

# AGENDA

## LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS

Regular Meeting Scheduled 2:00 p.m. August 11, 2020  
1960 Elgin Street, Oroville, CA 95966

Materials related to an item on the open meeting agenda that are provided to the Board of Directors, including those provided to the Board after distribution of the agenda packet, are available on the District website.

During this difficult time, due to the shelter in place orders, we invite you to join today's scheduled meeting via Zoom by using your phone to attend the meeting.

Please call the District office at **(530) 533-2000** for assistance in participating in the teleconference.

Dial in: 1-669-900-9128  
Meeting ID: 892 7567 8981  
Meeting Password: 856053

To ensure that our meetings are as orderly as possible, and to enable public participation at the proper times during the meeting, we are asking that everyone take a moment to ensure your line stays muted until public comment is invited. When it comes time for public comment, we will leave enough time for participants to unmute and speak to the entire group and our board. Because attendees cannot see each other's mute status, we will simply need to be patient as we wait in between comments, and do our best not to speak over each other. Please state your name for the record before sharing comments. We're committed to keeping the public engaged throughout this crisis and appreciate your help in making that happen.

### ACTION ITEMS

1. **SALUTE TO THE FLAG OF THE UNITED STATES OF AMERICA**  
The meeting will open with a salute to the flag of the United States of America.
2. **MOMENT OF SILENCE**  
The Board of Directors will observe a moment of silence.
3. **ROLL CALL AND ACKNOWLEDGMENT OF VISITORS**  
Individuals will be provided the opportunity to address the Board regarding matters not scheduled on the agenda. No action will be taken by the Board on these matters; however, the Board may ask questions for clarification and refer to staff or other resources for information and request staff report at a subsequent meeting. Comments on items scheduled on the agenda may be made as they are considered by the Board.

**4. CONSENT AGENDA**

All items listed under the Consent Agenda are considered routine and will be enacted by one motion unless an item is removed. Consent agenda items will be read by title only. There will be no separate discussion of these items unless members of the Board or person in the audience request specific items to be removed from the Consent Agenda to the Regular Agenda for separate discussion, prior to the time the Board votes on the motion to adopt the Consent Agenda. If any item(s) is removed from the Consent Agenda, the item(s) will be considered immediately following action on the Consent Agenda.

**4.1 BOARD MEETING MINUTES- REGULAR BOARD MEETING OF JULY 14, 2020.**

**4.2 FINANCIAL REPORT-MONTH ENDING JULY 31, 2020**

**4.3 PAYMENT OF WARRANTS-MONTH ENDING JULY 31, 2020**

**5. ITEMS REMOVED FROM CONSENT AGENDA**

*DISCUSSION WITH POSSIBLE ACTION*

**6. RIVER RANCH UPDATE**

General Manager McCutcheon and Engineer Knibb will give a status update on the River Ranch Project.

*DISCUSSION WITH POSSIBLE ACTION*

**7. CLOSED SESSION – GOVERNMENT CODE § 54957**

The Board shall convene in closed session to conduct General Manager, Scott McCutcheon’s performance evaluation.

*DISCUSSION WITH POSSIBLE ACTION*

**8. REQUEST FOR REIMBURSEMENT FOR EDUCATIONAL EXPENSE – BOARD POLICY #2120**

The Board will review and consider approving the General Manager’s request for reimbursement pursuant to Board Policy No. 2120 “Educational Expense.”

*DISCUSSION WITH POSSIBLE ACTION*

**9. CITY OF OROVILLE – LINCOLN AVENUE ANNEXATION**

The Board will review and comment on the documents from LAFCo regarding the annexation of approximately 14 acres into the District.

*DISCUSSION WITH POSSIBLE ACTION*

**10. COVID 19 UPDATE**

General Manager McCutcheon will provide an update to Board on the District's response to the COVID 19 pandemic.

*DISCUSSION WITH POSSIBLE ACTION*

**11. REQUEST AUTHORIZATION TO HIRE AT AN ADVANCED STEP SALARY RANGE**

The Board will consider authorizing the General Manager to hire at an advanced step salary range.

*DISCUSSION WITH POSSIBLE ACTION*

**REPORTS AND CONSULTATIONS**

**12. SC-OR COMMISSIONERS' REPORT**

**13. BCSDA REPRESENTATIVE & LAFCO COMMISSIONER REPORTS**

**14. BOARD MEMBERS, MANAGERS AND STAFF COMMENTS**

- FIELD OPERATIONS SUPERVISOR REPORT
- FACILITIES TOUR

**15. BOARD MEETING ADJOURNMENT**



## **Manager's Report**

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 1 – Salute To The Flag Of The United States



## **Manager's Report**

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020  
RE: Item No. 2 – Moment Of Silence



## **Manager's Report**

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 3 – Roll Call And Acknowledgment Of Visitors



## Manager's Report

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020  
  
RE: Item No. 4 – Consent Agenda

Item No. 4.1 **Board Meeting Minutes** - Minutes from the July 2020 regular board meeting are included for the Board's review and approval.

