

M E M O R A N D U M

TO: Local Agency Formation Commission

FROM: Stephen Lucas, Executive Officer

SUBJECT: **Agenda Item 6.1 - Executive Officer's Report**

DATE: July 26, 2016 for the meeting of August 4, 2016

ADMINISTRATION: None

PROJECT NOTES:

1. Staff continues to assist the City of Oroville staff in preparing for the submittal of an annexation application to the City for the Rio D'Oro development project. The proposed annexation is for a mixed use specific plan on lands immediately south of City of Oroville limits west of SR70 which was initially approved by the County. Issues to consider include annexation and tax sharing, sewer and water services and project phasing. It is anticipated the City will act on this annexation request before the end of the year, although no specific timeline has been set.
2. Staff continues to assist the El Medio Fire Protection District with their efforts to submit a three phase annexation program that will encompass much of the territory in the current sphere of influence. The first phase of the annexation plan will include the Feather Falls Casino and related lands within the jurisdiction of the Mooretown Rancheria of Maidu Indians, a federally recognized tribe of Concow-Maidu people in Butte County.
3. The Lake Oroville Area Public Utility District (LOAPUD) has circulated environmental documents for review related the annexation of approximately 40 acres controlled by the Tyme Maidu Tribe, Berry Creek Rancheria immediately west of the Gold Country Casino. The lands are proposed for a recreational vehicle park, market, gas pumps and 42 housing units. District sewer service is a necessity for the project to be built.

CALAFCO:

1. The CALAFCO quarterly Board of Directors meeting will be held July 29, 2016 in San Diego. Commissioners/Directors Duncan and Connelly along with the Executive Officer will be attending this meeting either in person or conference call. Of significance will be ongoing discussion about how to address the needs of Disadvantaged Unincorporated Communities (DUCs) following the demise of SB1318 (Wolk).
2. The CALAFCO Annual Conference is scheduled for October 26-28 in Santa Barbara. The theme for the Conference is ***Orchards to Oceans: Valuing California's Diversity***. The draft program reflects that diversity, with topics ranging from water to agricultural land preservation to today's hot issues LAFcos are dealing with regularly. The final program will be released soon. It is anticipated that Commissioners Duncan and Connelly will attend as the Conference includes a quarterly Board meeting. The costs for this Conference are particularly high given the lack of direct transportation and higher than average room rates.
3. The Executive Officer has been requested to join the CALAFCO Executive Director in testifying in front of the [Little Hoover Commission](#) on August 25 concerning the functions of Special Districts. The Commission is very interested in how the state can assist LAFcos with their regulatory responsibilities vis-à-vis special districts. The "Little Hoover Commission" on

California State Government Organization and Economy, is an independent state oversight agency that was created in 1962. The Commission's mission is to investigate state government operations and – through reports, recommendations and legislative proposals – promote efficiency, economy and improved service. By statute, the Commission is a balanced bipartisan board composed of five citizen members appointed by the Governor, four citizen members appointed by the Legislature, two Senators and two Assembly members.

LEGISLATION:

1. **[AB 2910](#)** – Omnibus bill (CALAFCO Sponsored - **[CALAFCO Support Letter April 2016](#)**)
STATUS: The bill is now on the Senate floor awaiting passage. It will then go back to the Assembly floor for concurrence in amendments done while in the Senate.
This is the annual Omnibus bill that makes minor, non controversial changes to CKH. This year, the bill makes several minor technical changes, corrects obsolete and incorrect code references, and corrects typographical errors. Affected sections include: 56301, 56331, 56700.4, 56816, 56881, 57130 and 56134.
2. **[SB 1266 \(McGuire\)](#)** – Joint Power Authority's (CALAFCO Sponsored - **[CALAFCO Support Letter March 2016](#)**). *STATUS: The bill is on the Assembly floor awaiting passage.*
The bill requires all stand-alone JPAs, as defined in GC Section 56047.7, which includes a member that is a public agency as defined in GC Section 56054, and are formed for the purposes of delivering municipal services, to file a copy of their agreement (and a copy of any amendments to that agreement) with the LAFCo in each county within which all or any part a local agency member's territory is located.
3. **[SB 1318 \(Wolk\) Drinking Water and Wastewater \(CALAFCO OPPOSE CALAFCO Oppose Letter April 2016\)](#)**
STATUS: Dead
As introduced, this bill amends GC Sections 56133, 56425 and 56430. The bill would have significantly affected LAFCO regulatory responsibilities related to service extensions, annexations, MSRs and SOIs by essentially holding these actions/functions hostage until a city or a district extended drinking water or wastewater infrastructure to all disadvantaged communities within or adjacent to its sphere of influence. The CALAFCO Legislative Committee actively engaged the author to discuss alternative strategies to achieve the ultimate goals of providing water and wastewater services to DUCs. The sponsor of the bill was not interested in finding a collaborative solution and therefore the author (Wolk) dropped the bill. This is most certainly not the last time LAFCos will be addressing the DUC issue as new bills are likely to be entertained again next year. Ultimately, CALAFCO will need to provide a workable path towards making water and wastewater services available to all DUCs and so the legislative committee will continue to be engaged. Unfortunately, as SB 1318 was our vehicle to address changes to GC 56653 as proposed by Butte LAFCo Counsel and therefore this issue will need to wait until the next legislative cycle. Attached is a letter from CALAFCO notifying Butte LAFCO of this unfortunate outcome (***Attachment 1***).
4. **[AB 2470 \(Gonzales\) Municipal Water Districts - Water Service to Indian Tribes \(CALAFCO WATCH\)](#)**
STATUS: Passed Out of Appropriations Committee
Current law authorizes a district to sell water under its control, without preference, to cities, other public corporations and agencies, and persons, within the district for use within the district. Current law authorizes a district to sell or otherwise dispose of water above that required by consumers within the district to any persons, public corporations or agencies, or other consumers. This bill, upon the request of an Indian tribe, would require a district to provide water service at substantially the same terms applicable to the customers of the district to an Indian tribe's lands that are not within a district, as prescribed, if the Indian tribe's lands meet

