopted acceptable Level of Service standards that by definition will result in increased traffic congestion and reduced roadway network efficiency.

Determination 3.1-2 (Existing Levels of Service)

All roadway segments in the City and Sphere of Influence are operating at service levels consistent with adopted City policy, which accepts a range of operational restrictions and breakdowns in traffic flow efficiency.

Determination 3.1-3 (Existing Levels of Service)

Existing development within unincorporated areas of the Sphere of Influence contributes significantly to traffic volumes and road capacity on several roadways within the City, particularly arterials and major collectors. There is recognized need for the City and County to better coordinate traffic studies and road improvements in the Oroville region.

Determination 3.1-4 (Infrastructure Needs and Deficiencies)

Over 70 percent of public roads maintained by the City of Oroville are in good, very good or excellent condition. However, the remaining 27 miles of public road maintained by the City are in poor condition and require repairs beyond routine maintenance for which there is no identified funding.

Determination 3.1-5 (Infrastructure Needs and Deficiencies)

Additions to the City's roadway network come from both new road construction associated with the development of new subdivisions and from annexations. Maintenance of city roads is funded by grants, federal taxes, and the City general fund, which are currently insufficient to maintain all roads in very good to excellent shape. The City recently updated its Pavement Management System, which will allow for a better street maintenance and restoration schedule.

Determination 3.1-6 (Infrastructure Needs and Deficiencies)

In 2012, the City adopted new traffic impact fees to address existing roadway deficiencies and roadway deficiencies due to future development. The traffic impact fees were substantially increased to ensure that roadway deficiencies are corrected. The City should update the Nexus Fee Study for its future Roadway Improvement Projects to reflect the recently adopted 2030 General Plan as well uncompleted projects from the current City of Oroville Roadway Improvement Projects list.

Law Enforcement

Determination 3.2-1 (Existing Conditions and Facilities - Animal Control Code Enforcement)

The City of Oroville and Butte County should work together to establish a more efficient and consistent code enforcement strategy for neighborhoods adjacent to the City and County boundaries. The City should prioritize and promptly renew a formal agreement with the NWSPCA for animal control services to ensure this essential service remains a viable service for the community.

Determination 3.2-2 (Existing Conditions and Facilities - Crime Rate)

~~The City's overall crime rate is significantly greater than the State average and represents a disproportionate number of arrests in comparison to the county population as a whole. The Oroville Police Department should develop a cooperative plan with the Butte County Sheriff to implement an effective campaign that will address and reduce the crime rate in the City and Sphere of Influence.~~

Determination 3.2-3 (Existing Conditions and Facilities- Crime Rate)

~~*Understanding that the City is not an isolated island and the crime rate is affected by the criminal activity in the surrounding unincorporated urban areas, the Oroville Police Department should develop a cooperative plan with the Butte County Sheriff and District Attorney's Office to implement an effective campaign that will address and reduce the crime rate in the City and its adjacent unincorporated urban areas.
The City should strive to increase the number of law enforcement personnel to help reduce the City's high crime rate.*~~

Determination 3.2-4 (Existing Conditions and Facilities- Staffing)

~~*The Oroville Police Department's current staffing ratio is less than exceeds other similarly sized cities throughout the State and is adequate for the City's population. For FY 2014, the City has budgeted for 24 sworn officers, but currently has three vacant positions. With all sworn officer positions filled, the Oroville Police Department's staffing ratio would be 1.5 officers per 1,000 residents, which is similar to other same-sized cities in California.*~~

Determination 3.2-5 (Existing Conditions and Facilities- Staffing)

~~*The City of Oroville has, as a cost saving measure, combined the Police Chief and the Fire Chief positions into the City's Director of Public Safety, who oversees the Oroville Police Department and the Oroville Fire Department, which is not a traditional approach to these positions. This arrangement, while reducing costs to the City, does require the Public Safety Director to serve two purposes, each of which with its own priorities and core functions, which may not always be compatible. The City should reevaluate this approach to ensure the community receives the best of both services without compromising either core service.*~~

Determination 3.2-6 (Infrastructure Needs and Deficiencies)

~~*The Oroville Police Department is not currently meeting its goal of a 4-minute maximum response time for all emergency responses, and 20-minute response time for non-emergencies. However, additional staffing and equipment is needed to fill vacant positions and improve the Department's ability to serve both existing and future populations and meet expected service response goals.*~~

Determination 3.2-7 (Infrastructure Needs and Deficiencies)

The Oroville Police Department is funded primarily by the City's General Fund. Increased funding for the Department is anticipated to result from the expanded tax base that results from new development. In addition, the City has formed two Community Facility Districts to provide police facilities and services to the portion of the City west of the Feather River in anticipation of new development. Given the shortfalls identified in service response times and personnel deficiencies, the City should continually evaluate opportunities to develop other revenue sources to augment emergency services and seek opportunities to receive assistance from other agencies to supplement its law enforcement presence.

Determination 3.2-8 (Infrastructure Needs and Deficiencies – Development Impact Fees)

The City should adopt new development impact fees for police facilities that capture the full costs of capital facilities and infrastructure that are required to serve new growth.

Fire Protection and Emergency Services

Determination 3.3-1 (Existing Conditions and Facilities)

Continued development within the city limits and the Sphere of Influence is anticipated to increase the number of calls received from outside the city core. Providing service at existing service levels may become difficult, especially if new development does not result in adequate population density to support an additional fully staffed facility.

Determination 3.3-2 (Existing Conditions and Facilities – Standards)

With the assistance of Automatic Aid Agreements with the California Department of Forestry and Fire Protection/Butte County Fire Department and the El Medio Fire Protection District, the City is currently meeting the service standards adopted in the Oroville 2030 General Plan, which call for first response travel time of three to five minutes to incidents and travel time of ten minutes or less for additional resources for 90 percent of the call volume. Without Automatic Aid Agreements, the City would need to reevaluate the effectiveness of its fire service delivery capabilities.