Attachment Included

Item No. 4.2 **Financial Report** - Profit and Loss report through July 31, 2020 is ready for review, comment, and approval.

Attachment Included

Item No. 4.3 **Payment of Warrants** - The pending July 31, 2020 Claims and Warrants are attached for review and Board approval for payment.

Attachment Included

**UNADOPTED  
LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS REGULAR MEETING  
July 14, 2020**

**CALL TO ORDER**

President Kuehner called the meeting to order at 2:00 P.M. Directors present were Fairbanks, Hosley, Mastelotto and Sharman. Manager McCutcheon, Field Operations Supervisor Sanders, District Engineer Knibb, Accounts Payable Clerk Hamblin, Office Clerk Kahalekulu and Clerk of the Board Quigley represented the District.

**SALUTE TO THE FLAG**

President Kuehner led the meeting with the salute to the flag.

**MOMENT OF SILENCE**

President Kuehner asked the Board to observe a moment of silence.

**OATH OF OFFICE**

Notary Public Cynthia Quigley completed the Certificate of Appointment and administered the Oath of Office to Director Don C. Hosley

**CONSENT AGENDA**

The Board reviewed the minutes of the Regular Board Meeting of June 9, 2020 and the Special Board Meeting of July 2, 2020, the Financial Report and the Warrant List for month ending June 30, 2020. After discussion, it was moved by Director Fairbanks and seconded by Director Mastelotto that the items on the consent agenda be approved as presented. The motion passed with the following roll call vote,

Ayes: Directors Fairbanks, Hosley, Kuehner, Mastelotto, and Sharman.

**CLOSED SESSION – GOVERNMENT CODE 54956.9**

President Kuehner moved the meeting into closed session at 2:08 P.M.

President Kuehner returned the meeting to open session at 3:02 P.M., stating that direction was given to legal counsel.



**REQUEST AUTHORIZATION TO HIRE AT AN ADVANCE STEP SALARY RANGE**

Manager McCutcheon noted the District would soon be advertising for a new Operator. He requested authorization to hire an Operator at a step range that is greater than the first step in order to fill the position with a qualified candidate.

After discussion, it was moved by Director Kuehner and seconded by Director Fairbanks to authorize the General Manager to hire an Operator at a step salary range necessary to obtain a qualified applicant. The motion passed with the following vote,

Ayes: Directors Fairbanks, Hosley, Kuehner, Mastelotto, and Sharman.

**SC-OR COMMISSIONERS' REPORT**

Director Kuehner stated that elections were held and he was elected to a Voting Commissioner and Director Fairbanks was moved to a Stand-By Commissioner.

**BCSDA REPRESENTATIVE & LAFCO COMMISSIONER REPORTS**

No Discussion.

**QUARTERLY INVESTMENT SCHEDULE AND CASH FLOW ANALYSIS**

No Discussion

**BOARD MEMBERS AND STAFF COMMENTS**

Field Operations Supervisor Sanders updated the Board on the status of the Hanging Tree Pump Station and the Field Operations Activity Report for June 2020.

**ADJOURNMENT**

There being no further business to come before the Board the meeting was adjourned at 3:11 P. M.

Respectfully submitted,

Cindy Quigley,  
Clerk of the Board

Lake Oroville Area Public Utility District  
**Profit & Loss Budget Performance**  
July 2020

	<u>Jul 20</u>	<u>Budget</u>	<u>Jul 20</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
41100 · Sewer Service Charge	126,398.83	126,535.00	126,398.83	126,535.00	1,518,420.00
41150 · Pumping Charge	10,670.63	10,674.00	10,670.63	10,674.00	128,088.00
41200 · Kelly Ridge Pumping Chg (Taxes)	4,083.75	0.00	4,083.75	0.00	45,000.00
41250 · Permit/Inspection Fees	0.00	0.00	0.00	0.00	0.00
41300 · Connection Fee	-496.57	0.00	-496.57	0.00	0.00
41350 · Other Services	0.00	0.00	0.00	0.00	0.00
41400 · Sales	10.90	0.00	10.90	0.00	0.00
<b>Total Income</b>	<u>140,667.54</u>	<u>137,209.00</u>	<u>140,667.54</u>	<u>137,209.00</u>	<u>1,691,508.00</u>
<b>Gross Profit</b>	140,667.54	137,209.00	140,667.54	137,209.00	1,691,508.00
<b>Expense</b>					
60000 · Office Salaries & Wages	28,089.28	27,534.00	28,089.28	27,534.00	272,834.00
61000 · Field Salaries & Wages	22,772.25	29,190.00	22,772.25	29,190.00	343,012.00
62000 · Office Emp Benefits	19,752.39	26,191.00	19,752.39	26,191.00	222,082.00
63000 · Field Emp Benefits	17,408.34	20,105.00	17,408.34	20,105.00	237,135.00
64000 · Professional Services	7,287.42	14,500.00	7,287.42	14,500.00	172,800.00
65000 · Utilities	11,695.21	7,874.00	11,695.21	7,874.00	94,488.00
66000 · Services & Supplies	871.80	18,300.00	871.80	18,300.00	106,195.00
67000 · Training/Membership/Fees	6,156.07	8,950.00	6,156.07	8,950.00	82,700.00
68000 · Operations and Maintenance	7,242.16	14,000.00	7,242.16	14,000.00	105,635.00
69000 · Fuel, Oil, Grease & Auto	4,020.39	4,500.00	4,020.39	4,500.00	55,500.00
<b>Total Expense</b>	<u>125,295.31</u>	<u>171,144.00</u>	<u>125,295.31</u>	<u>171,144.00</u>	<u>1,692,381.00</u>
<b>Net Ordinary Income</b>	15,372.23	-33,935.00	15,372.23	-33,935.00	-873.00
<b>Other Income/Expense</b>					
<b>Other Income</b>					
70100 · Capacity Charge	0.00	0.00	0.00	0.00	0.00
70110 · Annexation Fee	0.00	0.00	0.00	0.00	0.00
70150 · Sewer Service Late Fees	-10.27	0.00	-10.27	0.00	0.00
70200 · Interest	0.00	0.00	0.00	0.00	25,498.00
70250 · RD Surcharge	30,144.70	30,179.00	30,144.70	30,179.00	362,148.00
70300 · Other Income	365.84	0.00	365.84	0.00	0.00
70349 · Taxes (Parent Account for Taxes Received)	15,635.21	0.00	15,635.21	0.00	245,600.00
75000 · Special Income	0.00	0.00	0.00	0.00	0.00
75100 · Gain/Loss Sale of Fixed Assets	0.00	0.00	0.00	0.00	0.00
<b>Total Other Income</b>	<u>46,135.48</u>	<u>30,179.00</u>	<u>46,135.48</u>	<u>30,179.00</u>	<u>633,246.00</u>
<b>Other Expense</b>					

