TO: Local Agency Formation Commission  
FROM: Stephen Lucas, Executive Officer  
SUBJECT: Agenda Item 6.1 - Executive Officer's Report  
DATE: January 30, 2019 for the meeting of February 7, 2019

ADMINISTRATION:

1. The Special District regular non-enterprise Commissioner seat is vacant following the resignation of Commissioner Lando. Staff circulated a request to special districts for nominations to complete his term set to expire May 2021. The nomination period closes on December 31, 2018. During the interim period Special District alternate member McGreehan will fill the vacated seat.

2. The Alternate County Board of Supervisor/Commissioner has been vacated by Commissioner/Supervisor Wahl and the Board of Supervisors has appointed Supervisor Lucero to fill this seat.

3. KCOE Isom conducted LAFCO's annual audit for FY 2017/18 November 13, 2018. Financial Statements, along with the Annual Auditor’s Report are anticipated to be ready for the Commission’s review and acceptance at its March meeting.

4. The Executive Officer has been invited to participate on the KZFR radio program "The Real Issue" to have a conversation about what is LAFCO and how it may participate in the recovery of the Paradise Ridge communities.

PROJECT NOTES:

The following proposals are currently being considered:

- **Durham Irrigation District Municipal Service Review and Sphere of Influence Update.**
- **Agriculture Groundwater Users of Butte County** - Proposed formation of California Water District (Landowner voter district) to serve agricultural lands roughly north of Durham to the Tehama County line and west of SR99 to the Sacramento River.
- **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.
- **County of Butte** - Expansion of Powers for CSA 164 to add fire protection services.
- **City of Chico** - Annexation of 411 acre north Chico area roughly bound by Eaton Road, Burnap Avenue, Lassen Avenue and SR99.
- **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.
- **Lake Oroville Public Utility District** - Annexation of 50 acre/130 home Garden Oaks Subdivision located on southeast corner of Lincoln Blvd. and Ophir Road.
**CALAFCO:** The CALAFCO Board of Directors replaced North Region outgoing city representative Stan Cleveland (Yuba City) with Blake Inscore, Mayor of Crescent City.

**LEGISLATION:** The CALAFCO Legislative Committee has tentatively approved a number of items for the Omnibus Bill (non-controversial clean-up) items as well as standalone legislative proposals. The CALAFCO North Region/Butte LAFCO is represented by Commissioner Connelly, Executive Officer Lucas and Legal Counsel Browne.

- One of the Omnibus items will clarify that all out-of-agency service extension requests considered under GC 56133 fall under the exclusive authority of LAFCOs, including whether a service extension is exempt from LAFCO review.
- The primary standalone legislative proposal is once again to seek funding for **AB 2258 (Caballero): Local agency formation commissions: grant program** – Requires the Strategic Growth Council to establish and administer a grant program (Upon Appropriation in a future budget) for the payment of costs associated with certain studies and actions including certain dissolutions, consolidations, and other organization and reorganization actions performed by Local Agency Formation Commissions, provided that these actions are limited to those providers serving disadvantaged communities. The Bill passed out of the legislature last year but was vetoed by the Governor as the $2 million asked was not funded through the annual budget. This year Senator Anna Caballero has agreed to once again carry this legislation for CALAFCO as a budget appropriation.
- The primary multi-year “big ticket” legislative effort will be to begin the conversation about revising protest provisions in CKH. This will involve both reorganizing the current law (CKH) to consolidate all provisions in a single section and to consider changes to protest thresholds.

A full legislative picture will be available in March after the CALAFCO Board reviews all submitted items at their February meeting.

