

**BUTTE LOCAL AGENCY FORMATION COMMISSION**  
**Minutes of June 4, 2009**

**1. Call to Order**

Chair Leverenz called the meeting to order at 9:01 a.m., June 4, 2009, in the Butte County Board of Supervisors Chambers, 25 County Center Drive, Oroville, California.

**1.1 Roll Call**

Present: Commissioners Lotter, Duncan, Connelly, Frith, Dolan, and Chair Leverenz.  
Alternate Commissioner Sweany

Absent: Alternate Commissioner Yamaguchi

Others Present: Stephen Lucas, LAFCO Executive Officer  
Stephen Betts, LAFCO Deputy Executive Officer  
Joy Stover, LAFCO Commission Clerk  
B. Scott Browne, LAFCO Legal Counsel  
Uma Hinman, Consultant for Kleinschmidt Associates

**2. Consent Agenda**

**2.1 Approval of the Minutes of May 7, 2009**

**Commissioner Dolan moved to approve the consent agenda, seconded by Commissioner Duncan, and the motion carried by the following vote:**

**AYES:** Commissioners Lotter, Duncan, Connelly, Sweany, Frith, Dolan and Chair Leverenz  
**NOES:** None  
**ABSENT:** None  
**ABSTAINS:** None

**3. NOTICED PUBLIC HEARINGS –**

**3.1 Review and Consideration of the Draft Municipal Service Review and Sphere of Influence Plan Update for the Feather River Recreation and Park District.**

Chair Leverenz stated this is a public hearing and the public is encouraged to participate. Chair Leverenz entered into record a letter from Butte County Administration received on and dated June 4, 2009, additional financial information related to the affected areas for the Sphere of Influence provided by staff and a letter from Mr. Mike Ashlock.

Chair Leverenz asked if staff had anything else to add to the staff report.

Steve Betts, LAFCo Deputy Executive Officer, summarized the staff report & discussed the areas identified for possible sphere of influence boundary changes. Steve Betts stated this is the last of the MSR/SOI updates for the Recreation & Park Districts. Steve Betts referred to a handout prepared for today's meeting depicting the number of parcels proposed for boundary changes and the related revenue amounts subject to future consideration.

Uma Hinman, consultant for Kleinschmidt Associates, presented a Power Point presentation. Uma Hinman summarized the areas recommended for inclusion into the sphere of influence for the Feather River Recreation and Park District (FRRPD) and summarized the areas recommended for exclusion from the FRRPD and into the sphere of influence for the Paradise Recreation and Park District.

Commissioner Dolan asked why the numbers reflected in the Power Point presentation differ from the numbers in the handout provided by staff. Steve Betts stated this was due to some GIS mapping errors that will be corrected when the review is adopted and that the handout figures are the most accurate. Steve Lucas clarified that the number of publicly owned parcels that do not contribute revenue to the tax base were removed from the total figures in the handout.

Chair Leverenz opened the public portion of the hearing for comments.

Mike Ashlock, a resident of the Yankee Hill/Concow area, voiced his concerns regarding removing the Poe Powerhouse area from the Paradise Recreation & Park District's (PRPD) Sphere of Influence (SOI) and putting this area in the Feather River Recreation and Park District's SOI. Mr. Ashlock mentioned his concerns over the amount of money being collected compared to the amount of recreation services provided for the area.

Steve Lucas commented that the rationale for recommending the removal of the Poe Powerhouse area from the PRPD and into the FRRPD sphere of influence area was to utilize SR 70 as a logical boundary that could easily be identified.

Valerie Weiss, management analyst for Butte County Administration, went over the revenue figures related to removing the identified parcels from CSA 31 & CSA 34 and stated there needs to be revenue neutrality.

Chair Leverenz stated the Commission supports the two swimming pool districts and if any changes are made to the boundaries it would require a revenue sharing agreement between the County & the District.

Deborah Ingvaldsen, residing on Yankee Hill Road, stated she wanted to thank the Commission and staff for the attention the residents have received for their area. Ms. Ingvaldsen stated she would like to see the new money [from the proposed boundary changes] earmarked for their area.

