

BUTTE LOCAL AGENCY FORMATION COMMISSION
Minutes of June 2, 2011

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., on June 2, 2011, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

1.1 Roll Call

Present: Commissioners Lotter, Duncan, Sweany, Fichter and Chair Leverenz; Alternate Commissioner Schwab

Absent: Commissioners Connelly and Lambert

Others Present: Stephen Lucas, LAFCO Executive Officer
Stephen Betts, LAFCO Deputy Executive Officer
Jill Broderson, LAFCO Management Analyst
Scott Browne, LAFCO Legal Counsel

1.2 Recognition of Commission Appointments

Cities Representative: Scott Lotter, Town of Paradise (4 Year Term)

County Representatives: Bill Connelly (4 Year Term)
Steve Lambert (2 Year Term)
Kim Yamaguchi, Alternate (4 Year Term)

2. CONSENT AGENDA

2.1 Approval of the Minutes of April 14, 2011

Commissioner Fichter made a motion to approve the consent agenda. The motion was seconded by Commissioner Duncan.

The motion was carried by the following vote:

AYES: Commissioners Lotter, Duncan, Sweany, Fichter, and Chair Leverenz

NOES: None

ABSENT: Commissioners Connelly and Lambert

ABSTAINS: None

3. NOTICED PUBLIC HEARINGS –

3.1 Review and Consideration of Final Budget for FY 2011/12
(Continued from April 14, 2011 Meeting)

Chair Leverenz asked if staff had anything else to add to the staff report. None were noted.

Chair Leverenz opened the public portion of the hearing for comments. Seeing none, Chair Leverenz closed the public portion of the hearing.

Commissioner Sweany moved to adopt Resolution No. 10 2010/11 and to approve the Final Budget for Fiscal Year 2010/11. The motion was seconded by Commissioner Fichter.

The motion was carried by the following roll call vote:

AYES: Commissioners Lotter, Duncan, Sweany, Fichter and
Chair Leverenz
NOES: None
ABSENT: Commissioners Connelly and Lambert
ABSTAINS: None

Stephen Lucas mentioned that he recently met with Rob Hickey, City Administrator for the City of Gridley regarding his concerns he had addressed at the Commission's April meeting. Mr. Lucas stated that together, they agreed to continue the dialog at staff level and when information is ready to be presented, staff will place it on the Commission's agenda for their review.

Chair Leverenz indicated that the Commission's July agenda shall include an item which would enable the Budget Committee to discuss the budget as it relates to staffing.

Commissioner Fichter agreed.

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Review and Consideration of California Association of Local Agency Formation Commissions (CALAFCO) Business Items

Quarterly Report

Stephen Lucas reported that the CALAFCO Board of Directors recently implemented a new tool which will enable communication of issues of statewide importance. Following each CALAFCO Board meeting, the **Quarterly Report** will highlight Board actions and activities.

Legislation

Mr. Lucas stated that the CALAFCO Legislative Committee currently tracks approximately 40 bills of interest. Those of special interest include:

- **AB 54 (Solario) – Mutual Water Companies.** Would require mutual water companies to respond to LAFCO MSR/SOI information requests and require mutuals to submit a map of their territory to LAFCO. It would also provide permissive authority to LAFCO to include compliance with drinking water standards in an MSR. This bill expands the

reach of LAFCOS in reviewing all municipal service providers although it does not give LAFCOs any authority to implement changes to mutuals. CALAFCO has taken a support position on this bill.

- AB 1430 (Assembly Local Government Committee) – Cortese-Knox-Hertzberg Omnibus Bill. An annual bill, sponsored by CALAFCO, makes a number of technical, non-substantive changes. Most significantly, the bill will make a major overhaul of the definitions in the Act. Mr. Lucas indicated that staff has discussed the legislation with stakeholders and has gained support across the board.
- SB 912 (Gordon) – Expedited Dissolution of Districts. Provides an expedited process for LAFCOs to dissolve districts which were identified for dissolution in either a municipal service review or sphere of include update. This bill expands the authority of LAFCOs to act on MSR/SOI determinations which may cause underperforming districts to cooperate more effectively with LAFCOs when they are being reviewed and determinations are being developed. It may also cause districts to preemptively consider fundamental changes to their agencies in advance of MSR/SOI determinations being implemented.
- SB 244 (Wolk) – Disadvantaged Unincorporated Communities. Similar with AB 853 (Arambula), this bill goes beyond the “inventory” of disadvantaged unincorporated communities that was negotiated for the ultimate “watch” position on AB 853. Among other things, this bill would place a requirement on LAFCO to review the water, wastewater and fire services for disadvantaged unincorporated communities “within and adjacent” to a sphere in the next SOI update. Two primary concerns of this bill is the reference to “adjacent” to a sphere and that it represents another unfunded mandate of LAFCOs. While CALAFCO continues to take a watch position, Mr. Lucas indicated that there is an opportunity to support the bill with the condition that LAFCOs are made eligible for Strategic Growth Council Planning Grants which would open a funding source for LAFCOs that currently does not exist.
- SB 436 (Kehoe) – Mitigated Lands. This bill would allow a local agency to provide funds to a nonprofit organization to acquire land or easements that satisfy an agency’s mitigation obligations. This could be a valuable tool for some LAFCOs to use in agricultural and open space protection. While there was some concern on whether the funds would actually be used by the non-profit for land or easement acquisition, CALAFCO staff believes the amended bill provides sufficient protection.