Determination 3.3-3 (Existing Conditions and Facilities – Standards)

In order to adequately evaluate, monitor and implement fire services, the Oroville Fire Department should prepare a Master Plan for fire services and adopt written performance and service standards that address staffing levels, desired Insurance Service Organization ratings and related issues.

Determination 3.3-4 (Existing Conditions and Facilities – Automatic Aid Agreements)

The Oroville Fire Department should complete a Master Plan that analyzes the equitability of existing automatic aid agreements, call generation areas, location of future facilities, and procedures for efficiently addressing health emergencies. The plan should also analyze the appropriateness of adopted service standards on a community-wide basis in cooperation with the Butte County Fire Department and the El Medio Fire Protection District.

Determination 3.3-5 (Existing Conditions and Facilities – Automatic Aid Agreements)

The City has adopted a new automatic aid agreement with the El Medio Fire Protection District and California Department of Forestry and Fire Protection/ Butte County Fire Department to allow the sharing of resources within the south Oroville area which will significantly improve fire protection services within the affected territory.

Determination 3.3-6 (Existing Conditions and Facilities – Service Levels)

On average, the Oroville Fire Department is the first responder to 85 percent of the calls that are generated within the city limits. The remainder of the calls are responded to by the California Department of Forestry and Fire Protection/ Butte County Fire Department.

Determination 3.3-7 (Existing Conditions and Facilities – Service Levels)

Existing mutual and automatic aid agreements are beneficial to all of the fire agencies involved and it is important to ensure that the agreements remain equitable for all parties involved. These agreements allow the City to offer its residents the most immediate service possible and provide access to services and equipment that would normally not be available to a city of similar size.

Determination 3.3-8 (Existing Conditions and Facilities – Service Levels)

Approximately 27 percent of the City of Oroville's population is located north of the Feather River. Although the City does not have a fire station in this area, County Station 63 is located in the center of this area. With the current automatic aid agreement in place, County engines are able to respond to calls for service faster than City engines and ensure that the City's standard for first response is met. Without this aid agreement it is not certain that the City could meet its standard for first response which would create an unmitigated impact for development in the area.

Solid Waste Services

Determination 3.4-1 (Solid Waste)

The Ostrom Road Landfill has sufficient capacity to accommodate the anticipated waste generated within the City of Oroville through 2030.

Determination 3.4-2 (Solid Waste)

The City of Oroville is adequately mitigating potential impacts on the capacity of the landfill through compliance with Assembly Bill 939, as amended by Assembly Bill 341, and with the County Integrated Waste Management Plan.

Determination 3.4-3 (Solid Waste)

The City should consider utilizing Neal Road Landfill instead of Ostrom Road Landfill in order to reduce the distance that solid waste is shipped, and therefore reduce the amount of greenhouse gas emissions generated. It is acknowledged that such a shift of disposal sites would decrease the life span of the Neal Road facility.

Determination 3.4-4 (Household Hazardous Waste)

Free household hazardous waste recycling and disposal for all Butte County residents is provided by the Butte Regional Household Hazardous Waste Collection Facility. The facility also accepts hazardous waste from small businesses who qualify as Conditionally Exempt Small Quantity Generators.

Parks and Recreation

Determination 3.5-1 (Existing Park and Recreation Facilities)

City residents have a wide variety of recreational facilities available to them in and around the City including facilities owned and operated by the City, Feather River Recreation and Park District, the State and the federal government.

Determination 3.5-2 (Recreation Level of Service)

The City uses appropriate methods to gauge the need for parkland, recreational facilities, and recreational programming to meet the needs of the community. Two acres of parkland per 1,000 residents is provided solely by City of Oroville recreation facilities, and additional 249.5 acres is provided by the Feather River Recreation and Parks District. There is roughly 5.4 acres of parkland per 1,000 city residents, which exceeds City and Feather River Recreation and Parks District standards and is adequate to meet residents' needs.

Determination 3.5-3 (Recreation Level of Service for Future Growth)

There is an adequate amount of combined park acreage within the City and Sphere of Influence to provide 3 acres per 1,000 residents for projected future populations. However, a significant portion of this parkland is owned and operated by the Feather River Recreation and Parks District, which does not focus on community and neighborhood parks. The City will need to develop additional community and neighborhood parks to meet future demand or develop an agreement with the FRRPD to provide this category of park land.

Determination 3.5-4 (Future Improvements and Expansion)

Between the City's and Feather River Recreation and Parks District's facilities and programs there is adequate capacity to meet residents' needs. However, it is unclear the percentage of City residents versus regional users that utilize Feather River Recreation and Parks District facilities within the city limits and Sphere of Influence. Therefore, the City and Feather River Recreation and Parks District should develop a strategy for getting a better understanding the relationship of City residents versus regional users for facilities within the city limits and Sphere of Influence.

Determination 3.5-5 (Future Improvements and Expansion)

The City is requiring appropriate amounts of developed parkland and parkland dedications as a condition of new development to maintain and in some cases exceed the ratio of 3 acres of parkland to 1,000 residents. ~~Currently approved projects within the City are expected to increase the developed parkland by 39.2 acres and increase the population by 8,124. This would result in a citywide average of 3 acres of parkland per 1,000 residents.~~

Determination 3.5-6 (Funding of New Facilities)

The City does not collect the full amount of parkland development impact fees that it is entitled to collect. Although this has not affected the City's ability to develop new recreation facilities, it has prevented Feather River Recreation and Parks District from receiving a portion of the impact fees. The City should collect the full amount of development fees to which it is entitled and share such fees with the Feather River Recreation and Parks District.