## Lake Oroville Area Public Utility District Profit & Loss Budget Performance July 2020

	<u>Jul 20</u>	<u>Budget</u>	<u>Jul 20</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
80100 - Capitalized Expenditure	22,261.25	7,090.00	22,261.25	7,090.00	88,893.00
80150 - District Projects CIP	0.00	50,000.00	0.00	50,000.00	557,780.00
80200 - Loan Principal	60,000.00	60,000.00	60,000.00	60,000.00	60,000.00
80250 - Loan Interest Expense	52,700.00	52,700.00	52,700.00	52,700.00	104,125.00
82000 - SC-OR Excess Flow Surcharges	0.00	0.00	0.00	0.00	0.00
85000 - Special Expense	0.00	0.00	0.00	0.00	0.00
<b>Total Other Expense</b>	<u>134,961.25</u>	<u>169,790.00</u>	<u>134,961.25</u>	<u>169,790.00</u>	<u>810,798.00</u>
<b>Net Other Income</b>	<u>-88,825.77</u>	<u>-139,611.00</u>	<u>-88,825.77</u>	<u>-139,611.00</u>	<u>-177,552.00</u>
<b>Net Income</b>	<u><b>-73,453.54</b></u>	<u><b>-173,546.00</b></u>	<u><b>-73,453.54</b></u>	<u><b>-173,546.00</b></u>	<u><b>-178,425.00</b></u>
64400 - Depreciation	47,000.00	47,000.00	47,000.00	47,000.00	564,000.00
<b>Change in Net Assets</b>	<u><b>-120,453.54</b></u>	<u><b>-220,546.00</b></u>	<u><b>-120,453.54</b></u>	<u><b>-220,546.00</b></u>	<u><b>-742,425.00</b></u>

