

BUTTE LOCAL AGENCY FORMATION COMMISSION
Minutes of March 3, 2011

1. CALL TO ORDER

Chair Leverenz called the meeting to order at 9:00 a.m., on March 3, 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.

Absent: Commissioners Connelly and Lambert. Alternate Commissioners Steel, Gill, Yamaguchi and Schwab

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 January 6, 2011

2.2 Acceptance of Independent Auditor's Report and Financial Statements for Fiscal Years ending June 30, 2010 and 2009.

Commissioner Duncan asked if the cost for preparing the audit was included in the Staff Report. Jill Broderson stated the cost was \$6900.00.

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

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 – None

4. REGULAR AGENDA

4.1 Items Removed from the Consent Agenda – None

4.2 Appointment of Budget Committee for the 2011/12 Fiscal Year and Adoption of the LAFCO Budget Process Time Line.

Commissioners Duncan, Fichter, Connelly, Chair Leverenz and Alternate Commissioner Steel were appointed to the Budget Committee. It was noted the Budget Committee is scheduled to meet at the LAFCo office on March 16th at 10:00 a.m.

Commissioner Steel arrived at this time.

Commissioner Sweany made a motion to adopt the LAFCO Budget Process Time Line. The motion was seconded by Commissioner Lotter.

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

4.3 11- 02 MS – Lake Oroville Area Public Utility District Municipal Service Review and Sphere of Influence Plan Update.

Steve Lucas stated this item is being brought to the Commission today as an informational only item. A review of the District's proposed service area was shown that conforms more or less with the Butte County General 2030 Plan that was recently adopted by the County. This will be our starting point and the Commission has the ability to look at this as we go through the public review process and either reduce the area or enlarge it, taking into consideration the constraints of the environmental document.

Steve Betts, LAFCo Deputy Executive Officer, stated staff sent out a request for proposals for a draft EIR to eight consultants on Feb. 2nd and the deadline for submitting those proposals to LAFCo is March 4th. We received the first proposal this morning and hopefully we will receive at least two more proposals.

Alternate Commissioner Schwab arrived at this time.

5. PUBLIC COMMENTS NOT ON THE AGENDA – None

6. REPORTS AND COMMUNICATION

6.1 Executive Officer's Report –

Steve Lucas mentioned there was a burglary attempt at the LAFCo building and there were some security issues with the building that have been or are currently being taken care of.

Commissioner Duncan asked if anything was lost. Steve Lucas explained nothing was lost in the LAFCO office as the attempt to break in through the LAFCo door was abandoned. The main door was damaged in the process.

Steve Lucas mentioned Commissioner Duncan attended the CALAFCO Board of Directors annual Strategic Workshop and staff intends to agendaize this item at the next LAFCo meeting to go over some items that were discussed during the Workshop. Commissioner Duncan stated he agrees to having this item brought back for the next LAFCo meeting.

Steve Lucas stated the Commission has several term expirations coming at the end of May 2011 for several Commissioner Members. Staff has initiated the nomination process and contacted the appropriate entities.

Under Project Notes, Steve Lucas mentioned the City of Chico application for Extended Services by Contract (*File No. 11-04*) which was denied by the Commission recently as the Commission determined it is more feasible to annex the parcel on Stewart Avenue. The Commission's sentiment was that the parcel was contiguous to the City boundaries.

Chair Leverenz stated as he understands the code section, the Commission is required to make some findings, one of which is that the parcel was not annexable to the City, in order to allow the city to extend the service and in this particular case the parcel was determined to be annexable.

Steve Lucas stated this is not an agendaized item and no action can be taken on this at this time. Steve Lucas stated LAFCo staff has had three very productive meetings with the City and a County representative was in attendance in the last meeting. The discussions have focused on the implementation of a master sewer service extension agreement between the City and LAFCo that would allow individual sewer connections to occur when necessary without immediate annexation. Annexation timeframes have been discussed to ensure so that these islands don't stay around in perpetuity.

Chair Leverenz stated the law is clear and the City is not supposed to be hooking up sewer connections without LAFCO approval as it violates the government code. The Commission approval is supposed to be consistent with LAFCO policies and state law.

Ann Schwab, Mayor of the City of Chico stated she has not been directly involved in these meetings but she has been briefed and the LAFCo Chairman has summarized it all fairly well. Ann Schwab stated the City wants to have an annexation plan but there are a lot of factors that have to go into the plan. The City needs to determine how they will provide the services for the residents that will be annexed and to have benchmarks established.

Chair Leverenz stated he understands the mechanics of how the City has to go through their processes and hopefully the City can come up with a timeframe for when the City can provide those services. Chair Leverenz stated he would not be comfortable with seeing several hundred parcels hooked up to the sewer without some type of agreement or commitment in place by June or July of this year, when this is supposed to start happening.

Quene Hansen, a Project Manager with the City of Chico, expressed the City's understanding of the concerns that the Commission has and the City is meeting weekly with LAFCo Staff and County Staff in an effort to come up with an Annexation Plan that can be used for the upcoming island area sewer connections. In the interim timeframe, the City needs to establish some sort of agreement and they believe they can have an

annexation plan within LAFCo's timeframe or before. The City is going to be contacting the Stewart Avenue parcel owner to ask them to start the annexation process of that parcel.

Chair Leverenz stated he is sensitive to the need to hook these properties up but every time the City connects to sewer without LAFCO approval it goes against the Government Code.

Quene Hansen stated the City is trying to assist the property owners that have had the Nitrate Action Plan order placed on there properties. The City is looking at those parcels more closely. June is when the Chapman/Mulberry area construction is proposed to begin and the City is anticipating a large number of property owners to ask for applications to connect to the sewer.

Fritz McKinley, Director of Building Development Services, states he understands the concerns the Commission has regarding the near term and the islands that are out there. It is paramount that they continue to meet and work through the verbiage for the agreement. The annexation plan will be taken before the Commission, the County Supervisors and the City Council. Fritz McKinley stated he understands that communication has not been the best in the past and that is what we are trying to accomplish here today to ensure communication continues to happen.

Steve Lucas mentioned the California Water Environment Association award presented to SC-OR for "Wastewater Treatment Plant of the Year".

Commissioner Duncan stated CALAFCO agreed to no increases in CALAFCO fees for the coming year.

6.2 Correspondence –

A. January 28, 2011 Letter of Support for Ray Sousa for Sam Norris Award

7. ADMINISTRATION – None

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:36 a.m. to the April 14, 2011 regularly scheduled meeting.

LOCAL AGENCY FORMATION COMMISSION


By: **Stephen Lucas, Executive Officer**

Minutes prepared by Joy Stover, LAFCO Commission Clerk