**GENERAL NOTES:** None

**APPLICATION ACTIVITY**

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<tr>
<th>File</th>
<th>Applicant</th>
<th>Project Name</th>
<th>Date Certificate of Filing</th>
<th>Date LAFCO Hearing</th>
<th>Date Certificate of Completion</th>
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CAMP FIRE RECOVERY UPDATE

General Observations

There is a tremendous amount of activity occurring at all levels (Federal, State, Local, Non-Profits) addressing a myriad of issues. Much of this activity appears to involve overlapping groups of individuals addressing similar issues. It is difficult to make sense of all efforts at this point in time as so much information changes daily or weekly. Staff is attempting to harvest as much information as possible from as many groups as possible in order to assess where and how LAFCO can best provide assistance to the recovery efforts. Staff will continue to participate and harvest data that will be useful in the eventual updates to MSRs/SOIs.

The most significant planning/land use related action to report is that the Town of Paradise has contracted with the firm Urban Design Associates to conduct a visioning exercise that will solicit public input, consider input/assumptions and then test the assumptions to determine what ideas are feasible for further consideration. This process is estimated to take 14 weeks to conduct. At this point there is little information available, but it does not appear that the visioning exercise will result in any particular adopted plans, but may inform a future general plan update process.

Outreach

As directed by the Commission, Staff has begun the outreach effort to the affected local agencies. This has involved both informal methods (phone, email, in-person) as well as written letters. Formal letters were sent to the Town of Paradise (Attachment 1), the County Clerk-Recorder (Attachment 3) and the County Administrative Office (Attachment 2), the latter related to the Legislative Request list that is being compiled for various funding needs and projects. Additional draft letters have been prepared and will be sent after additional personal contact can be made. As directed, Staff sent a letter (Attachment 4) to the Army Corps of Engineers concerning the Oroville debris recovery site.

Camp Fire Outreach Log

12/20/18 Met with Lauren Gill, Paradise Town Manager to discuss all matter of things related to recovery, governance and land use issues.
12/20/18 Contacted Meegan Jesse, County Administration to request updates on the Butte Jurisdictions Legislative Needs list which represents the "ask" of affected local agencies for financial and infrastructure resources.
12/26/18 Contact with Cathi Grams, Housing Division Lead on the Disaster Recovery Operations Center (DROC) group concerning land availability for housing.
1/3/19 Met with Supervisor Doug Teeter and Josh Cook, Chief of Staff for Assemblyman Brain Dahle. Discussed funding options including a LAFCO request for $250K to conduct a special study of impacted local agencies.
1/10/19 Met with Brian Ring, County Administration to receive update and discuss future actions. Brian added me to the weekly Disaster Recovery Operations Center (DROC) update and will ask for participation when appropriate. The DROC includes representatives from the County, all five cities, CAL-OES and FEMA.
1/11/19 Visited Paradise Town Hall and discussed Camp Fire issues with building/planning staff?
1/14/19 Contacted Kevin Hannes, FEMA and Eric Lamoureaux, CalOES communicating LAFCO offer of assistance and float the interest in a special study of ridge agencies.
1/15/19 Outreach to Dan Efseaff, Paradise Park and Recreation District concerning LAFCO future actions and to answer specific service questions.
1/18/19 Sent Legislative Needs Request from LAFCO to Meegan Jesse for consideration.
1/18/19 Sent Outreach Letter to Lauren Gill, TOP.
1/18/19 Met with City of Chico and County representatives to discuss housing needs and annexation. Proposals for new housing in Chapman/Mulberry?
1/22/19  Received Advice Letter from Del Oro Water Company (DOWC) - Paradise Pines, Magalia, Lime Saddle, Buzztail) concerning lost revenue. Lost 2,200 residences and businesses.
1/23/19  Attended Town of Paradise Council meeting to hear 3CORE presentation.
1/22/19  Received Butte Jurisdictions Legislative Needs update from Meegan Jesse. LAFCO request pending.
1/25/19  Meeting of County Planning Directors Group facilitated by BCAG. Met to discuss Camp Fire related issues such as population projections, housing plans, the validity of a number of foundation planning documents.
1/29/19  Met with Rath Mosley, General Manager SFWPA, discussed Paradise Irrigation District status as SFWPA has multiple crews on loan to PID for repairs.
1/29/19  Outreach letter to County Clerk-Recorder concerning registered voter status.
1/30/19  Met with Shari McCracken and Brian Ring to discuss Camp Fire recovery coordination.

