

BUTTE LOCAL AGENCY FORMATION COMMISSION
Minutes of February 4, 2010

1. Call to Order

Vice Chair Connelly called the meeting to order at 9:00 a.m., on February 4, 2010, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Present: Commissioners Lotter, Duncan, Steel, Sweany, Frith and Vice Chair Connelly.
Alternate Commissioner Gill

Absent: Commissioner Leverenz, Commissioner Dolan and Alternate Commissioner Yamaguchi

Others Present: Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Jill Broderson, LAFCO Management Analyst
Joy Stover, LAFCO Commission Clerk
P. Scott Browne, LAFCO Legal Counsel

2. Consent Agenda

2.1 Approval of the Minutes of December 3, 2009

2.2 Acceptance of Financial Statements, including Independent Auditor's Report for Fiscal Year 2008-09

2.3 Sphere of Influence Trust Funds – Transfer Request

2.4 10-02 – Chico Area Recreation and Park District – Richardson Springs Road Annexation No. 1

Vice Chair Connelly asked if anyone on the Commission or in the audience wanted to have any of the items pulled from the consent agenda. No responses received.

Commissioner Lotter made a motion to approve the consent agenda. The motion was seconded by Commissioner Frith.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Steel, Sweany, Frith and Vice Chair Connelly
NOES: None
ABSENT: Commissioner Dolan

ABSTAINS: None

3. NOTICED PUBLIC HEARINGS – None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Appointment of Budget Committee for the 2010/11 Fiscal Year and Adoption of the LAFCO Budget Process Time Line

Jill Broderson, LAFCO analyst, stated she prepared the LAFCO Budget Process Time line and requested Commission appoint this year's Budget Sub-Committee.

Commissioner Lotter moved to appoint a Budget Committee consisting of Commissioners Lotter, Duncan, Connelly, Steel, and Chair Leverenz and adopt the Budget Process Time Line for Fiscal Year 2010/2011. The motion was seconded by Commissioner Sweany.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Steel, Sweany, Frith, and Vice Chair Connelly
NOES: None
ABSENT: Commissioner Dolan
ABSTAINS: None

4.3 Wastewater Service Providers – Oroville Region Municipal Service Review Determinations Review and Update

Steve Betts, LAFCO Deputy Executive Officer, stated staff received a letter from SC-OR outlining a request for the Commission to grant SC-OR a six month extension to meet and discuss the determinations that were found in the Wastewater Service Providers MSR. Steve Betts referred to a draft LAFCO letter to SC-OR stating LAFCO would like to give SC-OR until March 1, 2010 to begin this process.

Steve Betts stated staff held a conference meeting with staff from the Regional Water Quality Control Board (RWQCB). RWQCB staff stated they are interested in the status of SC-OR. LAFCO staff received an e-mail from the RWQCB asking staff to arrange a meeting with LAFCO staff, the SC-OR JPA entities and the Regional Water Quality Control Board staff at the Redding office.

Ray Sousa, SC-OR manager, stated the basis for requesting a six month extension comes from the fact that SC-OR is made up of four governing boards that all meet once a month, although the city (Oroville) council meets twice a month. Some of the determinations require input from the entities' boards and it takes time to have the board meetings to get their input. In turn, there are quite a few things in the determinations that SC-OR hasn't done but are in the process of doing. The entities feel they need to take

each determination one by one to work on them properly. If given the time, SC-OR feels they could provide a comprehensive work plan in July for the August LAFCO meeting. By that time they may find that some of the items have been completed, some of the items may not have been started yet and some of the items they may feel don't need to be done. This is a collective agreement between all four SC-OR entities saying they'd like this six month extension. Ray Sousa stated because of LAFCO's involvement, SC-OR is now focused and going in the right direction. Ray Sousa stated he hopes LAFCO will grant this extension, see their need for it, and judge SC-OR by their results and not by their procedures and he thinks LAFCO will be satisfied.

Commissioner Duncan asked if SC-OR has a problem with having a written plan ready by March 1, 2010.

Ray Sousa stated SC-OR has their JPA TAC Group meeting scheduled for the 11th and he can't speak for all the entities but he thinks the reason for the six month extension was so they could be able to provide a very comprehensive plan.

Vice Chair Connelly stated the Commission just heard that RWQCB is requesting to have a meeting in Redding with all the entities and does Ray Sousa feel they can get everybody there for the meeting. Ray Sousa stated it will depend on the meeting date.

Commissioner Steel asked what the response was from SC-OR to the LAFCO draft letter dated January 13th. Ray Sousa stated some of the recommendations have to be a collaborative effort by all four entities and he cannot speak for the other three entities.

Jeff Carter, Attorney on behalf of Thermalito Water & Sewer District, representing one of the member entities, stated TWSD believes TWSD is well on the road to satisfying the determinations set forth within the MSR. The City (Oroville) and TWSD are near an execution of a written agreement regarding the maintenance and upgrades to the East Trunk. Jeff Carter urged the Commission to please give SC-OR the six month extension of time.

Commissioner Duncan stated he feels the problem is that some people are afraid that in six months SC-OR will not have made any progress towards meeting the determinations.