Determination 3.5-7 (Funding of New Facilities)

The City should adopt provisions of the Quimby Act and the recommendations of the 2009 Supplemental Development Impact Fee Calculation and Nexus Study upon its completion.

Determination 3.5-8 (Funding New Facilities)

The City and Feather River Recreation and Parks District should establish a joint resolution that defines the roles and responsibilities of each entity and promotes cooperation and standardization to streamline park planning efforts.

Stormwater Drainage

Determination 3.6-1 (Infrastructure Needs and Deficiencies)

The City's stormwater drainage system needs are evaluated in the Master Facilities Plan, last updated in 2003, and the Master Drainage Plan, last updated in 1991. While these documents indicate the City has the ability to provide adequate stormwater drainage service to the existing population and policies to address adequate future stormwater drainage planning, these plans are in need of updating to address current conditions and ensure consistency with the recently adopted 2030 General Plan.

Determination 3.6-2 (Infrastructure Needs and Deficiencies)

As the Thermalito area continues to develop, ~~adequate and current drainage plans should be in place prior to new development being approved in this area by either the City or the County~~ drainage improvement needs will be governed by the 2012 updated Thermalito Area Master Drainage Plans.

Determination 3.6-3 (Infrastructure Needs and Deficiencies)

~~The City should work with Butte County to prepare a Fee Calculation and Nexus Report that facilitates cooperative planning and funding of stormwater drainage facilities within the City's Sphere of Influence and updates the development impact fees assessed by the City and County for stormwater drainage. In 2012, the City of Oroville adopted the Nexus report and fee calculation for the Thermalito Master Drainage Plan Update.~~

Determination 3.6-4 (Infrastructure Needs and Deficiencies)

The City will continue to require new development to incorporate stormwater drainage infrastructure as a condition of approval. Development impact fees will continue to pay for the system improvements that are necessary to provide stormwater drainage service for new development.

Wastewater Services

Determination 3.7-1 (Wastewater Collection Review):

Wastewater collection services in the City and its sphere of influence are provided by three separate agencies, which collectively form a joint powers agency for the operation of single regional sewage treatment and disposal facility. In order to provide a meaningful and comprehensive analysis of wastewater services in the Greater Oroville Area, Butte LAFCO has prepared a concurrent, but separate regionally focused Wastewater Service Providers – Oroville Region Municipal Service Review for this specific function determining this approach would provide the most beneficial and efficient review of the three wastewater service providers in the region and provide the Commission with a focused and useful tool to evaluate future reorganization proposals.

Determination 3.7-2 (Wastewater Collection Review):

Since 2007, the City of Oroville's sanitary sewer system has experienced 41 reportable SSOs, resulting in the spillage of approximately 110,585 gallons of wastewater. As a result of these SSOs, the RWQCB has issued seven Notice of Violations to the City. To address this high number of SSO's, the City has taken a more aggressive approach to inspecting and cleaning sewer lines and repairing/replacing older sewer lines. The City should continue to provide adequate, if not increased, funding for inspection/cleaning and repair/replacement activities to ensure that the City's sewer system meets it's State-issued Waste Discharge Requirements and to prevent enforcement orders and fines from the Regional Water Quality Control Board.

To ensure adequate funding for maintenance of the City's sewer system, the City has approved substantial annual increases to the City's sewer service rate, which will result in a 62% rate increase from 2012 to 2016. The City should continue to increase sewer service rates as needed to ensure adequate funding for maintenance of the City's sewer system.

Administrative Services

Determination 3.8-1 (Administrative Services):

The City of Oroville has an acceptable governmental structure to manage services being offered by the City. Due to budget constraints and in an effort to be more efficient, various administrative departments have utilized interdepartmental staff and resource sharing. The City eliminated numerous positions during FY 2013-14 due to fiscal difficulties and currently has numerous frozen positions. As the City's fiscal situation improves the City intends to fill the frozen positions.

Determination 3.8-2 (Infrastructure Needs and Deficiencies)

The City of Oroville has been resourceful in meeting service needs while understaffed and has adopted measures to staff administrative departments and increase staff salaries to attract qualified applicants.

Determination 3.8-3 (Administrative Services)

There is sufficient room in the existing City Hall to accommodate existing staffing levels, with room for limited expansions. If staffing levels increase significantly, it will be necessary for the City to explore the possibility of relocating various City departments to another location or of constructing a new facility.

Financial Ability of the City to Provide Services

Determination 4.1-1 (City Finances)

In response to a \$2.1 million revenue shortfall in Fiscal Year 2013-14, the City of Oroville made significant reductions to its workforce and in expenditures to prevent deficient spending. These reductions, along with a slowly improving economy, have allowed the City to have a balanced budget. The City believes that these and other measures the City will implement in the near future will provide much-needed long-term financial stability to the City. The City should continue to closely analyze the City's budget with an eye on long-term revenue stability and should ensure service fees and development impact fees are at a level that adequately funds City municipal services.

Determination 4.1-2 (Contingency Funds)

The City should continue to ensure that the contingency fund is fully funded at the City's existing goal of 2.5% of the General Fund revenue. The City should consider increasing the contingency fund deposit rate to ensure that adequate funds are available for emergencies or unanticipated expenses.

Determination 4.1-3 (City Development Impact Fees)

The City of Oroville's current development impact fees are based on a nexus study prepared in 2003, but the City Council did not adopt the full fees that are recommended in the study. The City is in the processes of having a new nexus study prepared, which is anticipated to be finished in late 2014/early 2015. To fully offset the cost of new development, the City of Oroville should adopt the full development impact fees as recommended in the forthcoming nexus study.

Determination 4.1-4 (Financing Constraints and Opportunities)

The City of Oroville receives funds for the provision of public utilities and services through impact fees, taxes, and connection and usage fees. The City should continue to explore opportunities for creating benefit assessment districts or other similar funding mechanisms to secure long-term funding for the maintenance and operation of public facilities and services.

