

## BUTTE LOCAL AGENCY FORMATION COMMISSION

**DRAFT** Minutes of February 7, 2013

### 1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., on February 7, 2013, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

#### 1.1 Roll Call

**Present:** Commissioners Larry Duncan (Special District), Jerry Fichter (City) Steve Lambert (County), and Chair Carl Leverenz (Public). Alternate Commissioners Ann Schwab (City) and Greg Steel (Public).

**Absent:** Commissioners Scott Lotter (City), Bill Connelly (County), and Alternate Commissioners Loren Gill (Alternate-Special District) and Larry Wahl (County).

**Others Present:** Stephen Lucas, LAFCO Executive Officer  
 Stephen Betts, LAFCO Deputy Executive Officer  
 Jill Broderson, LAFCO Management Analyst  
 Joy Stover, LAFCO Commission Clerk  
 Marsha Burch, LAFCO Counsel Representative

### 2. CONSENT AGENDA

#### 2.1 Approval of the Minutes of December 6, 2012

#### 2.2 Acceptance of Independent Auditor's Report and Financial Statements for Fiscal Years ending June 30, 2012 and 2011

#### 2.3 Review and Consideration of the Draft Contractual Services Agreement No. 3 with the County of Butte for the Provision of Specified Services

Chair Leverenz asked if anyone had any questions or wanted either of these three items removed from the Consent Agenda. No responses received.

**Commissioner Fichter made a motion to approve the Consent Agenda. The motion was seconded by Commissioner Lambert.**

**The motion was carried by the following roll call vote:**

**AYES:** Commissioners Schwab, Duncan, Fichter, Lambert and Chair Leverenz

**NOES:** None

**ABSENT:** Commissioner Connelly

**ABSTAINS:** None

3. **NOTICED PUBLIC HEARINGS** – None

4. **REGULAR AGENDA**

4.1 **Items Removed from the Consent Agenda** – None

4.2 **13-08 – City of Chico – Extension of Services – 864 Wisconsin Street**

Steve Betts stated this property has a failed septic system and there is inadequate area on this parcel for a replacement leach field. Due to the failed septic system, there is no alternative other than to hook up to the City's sewer system. Staff is recommending approval. Staff has obtained an Annexation Covenant and Agreement that has been recorded for this parcel.

Chair Leverenz opened this item to the public. No response and the public portion was closed.

**Commissioner Duncan made a motion to adopt Resolution No. 14 2012/13 approving the extension of sanitary sewer service. The motion was seconded by Commissioner Fichter.**

**The motion was carried by the following roll call vote:**

**AYES:** Commissioners Schwab, Duncan, Fichter, Lambert and Chair Leverenz

**NOES:** None

**ABSENT:** Commissioner Connelly

**ABSTAINS:** None

4.3 **13-09 – City of Chico – Extension of Services – 1344 Bruce Street**

Steve Betts stated the septic system is performing adequately, however the landowner would like to connect as there is a sewer pipe in front of the house and a stubbed out lateral going to the property line. Ideally, as this is not a failed septic system, staff would like to see this parcel annexed. There are numerous intervening parcels that would make annexing this parcel problematic.

Chair Leverenz stated the current structure is what is going to be served and any request for development would need to come back to LAFCO for review.

Steve Betts stated the condition of approval of extending sewer service on this parcel and the previous item, limits extending sewer service to the existing structures only.

Chair Leverenz opened this item to the public. No response received and the public portion was closed.

**Commissioner Fichter made a motion to adopt Resolution No. 15 2012/13 approving the extension of sanitary sewer services. The motion was seconded by Commissioner Schwab.**

**The motion was carried by the following roll call vote:**

**AYES:** Commissioners Schwab, Duncan, Fichter, Lambert and Chair Leverenz

**NOES:** None  
**ABSENT:** Commissioner Connelly  
**ABSTAINS:** None

#### **4.4 Appointment of Budget Committee for the 2013/14 Fiscal Year**

Commissioners Duncan, Connelly, Fichter and Chair Leverenz were appointed to the Budget Committee. Commissioner Steel stated he would also attend the Budget Committee meetings. Jill Broderson stated she will be in contact with each committee member to determine the best dates for the meetings.