# Claims & Warrants

August 11, 2020		Five Star Bank		
General Fund				
Warrant No.	Vendor	Description	Amount	
021726	VOID	VOID	VOID	
021727	Donald Bernard	Deposit on Carport	\$308.76	
021728	Better Deal Exchange	Repairs & Maintenance	\$97.26	
021729	Butte County Treasurer	LAFCO Op Expense	\$2,300.40	
021730	Comer's Print Shop	Office Supplies	\$3,982.60	
021731	Data Tree	Office Expense	\$99.00	
021732	Englund Chiropractic	DMV Physicals	\$190.00	
021733	Les Schwab	Repairs & Maintenance	\$563.65	
021734	MME	Repairs & Maintenance	\$435.28	
021735	Nelson's Footwear	Boots- Tomlinson	\$300.00	
021736	PG & E	Utilities	\$5,036.81	
021737	Recology	Utilities	\$85.16	
021738	Tractor Supply	Pants - Broderson	\$113.63	
021739	Umpqua Bank	R & M, Office Expense, Operating Expense	\$9,034.77	
021740	Broderson, Robert	PPE 7/15/2020	\$2,126.44	GROSS \$1,428.43
021741	VOID	VOID	VOID	
021742	VOID	VOID	VOID	
021743	Tomlinson, Levi	PPE 7/15/2020	\$3,334.92	GROSS \$2,380.71
021744	Hamblin, Kelly	PPE 7/15/2020	\$1,946.53	GROSS \$1,274.87
021745	VOID	VOID	VOID	
021746	Kahalekulu, Darin	PPE 7/15/2020	\$2,682.33	GROSS \$1,779.40
021747	Cleanrite Buildrite	Repairs & Maintenance	\$3,816.37	
021748	Regas Group	Repairs & Maintenance	\$550.00	
021749	Alhambra	Office Expense	\$89.67	
021750	Better Deal Exchange	Repairs & Maintenance	\$21.63	
021751	Kystinz	Safety Supplies	\$844.85	
021752	VOID	VOID	VOID	
021753	PayGov	June Fees	\$672.53	
021754	Sauer Engineering	Engineering Serves - June	\$25,880.00	
021755	Sharp's Locksmithing	Repairs & Maintenance	\$71.93	
021756	Answerline	Office Expense	\$272.55	
021757	AT&T	Utilities	\$688.90	
021758	Better Deal Exchange	Repairs & Maintenance	\$41.73	
021759	Blue Shield	Insurance	\$10,997.18	
021760	Minasian Meith Et Al	June Services	\$1,568.00	
021761	Miry's Cleaning Services	03/01 - 06/30 office expense	\$1,040.00	
021762	MME	Repairs & Maintenance	\$44.38	
021763	O'Reilly Auto Parts	Repairs & Maintenance	\$30.29	
021764	Orenco Systems	Repairs & Maintenance	\$993.14	
021765	Riebes Auto Parts	Repairs & Maintenance	\$155.00	
021766	South Feather Water and Power	Utilities	\$58.80	
021767	Streamline	Office Expense	\$200.00	
021768	Levi Tomlinson	Vision Benefit	\$227.25	
021769	VOID	VOID	VOID	
021770	American Carport Inc	Generator Cover	\$3,002.69	
021771	Robert Broderson	Vision Benefit	\$189.89	
			Subtotal	\$80,867.51

# Claims & Warrants

August 11, 2020

General Fund

Warrant No.

021772	Butte County Public Health	CUPA fees			\$2,886.00
021773	California Water Service	Utilities			\$80.63
021774	South Feather Water and Power	Utilities			\$24.84
021775	VOID				VOID
021776	USA North 811	Membership			\$969.67
021777	Xerox	Office Expense			\$176.06
021778	All Metals	Repairs & Maintenance			\$22.72
021779	Pace Supply	Repairs & Maintenance			\$1,627.74
021780	Broderson, Robert	PPE 7/31/2020	\$2,317.48	GROSS	\$1,539.31
021781	Tomlinson, Levi	PPE 7/31/2020	\$3,134.12	GROSS	\$2,221.37
021782	Hamblin, Kelly	PPE 7/31/2020	\$1,946.53	GROSS	\$1,274.87
021783	Kahalekulu, Darin	PPE 7/31/2020	\$2,682.33	GROSS	\$1,779.40
021784	Fairbanks, Dee	PPE 7/31/2020	\$400.00	GROSS	\$365.40
021785	Sharman, Bill	PPE 7/31/2020	\$400.00	GROSS	\$365.40
021786	Aflac	Insurance			\$467.20
021787	H S A Bank	Insurance			\$833.32
021788	Patelco	Insurance			\$1,249.98

DD1042	MC CUTCHEON, SCOTT	PPE 7/15/2020	\$4,093.38	Gross	\$2,432.31
DD1043	QUIGLEY, CINDY	PPE 7/15/2020	\$2,985.67	Gross	\$1,824.67
DD1044	RACKLEY, ANN	PPE 7/15/2020	\$450.77	Gross	\$383.70
DD1045	SANDERS, DAN	PPE 7/15/2020	\$3,735.33	Gross	\$2,125.09
DD1046	SMITH, DAN	PPE 7/15/2020	\$2,717.44	Gross	\$1,901.04
DD1047	MC CUTCHEON, SCOTT	PPE 7/31/2020	\$4,093.38	Gross	\$2,432.31
DD1048	QUIGLEY, CINDY	PPE 7/31/2020	\$2,985.67	Gross	\$1,824.68
DD1049	RACKLEY, ANN	PPE 7/31/2020	\$450.77	Gross	\$644.80
DD1050	SANDERS, DAN	PPE 7/31/2020	\$3,735.33	Gross	\$2,125.11
DD1051	SMITH, DAN	PPE 7/31/2020	\$3,149.76	Gross	\$2,183.24
DD1052	HOSLEY, DON	PPE 7/31/2020	\$400.00	Gross	\$357.40
DD1053	KUEHNER, LARRY	PPE 7/31/2020	\$400.00	Gross	\$365.40
DD1054	ANGIE MASTELOTTO	PPE 7/31/2020	\$400.00	Gross	\$365.40