Determination 4.1-5 (Financing Constraints and Opportunities)

Given the relatively large number of service providers which serve the City of Oroville and the surrounding area, a formalized system for evaluation of financial constraints and opportunities is needed. In addition, coordination is needed between service providers who provide similar services.

Opportunities for Shared Facilities

Determination 4.2-1 (Opportunities for Shared Facilities)

The City's Fire and Police Departments currently share one headquarters. While this shared facility enables the departments to share resources more efficiently, the primary benefit is convenience to the public. As the existing facility has limited capacity for expansion, the City should consider establishing a larger facility that can accommodate the Fire and Police Departments as they expand ~~as well as the Code Enforcement Department, which currently operates out of a separate facility.~~

Determination 4.2-2 (Opportunities for Shared Facilities)

The Feather River Recreation and Parks District's facilities, ~~lease agreements~~ rental agreements and partnerships make a significant contribution to the City's Park and Trees Department's ability to meet its goals for park provision and park coverage. The City should continue to engage in partnerships with Feather River Recreation and Parks District to fund capital improvements as well as joint ownership and shared maintenance agreements with the Feather River Recreation and Parks District. The City and the Feather River Recreation and Park District should develop a comprehensive parks plan for the area within the City's SOI and assigning sole responsibility to a single agency for operations and maintenance of specified facilities.

Government Structure, Efficiency and Local Accountability

Determination 4.3-1 (Management Efficiencies within City)

The City of Oroville and other service providers which serve residents within the boundaries of the City of Oroville operate under adequate management efficiency. ~~However, local residents are concerned about the efficiency and accountability of the City of Oroville's Administration.~~

Determination 4.3-2 (Management Efficiencies within Sphere of Influence)

Despite concerns from local residents, it appears that the annexation of land within the Sphere of Influence to the City of Oroville will result in the consolidation of service providers and should improve overall management efficiency.

Determination 4.3-3 (Local Accountability and Governance)

Residents of Oroville are offered a broad range of opportunities for involvement in City decision making, including elections, publicized meetings and hearings, and reports completed in compliance with State and federal reporting requirements.

Summary of SOI Plan Determinations

Attachment B

SOI DETERMINATION 3-1A: PRESENT AND PLANNED LAND USE

The proposed SOI is compatible with the Butte County General Plan, which favors urban development to occur within a City whenever possible. The proposed SOI is compatible with the City of Oroville General Plan and the SOI expansion areas, with the exception of the Palermo Special Study Area, which was analyzed in the City General Plan EIR.

SOI DETERMINATION 3-1.B: PRESENT AND PLANNED LAND USE

The City of Oroville serves an important role by providing municipal services within its existing jurisdictional boundaries. Uses within the City's existing and updated SOI consists primarily of low to high density residential uses, along with public recreation uses, commercial/industrial uses, and scattered pre-existing agricultural uses. The City of Oroville's existing and proposed SOI, excluding State-owned and managed lands, is primarily designated by the City's General Plan for relatively high levels of development, which will require municipal services to fully implement the City's General Plan. Considering the existing and planned land uses in the area, the City of Oroville is the logical agency to provide most urban services to accommodate the planned growth.

SOI DETERMINATION 3-1.C: PRESENT AND PLANNED LAND USE

The unincorporated community of Palermo will be added to the City of Oroville's Sphere of Influence as a Special Study Area pursuant to Butte LAFCo Policy 3.1.10. The Special Study Area designation denotes that the Palermo Area would benefit from City services at some point and would be considered a likely area for annexation into the City of Oroville at some future date. Annexation of the Palermo area to the City of Oroville cannot occur until the Commission removes the special study area designation and assigns a specific sphere category to the area based on anticipated service demands.

SOI DETERMINATION 3-1.D: PRESENT AND PLANNED LAND USE

The unincorporated community of Kelly Ridge is already within the City of Oroville’s Sphere of Influence but is not within the 20-year time frame for annexation to the City nor in need of any City services at this time. Pursuant to the City’s desires for a perceived connection to Lake Oroville , and as provided for by Butte LAFCo Policies, the Kelly Ridge area will remain within the City’s SOI, but will be designated as a Special Study Area pursuant to Butte LAFCo Policy 3.1.10. Annexation of the Kelly Ridge area to the City of Oroville may not occur until the Commission removes the special study area designation and assigns a specific sphere category to the area based on anticipated service demands.

SOI DETERMINATION 3-1.E: PRESENT AND PLANNED LAND USE

Prime agricultural lands and agricultural uses are found within the City’s updated SOI. A large percentage of the agricultural uses in the City’s updated SOI are located within the boundaries of the Rio d’Oro Specific Plan Area. The Specific Plan Area is currently being planned for development of approximately 2,700 residential dwelling units by the County, along with commercial, public, and open space uses.

SOI DETERMINATION 3-1.F: PRESENT AND PLANNED LAND USE

To address the loss of prime agricultural lands due to annexation to the City of Oroville, the LAFCo review process will include a project-specific assessment of the loss of prime farmland and determine appropriate mitigation measures (type and amount). LAFCo will consider Butte LAFCo’s Policies regarding the conversion of prime farmland and will consider the City’s adopted policies and programs that provide for mitigating the loss of prime farmland within its sphere of influence. The City may also seek to retain some agricultural land uses for market farming and or agricultural-tourism as these activities are in the interest of the City residents to promote local food access.

SOI DETERMINATION 3-1.G: PRESENT AND PLANNED LAND USE

LAFCo has considered the presence of contracted Williamson Act lands within the City’s current and updated Sphere of influence. The updated City of Oroville Sphere of Influence does not contain any Williamson Act lands.