Tom Blixt with Butte County Public Works, stated he previously administered CSA 31 & CSA 34 and he has no problem with the sphere of influence changes as long as the change does not affect revenue for the two County Service Areas. Chair Leverenz stated if an annexation were to take place the County Service Areas would need to remain solvent and Butte County and the District would need to reach a revenue sharing agreement.

Maria Solis, Butte County Auditor Controller's office, stated she wants to know if the Commission took into consideration how changes to CSA 31 & CSA 34 boundaries would affect Proposition 218. Chair Leverenz stated an application would have to come in to LAFCo from one of the districts and at that point these laws would be tested or come into play.

Scott Browne, LAFCo counsel, stated the state legislature has adopted legislation interpreting Proposition 218. The interpretation stated that Proposition 218 is not necessarily invoked by annexations. This is an interpretation the legislature has made and it has not been challenged. There is an attorney general's opinion along the lines stating that the procedure provided in Cortese-Knox-Hertzberg for protest is an effective substitute for the Proposition 218 procedure and thereby allows LAFCo to extend a tax to an area subject to those protest provisions.

Rebekah Funes, community stakeholder for the Concow/Yankee Hill area stated the community members agreed they wanted to increase the level of recreation service from inadequate to adequate. Ms. Funes stated they have invested hundreds of hours and she is disappointed that the members have to take the LAFCo recommendations to both recreation and park districts. Ms. Funes stated she wanted to thank LAFCo for the attention given to the members and the LAFCo recommendations given to them. Chair Leverenz explained the LAFCo limitations in forcing the districts to act on the LAFCo recommendations. Commissioner Connelly thanked Ms. Funes for all their time spent and stated if the community becomes united in one park district then the members may want to consider taking an active role in the District meetings.

Clara Barber, resident on Windy Way, shared her experience of trying to work with both the Feather River Recreation & Park District and the Paradise Recreation & Park District (PRPD) and stated she would support the Concow area being placed in the PRPD.

Emily Kelly, an employee of PRPD and resident of the Concow area, stated she works at the Concow Pool recreation area and she expressed her support for PRPD. Ms. Kelly stated the Concow Pool is one of the only services that is provided in the Concow area.

Chair Leverenz closed the public portion of the hearing.

Steve Lucas stated staff recommends the Commission hearing all MSR/SOI items and then taking an action after all items have been discussed as the FRRPD, PRPD, CSA 31 & CSA 34 boundaries are related.

There was discussion on the possibility of residents in the CSA areas having to pay both the CSA tax and the District tax and it was determined that issue would be resolved in the tax share agreement between the County and the District in the event of an annexation.

Steve Lucas stated the citizens within the identified Concow area can, by petition, initiate the annexation process directly through LAFCo or the Board of Supervisors can initiate the action by resolution of application on behalf of the citizens.

Steve Lucas stated in the draft FRRPD MSR/SOI plan update on page 13 the determination was that the City of Oroville is to grow at a rate of 4.6% and 1.2% is probably a more realistic growth rate for the City of Oroville.

**Commissioner Connelly made a motion to approve the Municipal Service Review and Sphere of Influence Plan Update, changes including both additions and reductions in the FRRPD Sphere of Influence and change the growth rate for Oroville to 1.2%. The motion was seconded by Commissioner Duncan.**

There was discussion relating to the Sphere of Influence Plan on page 3 of the staff memorandum. Commissioner Dolan expressed her difference on the findings and stated she objects to taking area out of the County Service Areas.

Commissioner Connelly stated there's a net reduction in land mass for FRRPD, there's a need for a trail system along the Feather River, and historically there have been recreation opportunities provided in Oroville by FRRPD for Gridley & Biggs.

