MEMORANDUM

TO: Local Agency Formation Commission
FROM: Stephen Lucas, Executive Officer
SUBJECT: Agenda Item 6.1 - Executive Officer's Report
DATE: October 29, 2019 for the meeting of November 7, 2019

ADMINISTRATION:

1. A second recruitment to fill a vacant position within LAFCo staff is currently in progress. In an effort to acquire a wide range of eligible candidates, the recruitment is for a flexibly staffed position of LAFCo Deputy Executive Officer or Local Government Planning Analyst dependent upon the eligible candidate’s experience. Applications will be reviewed as received and qualified candidates will be invited to interview. The recruitment will remain open until the position is filled.

2. Staff has engaged the firm of Horton, McNulty & Saeteurn, LLP Certified Public Accountants to conduct LAFCo’s annual audit for FYE 2018/19. We expect the audit to be completed in February 2020 at an estimated cost not to exceed $7,450, which is a reduction from past years audits.

PROJECT NOTES:

The following proposals are currently known and being discussed and/or considered:

- **County of Butte/Agriculture Groundwater Users of Butte County** - Proposed formation of California Water District (Landowner voter district to be called Tuscan Water District) to serve agricultural lands roughly north of Durham to the Tehama County line and west of SR99 to the Sacramento River for the purpose of considering/evaluating/studying the potential to move surface water allocations from current sources to the groundwater dependent north county area roughly aligned with the Vina Sub Basin.

- **Miocene Canal** - With the destruction of the upper Miocene Canal by the Camp Fire, water flow down the middle and lower Miocene has stopped. PG&E so far refuses to repair the canal infrastructure and the dependent landowners are struggling to find a solution to replace the lost water flow. One possible scenario is to form a special district to finance and manage any future facilities. Staff continues to participate in discussions and will report back.

- **Thermalito Sewer and Water District** - Sphere of Influence Amendment and Annexation of the clay pits recreation area southeast of the Oroville airport along Larkin Road.

- **Oroville Mosquito Abatement District** - Dissolution and Annexation of territory to Butte County Mosquito and Vector Control District. At its November 12, 2019 meeting, the OMAD Board of Trustees unanimously adopted a resolution of application to dissolve the District and annex into the BCMVCD. The next steps will be for the District to complete the LAFCo application and for the Commission to consider a possible fee waiver for this project.

- **County of Butte** - Expansion of Powers for CSA 164 to add fire protection services.

- **South Feather Water and Power Agency** - MSR/SOI Update and comprehensive annexation plan to address domestic water services to the Palermo area and other areas.

- Update to LAFCO service extension policy concerning consideration of exemptions under GC56133 which is currently being done by the Executive Officer.
• **Durham Mosquito Abatement District** - Staff has sent a letter to the DMAD requesting a progress update related to the recent MSR/SOI update and is setting a meeting with the District manager to discuss the District's progress and the path forward.

• **SB2 Planning Grant** - At its November 19, 2019 meeting, the BOS approved the submittal of a SB2 Planning Grant application for the development a Municipal Service Review updates for back bone service providers in the Oroville region, including the SFWPA, LOAPUD, TWSD and SCOR. This will be a cooperative partnership with the County Department of Development Services to utilize approximately $100k of SB2 Planning Grant funds to conduct the MSR in support of future housing options that can be provided once core services can be assured. Staff executed a Letter Agreement (Attachment 3) with the Department of Development Services for this effort.

• **County of Butte/Paradise Irrigation District** - The County of Butte and the Paradise Irrigation District are developing a proposal known as the Paradise Irrigation District (PID)/California Water Service (CWS) Intertie Project Feasibility Study. The PID proposes to extend its treated water services to an intertie with CWS that would allow currently surplus treated water capacity to be sold to the CWS for retail distribution to its Chico customers. As currently proposed, such an extension of services would fall under the authority of LAFCo to approve. Staff will stay involved with the proposal and provide updates as they develop.