certain requirements. The District shall provide the water and no LAFCO annexation or service extension approvals would be required. This is a worrisome bill in that it confers special status to a tribe to circumvent LAFCO procedures and removes LAFCO regulatory authority over the special district in question. The Commission took an OPPOSE position and sent a letter to Assemblywoman Gonzales.

GENERAL NOTES: Staff continues to have informal conversations with several community members about the provision of domestic waters services in the greater Oroville area. At present, the Oroville region is served domestic water by the South Feather Water and Power Agency, the Thermalito Water and Sewer Agency and CalWater Oroville Unit as well as private wells. There appears to be an interest in evaluating water services to ensure the greater Oroville community has equal access to reliable, lowest cost water services. LAFCo may have a role to play in administering such a study.

APPLICATION ACTIVITY

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<i>Project Status As of July 26, 2016</i>								
File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
15-12MS	Buzztail CSD	MSR/SOI Plan Updates	03/16/15	05/14/15	03/03/16	N/A	N/A	Approved-Final being prepared
15-17	Chico	Chapman Annexation No. 1	04/17/15	05/17/15	07/02/15			To be Recorded 7/2020
15-18	Chico	Mulberry Annexation No. 1	04/17/15	05/17/15	07/02/15			To be Recorded 7/2020
16-05	LAFCO	CSA MSR / SOI Plan Update			09/01/16	N/A	N/A	Processing
16-06	BWD	Singh-Etcheverry Annexation No. 1	05/27/16	07/19/16	09/01/16			Processing
16-07	Chico	E Lassen Ave Annexation No. 10	03/29/16	04/26/16	06/02/16	07/19/16		Waiting for TRA assignment
16-08	Oroville	Ext of Services - 67 Riverview Terrace	04/06/16	N/A	08/04/16	N/A	N/A	Emergency appl received.
16-09	Chico	Ext of Services - 14 Mayfair Drive	06/28/16	N/A	08/04/16	N/A	N/A	Emergency appl received.
16-10	Chico	Ext of Services - 2503 Hwy 32	06/06/16	N/A	08/04/16	N/A	N/A	Emergency appl received.
SP-57	LAFCo	Gateway at Butte Creek						Consultation



June 1, 2016

Chair Carl Leverenz
Butte LAFCo
1453 Downer Street, Suite C
Orville, CA 95965

Dear Chair Leverenz:

On behalf of the Board of Directors of the California Association of Local Agency Formation Commissions (CALAFCO), I want to thank you for your letter dated March 22, 2016 regarding CALAFCO legislative priorities, and specifically addressing Government Code Section 56653. As you know, the Board invests as much of our organization's resources as possible into our legislative work, and we are proud of our strong Legislative Policies.

Each year the Board carefully considers the many legislative matters that come before it, and judiciously deliberates each one. In addition, we must reflect on the greater legislative picture and allow ample space and time for work on legislative matters introduced throughout the coming year that affect our members.

As you and several other LAFCOs requested, the Board discussed your request to reconsider pursuing changes to §56653 this legislative year during our May 6, 2016 meeting. Given the current full legislative plate of the organization, and the late timing of the current legislative year, there was one option identified for CALAFCO to pursue.

CALAFCO is currently in deliberations with Senator Wolk and her staff of SB 1318, a bill which CALAFCO strongly opposes in its current format. As CALAFCO works on amendments with the Senator, we have included the required changes to §56653 in our overall requested amendments to SB 1318, which as of today she has accepted.

We believe this is a good solution to the problem we face in obtaining any immediate fix to §56653. Should the bill, with the amendments included, not pass the legislature, the CALAFCO Board has agreed to add changes to §56653 to the list of potential legislation for consideration and discussion for inclusion in our 2017 legislative platform.

Thank you again for reaching out to CALAFCO with your concerns. We value your membership and strive to continuously improve the value we create for you, our members. We will provide the membership ongoing legislative updates which will include our progress in shepherding this amendment through the legislature.

Please do not hesitate to contact me or our Executive Director, Pamela Miller, with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "John Leopold". The signature is written in a cursive, flowing style.

John Leopold
Chair of the Board