SOI DETERMINATION 3-2.A: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

The areas within the City of Oroville's updated Sphere of Influence will require enhanced municipal services to meet the service demands of new urban development allowed under the City's General Plan and consistent with the services provided to current City residents.

SOI DETERMINATION 3-2.B: PRESENT AND PROBABLE NEED FOR PUBLIC SERVICES AND FACILITIES

The City's updated SOI will overlap with portions of LOAPUD's and TWSD's Sphere of Influences. These Districts will continue to retain full authority to provide services within their jurisdictional boundaries. At the time of future annexations to the City, LAFCo will make the determination as to which agency is the more effective sewer service provider for the area based on current conditions and in full cooperation with the existing districts, but there is no automatic merger requirement.

SOI DETERMINATION 3-3.A: PRESENT AND FUTURE CAPACITY OF FACILITIES

The City generally exhibits characteristics of well-managed local government albeit the City's financial ability is currently constrained following many years of economic stagnation at all levels of government. The City has taken the appropriate steps to resolve its financial problems yet still provide acceptable levels of city services as determined by the elected City Council.

Currently, the City has the capacity to provide public services to residents and commercial/industrial customers within its city limits. However, approval of the SOI Update, which includes adding additional area to the City's SOI, will necessitate that the City budget and plan for future infrastructure and service needs prior to annexing any area within the SOI. Upon future annexation, the City will be required to provide proof of capability to deliver police and fire protection, storm water and drainage, code enforcement, traffic and roads, streetlights, and all other services provided by the City. Because of overlapping Sphere of Influences with the Lake Oroville Area Public Utility District, Thermalito Water and Sewer District, and el Medio fire Protection District - the City of Oroville may not be the most effective provider of wastewater collection/conveyance and fire protection services within some areas of the City's SOI.

The City will be able to provide services to new development within the updated SOI and continue to provide services to existing residents provided that the policies and standards contained in the City's General Plan and capital improvement program are implemented when considering annexations and development projects.

Domestic water, wastewater, and fire protection services will continue to be provided by the present service providers within the City's updated SOI and not be affected by the Sphere of Influence Update for the City of Oroville. At the time of annexation, LAFCo will determine the most effective service provider for the provision of wastewater services with the underlying assumption that existing service providers are the currently providing effective services and the City would need to demonstrate the ability to deliver more efficient services.

SOI DETERMINATION 3-4.A: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST

The social and economic communities within the City of Oroville existing sphere of influence include the City of Oroville, the unincorporated communities/neighborhoods of South Oroville, Thermalito, the Mooretown Rancheria, the Feather Falls Rancheria, and Kelly Ridge and the larger unincorporated area that is geographically considered the Oroville Urban Area and for shopping, social services and other service functions such as healthcare.

The areas proposed to be added to the City's SOI include the unincorporated community of Palermo (as a Special Study Area), the proposed Rio D' Oro Specific Plan area along SR 70 south of Oroville, the Power House Hill Road/Lone Tree Road area, the State-owned Oroville Wildlife Area, and State water resources areas to the north of the City. The City's proposed sphere has established substantive social and economic ties with the City of Oroville region given that is where the majority of residents of the updated SOI work, shop and obtain essential services.

SOI DETERMINATION 3-4.B: SOCIAL AND ECONOMIC COMMUNITIES OF INTEREST

The social and economic communities within the City of Oroville existing sphere of influence include the City of Oroville, the unincorporated communities/neighborhoods of South Oroville, Thermalito, the Mooretown Rancheria, the Feather Falls Rancheria, and Kelly Ridge and the larger unincorporated area that is geographically considered the Oroville Urban Area and for shopping, social services and other service functions such as healthcare.

The areas proposed to be added to the City's SOI include the unincorporated community of Palermo (as a Special Study Area), the proposed Rio D' Oro Specific Plan area along SR 70 south of Oroville, the Power House Hill Road/Lone Tree Road area, the State-owned Oroville Wildlife Area, and State water resources areas to the north of the City. The City's proposed sphere has established substantive social and economic ties with the City of Oroville region given that is where the majority of residents of the updated SOI work, shop and obtain essential services.

SOI DETERMINATION 3-5.A: THE PRESENT AND PROBABLE NEED FOR THOSE PUBLIC FACILITIES AND SERVICES OF ANY DISADVANTAGED UNINCORPORATED COMMUNITIES WITHIN THE EXISTING SPHERE OF INFLUENCE

Large portions of the City of Oroville's existing and proposed SOI are identified as disadvantaged unincorporated communities. The disadvantaged unincorporated communities within the City's SOI will require City municipal services to facilitate new development and redevelopment. Therefore, there is a present and probable need for City municipal services within the areas designated as disadvantaged unincorporated communities in the City of Oroville's updated SOI.

Prior to future annexations documentation as to the presence of disadvantaged unincorporated communities adjacent to, or nearby, an annexation proposal shall be submitted to LAFCo for its evaluation and possible action.

Attachment C

RESOLUTION NO. 07 2014/15

**ADOPTION OF A MUNICIPAL SERVICE REVIEW UPDATE
FOR THE CITY OF OROVILLE AND
ADOPTION OF A SPHERE OF INFLUENCE PLAN/UPDATE
FOR THE CITY OF OROVILLE**

RESOLVED, by the Butte Local Agency Formation Commission of the County of Butte, State of California, that

WHEREAS, a proposal for an update to the City of Oroville's Sphere of Influence was heretofore requested by the City of Oroville and accepted by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the City of Oroville identified a need to update and amend the City's Sphere of Influence to accommodate the anticipated growth of the community projected in the City of Oroville 2030 General Plan, adopted by the Oroville City Council on June 2, 2009; and

WHEREAS, a service review mandated by Government Code Section 56430 was conducted by the Local Agency Formation Commission of the County of Butte (hereinafter referred to as "the Commission") for the City of Oroville on October 1, 2009, in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.) and due to significant recent changes in City of Oroville operations and finances it was determined that the 2009 MSR needed to be updated to reflect current City service capabilities; and