**CALAFCO:** None

**LEGISLATION:**
1. The 2020 legislative season has begun with the initial meeting of the CALAFCO Legislative Committee (Legal Counsel and EO serve) kicked off the effort with a organizational meeting in October and the first meeting of substance occurred November 15, 2019 at which proposals were solicited and discussed. A top priority remains a clarification to GC56133 which requires LAFCo approval to extend services outside agency boundaries. The proposal is to clearly define LAFCo authority for all service extensions including if they qualify as exemptions, which is current practice around the state.

2. The EO also continues work on the CALAFCO/CSDA Working Group that is attempting to simplify the CKH protest proceedings provisions. The CALAFCO goal is to support the Little Hoover Commission’s findings that LAFCos should be more diligent about consolidating/dissolving unneeded special districts.

**GENERAL NOTES:** Staff received a letter (Attachment 2) from Marilyn Rees who represents the North Chico Neighborhood Safety Group that describes the groups concerns with CSA 172 - Autumn Park Subdivision. The Group also presented their concerns to the Board of Supervisors at its meeting of November 19, 2019, when the BOS was considering a budget adjustment for the CSA. The BOS agreed to schedule a meeting with landowners in the near future to fully vet the issues raised by the landowners.

**CAMP FIRE RECOVERY UPDATE**

1. Accepted an invitation to meet with the Upper Ridge Coordinating Council on December 2, 2019, to discuss governance issues for the Upper Ridge, Paradise Pines and Magalia communities.

2. Met with Town of Paradise Staff on November 19, 2019 to discuss various long term planning issues and water supply concerns.
3. Met with SWRCB staff on November 13, 2019, to discuss Paradise water issues.

Attachments:
1. CALAFCO Calendar
2. Letter from Marilyn Rees - CSA 172 Issues
3. Letter Agreement for SB2 Planning Funds - Oroville Region MSR

### APPLICATION ACTIVITY:

<table>
<thead>
<tr>
<th>File</th>
<th>Applicant</th>
<th>Project Name</th>
<th>Date Application Received</th>
<th>Certificate of Filing</th>
<th>LAFCO Hearing Date</th>
<th>Certificate of Completion</th>
<th>SBE Submittal Date</th>
<th>Additional Comments</th>
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<tr>
<td>11-06</td>
<td>Butte County</td>
<td>CSA No. 114 - Expansion of Powers</td>
<td>02/02/11</td>
<td>N/A</td>
<td>pending</td>
<td>N/A</td>
<td>N/A</td>
<td>Incomplete - On Hold</td>
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<td>15-17</td>
<td>Chico</td>
<td>Chapman Annexation No. 1</td>
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<td>To be Recorded 7/2020</td>
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<td>15-18</td>
<td>Chico</td>
<td>Mulberry Annexation No. 1</td>
<td>04/17/15</td>
<td>05/17/15</td>
<td>07/02/15</td>
<td>To be Recorded 7/2020</td>
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<td>18-09</td>
<td>TWSD</td>
<td>Clay Pit State Recreation Area Annexation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>On Hold, Incomplete Application</td>
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<td>Chico</td>
<td>North Chico Annexation No. 1</td>
<td>02/25/19</td>
<td>03/21/19</td>
<td>05/02/19</td>
<td>08/19/19</td>
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<td>Filing with SBE in progress</td>
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<td>12/05/19</td>
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<td>19-12</td>
<td>County</td>
<td>CSA 158 - Mandville Park Subd. Annex</td>
<td>05/02/19</td>
<td>05/29/19</td>
<td>10/03/19</td>
<td>Approved w/ conditions</td>
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<td>08/19/19</td>
<td>10/03/19</td>
<td>Billing/ Need final filing fees</td>
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<td>20-02</td>
<td>LAFCO</td>
<td>Public Cemetery Districts MSR/SOI</td>
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<td>10/03/19</td>
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<td>N/A</td>
<td>Approved- Final in progress</td>
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<td>20-04</td>
<td>Chico</td>
<td>Ext of Services - 216 Centennial Ave</td>
<td>11/08/19</td>
<td>11/08/19</td>
<td>12/05/19</td>
<td>N/A</td>
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## FINANCIAL REPORT

