

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: October 28, 2020 for the meeting of November 5, 2020

ADMINISTRATION:

1. The Commission has one vacant Special District seat.

A. Special District Regular "Enterprise" Member seat:

Commissioner Jack Kiely (LOAPUD) resigned midterm in May 2020 vacating this seat with the remaining term to expire May 31, 2023. Staff has requested nominations from each Special District with nominations due back by November 9, 2020.

PROJECT/GENERAL NOTES:

The following issues/proposals are at various stages of being reviewed, discussed and/or considered:

- ****NEW** Rock Creek Reclamation District** – At its October 13, 2020 meeting, the Board of Supervisors appointed seven members to the RCRD Board of Trustees following a complicated process that began with a landowner petition for a new election.
- ****NEW** Drainage/Reclamation District MSR Actions** – The Drainage and Reclamation Districts MSR/SOI Plan adopted in 2018 called for a number of possible reorganizations among drainage districts. Staff has met with district staff and initiated a process to consider the dissolution of Drainage District No. 2 as it is completely overlaid by Butte Creek Drainage District and the detachment of territory from Butte Creek Drainage District that is overlaid with District 100. These actions will have no impact to current services, but will rather clean-up old boundaries that no longer make sense.
- **Bear/North Complex/West Zone Fire** - It is sad that I must now write about even more fire destruction and impacts to our local agencies. The Bear/North Complex- West Zone fire has decimated approximately 80,000 acres of Butte County including the communities of Berry Creek and Lake Madrone. Both the Lake Madrone Water District and the Berry Creek Community Services District experienced significant damages to their water distribution systems. The LMWD has a mutual aid agreement with the South Feather Water and Power Agency for assistance and may seek other help as well. There is a potential that these two agencies, only a short distance (approx. 1 mile) apart, may need to consider some form of reorganization in order to effectively rebuild their systems. LAFCo staff has connected both the Districts with the Butte County Office of Emergency Management for submitting damage assessments for future funding. Staff will continue to monitor the Districts and offer any assistance possible.

- **Proposed Tuscan Water District** – On September 2, 2020, Executive Officer circulated a (NEW) Notice of Intent to Circulate Petition submitted by the proponents of the proposed Tuscan Water District formation. This Notice of Intent to Circulate a Petition allows proponents to begin circulating the petition for landowner signatures in accordance with the legal requirements. There is no action for any agency to take at this time. At such time the proponents complete gathering signatures, they will submit the petitions to the Executive Officer for review.
- **Miocene Canal** - The destruction of the upper Miocene Canal by the Camp Fire has dewatered the middle and lower Miocene. This caused great disruption to landowners dependent on the water supply for their farms and residences and the environment dependent on canal leakage over the decades to thrive. PG&E initially refused to repair the canal infrastructure, but entered a plea agreement for its criminal actions resulting in PG&E providing up to \$15 million over five years to restore water to the middle canal. Among the long term options for restoring water flow is to install a pump on a floating barge in Lake Oroville and pipe approximately 20 acre/feet a day via pipeline to the canal. The installation of the infrastructure is estimated to be \$1.5 million with annual operating expenses estimated to be \$700,000 a year. Shorter term options involve a connection with the Del Oro Water Company who can provide limited surplus water. The Lake Oroville option would need to have an entity to takeover ongoing maintenance. One possible scenario is to form a special district to finance and manage any future facilities. Staff continues to participate in discussions. Staff met with Ed Cox who represents the Miocene Canal Coalition (MCC) on August 14, 2020, and learned that the MCC has gained a non-profit status, and desires to form a county service area (CSA) that could become the financing vehicle for future maintenance and operations. Staff will assist the MCC in anyway necessary to move towards the universal goal of re-establishing water flow in the Miocene Canal.
- **Thermalito Sewer and Water District** - Sphere of Influence Amendment and Annexation of the state owned clay pits recreation area southeast of the Oroville airport along Larkin Road. The State has yet to resolve a conflict between the State Parks Department and Department of Fish and Wildlife who share authority over the affected territory.
- **County of Butte** - Expansion of Powers for CSA 164 to add fire protection services. The County has placed this effort on hold.
- **Oroville Region Service Providers MSR** - The State Department of Housing and Community Development (HCD) has awarded a \$100,000 SB2 Planning Grant to Butte County for the development a Municipal Service Review update for backbone 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 conduct the MSR in support of future housing options that can be provided once core services can be assured. Staff has prepared a draft Request for Proposals seeking a consultant to prepare the studies and is awaiting the County to determine how to disburse the funds before releasing the RFP.
- **City of Oroville MSR Update** – The City of Oroville is starting the process to evaluate its growth goals and has determined that the City needs to update its SOI to accommodate new development goals and at the same time update its MSR to reflect its current service capabilities and financial position. The City has requested LAFCo update its MSR at City expense and executed a Letter Agreement with LAFCo to prepare the MSR update. The City

has entered into a contract with Policy Consulting Associates to complete the project under LAFCo supervision. The administrative draft is currently being prepared.