WHEREAS, a sphere of influence update mandated by Government Code Section 56425 has been prepared by the Commission for the City of Oroville in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.); and

WHEREAS, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56428, has reviewed this proposal and prepared a report, including his recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, a public hearing by this Commission was called for December 4, 2014, and at the time and place specified in the notice of public hearing; and

WHEREAS, at the hearing, this Commission heard and received all oral and written protests; the Commission considered all plans and proposed changes, objections and evidence which were made, presented, or filed; and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the proposal, in evidence presented at the hearing; and

NOW, THEREFORE, the Local Agency Formation Commission of the County of Butte **DOES HEREBY RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. Environmental Findings

- A. On June 2, 2009, the City of Oroville, as Lead Agency, prepared a Draft Environmental Impact Report and certified the Final Environmental Impact Report for the City of Oroville 2030 General Plan and adopted Findings of Fact and a Statement of Overriding Considerations (City of Oroville Resolution Numbers 7344 and 7345).
- B. The Commission has reviewed and considered the Draft and Final Environmental Impact Reports for the City of Oroville 2030 General Plan, which includes an analysis of the proposed City of Oroville Sphere SOI amendment. The Final Environmental Impact Report consists of the following:
 - (1) Revisions to the Draft Environmental Impact Report prepared by the City of Oroville as Lead Agency.
 - (2) A list of persons, organizations and public agencies commenting on the Draft Environmental Impact Report
 - (3) Comments received by the City of Oroville on the Draft Environmental Impact Report either verbatim or in summary.
 - (4) Responses to the comments received on the Draft Environmental Impact Report.
- C. The Commission certifies that it has held a duly noticed public hearing and heard testimony and received written comments from affected agencies at a noticed public hearing and has responded to those comments.
- D. The Commission affirms the Final Environmental Impact Report for the City of Oroville 2030 General Plan and finds that in accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report for the proposed Sphere of Influence Plan has been completed in compliance with CEQA and was presented to the Commission and the Commission reviewed and considered the information contained in the Final Environmental Impact Report and comments on the Final Environmental Impact Report prior to approving the project.
- E. In accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report reflects the Lead Agency's independent judgment and analysis.
- F. The implementation of the City of Oroville 2030 General Plan and the proposed Sphere of Influence Plan will not have a significant effect on the environment in regards to Aesthetics, Cultural Resources, Geology, Soils and Mineral Resources, Hazards and Hazardous Materials, Public Services and Recreation, and Utilities and Infrastructure, as identified in Section X of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Oroville for the City's 2030 General Plan.

- G. The implementation of the City of Oroville 2030 General Plan and the proposed Sphere of Influence Plan will have a significant effect on the environment in certain respects, but for which no feasible mitigation is available to reduce the impacts, as identified in the Final EIR and in Section VII (Findings Regarding Monitoring of Mitigation Measures) and Section XI (Findings Regarding Significant Unavoidable Impacts) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Oroville.
- (1) With respect to the significant, unavoidable impacts detailed in the Final Environmental Impact Report and found to be relevant to the Commission's action and based on the information set forth in the Final Environmental Impact Report, the Commission finds and determines that:
- (a) No measures have been required in or incorporated into the project to mitigate conversion of prime agricultural land to nonagricultural uses during the 2010-2030 planning period, as identified in Table 2-1 of the Final Environmental Impact Report and Section XI of the Findings of Fact and Statement of Overriding Considerations. The Open Space, Natural Resources and Conservation Element of the City of Oroville's 2030 General Plan contains programs and policies aimed at protecting existing agricultural lands. However, these policies would not prevent the conversion of agricultural land to urban uses and cannot reduce the impacts to a level that is less than significant. A certain level of mitigation will be provided by implementation of the policies and programs identified in the Open Space, Natural Resources and Conservation Element and in the Final EIR. There are no feasible mitigation measures or project alternatives that will reduce the impacts to a less than significant level.
- H. Statement of Overriding Considerations: Pursuant to Section 15093 of the CEQA Guidelines, the Commission finds that the economic and social benefits of the proposed project documented in the City of Oroville 2030 General Plan, the Final Environmental Impact Report, the City of Oroville 2030 General Plan Findings of Fact and Statement of Overriding Considerations, and the Sphere of Influence Plan, such as expanding the housing opportunities and economic growth opportunities in the City of Oroville, outweigh the adverse impacts of the conversion of prime agricultural land, an impact which cannot be eliminated or reduced to a level that is less than significant and which is unavoidable as the City grows.
- I. A categorical exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the Municipal Service Review Update for the City of Oroville is categorically exempt from CEQA and such exemption was adopted by this Commission on December 4, 2014; and

Section 2. Findings for Adoption of the Sphere of Influence Amendment

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and

General Plan consistency, and other factors specified in Government Code Sections 56425 and 56428 and as described in the staff report dated November 24, 2014, for the meeting of December 4, 2014, in that:

- (1) The Commission has considered the present and planned land uses in the area, including agricultural and open space lands as described in the Butte County General Plan Land Use and Agricultural Elements and the City of Oroville 2030 General Plan Land Use Element and the Open Space, Natural Resources and Conservation Element.
- (2) The Commission has considered the present and probable need for public facilities and services in the area as described in the City of Oroville SOI Plan and the City of Oroville 2030 General Plan.
- (3) The Commission has considered the present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide as described in the updated City of Oroville Municipal Service Review, the SOI Plan, and the City of Oroville 2030 General Plan.
- (4) The Commission has considered the existence of any social or economic communities of interest in the area and received as testimony in public hearings.
- (5) The Commission has considered the conversion of prime agricultural lands as constituent of the Final Environmental Impact Report and through the adoption of Overriding Considerations Findings in Section 1.G of this resolution.