Outlook

It will take some months before the dust settles and reliable data can be collected and evaluated to begin making concrete plans for future planning efforts. Staff is cautious to not overreach at this point and unnecessarily burden our agencies with requests for information they are still collecting.

Attachments:  1. Outreach Letter to Town of Paradise - 1/18/19
               2. Outreach Letter to Butte County - Legislative Needs Request -1/18/19
               3. Outreach letter to County Clerk-Recorder re: registered voters - 1/29/19
               4. Letter to Army Corps of Engineers concerning debris site is Oroville - 1/3/19
January 18, 2019

Lauren Gill, Town Manager
Town of Paradise
5555 Skyway
Paradise, CA 95969

Re: Local Agencies Affected by the Camp Fire - Town of Paradise

Dear Ms. Gill:

The Butte Local Agency Formation Commission wishes to extend its hand to the Town of Paradise as it navigates the uncertain future of disaster recovery resulting from the Camp Fire. We are fortunate that this effort with the Town will be augmented by the recent appointment of Vice Mayor Bolin to the Commission allowing the Town to have an active role in Commission considerations. At this very initial stage of recovery the Commission has unanimously directed its Executive Officer to:

1) Begin a conversation with each local agency affected by the Camp Fire (Attachment 1) in order to establish a cooperative and collaborative dialogue concerning matters that the Commission may need to address in the near future; and

2) To solicit initial feedback on the agency’s critical needs and future planning objectives resulting from the impacts of the disaster.

What is LAFCO’s Planning Role?

Municipal Service Reviews/Sphere of Influence Plans

State law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Sections 56000 et seq. and specifically Sections 56425 and 56430 charge LAFCO with the responsibility to periodically evaluate the boundaries, services and service capacity and governance of each local agency within the county. Such review is generally considered every five years or as LAFCO determines is necessary under the circumstances. To accomplish this mission, LAFCO prepares municipal service reviews (MSR’s) and sphere of influence plans (SOI’s) for each agency. These documents provide guidance to LAFCo, as well as affected agencies and the public with respect to future growth and development affecting each agency.

Unfortunately, it is clear that the circumstances relating to the Town, its needs, service capacity and finances have changed drastically as a result of the recent catastrophic fire event. It is therefore necessary for LAFCo to review and revise these fundamental LAFCO planning documents, the Town MSR and SOI, so that they accurately reflect current circumstances.

In order to accomplish the task of updating the Town’s MSR/SOI plans, LAFCO will need updated information from the Town. We presume that when resources permit, the Town intends to review and revise as necessary its core planning documents such as its general plan, zoning ordinance, master plans, capital improvement plans and perhaps most importantly, the Town budget. It is expected that the review and update of these core planning documents will take considerable time.
and effort. To the extent that we can and you desire, we are willing to provide assistance in this process.

**Special Studies**

Aside from the familiar documents discussed above, LAFCOs are also empowered to prepare wide ranging special studies as authorized by Government Code Section 56378. Additionally, the law allows the Commission, or the Board of Supervisors on behalf of the Commission to apply for or accept, or both, any financial assistance and grants-in-aid from public or private agencies or from the state or federal government or from a local government.

The Commission sees a role for it to play in assisting in the community recovery by preparing such a special study for the greater Paradise Community. Such a study would address from a regional perspective all the services provided by the various local agencies on the Paradise ridge and how best they may be provided going forward through the recovery.

Such study would begin with a preliminary inventory of each agency’s service capabilities post Camp Fire. Such a review would:

- Determine the current service capabilities, finances and needs of each agency
- Assist the affected agencies to understand what challenges each other must address and explore opportunities for cooperation and coordination between agencies that may result in more efficient and/or effective local governance and service provision to ridge residents;
- Assist the public in understanding what can reasonably be expected from affected local agencies moving forward; and
- Provide the building blocks for eventual updated LAFCo MSR/SOI plans.