Subtotal \$115,716.57

# Claims & Warrants

1001608094	CA Public Employers' Retirement System	Classic	\$2,170.87
1001608096	CA Public Employers' Retirement System	Pepra	\$1,928.40
1001621679	CA Public Employers' Retirement System	Classic	\$2,170.88
1001621680	CA Public Employers' Retirement System	Pepra	\$2,028.13
1001608093	CA Public Employers' Retirement System	Unfunded Liability Classic	\$11,207.01
1001608097	CA Public Employers' Retirement System	Unfunded Liability Pepra	\$75.04
1001608095	CalPERS 457		\$1,994.26
1001621681	CalPERS 457		\$2,019.06
1641635360	EDD	State P/R Taxes	\$1,020.25
1303054624	EDD	State P/R Taxes	\$1,116.15
270059950593654	US Treasury	Federal P/R Taxes	\$5,601.22
270051615249000	US Treasury	Federal P/R Taxes	\$6,087.76
Subtotal			\$153,135.60

GENERAL CHECKING ACCT FSB \$153,135.60

THE ABOVE CLAIMS AND WARRANTS WERE APPROVED AT A REGULAR MEETING OF  
THE LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT HELD ON AUGUST 11, 2020

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
DIRECTOR



## **Manager's Report**

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 5 – Items Removed From Consent Agenda



## **Manager's Report**

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020  
  
RE: Item No.6 – River Ranch Project Update

Manager McCutcheon and Engineer Knibb will give an update on the River Ranch Project.

*Recommended Action: None*





## **Manager's Report**

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 7 - Closed Session - Government Code § 54957

The District Board of Directors and General Manager, Scott McCutcheon, will convene to closed session to conduct the manager's performance review.

*Recommended Action:* No Action Requested



## Manager's Report

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020

RE: Item No. 8 - Request For Reimbursement for Educational Expenses

Policy 2120 'Educational Expense' allows for reimbursement up to \$1000 per calendar year for qualified expense. Manager McCutcheon is requesting reimbursement for courses taken as part of his pursuit for an MBA.

### Attachment Included

*Recommended Action:* Authorize reimbursement of expenses not to exceed \$1000 per Policy 2120 'Educational Expense'.

**BOARD POLICY**  
**Lake Oroville Area Public Utility District**

**TITLE: EDUCATIONAL ASSISTANCE**  
**ADOPTION DATE: AUGUST 14, 1985**

**NUMBER: 2120**  
**AMENDED DATE: December 13, 2011**

- 2120.1** Employees of the District are encouraged to pursue educational opportunities which are related to their present work, which prepare them for foreseeable future opportunities within the District, or which will prepare them for future career advancement.
- 2120.2** The District will reimburse for approved courses on the following criteria:
- 2120.2.1** A refund of the entire cost of tuition and required class materials will be made if the employee received a grade of "B" or better for the course, or receives a certificate of completion for the class.
  - 2120.2.2** A refund of one-half of the tuition fee will be made if the employee receives a grade of "C" for the course.
  - 2120.2.3** No refund will be made to employees who receive a grade below "C" for the course.
  - 2120.2.4** The total amount of reimbursement which will be paid to an employee is limited to \$1,000 in any calendar year.
- 2120.3** To be eligible for tuition reimbursement, the employee must receive prior approval of proposed course(s) from the General Manager. Requests for reimbursement should be submitted in writing. The employee will be notified of final approval, or the reasons for disapproval. Those requests which are received after the beginning of the course will be eligible for only one-half (1/2) of the above reimbursement.
- 2120.4** Upon completion of the course(s), the employee is responsible for sending copies of the grade slip(s) or certificates of completion with class registration receipt(s) to the General Manager.
- 2120.5** Two types of courses are generally eligible for reimbursement:
- 2120.5.1** Courses which in themselves are related to the employee's present work assignment or which may prepare him or her for future foreseeable opportunities within the District. Such courses may be taken individually and need not be directed toward a degree or certification.
  - 2120.5.2** Courses which are taken as part of the requirement for a degree or certification. In this case, the employee must first have completed two full years of college level study and have reached the equivalent of the junior year.
  - 2120.5.3** Online classes that relate to 2120.5.1 and 2120.5.2 are generally eligible for reimbursement.



## **Manager's Report**

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020

RE: Item No. 9 – City of Oroville-Lincoln Avenue Annexation

Please see attached documents from LAFCo regarding the annexation of approximately 14 acres into the City of Oroville currently served by the District.

**Attachment Included**

*Recommended Action:* None

**NOTICE TO SUBJECT AND INTERESTED PARTIES**  
[Pursuant to Government Code Section 56658(b) and 56663(b)]

To: City of Oroville  
Butte County Administration  
Feather River Recreation & Park District  
Oroville Cemetery District  
Butte County Resource Conservation District  
Butte-Glenn Community College  
Oroville Union High School District  
Oroville Elementary School District  
Oroville Mosquito Abatement District  
(c/o Butte Co Mosquito & Vector Control District)  
El Medio Fire Protection District  
Lake Oroville Area Public Utility District

The Butte Local Agency Formation Commission has received an application submitted by the City of Oroville for the following project:

**21-01 – City of Oroville – Lincoln Boulevard Annexation No. 1**

Annexation of 27 parcels totaling approximately 14.2 acres to the City of Oroville for the purpose of providing municipal services for existing residential and commercial/industrial development on the property. Located in the unincorporated area of south Oroville, generally bounded by City of Oroville city limits to the north and west, Myers Street to the east and Palm Avenue to the south. Territory is identified as Assessor Parcel Numbers: 035-174-001, 035-175-005; 006; 011; 012; 014; 019; 020; 024; 025; 026; 028; 029; 030, 035-200-007; 013; 019; 021; 024; 027; 029; 031; 032; 033; 034; 035; 036.