#### **4.5 11-02MS – Lake Oroville Area Public Utility District (LOAPUD) – Municipal Service Review and Sphere of Influence (SOI) Update**

Steve Betts provided a status update for this project. The map entitled **attachment 1** included in the staff report was provided by LOAPUD with their application and identifies three separate areas – 5-10 year SOI, 15-20 year SOI and an area of interest beyond 20 years. Staff met with the District and together adjusted the map entitled **attachment 2** in the staff report and identifies updated proposed SOI areas. Areas identified for further review include the eastern area with 5, 10, & 20 acre parcels, the Palermo area, and areas already identified for future development.

Staff is currently having a Draft Environmental Impact Report (EIR) for the LOAPUD SOI Update prepared. The EIR is being prepared by De Novo Planning Group. Staff anticipates having the administrative Draft EIR and SOI Update prepared in about a month from now. Staff anticipates having the Draft EIR and Draft SOI Update ready for review by the Commission at the June 2013 LAFCO meeting.

Chair Leverenz asked where the City of Oroville's sewer service south boundary is located. He stated he is concerned about the Palermo area south of Oroville as it is an urban area. He stated if the sewer service is provided to the Palermo area, the urbanization in that location could become much greater, which puts a demand on police protection and fire protection services. The area immediately south of Oroville, in the existing LOAPUD sphere is all designated as residential. At some point there needs to be some discussions of what portion of that area needs to be part of the city. The westerly portion [or the Oroville area], above SR162, needs to be looked at for possible annexation into the city. Once you start extending sewer service, the density can be much greater than what has been in the past, creating corresponding traffic issues, police issues, fire issues, etc.

Steve Lucas stated staff has been working with the City of Oroville on their Sphere of Influence Update and these issues will be taken into consideration. Steve identified areas on the map where the City of Oroville's sewer service is limited or non-existent. LOAPUD may be in a much better position to extend their sewer service in some of these areas. In the Palermo area, the County has identified the need for sewer, and in their General Plan the County has not indicated urbanizing the Palermo area further. The City of Oroville has not shown any intention of wanting to grow as far south as taking in Palermo.

There was discussion on the City of Oroville's sewer service delivery capacity and their ability to extend sewer service.

Steve Lucas stated this proposal with LOAPUD is a huge step forward and it completely accommodates the County's new General Plan. The District's and LAFCO staff's goal is to look at what the County has determined to be the future growth areas and making sure sewer services can be provided to those areas.

Chair Leverenz opened this item to the public.

Commissioner Schwab stated we need to take into consideration the City of Oroville's ability to provide services to some of these areas as opposed to what they are currently receiving from the County. Some of these areas seem contiguous to the City, and annexation seems the most likely option, but what is the cost to the city.

Chair Leverenz stated he is concerned with allowing the District to take in urban areas that may be better served by the city.

Commissioner Lambert asked about the SC-OR Plant capacity.

Steve Lucas stated SC-OR is not at capacity at this time. As new development comes online, there is now a capacity analysis plan in place to generate fees for improvement that will provide funding to increase the capacity as needed.

Dwayne Long, General Manager for the Lake Oroville Area Public Utility District, stated he wanted to come to the LAFCO meeting today to introduce himself to the Commission. The District and the LAFCO staff are eager to complete the SOI Update.

Commissioner Duncan asked if Dwayne Long agrees with everything staff has commented on today.

Dwayne Long stated he does and the District is looking forward to working with LAFCO staff to obtain the most logical SOI Plan Update, taking into account what is in their Master Plan.

No action was taken – Discussion item only.

## **5. PUBLIC COMMENTS NOT ON THE AGENDA**

Zach Thomas, City of Chico Senior Planner, gave a brief status update as part of the ongoing effort regarding the Master Sewer Service Agreement and the associated Annexation Plan. On Monday the City & County kicked-off the Feasibility Study that is associated with the Annexation Plan. The City of Chico has attained the services of Ralph Anderson and Associates to look at the costs associated with annexations. It is anticipated this process will take 2-3 months. The areas being reviewed are the Chapman and Stewart areas.

## **6. REPORTS AND COMMUNICATION**

### **6.1 Executive Officer's Report –**

Steve Lucas summarized the Executive Officer's report.

### **6.2 Correspondence – None**

**7. CLOSED SESSION**

**7.1 Public Employee Performance –**

Chair Leverenz stated as three of the regular LAFCO Commissioners are not present for today's meeting that regularly sit on the Commission, we can extend this item to the regularly scheduled March LAFCO Meeting.

**8. ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:52 a.m. to the **Thursday, March 7, 2013** regularly scheduled meeting.

**LOCAL AGENCY FORMATION COMMISSION**

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**By: Stephen Lucas, Executive Officer**

Minutes prepared by Joy Stover, Commission Clerk