Section 3. Terms and Conditions adopted by LAFCo

Pursuant to its authority under Part 2, Chapter 4 of the Cortese-Knox Local Government Reorganization Act of 2000, Butte LAFCo incorporates the following terms and conditions into the Sphere Plan for the City of Oroville:

1. All Commission fees must be paid in full prior to the new sphere of influence becoming effective.
2. LAFCo will apply a heightened level of review when considering proposals for changes of organization (such as an annexation) that are likely to result in the conversion of prime agricultural/open space land use to other uses. Only if the Commission finds that the proposal will lead to planned, orderly, and efficient development, will the Commission approve such a conversion.
3. The Commission has accepted and affirmed the Final Environmental Impact Report for the City of Oroville 2030 General Plan, which is a general policy level action intended to provide a broad discussion of growth boundaries and potential impacts. The City should not expect to solely rely on the 2030 General Plan Final Environmental Impact Report to support or mitigate all project specific impacts identified during the annexation process.

WHEREAS, the Sphere of Influence Plan determinations for the City of Oroville are made in conformance with Government Code Section 56425 and local Commission policy and are included in Attachment B to this Resolution; and,

WHEREAS, based on presently existing evidence, facts, and circumstances considered by this Commission, including the findings as outlined above, the Commission adopts written determinations as set forth. The Commission adopts the SOI Plan for the City of Oroville and updates the sphere of influence for the City of Oroville by adding 1,104 parcels totaling approximately 9,838 acres, to the City's SOI and removing 276 parcels totaling approximately 2,734 acres, from the City's SOI, as depicted in Figure 4-1 of the SOI Plan, adopted by the Commission on December 4, 2014; and,

NOW, THEREFORE, BE IT RESOLVED, that pursuant to powers provided in §56430 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Local Agency Formation Commission of the County of Butte adopts the Municipal Service Review Update for the City of Oroville, dated December 4, 2014. Furthermore, pursuant to powers provided in §56425, the Commission adopts the SOI Plan for the City of Oroville and updates the existing sphere of influence for the City of Oroville, as depicted on Figure 4-1 of the City of Oroville SOI Plan, adopted by the Commission on December 4, 2014.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 4th day of December 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

ATTEST:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission



PAUL HAHN
CHIEF ADMINISTRATIVE OFFICER

BUTTE COUNTY ADMINISTRATION

25 COUNTY CENTER DRIVE, STE 200
OROVILLE, CALIFORNIA 95965-3380
Telephone: (530) 538-7631 Fax: (530) 538-7120

Attachment D

BILL CONNELLY
MAUREEN KIRK
STEVE LAMBERT
DOUG TEETER
LARRY WAHL

November 21, 2014

Stephen Betts
Deputy Executive Officer
Butte LAFCo
1453 Downer Street, Suite C
Oroville, CA 95965
Sent via email: sbetts@buttecounty.net

RE: Oroville Draft Municipal Service Review Update and Draft Sphere of Influence Plan Update

Dear Mr. Betts:

After reviewing the Draft Municipal Service Review Update and Draft Sphere of Influence Plan Update for the City of Oroville, the County of Butte has the following comments:

1. Butte County Department of Public Health

Please see the attached documentation. For questions or additional information, please contact Michael Huerta, Program Manager - Butte County Environmental Health, at (530) 538-5328 or mhuerta@buttecounty.net.

2. Butte County Fire Department/CalFIRE

After review of the document, the following three revisions are requested:

- a. *"California Department of Forestry and Fire Protection/Butte County Fire Department" pg 78*
This section erroneously states that CAL FIRE/BCFD does not provide service to Paradise.
- b. *"Infrastructure Needs and Deficiencies" pg 88.*
This section uses statistics that are 8-10 years old. The more recent data would show more of an imbalance.
- c. *"Determination 3.3-11 (Infrastructure Needs and) pg 91"*
This section erroneously states that Thermalito is outside of the five minute response time.

For questions or additional information, please contact Greg McFadden, Fire Chief, at 530-538-7111 or Greg.McFadden@fire.ca.gov.

The County of Butte appreciates the opportunity to comment on this project.

Sincerely,



Jennifer Macarthy

Deputy Administrative Officer - Economic and Community Development

cc: Greg McFadden, Fire Chief
Michael Huerta, Program Manager - Environmental Health
Brad Banner, Director - Environmental Health
Tim Snellings, Development Services Director
Mike Crump, Public Works Director
Richard Price, Agricultural Commissioner
Paul Hahn, Chief Administrative Officer



CATHY A. RAEVSKY, DIRECTOR
MARK A. LUNDBERG, M.D., M.P.H., HEALTH OFFICER

WWW.BUTTECOUNTY.NET/PUBLICHEALTH
202 MIRA LOMA DRIVE, OROVILLE, CA 95965

November 21, 2014

Butte County Administration
C/O Jennifer MacCarthy
25 County Center Dr.
Oroville CA

RE: Review of Oroville Municipal Services Update and SOI Plan Update

Jennifer,

Butte County Environmental Health appreciates the opportunity to provide comments to the aforementioned document. We have reviewed the entire document and have reserved comments for the section addressing Solid Waste (3.4). Our comments are noted on copy of this section accompanying this letter.

Yours truly

Michael Huerta
Program Manager
Butte County Environmental Health

Solid Waste

Recology Butte Colusa Counties ~~Noreal~~ Waste Systems (former Norcal) (~~Noreal~~) operates out of a facility located at 2720 Fifth Avenue. This facility was at one time a Material Recovery Facility (MRF). However, with the construction of a new automated MRF in Marysville, this facility now operates more as a transfer station than a MRF. Recology Butte Colusa Counties ~~Noreal~~ has instituted a three trash container pick-up system whereby residents are provided with separate trash receptacles for recyclables, household trash and for organic waste, including yard clippings. This allows for pre-sorting by residents and greater efficiency for Recology Butte Colusa Counties ~~Noreal~~.