**The motion was defeated by the following vote:**

**AYES:** Commissioners Connelly, Frith and Chair Leverenz  
**NOES:** Commissioners Lotter, Duncan, Sweany, and Dolan  
**ABSENT:** None  
**ABSTAINS:** None

**Commissioner Duncan made a motion to approve the Municipal Service Review and Sphere of Influence Plan update- including the SOI recommendations relating to Paradise Recreation & Park District and deleting the changes to the Sphere of Influence boundaries for CSA No. 31 & CSA No. 34. Commissioner Sweany seconded the motion and the motion carried by the following vote:**

**AYES:** Commissioners Lotter, Duncan, Connelly, Sweany, Frith, Dolan, and Chair Leverenz  
**NOES:** None  
**ABSENT:** None  
**ABSTAINS:** None

### **3.2 Review and Consideration of the Draft Municipal Service Review and Sphere of Influence Plan Update for the Paradise Recreation and Park District.**

Steve Lucas stated the PRPD MSR/SOI plan update was continued from the April meeting in order to allow staff time to meet with the stakeholders in the Concow/Yankee Hill area. Steve Lucas summarized the staff report and explained how the staff came up with the proposed boundary changes and additional determinations. Steve Lucas thanked the community for meeting with staff and providing a tremendous amount of input.

**Commissioner Lotter made a motion to accept the proposed boundary changes and additional determinations and continue this item to the July 2, 2009 LAFCo meeting. Commissioner Duncan seconded the motion and the motion carried by the following vote:**

**AYES:** Commissioners Lotter, Duncan, Connelly, Sweany, Dolan, and Chair Leverenz  
**NOES:** None  
**ABSENT:** None  
**ABSTAINS:** None

**3.3 Review and Consideration of the Draft Municipal Service Reviews and Sphere of Influence Plan Updates for County Service Areas No. 31 (Schohr's Pool) and County Service Area No. 34 (Gridley Swimming Pool). (Continued from the May 7, 2009 LAFCo meeting)**

Steve Lucas stated there are no long term capital improvement funds for either pool district for the purpose of major facility repairs and/or total pool replacement and this represents a serious hurdle for the long term provision of pool services.

Commissioner Dolan stated the issue of changing the two CSA boundaries was never brought before the governing boards – Butte County Board of Supervisors, Butte County Fair Board or Biggs School District.

**Commissioner Lotter made a motion to approve the resolution, deleting the proposed changes to the Sphere of Influence boundaries for CSA 31 & CSA 34 and keeping the SOI boundaries as they are now. The motion was seconded by Commissioner Sweany. The motion carried with the following vote:**

<b>AYES:</b>	Commissioners Lotter, Duncan, Beck, Frith, Dolan, and Chair Leverenz
<b>NOES:</b>	Commissioner Connelly
<b>ABSENT:</b>	None
<b>ABSTAINS:</b>	None

**4. REGULAR AGENDA**

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

**5. Public Comment on Items not on the Agenda -**

Vene Thomson, Feather River Recreation & Park District board member, stated he wanted to thank the Commission & LAFCo staff for all the help in working with the District in getting the impact fees through the City of Oroville and stated yesterday they received their first impact fee through the city.

**6. Reports and Communications**

**6.1 Executive Officer's Report**

Steve Lucas, LAFCo Executive Officer, summarized the Executive Officer's Report.

Steve Lucas gave an update to the election process for a Special District Regular and Alternate Commissioner member and stated we did receive a quorum of ballots but unfortunately it resulted in a three-way tie for the regular member seat. Staff will create a new ballot.

Steve Betts provided an update to the Oroville Region Sewer MSR update and stated the MSR update is progressing and they are working on a development agreement between SC-OR and the entities with the comments due back by July 1<sup>st</sup>. The development agreement will be incorporated into the MSR.

Steve Lucas gave an update to the City of Oroville Municipal Service Review (MSR) and stated staff expects to bring back the review at the August or September LAFCo meeting, depending on the complexity of the comments received. Steve Lucas stated the MSR will need to be noticed again due to the lapse in time.

Chair Leverenz underscored that the Commission appreciates the staff's continued efforts to bring the parties together and stated it was evident in the MSR for the recreation districts the importance of the Commission encouraging LAFCo staff to continue participation with the groups in an attempt to get rid of problems before they are created.

**6.2 Correspondence – None**

**7. ADMINISTRATION – None**

**8. ADJOURNMENT**

There being no further business, the meeting was adjourned at 10:57 a.m. to the July 2, 2009 regularly scheduled meeting.

**LOCAL AGENCY FORMATION COMMISSION**



---

**By: Stephen Lucas, Executive Officer**

Minutes prepared by Joy Stover, LAFCO Commission Clerk