In conclusion to legislation activity, Mr. Lucas indicated that the CALAFCO Legislative Committee works very hard to address bills as they arrive. In working on legislation, Mr. Lucas indicated that it is a timely effort; however, it is extremely valuable, as it keeps LAFCOs in the pipeline, as they are a seat at the table when legislators meet about these issues.

Annual Conference

Mr. Lucas mentioned that the Annual CALAFCO Conference will be held August 31st through September 2nd in Napa. This year’s theme is “*Exploring New Boundaries*” and reflects LAFCO’s ever evolving role in overseeing regional growth management and seeking inter-agency collaboration.

Board of Directors Elections

Nominations are now open for the fall elections of the CALAFCO Board of Directors. The North Region, in which Butte LAFCO is a member, will have two board seats open for nominations in the Special District and County member categories. Mr. Lucas stated that both Commissioner Duncan and Commissioner Connelly have indicated interest. Through consensus, the Commission supported nominating Commissioner Duncan for the Special District member seat and Commissioner Connelly for County member seat.

Annual Achievement Awards

Nominations are being accepted for the 2011 CALAFCO Achievement awards which will be presented at the Annual Conference Awards Banquet on Thursday, September 1st. Mr. Lucas stated that he would like to nominate Chair Leverenz for either the Distinguished Service or Outstanding Commissioner Award in acknowledgement of his 38 years of service to Butte LAFCO.

Commissioner Lotter moved to make an application to nominate Carl Leverenz for either his Distinguished Service or Outstanding Commissioner Award in acknowledgement of his 38 years of service. The motion was seconded by Commissioner Duncan.

The motion was carried by the following roll call vote:

AYES:	Commissioners Lotter, Duncan, Sweany and Fichter
NOES:	None
ABSENT:	Commissioners Connelly and Lambert
ABSTAINS:	Chair Leverenz

Mr. Lucas made referenced a letter (included within the packet) submitted by Commissioner Duncan on behalf of the Northern Region to change the election process at the CALAFCO Board level to allow e-mail elections. As a result, effective this year, e-mail elections will be allowed. Mr. Lucas stated that last year, 11 out of 18 LAFCOs were able to attend; therefore, seven could not participate within the election. Mr. Lucas thanked Commissioner Duncan for his successful effort.

4.3 Special District Risk Management Authority Board of Directors Elections

Stephen Lucas mentioned that as a member of the Special District Risk Management Authority (SDRMA), Butte LAFCO is eligible to participate within their election process.

Chair Leverenz, as well as Commissioner Duncan voiced their uncertainty in voting for people they know nothing about.

Alternate Commissioner Schwab suggested that the Commission consider voting at their meeting in July in an effort to learn more about the nominees.

Chair Leverenz agreed and continued the item to the Commission's July agenda.

4.4 Annual Scheduled Review of Staff Charge-Out Rates and Application of Employment Cost Index (ECI) Adjustment to Employee Hourly Charge-Out Rates.

As part of the annual review of staff charge-out rates, Stephen Lucas suggested that the Commission take no action, leave existing charge-out rates in place and continue the item for a future agenda, in an effort to enable the budget committee to explore other options.

In terms of calculating the adjustment utilizing the Employment Code Index (*Not Seasonally Adjusted, State and Local Government Employees, Index Workers, All Employees*) as published by the U.S. Department of Labor, Mr. Lucas stated the increase was minor. In addition, Mr. Lucas also based his recommendation on the issues raised at the Commission's April meeting concerning existing charge-out rates, as well as the overall process on how said rates are arrived at.

Commissioner Duncan moved to defer the annual review and adjustment of employee hourly charge-out rates. The motion was seconded by Commissioner Sweany.

The motion was carried by the following roll call vote:

AYES:	Commissioners Lotter, Duncan, Sweany, Fichter and Chair Leverenz
NOES:	None
ABSENT:	Commissioners Connelly and Lambert
ABSTAINS:	None

5. PUBLIC COMMENTS NOT ON THE AGENDA

6. REPORTS AND COMMUNICATION

6.1 Executive Officer's Report –

Steve Lucas summarized the Executive Officer's report, dated May 26, 2011 relating to Project Notes, Legislative Notes and Application Activity.

6.2 Correspondence – None

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:08 a.m. to the July 7, 2011 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION



By: Stephen Lucas, Executive Officer

Minutes prepared by Jill Broderson, Management Analyst