Information regarding this project is on file and available for public viewing at the office of the Local Agency Formation Commission, 1453 Downer Street, Suite C, Oroville, California, or can be obtained by calling Shannon Costa, Local Government Planning Analyst at (530) 538-7784, Monday through Friday between 9:00 a.m. and 4:00 p.m.

LOCAL AGENCY FORMATION COMMISSION

*Joy Stover*

By: \_\_\_\_\_  
Joy Stover, Commission Clerk

Date: August 3, 2020

LAFCO Office Use Only

LAFCO File No: \_\_\_\_\_  
LAFCO Fees: \_\_\_\_\_  
SBE Fees: \_\_\_\_\_  
Sphere Fees: \_\_\_\_\_

Application Submitted: \_\_\_\_\_  
Application Incomplete: \_\_\_\_\_  
Application Complete: \_\_\_\_\_  
Certificate of Filing Issued: \_\_\_\_\_

**Butte Local Agency Formation Commission  
Standard Application Form**

Butte LAFCO

JUL 10 2020

Oroville, CA

1. Applicant(s): (LAFCO will send copies of the staff report to a maximum of three applicants.)

**Primary Contact of Initiating Agency**

Name: The City of Oroville  
Address: 1735 Montgomery Street, Oroville, CA 95965  
Phone No.: (530) 538-2401

**Proponents of Proposal**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone No.: \_\_\_\_\_

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone No.: \_\_\_\_\_

2. Change of Organization or other Action Requested (Please check all applicable actions related to proposal.)

- Annexation to a city
- Formation of a district
- City Incorporation
- Annexation to a district
- Formation of a County Service Area
- City Disincorporation
- Detachment from a city
- Consolidation of cities
- District Dissolution
- Detachment from a district
- Consolidation of districts
- District Merger
- Service Agreement
- Sphere of Influence Amendment
- Establishment of Subsidiary Districts

3. Authority to File Application

- Resolution of Application of Affected Agency. Certified copies of the Resolution of Application shall be included as "LAFCO Exhibit 1"; or
- Petition of landowners or registered voters shall be included as "LAFCO Exhibit 1." Complete the Petition for Change of Organization. (Note: A petition is provided as LAFCO Form L-1.)

4. Proposal Boundaries

- Provide a map of the subject territory meeting the specifications of the State Board of Equalization as listed in the Application Instructions. The boundary map shall be included as "LAFCO Exhibit 2."
- A legal description of the boundaries of the subject territory meeting the specifications of the State Board of Equalization. The legal description shall be included as "LAFCO Exhibit 3."
- Provide a Boundary Statement describing how the boundaries of this proposal were determined. (Note: One of LAFCO's major responsibilities is to insure that public agencies have logical boundaries. If your proposal would create an "island," peninsula, or other illogical boundary, you may be requested to revise the boundaries.)

## ANNEXATION SUPPLEMENT

### A. Justification

1. What is the purpose of the annexation? The proposed South Lincoln annexation area is contiguous to the City of Oroville city limits on the north and west sides. To mitigate inefficient land use patterns cause by unincorporated properties developed to an urban level, this annexation of the urbanized section of the South Lincoln area is being pursued.
2. Why or how will the proposal provide greater efficiency in the delivery of governmental services? The proposed annexation area is predominately urban and contiguous to the City limits, it will be more efficient and cost effective for the County to have the City of Oroville provide governmental services to the proposed annexation area. Furthermore, annexing this area to become part of the City will allow residents and businesses to participate in the decisions that impact not only their immediate neighborhood, but their community.
3. What governmental services, if any, will be enhanced or reduced by the change of organization? Law enforcement services, including code enforcement, local government participation, public works (street maintenance) and animal control services will be enhanced.
4. What terms or conditions, if any, are proposed for this project? The City will be required to prepare the necessary environmental review documents as required under the California Environmental Quality Act (CEQA). Pursuant to LAFCo policies and procedures, the annexation area meets the criteria of the 2000 Cortese-Knox-Hertzberg Act.

