

BUTTE LOCAL AGENCY FORMATION COMMISSION
DRAFT Minutes of March 3, 2016

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., on March 3, 2016, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Present: Commissioners Scott Lotter (City); Larry Duncan (Special District), Tom Lando (Special District), Steve Lambert (County); Alternate Commissioner John Busch (City) and Chair Carl Leverenz (Public).

Commissioner Connelly arrived at 9:01 am.

Absent: Commissioner Linda Dahlmeier (City) & Bill Connelly (County).
Alternate Commissioners Larry Wahl (County).

Others Present: Alternate Commissioner Al McGreehan (Special District)
Alternate Commissioner Greg Steel (Public)
P. Scott Browne, LAFCO Counsel
Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Jill Broderson, Management Analyst
Joy Stover, Commission Clerk

2. CONSENT AGENDA

2.1 Approval of the Minutes of January 7, 2016.

2.2 Acceptance of Independent Auditor’s Report and Financial Statements for Fiscal Years ending June, 2015

Chair Leverenz asked if there were any modifications to be made to the minutes. None stated.

Commissioner Lando made a motion to approve the Consent Agenda. The motion was seconded by Commissioner Lotter.

The motion was carried by the following vote:

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

3. NOTICED PUBLIC HEARINGS

3.1 15-12MS – Buzztail Community Services District – Municipal Service Review and Sphere of Influence Plan Update.

Chair Leverenz asked if staff has anything to add to the staff report.
Jill Broderson stated she prepared a presentation that basically reiterates the staff report.

Chair Leverenz stated unless anyone else has any questions, he feels the staff report was very well prepared and straight forward. Chair Leverenz opened the item to the public. No response received and the item was closed.

Commissioner Lotter made a motion to approve the Buzztail Municipal Service Review and Sphere of Influence Plan Update. The motion was seconded by Commissioner Lambert.

The motion was carried by the following roll call vote:

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

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None.

4.2 Appointment of Budget Committee for the 2016/17 Fiscal Year

Chair Leverenz stated he understands we have several volunteers to serve as the Budget Committee.

Alternate Commissioner Al McGreehan asked if we need an alternate commissioner on the Budget Committee.

Chair Leverenz stated Alternate Commissioner McGreehan is welcome to serve on the committee..

Commissioner Lambert made a motion to appoint Commissioners Lotter, Duncan, Connelly, Chair Leverenz and Alternate Commissioners Steel and McGreehan to the Budget Committee. Commissioner Lando seconded the motion. The motion passed by unanimous vote.

4.3 Renewal of Lease Agreement for Office Space located at 1453 Downer Street, Oroville

Steve Lucas stated we have been located at 1453 Downer Street for ten years; it has been a good location and served us well. Staff renegotiated a new lease with Mr. Tracy that has more favorable terms than we had ten years ago and staff recommends that we approve the lease.

Commissioner Lando made a motion to approve the LAFCo Office Space Lease Agreement. The motion was seconded by Commissioner Connelly.

The motion was carried by the following roll call vote:

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

4.4 16-04 – City of Chico – East 8th Street Annexation No. 21

Chair Leverenz stated staff received letters from neighboring property owners in the area that will be added to the record.

Steve Betts stated this project was initiated by the City of Chico due to a condition placed on the LAFCo approval for the City of Chico to extend sewer service to the parcel. This parcel is adjacent to the City of Chico boundaries on two sides. The recent letters staff received basically state the

property owners do not want to be a part of the annexation. Staff is not recommending that the Commission add any additional parcels. There is opposition in this area to any additional annexations. Steve Betts clarified that the parcel is not receiving water from Cal Water but is on well water, which doesn't change the outcome.

Chair Leverenz opened this item to the public for comment.

Ray Stephens residing at 790 El Monte Street stated this parcel backs up to his property. Mr. Stephens stated he is not really opposed to being annexed into the City; he is opposed to the parcels on El Monte being chopped up into postage stamp size lots to be able to put in as many houses as they can place on them. This is his only opposition.

Chair Leverenz explained LAFCo's role in annexation and stated staff is not currently asking to annex any additional parcels at this time.