In conducting such a study, the Commission may request land use information, studies, joint powers agreements, and plans of cities, counties, districts, including school districts, community college districts, joint powers agencies and joint powers authorities, regional agencies and state agencies and departments.

**Our Request**

We believe it is critically important that any future land use and service provision planning for the larger Paradise Community be done in a cooperative, coordinated and transparent manner that includes all affected agencies and the public. Conversely, uncoordinated parallel planning efforts by each agency alone would expend scarce resources inefficiently, limit broad participation and create potentially conflicting or redundant efforts.

As a regional planning agency with representation from all categories of local agencies (cities, county, special districts) and the general public, LAFCO is ideally suited to be a neutral forum or central clearinghouse to explore options and opportunities for the future recovery of full services to the larger Paradise community. LAFCo also may have access to resources for such analysis and planning. We therefore are offering to act in this capacity and prepare a regional service needs study working cooperatively with the Town and other affected local agencies.
At this time, the Commission is requesting the Town:

1. Consider and advise LAFCO whether you would be willing to cooperate with LAFCo in the preparation of a regional services study, fully understanding that such cooperation may be limited by other priorities.

2. Share with the LAFCO a brief, preliminary assessment of the Town's most critical planning, service or governance needs in the short term (3 months) and longer term (1 year).

3. Advise LAFCO how we might otherwise assist the Town as it explores its various options to address land use, municipal services, and related governance or boundary issues.

The recovery of the Town and the ridge is our goal, please don't hesitate to contact our office concerning any matter for which LAFCO can be of assistance. We look forward to hearing your thoughts and comments and can meet with you at your convenience.

Sincerely,

Steve Lucas

Stephen Lucas
Executive Officer

Attachment: 1. Map of Local Agencies Impacted by the Camp Fire

cc: LAFCO
January 18, 2019

Meegan Jesse, Assistant CAO
Butte County Administration
County Center Drive
Oroville, CA 95965

Sent via email to: mjesse@buttecounty.net

Re: Legislative Request - Camp Fire 2018

Dear Ms. Jesse:

The Butte Local Agency Formation Commission held a public hearing on January 3, 2018 concerning the overall impacts of the Camp Fire on the 14 local agencies affected (Attachment 1). At this meeting, the Commission unanimously directed its Executive Officer to explore all options available to fund the necessary special studies described below that will need to be completed in support of the overall recovery effort to fully restore services in the affected territory. To this end, the Commission requests to have an item considered for the Legislative Request being compiled by the various agencies affected by the Camp Fire.

What is LAFCO's Planning Role?

*Municipal Service Reviews/Sphere of Influence Plans*

State law (56425, 56430) charges the LAFCO with the responsibility to evaluate the boundaries, services and governance of each local agency within the county. To accomplish this mission, LAFCO prepares municipal service reviews (MSR) and sphere of influence plans (SOI) for each agency. These documents provide guidance to future growth and development affecting each agency. Unfortunately, it is clear that the Town will ultimately require these fundamental LAFCO planning documents to be revised so that they accurately reflect current circumstances.

In order to accomplish the task of updating the Town's MSR/SOI plans, LAFCO will need updated information from the Town which will require the Town to revisit its core planning documents such as its general plan, zoning ordinance, master plans, capital improvement plans and perhaps most importantly, the Town budget. It is expected that the review and update of these core planning documents will take considerable time and effort, at a time when resources are scarce.