Jeff Carter stated all three entities that collect the sewage and convey it to SC-OR, are looking at a laterals improvement program, FOG (fat, oils & grease) program, more accurately accounting for EDUs, the City of Oroville & TWSD working on a revolutionary agreement about a critical element and building a framework that will carry the East Trunk into the next 50 years, based on the County's & the City's general plan.

Jeff Carter stated the development agreement that all 3 entities and SC-OR jointly accepted, provides a way now to track how much capacity is going to be required by a development and put into effect certain requirements.

Vice-Chair Connelly asked if there was any additional public comment. The public comment portion was closed. Vice-Chair Connelly voiced his concerns over comments made today and stated his opinion is to move forward.

Commissioner Duncan asked for comments from LAFCO staff. Steve Lucas stated we outlined what the Commissions' expectations are in the draft letter. As for the timeline,

Steve Lucas stated he can appreciate the difficulty in putting together the amount of information to meet a March or April 1st deadline, and waiting until June, July or August is probably not the end of the world as there is capacity currently at the plant. The [LAFCO] staff's reluctance comes from feeling the discussions will occur without the implementation of the suggestions. However, as Jeff Carter pointed out, there may be other ways to achieve those same goals in a different way. But there remains concern regarding recognition of the need to act as one governing body, with one common purpose and under one common set of general operating practices. Steve Lucas stated we could augment the dates in the letter to SC-OR and give SC-OR 3 months rather than 6 months.

Vice-Chair Connelly stated he is in support of an extension if it reiterates the position that we need a regional fix to serve the public in a manner that can sustain itself.

Scott Browne, LAFCO counsel, stated we need to keep in mind that all this letter is asking for is for SC-OR to provide a plan not to actually complete everything.

Commissioner Duncan asked approximately when the RWQCB meeting would be held. Steve Lucas stated it should be able to take place within the next month, depending on when all parties could get together. Steve Lucas stated there are some large development projects in the works that could be impacted by this extension.

Commissioner Steel asked if it would be reasonable to have the six month extension for the final work program but by May or June ask the entities to come up with their ideas on how they would act as one governing body and work with a common purpose and general operating procedures.

Steve Lucas stated this is entirely the Commission's prerogative on how the Commission wants to proceed.

Commissioner Frith stated it sounds like SC-OR is trying to accomplish this with a once a month meeting as opposed to the urgency the Commission proposed to establish the common goals. This is not going to be accomplished by meeting once a month. Commissioner Frith stated the JPA can have common goals without taking away from each entity's individuality.

Vice-Chair Connelly stated we are lucky we are not in a period of growth because this is a major inhibitor and the Commission is striving for one voice that is fair and equitable throughout the region.

Commissioner Frith gave his support for a three month extension for SC-OR to come up with a basic plan.

Commissioner Duncan made a motion to direct staff to send the letter included in the staff report to the SC-OR entities, amending the date to May 1, 2010 and some of the language as noted. SC-OR is to come back to the Commission with a timeline and goals. The motion was seconded by Commissioner Frith.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Steel, Sweany, Frith and Vice Chair Connelly
NOES: None
ABSENT: Commissioner Dolan

ABSTAINS: None

4.4 Work Session to Discuss Possible Amendments to the Commission's Policies Related to the Processing of Sphere of Influence Proposals.

Steve Lucas gave a historical account of past processes as related to LAFCO Sphere Policies and summarized the related staff Memorandum. There was discussion regarding possible changes to the Sphere of Influence Policies.

Vice-Chair opened this item for public comments.

Andrea Redamonti, Community Development Director for the City of Gridley, stated she appreciates that the Commission is looking at updating the LAFCO Sphere Of Influence policies. Andrea Redamonti stated she looks forward to working with LAFCO staff in updating these policies and she supports more flexibility within a ten year horizon.

Vice Chair Connelly closed the public comment portion.

Commissioner Steel requested confirmation on the time limits for Sphere Of Influence reviews.

Scott Browne, LAFCO counsel cautioned the Commission on expanding the internal horizon limits. Scott Brown suggested just leaving it as it currently is to allow for flexibility.

Vice-Chair Connelly asked if Scott Browne had reviewed the proposed policies changes and if he found them to be legal.

Scott Browne stated he had done his initial review and stated the Commission has broad discretion under Cortese-Knox-Hertzberg. Scott Browne stated there are some provisions in the language that he would like to go over with Staff and make some minor changes.

The Commission was in agreement for LAFCo staff to go forward with the amendments and meeting with the appropriate entities for review and comment.

5. Public Comment on Items not on the Agenda – None

6. Reports and Communications

6.1 Executive Officer's Report

Steve Lucas, LAFCo Executive Officer, summarized the Executive Officer's Report. There was discussion regarding the CALAFCO Board of Directors restructuring CALAFCO by regions. Steve Lucas stated there will be a vote at the Fall CALAFCO Annual Conference as to whether to put this new regional structure in place.

6.2 Correspondence – None

7. **ADMINISTRATION** – None

8. **ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:31 a.m. to the March 4, 2010 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION



By: **Stephen Lucas, Executive Officer**

Minutes prepared by Joy Stover, LAFCO Commission Clerk