Greg Steel stated it is sad to see a project, in a 100-acre island area, being annexed one acre at a time. The staff report states: "The Commission could direct Staff to discuss the larger annexation area with the City as a desirable goal as the City recovers fiscally and further implements its General Plan and considers new development." Greg Steel stated he feels this is a reasonable thing to do.

Chair Leverenz closed the public portion of the hearing.

Commissioner Lando stated he has to point out that that area was changed from a traditional single family designation to large lots at the owners' request a number of years ago; existing animals are allowed when you are annexing into the City; and he personally feels this whole island should be annexed. The Sheriff, for example, has to come into the middle of an urban area to provide service, when we've done a really good job of cleaning up the rest of the islands. He will vote for this annexation, but he would like to see this pursued as an island annexation in the future if that is possible.

Chair Leverenz stated perhaps we should direct the staff, pursuant to what Greg Steel has stated, to make some inquiries to the City to their fiscal soundness and whether or not this is an area at some point we could expect them to move for an annexation. This is a reasonable approach to pursue as we're all on agreement that this is an island of County jurisdiction, that for Police and Fire and other reasons, should be part of Chico. We are sympathetic to the people that live there that want to maintain the density that they have, but that is the City's decision. The City has already gone on record at least with their General Plan and zoning for large parcels.

Steve Lucas stated an opportunity to bring this up would be that the City has asked us to reconsider relaxing some of our terms and conditions for the Chapman/Mulberry islands. We might want to tie these two things together.

Chair Leverenz stated we will allow Steve Lucas to use his discretion.

Commissioner Duncan asked if any other parcels in this island are connected to the City's sewer.

Chair Leverenz and Steve Betts stated they did not believe so.

Commissioner Lando made a motion to adopt Resolution No. 09 2015/16, approving the annexation. The motion was seconded by Commissioner Lotter.

The motion was carried by the following roll call vote:

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

5. PUBLIC COMMENTS NOT ON THE AGENDA – None.

6. REPORTS AND COMMUNICATION

6.1 Executive Officer’s Report

Executive Officer, Stephen Lucas summarized the Executive Officer's report.

Commissioner Connelly stated he thinks it is unfortunate that more people are not joining in with CALAFCO as there is no voice from the rural areas on the new laws and how they are implemented.

Commissioner Duncan stated there are a lot of LAFCo’s that don’t even meet regularly.

There was discussion regarding the use of Joint Powers Authorities and the lack of information sharing to the local LAFCOs.

Scott Browne stated in 2014 the Fifth District Court of Appeals issued a ruling in a case between the City of Patterson and the Turlock Irrigation District. The City of Patterson had requested annexation of a large part of its City into the Turlock Irrigation District, which was already receiving power and water services from the District by out of agency surcharges. The City of Patterson made application to LAFCo. The Turlock Irrigation District denied the annexation. The City of Patterson sued the irrigation district. Neither side argued the point, but the Court of Appeals, determined it doesn’t matter whether the district improperly denied the annexation as GC 56653 requires a plan for services and the City of Patterson did not supply a plan for services and the plan has to be new services. Scott Browne stated he believes this is the wrong decision and we need to do a legislative fix. This shouldn’t be controversial to anyone but the Turlock Irrigation District. This couldn’t be included in the Omnibus Bill, the CALAFCO executive board determined that this wasn’t a high enough priority to sponsor legislation this year to correct it. What I am requesting is that you authorize Steve Lucas or Chair Leverenz to prepare a letter asking the CALAFCO executive board to reconsider their decision. This is a significant problem and at some point someone is going to challenge the annexation where new services are not being provided.

Commissioner Connelly asked for clarification on the districts providing certain services such as fire and sewer service.

Steve Lucas stated the problem arises when services are granted under an out of agency contract for a single service and then are forced to annex.

The Commissioners authorized Steve Lucas and/or Chair Leverenz to send a letter to the CALAFCO Board asking them to reconsider this issue and to sponsor legislature to correct the problem.

7. ADMINISTRATION – None.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:42 a.m. to the next LAFCO meeting to be held on **Thursday, April 7, 2016** at 9:00 a.m.

LOCAL AGENCY FORMATION COMMISSION

By: Stephen Lucas, Executive Officer

Minutes prepared by Joy Stover, Commission Clerk