### B. Land Use

1. How many acres are proposed for annexation? 14.2
2. What is the current County General Plan Retail and Office (0.4 maximum FAR), Mixed Use (4 to 20 du/ac and 0.5 maximum FAR), Public, MU, and Industrial (0.5 maximum FAR) and zoning General Commercial (G-C), Mixed Use 3 (MU-3), Public (P), and Heavy Industrial (HI) designations on the affected parcels?
3. What is the current General Plan Mixed Use, Medium Low Density Residential (3-6 du/acres), Public, and Medium Density Residential and zoning Single Family Residential (R-1), Neighborhood Mixed Use (MXN), Public or Quasi-Public Facilities (PQ), and Medium Density Residential (up to 6 du/acre) designations on adjoining parcels?
4. What are the General Plan designation, pre-zoning, and future use of the affected parcels? The City General Plan designation is Mixed Use (MU), Retail Business Service (RBS), Public. Pre-Zoning is Neighborhood Mixed Use (MXN), Commercial Light Manufacturing (CLM), and Public or Quasi-Public Facilities (PQ), respectively.
5. Describe the existing land use on the subject parcels. The subject parcels are a mix of residential and commercial/industrial. The area is mostly developed with a few vacant lots. There are some signs of blight, such as dilapidated buildings, unkempt yards, and overgrown properties. Most of the area lacks curb, gutters and sidewalks. Drainage infrastructure is also substandard, relying on ditches, along roadways.
6. What is the estimated population number and density of the proposed annexation area? 35
7. Describe any significant land use issues that will result from the annexation area currently or in the future. It is not anticipated that any land use issues will arise as a result of annexation of the subject parcels.
8. Describe the topography of the subject area. The topography of the area is primarily consistent of developed residential lots with some areas of commercial/industrial use. The area is relatively flat with few trees and lacking curb, gutters, and sidewalks. Drainage infrastructure is also substandard.
9. Describe any concurrent land use applications. There are no known land use applications with the City for any of the proposed parcels to be annexed.

### C. Infrastructure and Public Services

1. How is storm water drainage managed on and adjacent to the proposed annexation area? As no new development is associated with the annexation area, all existing drainage systems will remain the same. The

annexation areas drainage system is currently managed by Butte County. The newly incorporated area would be included in the City's Master Drainage Plans and improvement programs.

2. How is public access provided to the proposed annexation area? Public access to the proposed annexation is from Lincoln Blvd and Myers Street.
3. How will the proposal impact regional circulation/transportation plans? The proposed annexation will not have an impact on regional circulation/transportation plans as there will be no new development associated with this annexation that could cause traffic impacts. No additional traffic will be added to area roads and no new travel routes would result from the proposed annexation.
4. Discuss how the proposal will assist the receiving entity in achieving its fair share of the regional housing needs as determined in the agency's General Plan Housing Element. The total housing growth needed for the City of Oroville during the 2014-2022 projection period, as specified in the City of Oroville 2014-2022 Housing Element is 1,793 units. Although the proposed annexation includes residentially zoned urban area, most of the parcels are developed with minimal opportunities for new development. As a result, it is likely that the existing housing that will be annexed serves the existing housing demand and will have an inconsequential impact on the ability of the City to provide additional housing to meet the projected housing growth need of the City as a whole.
5. Provide documentation that indicates adequate domestic water supplies for projected uses of the annexation area are available. The proposed annexation will not provide additional growth, nor will it change the existing services. The area's current domestic water service provider is the California Water Service Company, and they will remain the domestic water service provider if annexation is approved.
6. How will the annexation improve or hinder organized community services? The proposed annexation will organize the local area under a common set of local jurisdictional codes and regulation and will assist in the movement towards the revitalization of South Oroville. Additionally, opportunities for the enhancement of efficient and organized emergency response and public works services may result from the annexation of the subject area.
7. How will the annexation result in an improvement in social and economic integration of the annexation area? The annexation area will be part of the incorporated City of Oroville and will therefore benefit from the public amenities such as police protection, road maintenance, government opportunities (voting and participating in local public office), and City programs to encourage revitalization.
8. Please complete the following table of service providers:

<b>Service</b>	<b>Presently Provided By</b>	<b>Proposed Provider</b>
<b>Fire Protection</b>	<u>El Medio Fire Protection District</u>	<u>El Medio Fire Protection District</u>
<b>Police Protection</b>	<u>Butte County Sheriff's Department</u>	<u>City of Oroville Police Department</u>
<b>Domestic Water Service</b>	<u>California Water Service Company</u>	<u>California Water Service Company</u>
<b>Agricultural Water Service</b>	<u>N/A</u>	<u>N/A</u>
<b>Sewer Service</b>	<u>Lake Oroville Area Public Utility District (LOPUD)</u>	<u>Lake Oroville Area Public Utility District (LOPUD)</u>
<b>Solid Waste</b>	<u>Recology Butte Colusa Counties / By private contract (non-mandatory)</u>	<u>Recology Butte Colusa Counties (mandatory service, sole provider)</u>
<b>Road/Street Maintenance</b>	<u>Butte County Public Works</u>	<u>City of Oroville Public Works</u>
<b>Power</b>	<u>PG&amp;E</u>	<u>PG&amp;E</u>
<b>Street Lighting</b>	<u>Butte County</u>	<u>City of Oroville</u>
<b>Planning &amp; Zoning</b>	<u>Butte County</u>	<u>City of Oroville</u>
<b>Schools</b>	<u>Oroville Elementary / Oroville Union High</u>	<u>Oroville Elementary / Oroville Union High</u>



**D. Significant Issues**

- 1. Describe any unique issues and/or pre-existing uses or conditions such as flooding, groundwater contamination, animal keeping, agricultural uses, ecological preserves, airport activity, traffic movement, pedestrian uses, etc., that characterize the proposed annexation area. Pre-existing issues are little known at this time. The area suffers from low incomes and inadequate drainage. With a long history of heavy commercial activity, there may be soil and/or groundwater contamination in spots.
- 2. Describe any unique or special communities of interest such as day care providers or neighborhood associations that characterize the proposed annexation area. No unique or special communities of interest are known in the immediate vicinity. The annexed area will become part of South Oroville, now targeted by the City for revitalization efforts.