**Butte Local Agency Formation Commission**  
**FY 2019-20 Budget Review**

### Funding Sources

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Budget</th>
<th>Special Projects</th>
<th>Total</th>
<th>11/22/2019</th>
<th>% of Adopted</th>
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<td>Interest</td>
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<td>441001</td>
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<td>(2,526.34)</td>
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<td>453006</td>
<td>Other Govt Agencies (Cities)</td>
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<td>294,050.00</td>
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<td>453008</td>
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<td>453008</td>
<td>Other Govt Revenue (Special Districts)</td>
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<td>454000</td>
<td>Other-In-Lieu Revenue</td>
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<td>4.28</td>
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<td>462005</td>
<td>Charges for Services</td>
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<td>18,728.00</td>
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<td>473000</td>
<td>Miscellaneous Revenue</td>
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<td>473000</td>
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<td>20,000.00</td>
<td>-</td>
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**Total Funding Sources**  
713,172.00 - 713,172.00 = 669,545.34 93.88%

### Expenditures

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Budget</th>
<th>Special Projects</th>
<th>Total</th>
<th>11/22/2019</th>
<th>% of Adopted</th>
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<tr>
<td>511000</td>
<td>Regular Help Wages</td>
<td>339,123.00</td>
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<td>339,123.00</td>
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<td>2,072.65</td>
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<td>512010</td>
<td>ER PERS</td>
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<td>Health Insurance</td>
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<td>513010</td>
<td>Basic Life</td>
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<td>96.00</td>
<td>-</td>
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<td>LTD Department Heads</td>
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<td>515000</td>
<td>FICA &amp; Medicare</td>
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<td>26,094.00</td>
<td>7,994.92</td>
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<td>Employee Assistance Program</td>
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<td>334.00</td>
<td>83.40</td>
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<td>Flex Spending Fees</td>
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<td>48.00</td>
<td>14.85</td>
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<td>516002</td>
<td>SDI (Reclassified from Acct. 512025)</td>
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<td>-</td>
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<td>1,025.53</td>
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<td>EE PERS</td>
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<td>-</td>
<td>23,739.00</td>
<td>7,034.00</td>
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<tr>
<td>516010</td>
<td>Cash Back Payments</td>
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<td>6,067.00</td>
<td>2,333.10</td>
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<td>523000</td>
<td>Telephone Charges</td>
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<td>-</td>
<td>3,102.00</td>
<td>346.69</td>
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<td>523010</td>
<td>Fax, Pagers &amp; Cell Phones</td>
<td>840.00</td>
<td>-</td>
<td>840.00</td>
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<td>Janitorial</td>
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<td>1,000.00</td>
<td>-</td>
<td>0.00%</td>
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<td>526010</td>
<td>Insurance - Outside Purchase</td>
<td>5,411.00</td>
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<td>5,411.00</td>
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<td>531000</td>
<td>Associations Memberships</td>
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<td>6,075.00</td>
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<td>534000</td>
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<td>536000</td>
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<td>300.00</td>
<td>91.30</td>
<td>30.00%</td>
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<td>537000</td>
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<td>25,000.00</td>
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**Total Expenditures**  
713,172.00 - 713,172.00 = 203,459.44 28.53%

* Unrealized gain/loss is based on cash @ years' end and is a requirement of audited financial statements. Figure is booked and reversed in new year.
2020 Events Calendar

JANUARY
13 CALAFCO University course (Orange County)
17 CALAFCO Legislative Committee (Irvine)
21-23 CA Assn. of Sanitation Agencies Conference (Indian Wells)
22-24 League New Mayor & Council Academy (Sacramento)

