

**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:** April 27, 2016 for the meeting of May 5, 2016

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**ADMINISTRATION:**

1. On April 7, 2016 the Executive Officer and Management Analyst conducted the ballot count for the Paradise Irrigation District Proposition 218 election related to a proposed fee increase. The effort took a little over two hours and the protest ballots were insufficient to block the fee increases. The PID reimbursed LAFCO for the four hours of staff time.

**PROJECT NOTES:**

1. At its March meeting, the Commission approved the annexation of a single residential parcel to the City of Chico located in the El Monte Avenue island area to address a failing septic system concern. The Commission subsequently directed Staff to send a letter advising the City of Chico of its interest in the City minimizing piecemeal annexations in favor of proposals that consider entire islands whenever possible. The City has since responded and will be meeting with Staff on May 10 to discuss further.
2. Staff met with the City of Oroville and representatives of the Rio D'Oro development project on April 13, 2016 to discuss the annexation process for this large mixed use project located along Highway 70 in south Oroville. A Specific Plan for the project was initially approved by the County. Issues to consider include annexation and tax sharing, sewer and water services and project phasing.
3. Staff met with representatives of the Town of Paradise to discuss options for updating the Town's Sphere of Influence and Municipal Service Review. Option include a scaled back SOI or a conterminous SOI that would allow the Town time to find its financial balance in delivering services to existing and future residents.

**CALAFCO:**

1. The CALAFCO quarterly Board of Directors meeting is scheduled for Friday, May 6, 2016 in Sacramento. Commissioners/Directors Duncan and Connelly will attend along with the Executive Officer.
2. Staff received a thank you letter from CALAFCO for the Commission's continued support of its functions (Attachment 1).

**LEGISLATION:**

1. [\*\*AB 2910\*\*](#) – **Omnibus bill (CALAFCO Sponsored - [CALAFCO Support Letter April 2016](#))**  
*STATUS: Next Assembly Committee on Local Government April 27, 2016.*  
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: Senate Floor 3rd reading.***

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: Referred to Appropriations Committee.*

As introduced, this bill amends GC Sections 56133, 56425 and 56430. To begin, the bill would prohibit a LAFCo from authorizing a city or a district to extend drinking water or wastewater infrastructure or services to new users until that city/district has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. Further, it prohibits the commission from approving a sphere of influence (SOI) update where there exists a disadvantaged unincorporated community (DUC) within or adjacent to the city or special districts' SOI that lacks safe drinking water or wastewater infrastructure or services unless specified conditions are met. The bill would additionally prohibit a commission from approving an annexation to a city/qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a DUC within or adjacent to the SOI of a city/special district that lacks safe drinking water or wastewater infrastructure/services, unless the city/special district has entered into an agreement to extend those services into the DUC as specified. The bill would define "qualified special district" to mean a special district with more than 500 service connections.

The bill also requires (changes 56425(h) from "may" to "shall"), that when determining a SOI, the assessment of the feasibility of a reorganization of agencies and recommendations for reorganization of those agencies when it is found to be feasible. Further, it adds (k), prohibiting a commission from approving a SOI update that removes a disadvantaged community from a city's sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed SOI. The bill also adds several requirements in GC Section 56430 relating to Municipal Service Reviews. First, it changes (b) to mandate the commission to assess various alternatives relating to the efficiency and affordability of infrastructure and delivery of services; and changes (c) to mandate the commission to include a review whether the agency being reviewed is in compliance with the CA Safe Drinking Water Act. This bill represents a significant change to current practices and CALAFCO seeks letters of opposition from individual LAFCos.

The CALAFCO Legislative Committee has assigned this bill to subcommittee for revisions. The Executive Officer is on the Committee and will be meeting with the Senators Office on May 3, 2016 to discuss alternative strategies to achieve the ultimate goals of providing water and wastewater services to DUCs.

4. **[AB 2470 \(Gonzales\) Municipal Water Districts - Water Service to Indian Tribes \(CALAFCO WATCH\)](#)**

**STATUS: Referred to 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 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.

**GENERAL NOTES:** None

**APPLICATION ACTIVITY**

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<i>Project Status As of April 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
16-03	Biggs	W. Biggs Gridley Rd Annex No. 2	12/08/15	12/14/15	01/07/16	04/25/16		Approved- Waiting for TRA List
16-04	Chico	East 8th St. Annexation No. 21	01/19/16	02/08/16	03/03/16			Approved - Need check for SBOE
16-05	LAFCO	CSA MSR / SOI Plan Update			pending			Processing
16-06	BWD	Singh-Elcheverry Annexation No. 1			pending			Pre-application received
16-07	Chico	E Lassen Ave Annexation No. 10	03/29/16	04/26/16	pending			
16-08	Oroville	Ext of Services - 67 Riverview Terrace						Emergency appl received. Need reg.
SP-57	LAFCo	Gateway at Butte Creek						Consultation

Attachment 1. CALAFCO Letter of April 7, 2016.

April 7, 2016

Butte LAFCo  
1453 Downer Street, Suite C  
Oroville, CA 95965

Dear Butte LAFCo Commission:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your commission for allowing your staff the opportunity to attend the CALAFCO 2016 annual staff workshop, held in Universal City, Los Angeles, March 30 through April 1.

We know how lean budgets and resources continue to be, and understand that prioritizing expenditures can be difficult. Ensuring your staff has access to ongoing professional development and specialized educational opportunities allows them the opportunity to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo staff statewide serves to strengthen their network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

Thank you again for supporting your staff's participation in the CALAFCO 2016 staff workshop. We truly appreciate your membership and value your involvement in CALAFCO.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Pamela Miller'.

Pamela Miller  
Executive Director