Once the refuse is collected it is transported to Recology Butte Colusa Counties' ~~Noreal~~'s Fifth Avenue facility where it is unloaded for transfer to various locations depending on the type of material. The facility receives an average of more than 200 tons of material per day. In July 2009, the plan to expand and provide a cover over the construction/demolition waste sorting area was completed thus assuring ~~There is a current plan to expand the facility to provide a covered area in which to sort construction waste materials, allowing for continued and expanded diversion of this waste stream.~~ This facility is permitted for 975 tons per day with 600 vehicles operating 24 hours per day, which exceeds the service area's needs for the foreseeable future.

From the Fifth Avenue facility, all household waste is sent in larger trucks to the Ostrom Road landfill. Recyclable materials are sent to Recology Butte Colusa Counties' ~~Noreal~~'s MRF facility in Marysville for sorting. Green waste is sent to a number of facilities including a worm farm located off of Neal Road, which chips, shreds and composts vegetative material; Neal Road Landfill, which chips vegetative material for bio-mass co-generation fuel; and the Ostrom Road landfill composting facility. The City of Chico also accepts green waste at its composting facility, which is operated by Waste Management.

The Fifth Avenue facility also collects construction and demolition waste materials for recycling and diversion from the landfill. Construction wastes are sorted at the Fifth Avenue facility where treated and painted wood is separated from the wood waste stream for disposal at the landfill. ~~The remaining wood products are taken to local facilities such as Pacific Oroville Power Incorporated (POPI), which generates energy by burning wood waste. Asphalt and concrete are taken to recycling facilities, which crush the material for reuse in construction.~~

Comment [HM1]: POPI closed permanently in 2013.

All material diverted from the landfill goes to help meet the mandate of the California Integrated Waste Management Act of 1989, Assembly Bill 939 (AB 939). In 2012 this law was revised by AB 341, ~~which requires a 75% 50 percent~~ reduction in waste going to the landfill by the year 2020. Recology Butte Colusa Counties ~~Noreal~~ has the responsibility for meeting AB ~~341~~⁹³⁹ requirements and has been meeting this as outlined in the City's Source Reduction and Recycling Element.

Once processed, waste that cannot be recycled is transported to the company's ~~Noreal~~'s Ostrom Road Landfill, located approximately 40 miles from Oroville in the City of Wheatland. The Ostrom Road facility currently provides solid waste disposal services to both municipal and

commercial customers in the northern Sacramento Valley including Yuba, Sutter, Butte, Nevada, and Colusa Counties. Ostrom Road Landfill began operation in 1995 as the first landfill facility in California to receive approval to operate under the new Subtitle D regulations requiring liner systems, leachate collection and recovery systems, water quality monitoring systems, and other environmental protection measures. The site comprises of 261 acres, 225 of which are permitted as a Class II Landfill. According to data collected by CalRecycle the California Integrated Waste Management Board, the Ostrom Road facility had a remaining capacity of 25.7 million tons (39.2 40 million cubic yards) as of June 2007 December 2004. The landfill receives approximately 800 26,000 tons of waste daily annually, with a permitted maximum daily throughput of 3,000 tons. The landfill's and its estimated total capacity is 26.8 million tons (43.5 41.8 million cubic yards) and the landfill is expected to reach full capacity to be reached in 2066. There are no planned expansions or anticipated deficiencies at this time. When a facility is within 15 years of reaching its capacity, the State requires that provisions be made for future landfill facilities.

The Neal Road Landfill also maintains sufficient capacity to accommodate the municipal solid waste generated within the City of Oroville. In March of 2015 Butte County will start implementing the proposed "Franchise Agreement for Collection Services". For the unincorporated area around Oroville this means that all solid waste will have to go to Neal Rd Landfill Utilizing Neal Road Landfill instead of Ostrom. The Agreement does not affect the incorporated Oroville area. Waste collected in Oroville will still more than likely be shipped to Ostrom. However utilizing Neal Road Landfill would reduce the distance that solid waste is shipped, and therefore reduce the amount of greenhouse gas emissions generated. It should be noted however, that the Neal Road Landfill as a Class 3 landfill does not accept treated wood waste while as the Class 2 Ostrom Road Landfill is permitted to accept such construction debris. The City's compliance with AB 341939 through its Source Reduction and Recycling Element and through the mutually adopted County Integrated Waste Management Plan is considered to be adequate.

Determination 3.4-1 (Solid Waste)

The Ostrom Road Landfill has sufficient capacity to accommodate the anticipated waste generated within the City of Oroville through 2030.

¹ Peters, Carl, Operations Manager Norcal Waste Systems Fifth Avenue Oroville facility, personal communication with Craig Sanders, Former Planning Manager, City of Oroville, September 4, 2008.

Determination 3.4-2 (Solid Waste)

The City of Oroville is adequately mitigating potential impacts on the capacity of the landfill through compliance with Assembly Bill 939 and the County Integrated Waste Management Plan.

Determination 3.4-3 (Solid Waste)

The City should consider utilizing Neal Road Landfill instead of Ostrom Road Landfill in order to reduce the distance that solid waste is shipped, and therefore reduce the amount of greenhouse gas emissions generated. It is acknowledged that such a shift of disposal sites would decrease the life span of the Neal Road facility.

Comment [HM2]: In 2010, Neal Rd Landfill changed its name to Neal Road Recycling and Waste Facility. This title better reflects the proposed changes in waste management operations such as transfer processing of recyclable material. The name change should be addressed throughout the document.

Comment [HM3]: The Neal Rd. facility is now permitted to receive and dispose of treated wood waste.