FEBRUARY
21 CALAFCO Board of Directors Meeting (San Diego)

MARCH
5-8 Local Government Commission Ahwahnee Conference (Yosemite)
6 CALAFCO Legislative Committee (Sacramento)
12 Assn. of CA Water Agencies Legislative Symposium (Sacramento)
25-27 CALAFCO Staff Workshop (Newport Beach)
31 Fire District Assn. Annual Meeting (Napa)

APRIL
1-3 Fire District Assn. Annual Meeting (Napa)
3 CALAFCO Legislative Committee (San Diego)
22 League of Cities Legislative Day (Sacramento)

MAY
1 CALAFCO Board of Directors Meeting (Sacramento)
5-8 Assn. of CA Water Agencies Conference (Monterey)
8 CALAFCO Legislative Committee (Conference call)
19-20 CA Special Districts Assn. Legislative Days (Sacramento)
27-28 CA State Assn. of Counties Legislative Days (Sacramento)

JUNE
12 CALAFCO Legislative Committee (Conference call)
17-18 League Mayor & Council Executive Forum (Monterey)

JULY
17 CALAFCO Legislative Committee (Conference call)
24 CALAFCO Board of Directors Meeting (San Diego)

AUGUST
12-14 CA Assn. of Sanitation Agencies Annual Conference (Squaw Valley)
24-27 CA Special Districts Assn. Annual Conference (Palm Desert)

SEPTEMBER
16-17 Regional Council of Rural Counties Annual Conference (Napa)

OCTOBER
2 CALAFCO Legislative Committee (2021) (Conference call)
7-9 League Annual Conference (Long Beach)
21-23 CALAFCO Annual Conference (Monterey)
22 CALAFCO Annual Business Meeting (Monterey)
23 CALAFCO Board of Directors Meeting (Monterey)

NOVEMBER
6 CALAFCO Legislative Committee (2021) (Sacramento)
13 CALAFCO Board of Directors Meeting (Sacramento)

DECEMBER
1-4 CA State Assn. of Counties Annual Conference (Los Angeles)
1-4 Assn. of CA Water Agencies Conference (Indian Wells)
Butte County LAFCo
1453 Downer Street, Suite C
Oroville, CA 95965-4950
November 5, 2019
Attention: Steve Lucas, Executive Officer
and Commissioners,

We, as representatives of the North Chico Neighborhood Safety Group, are writing this letter to bring to your attention two significant issues that negatively affect the homeowners in the North Chico Specific Plan area.

The first issue at hand is the additional charge to Autumn Park CSA 172 to pay for the use of an irrigation well and pump located on the southwest corner of Garner Lane and Kittyhawk Drive. This is referenced in the October 6, 2016 Municipal Service Review and Sphere of Influence Plan for County Services within Butte County page 61-3. This well does not direct any water to the landscaped areas around this subdivision of 43 homes. All pipes and water from this irrigation well flow west to the orchards that are owned by George Nicholas (APN 047-260-198 and 047-260-199) who purchased the land in 2012. The land under APN 047-260-199 is technically under CSA 172 as lot 44 with no benefits. There are no lights, drainage, hydrants or landscaping on or near lot 44. And more specifically, there are no pipes from the irrigation well crossing under Kittyhawk at Garner Lane to water the landscaping strip required by the county which was a condition of approval for the 43 homes in CSA 172 to be built. This landscaping strip is on property deeded to the county.

In addition to these facts, George Nicholas was granted a permit to dig another well on Kittyhawk and the end of Comice. This well is, according to Mr. Nicholas, a replacement for the Garner Lane and Kittyhawk well that apparently is no longer useable. This fact alone shows that the irrigation well in question was never a part of the water system used for the landscaping in CSA 172. The landscaping has continued to be watered while the irrigation pump that Mr. Nicholas owns has been disconnected since September. The new well at the end of Comice is much deeper and is expected, as was shared by the well company, to supply water to the high density housing proposed in the orchard. Both of the wells are on an easement dedicated to Butte County in 2000. The easement is not included in CSA 172 mapping.