*Special Studies*

Aside from the familiar documents discussed above, LAFCOs are also empowered to prepare wide ranging special studies as authorized by Government Code Section 56378. The Commission potentially sees a role to play in preparing such a special study that would address all the services provided by the various local agencies on the Paradise ridge. Under this provision of law, it would be prudent and helpful to the affected agencies and the public for the Commission to undertake a preliminary inventory of each agency's service capabilities post Camp Fire. Such a review would:
• Assist each local agency to understand what challenges each other must address and explore what symbiotic relationships exist that may result in more efficient and/or effective local governance and service provision to ridge residents;

• Assist the public in understanding what can reasonably be expected from affected local agencies moving forward; and

• Provide the building blocks for eventual updated MSR/SOI plans.

In conducting these studies, the Commission may request land use information, studies, joint powers agreements, and plans of cities, counties, districts, including school districts, community college districts, joint powers agencies and joint powers authorities, regional agencies and state agencies and departments. Additionally, the law allows the commission, or the board of supervisors on behalf of the commission to apply for or accept, or both, any financial assistance and grants-in-aid from public or private agencies or from the state or federal government or from a local government.

Our Request

As a regional planning agency with representation from all categories of local agencies (cities, county, special districts) and the general public, LAFCO is ideally suited to be a neutral forum or central clearinghouse to explore options and opportunities for the future recovery of full services to the larger Paradise community. We believe it is critically important that any future land use and service provision planning be done in a highly coordinated and transparent manner that includes all affected agencies and the public. Conversely, uncoordinated parallel planning efforts would only serve to dilute scarce resources, limit broad participation and create potentially conflicting efforts.

The Commission respectfully requests the following addition to the Legislative Request list:

**Financial assistance to the Butte Local Agency Formation Commission to conduct a special study of the impacted/affected agencies resulting a preliminary inventory of each agency's service capabilities post Camp Fire and to identify what symbiotic relationships exist that may result in more efficient and/or effective local governance and service provision to ridge residents.**

The recovery of the Town and the ridge is the Commission's goal, please don't hesitate to contact our office concerning any matter for which LAFCO can be of assistance. We look forward to hearing your thoughts and comments and can meet with you at your convenience.

Sincerely,

**Steve Lucas**

Stephen Lucas
Executive Officer

Attachment: 1. Map of Local Agencies Impacted by the Camp Fire

cc: LAFCO
January 29, 2019

Candace Grubbs, Clerk Recorder
Butte County Clerk Recorders Office
155 Nelson Avenue
Oroville, CA 95965

Re: Local Agencies Affected by the Camp Fire

Dear Ms. Grubbs:

The Butte Local Agency Formation Commission respectfully requests your help concerning the status of registered voters and elected leaders within the areas (Attachment 1) and agencies affected by the Camp Fire.

The LAFCO is statutorily responsible for evaluating the services, governance and boundaries of the five cities, 41 special districts and 62 county service areas within Butte County. This process involves LAFCO preparing municipal service reviews (MSR) and sphere of influence updates (SOI) for each local agency that generally describes their service capabilities, growth potential and jurisdictional boundaries. These documents can lead to annexations and other reorganizations that potentially involve public notices, protest proceedings and elections which involves the registered voters affected by such proposals.

We ask that your office provide some guidance as to how to address the dislocation of so many registered voters and elected officials when considering future actions?

Please contact our office if you have any questions or need any additional information.

Sincerely,

Steve Lucas
Executive Officer

cc: LAFCO
January 3, 2019

Mike Peterson
United States Army Corp of Engineers

Sent via email to: TDHF@usace.army.mil

Re: Oroville Temporary Debris Handling Facility

To Whom It May Concern:

In support of our impacted member agencies, the Butte Local Agency Formation Commission respectfully requests an extension of time for Butte County public agencies and the general public to review and comment on the proposed Oroville Temporary Debris Handling Facility and the related Environmental Assessment.

The residents of Paradise, Oroville and the neighboring communities deserve the opportunity to effectively evaluate and comment upon the proposal for the Oroville Temporary Debris Handling Facility so that the devastating impacts of the Camp Fire are not prematurely extended to another community without full and complete public input.

Sincerely,

Steve Lucas
Executive Officer

cc: LAFCO