- ***Paradise Irrigation District/Camp Fire Recovery Update*** - The State Water Resources Control Board (SWRCB) in cooperation with Sacramento State University, Department of Water Programs (CSUS), continues to proceed with the Options Study for the Paradise Irrigation District. The group of stakeholders, including LAFCo, has met three times (April 21, May 6, August 13) on conference calls to discuss the process and the path forward to recovery. These include, the District merging with the Town of Paradise, reorganizing with another public or private water purveyor, expanding the District's customer base (Miocene residents, Butte Valley, Chico), temporary raw water transfers, Chico intertie, new businesses (bottled water, hydro power, fisheries help), partnership with the Town to operate the proposed sewer system, and rate increases. The Study team also individually interviewed the Executive Officer on August 20, 2020, to solicit LAFCo comments and concerns at an early stage. Staff will keep the Commission apprised of this process. Staff participated in a stakeholder phone conference on September 10, 2020, which was primarily to update the stakeholders on the Scope of Work/RFP process and share the approved Technical Assistance Work Plan which was submitted to the State on June 16, 2020. The RFP is expected to be circulated by December, a consultant hired in March 2021, and a draft final options study projected to be completed by July 2021.
- ***El Medio Fire Protection District*** - Staff met with the City of Oroville on August 17, 2020, to discuss its very serious concerns about the functionality of the El Medio Fire Protection District (EMFPD). Staff also had similar communications with the Butte County Administrative Office. The issues relate to service capability, which is severely hampered by the District's ongoing fiscal struggles. The City of Oroville has notified the EMFPD of its concerns in its letter of August 19, 2020 and copied LAFCo. The City provided a letter dated August 27, 2020, to the Commission with similar concerns regarding fire protection services in the greater Oroville area and requesting LAFCo to review the concerns. The resolution of this concern will take considerable effort by all parties to find a reasonable outcome that results in both effective fire protection services and respects the concerns of the residents of both agencies. As directed by the Commission, Staff has reached out to the EMFPD to begin dialogue on this issue and explore the issues at hand and the options available to all parties.

CALAFCO:

1. The CALAFCO Board of Directors met in October 23, 2020, to conduct annual business items to include the ascendancy of Directors on the Executive Committee. Commissioner Connelly moved from Treasurer (4th) to Secretary (3rd), making him two years away from being the CALAFCO Chair.
2. The CALAFCO Elections occurred virtually on October 22, 2020 and were conducted very cleanly. The Northern Region LAFCo's elected Josh Susman (Nevada County) as its Public Member and David Couch (Humboldt) as its Special District member.
3. In place of the annual conference CALAFCO will be conducting virtual regional roundtables for each region to discuss any issues of importance on December 9, 2020. Staff will provide each commissioner with the necessary information to participate once available.

LEGISLATION: The Legislative Committee held its kick-off meeting for the 2021 legislative year by discussing past proposals and what is new for this year. Of prominent importance is a review

of the codes guiding the protest proceedings and elections, with an eye towards simplification and removing redundancies.

APPLICATION ACTIVITY:

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<i>Project Status As of Oct. 26, 2020</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
18-09	TWSD	Clay Pit State Recreation Area Annexation						On hold. Incomplete Application
19-10	Durham I.D.	Holland Ave Annexation No. 1	04/03/19	11/12/19	12/05/19	01/22/20	01/22/20	SBOE to refund dues
19-12	County	CSA 158 - Mandville Park Subd. Annex	05/02/19	05/29/19	10/03/19			Approved w/ conditions - 218 Hearing
20-04	Chico	Ext of Services - 216 Centennial Ave	11/8/2019	11/08/19	12/05/19	N/A	N/A	Waiting for fees to be paid
20-05		Tuscan Water District Formation						New Notice of Intent received
20-06	OMAD	Dissolution / Annexation to BCMVCD	01/21/20	02/06/20	08/06/20			Approved w/ condition (CalPERS)- Will not record the annexation until the CalPERS payment is completed.
20-08	Oroville	MSR Update	05/20/20					In progress
20-09	LAFCO	Oroville Region Sewer & Water MSR	N/A					In progress
20-10	LOAPUD	Ophir Road Annexation No. 2	06/22/20	06/27/20	09/03/20			Waiting for new map to record
21-01	Oroville	Lincoln Boulevard Annexation No. 1	07/02/20	07/29/20	10/01/20			Approved
21-02	LAFCO	DMAD SOI Amendment	N/A	N/A	11/05/20	N/A	N/A	In progress
21-03	Chico	Ext of Services - 2418 Guynn Ave	N/A	N/A	pending	N/A	N/A	In progress