2013 county records show the Autumn Park Subdivision fire protection well also provides landscaping water. This well is located at the end of Winesap Court on Kittyhawk between lots 21 and 22, an easement area as seen on an attached photo we received from the county with the area circled in red. The landscaping water pipes are connected to this well and pump area. This is the only smart meter bill that is legally connected to the CSA landscaping. Upon noticing that our utility bill drastically jumped in 2011/12 by several thousand dollars we began to review the annual utility charges to our subdivision. The annual utility bill for 2012/13 should have been $2,750 but was increased to cover an additional $4,241. At some point, responsibility for the payment of the privately owned irrigation well became a part of the landscaping costs for Autumn Park. After working with the Department of Public Works to clarify the CSA utility charges, now at three smart meters, we were passed off to several different employees who do not have the authority to give us the PG&E information we are seeking to verify.
where the other two smart meters might be located. Our county supervisor, Debra Lucero, is aware of this issue.

We are requesting that the past charges for this irrigation well be returned to our CSA fund and that the irrigation well be removed from the landscaping charges. We request that our executive committee be a part of the determination of the exact utility charges made against CSA 172 from the private irrigation well.

A second issue we bring to your attention is the lack of sufficient storm water drainage in the North Chico neighborhoods.

As you are aware, Autumn Park (CSA 172) and Keefer Creek Estates (CSA 135) experienced threatening flooding in February of 2019 when Keefer Slough overflowed its banks and storm water rushed into the neighborhoods causing flooding in garages and coming within feet of entering many homes. Residents were on a warning to prepare to evacuate due to the extent and depth of storm water racing toward their homes and down the streets. Many of us gathered sand bags from Fire Station 41 which was also flooding at that time due to water overflowing onto highway 99 and down toward Wilson Landing Road.

The flooding issues can be traced back to the over use of Keefer Slough as an ‘off-site drainage way’ for many homes in the North Chico Specific Plan area. The 2016 LAFCo MSR and Sphere of Influence report does not address appropriate drainage for this area. Left out of this report, and we do understand that the information comes from the county, is the storm water drainage into Keefer Slough from the Pheasant Landing/Sierra Moon subdivision (CSA 169). The actual storm water drainage from this CSA of 140 homes is pumped into Keefer Slough by two pumps, thus flooding the Keefer Creek Estates subdivision, homes off Dusty Lane, and subsequently, flooding Autumn Park Subdivision. Additional homes are in the construction phase in Sierra Moon as of the date of this letter and drainage from those too will send storm water into Keefer Slough.

The reality of safe storm water drainage in North Chico is restricted by the lack of multiple locations to send the water. Current choices are Mud Creek, Keefer Slough, and the most ominous, Off-site Drainage Ways. **Mud Creek** accommodates a total of 73 homes, those closest to Garner and highway 99. The drainage from those homes is pumped into Mud Creek.

**Keefer Slough** technically accommodates drainage from 132 homes according to the LAFCo 2016 report plus an additional non-reported drainage from 87 Sierra Moon homes. This has caused flooding into the homes off Dusty Lane where they have recorded the pumped storm water overflowing and perpetually circling back from the slough and into the 30 foot wide detention pond area causing a rush of water toward their properties. Incidentally, the Sierra Moon subdivision was granted a resolution by the county on May 21, 2013 to reduce the drainage easement from 82 feet wide to 30 feet wide which the Public Works Department determined as acceptable. The direct result of this decision has caused dangerous flooding issues in North Chico, especially for homes within Keefer Slough’s flow sphere. Sierra Moon continues to build the remaining homes in that subdivision that will cause more water to flow into Keefer Slough in the near future.
It is the use of ‘Off-site drainage’ that has caused most of the flooding in North Chico. Most Off-site storm water drainage comes from areas eight North Chico CSA boundaries and flows directly into Keefer Slough. Additional drainage from hundreds of other homes in the North Chico Specific Plan area that are not organized CSA subdivisions also sending water into Keefer Slough. Some storm water is conveyed to detention ponds, which then drain to nearby, off-site drainage ways. These off-site drainage ways are actually anywhere the water flows which ends up in homes, streets, and orchards, including those designated for high density development. The storm water crosses Highway 99 with flood waters reaching Wilson Landing Road causing flooding into private orchards. As of this letter, 225 homes within CSA’s are using this drainage plan which inevitably sends the water into Keefer Slough and onto Highway 99. Added to this is the additional pumping from Sierra Moon and all other homes built off both sides of Keefer Road over to Highway 99 and the Garner Lane homes, all not a part of a CSA. These homes are also annually flooded in their neighborhoods. It is clear that the slough can no longer accommodate extra drainage from current development nor will it be able to carry storm water from future development plans, including one high-density plan squeezing into the area next to Highway 99 and the Rancho Road, Kathy and Keith Lane homes on the west side of Garner Lane and backing up to CJ’s Restaurant. The name for this development started as Almond Ranch and has morphed into Legacy Village. Plans for this subdivision have been sent to the county for approval. This would also change the low density residential zoning in North Chico Specific Plan.

As we have worked with the Department of Public Works and the Planning Commission to address these issues, we have found that the Butte County Planning Division allows developers to continue to plan to build homes in this area conveniently using 1988 flood maps that do not show the most updated water flows in this area of North Chico.

Flooding in North Chico has been studied by Butte County, resulting in the development of the North Chico Specific plan. This plan should have given the county the impetus to stop approving the development of more housing until the current flooding issues have been addressed for the current 1200+ homes.

We are requesting that LACo determine, within its sphere of influence, that the flooding of North Chico be addressed and resolved prior to future development and that the low density housing zone remain in effect.

Sincerely,

Marilyn Rees, President
North Chico Neighborhood Safety Group
4217 Magness Ct.
Chico, CA 95973
530-864-3472
October 8, 2019

Steve Lucas, Executive Officer
Butte Local Agency Formation Commission
1453 Downer Street, Suite C
Oroville, CA 95965-4950

Dear Mr. Lucas:

Re: Letter Agreement for the County of Butte and Butte LAFCo concerning the preparation of a Master Municipal Service Review Utilizing SB 2 Planning Grant Funds

The County of Butte desires to proceed with assisting the Butte Local Agency Formation Commission (LAFCo) with the preparation of a master municipal service review (Master MSR) for the sewer districts in the unincorporated areas served by the Sewerage Commission Oroville Region (SCOR) as well as the South Feather Water and Power Agency. This will be accomplished through the use of funds under the State of California’s SB 2 Planning Grant Program. A number of housing projects in the unincorporated area of the Oroville region rely on the adequate and timely provision of sewer and water services. The master municipal service review will help to coordinate these efforts and ensure certainty for housing development located in the unincorporated area of Butte County.

Butte County understands that LAFCo desires to retain a consultant to prepare the Master MSR Update utilizing SB 2 Planning Grant funds. This is an acceptable approach to Butte County with the condition that Butte County be consulted on the selection process and that the consultant be jointly acceptable to both agencies. To ensure that the Master MSR process goes smoothly, Butte County has prepared this Letter Agreement that outlines the Master MSR Update process and the responsibilities of each agency. When signed by both parties, this letter constitutes a LETTER AGREEMENT between Butte County and LAFCo regarding the LAFCo’s proposed Master MSR Update.
A Authority

Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), LAFCo is given the authority to prepare and adopt municipal service reviews for local agencies. A municipal service review includes a written statement of the Commission’s determinations with respect to the following (Government Code §56430(a)):

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

B. Recitals

LAFCo’s Master MSR Project consists of the preparation of a Master MSR for sewer and domestic water service by the following local agencies:

- Lake Oroville Area Public Utility District (LOAPUD) - sewage collection
- South Feather Water & Power Agency (SFWPA) - domestic water
- Thermalito Sewer & Water District (TWSD) - domestic water, sewage collection
- Sewerage Commission Oroville Region (SCOR) - sewage treatment only

To ensure a complete and accurate document, LAFCo desires the active participation of the County of Butte and its staff in the preparation of the Master MSR. To this end, LAFCO and the County of Butte desire to act cooperatively in the administration of the Master MSR Update.

The County of Butte and LAFCo enter into this Letter Agreement to establish their respective roles and responsibilities relating to the oversight and management of the Master MSR Update and use of SB 2 Planning Grant funds.
C. Determinations

1. LAFCo, through its Commission staff, shall have final oversight, review, and approval authority over the content of the public review drafts and final versions of the Master MSR Update. The County of Butte shall have the right to review and request reasonable changes to the draft documents.

2. The County of Butte and LAFCo understand that the County of Butte, through SB-2 Planning Grant funds, shall be fully and solely responsible for the cost of the preparation of the MSR Update and for the cost incurred by LAFCo for its normal processing fees, including, but not limited to, materials, public noticing costs, staff time, and legal review. Cost over and above the grant amount shall be incurred by participating districts.

3. The County of Butte and LAFCo agree to use all reasonable efforts and due diligence to process the Master MSR through to the final hearing in a timely fashion.

4. LAFCo and the County of Butte agree to the following sequence of actions to be taken to complete processing of the Master MSR:

   a. Butte LAFCo selects and contracts with a qualified consultant for preparation of the Master MSR Update with LAFCo and County of Butte staff approving the consultant’s scope of work.

   b. Preparation of the administrative draft Master MSR Update by the selected consultant utilizing a LAFCo approved format for the documents.

   c. Butte LAFCo staff reviews the administrative draft MSR Update.

   d. LAFCO staff completes review of administrative draft MSR Update and directs selected consultant to make any identified changes and prepare Public Review Draft Master MSR Update.

   e. LAFCO staff shall administer the consultant, collect invoices on a task-by-task basis and shall be responsible for transmitting all invoices, billing and costs to the County of Butte in a timely manner.

   f. Butte County staff shall be the administrator for the SB 2 Planning Grant funds and shall be responsible for the timely payment of all costs to LAFCo.
g. LAFCO staff sets the 21-day public review period and performs all public noticing actions and distributes public review documents to effected agencies for comment.

h. Optional review of public review documents by County of Butte staff during public review period.

i. LAFCo shall holds hearing(s) on the Public Review Draft MSR Update. LAFCo staff, through the selected consultant, shall be responsible for making any changes to the Draft MSR Update.

Nothing contained in this Letter Agreement is intended, nor shall it be construed, to commit, control, or influence in any manner whatsoever the authority, judgment, or discretion of the LAFCo Commission in their future hearings on all or any aspect of the project.

Please sign and date where indicated below, and return two (2) copies of this LETTER AGREEMENT. Once the LETTER AGREEMENT has been executed on behalf of LAFCO, I will return a fully executed copy to the County of Butte. If you have any questions, please contact Principal Planner Dan Breedon at (530) 552-3682 or dbreedon@buttecounty.net.

Sincerely,

[Signature]

Tim Snellings, Director
Butte County Department of Development Services

LETTER AGREEMENT PROVISIONS

The undersigned hereby agree to the provisions of this Letter Agreement as set forth hereinafter.

[Signature] Date 10/9/2019

Tim Snellings, Director
Butte County Department of Development Services

[Signature] Date 11-22-19

Steve Lucas, Executive Officer
Butte Local Agency Formation Commission