**E. Intergovernmental Coordination**

- 1. Identify governmental agencies that overlay the proposed annexation area, such as special districts, County supervisorial districts, county service areas, maintenance districts, others. City of Oroville Sphere of Influence; Butte County Supervisory District 1; Butte County CSA 17; Oroville Union High School District; Oroville Elementary School District; Butte County Sheriffs Department; El Medio Fire Protection District; California Water Service Company; and Lake Oroville Area Public Utility District. The City has an automatic aid agreement between the City of Oroville Fire Department, Butte County Fire Department/CAL FIRE, and the El Medio Fire Department.
- 2. Has the proposal been circulated to all affected local agencies? Yes  No
- 3. Attach any responses/comments that have been received from the affected agencies listed.
- 4. What functions of identified agencies will be duplicated as a result of the annexation?  
Fire protection services (potential)
- 5. Are there any conditions requested by affected government agencies that will substantially affect or impact the annexation area? Yes  No  (please describe) TBD
- 6. Are there any existing Contractual Agreements between the landowners and the city or district for the provision of services such as sewer or water service? Yes  No  (please describe)  
Currently all sewage services are provided by the Lake Oroville Area Public Utility District (LOAPUD) and all water services are provided by the California Water Service Company (Cal Water). Sewer and Water services will continue to be provided by these agencies. There are no known contractual agreements with any of these landowners and the city for the provision of services.

**F. Environmental Determination**

- 1. Indicate what the Lead Agency has done to comply with the requirements of the California Environmental Quality Act (CEQA).  
 Categorical Exemption                       Negative Declaration (with mitigations)  
 Environmental Impact Report                       Other, please specify \_\_\_\_\_

Copies of the complete environmental documentation prepared by the Lead Agency (including the initial study, any technical reports, and any written comments or recorded public testimony relative to the environmental documents), and a copy of the Notice of Determination/Notice of Exemption, showing the date filed with the County Clerk shall be included as "LAFCO Exhibit 4."

2. Was the environmental documentation (Notice of Intent/Notice of Preparation) circulated to the Butte Local Agency Formation Commission prior to adoption by the Lead Agency? Yes  No  (If no, please explain why.) \_\_\_\_\_
3. Attach comments received from LAFCO, if any.

**G. Fiscal Issues**

1. Does the Resolution of Application from the lead agency include documentation that the agency is in agreement with a standing Master Tax Exchange Agreement, has negotiated a tax exchange agreement, or has made a determination that the proposal is revenue neutral? Yes  No  (please describe)  
City of Oroville Resolution No. 3514 passed and adopted by the Oroville City Council at a regular scheduled meeting on February 4, 1980 approved and executed an agreement between Butte County and the City of Oroville regarding the negotiation exchange of property tax revenues (Master Tax Exchange Agreement) relating to jurisdictional changes in accordance with Section 99 (b) of the Tax and Revenue Code.
2. If this application is by petition, provide documentation of applicants' request that the affected agencies initiate tax exchange agreements, included as "LAFCO Exhibit 5."
3. To what extent will residents or landowners within the subject area be liable for any existing indebtedness of the city or district accepting the annexation? Upon annexation into the City of Oroville, property owners shall be obligated for existing City or district liability and indebtedness to the extent that existing property owners within the City of Oroville are liable for outstanding city debts.
4. Upon annexation, will the territory be included within any assessment district and be subject to assessment for the new or extended services? Yes  No  (please describe). All parcels will now be subject to the City of Oroville's Utility User Tax, equivalent to 4.5% for communications, and 5% for electricity, gas, and water. All parcels are currently assessed under CSA-17 and will continue to do so.

**H. Support or Protest**

1. Provide a list or table labeled "LAFCO Exhibit 6" of all affected property owners within the proposed annexation area that includes (Note: A sample table is provided as LAFCO Form L-2):
  - For an uninhabited annexation proposal (less than 12 registered voters):
    - ❖ Assessor's Parcel Number (APN);
    - ❖ Situs Address of parcel;
    - ❖ Property owner(s) name and mailing address(es);
    - ❖ Size of property in acres;
    - ❖ Responses in favor of annexation, opposed to annexation or no response; and
    - ❖ Assessed land value as determined by the County Assessor.
  - For an inhabited annexation proposal (more than 12 registered voters) also include:
    - ❖ Assessor's Parcel Number (APN);
    - ❖ Situs Address of parcel;
    - ❖ Property owner(s) name and mailing address(es);
    - ❖ Size of property in acres;
    - ❖ Responses in favor of annexation, opposed to annexation or no response;
    - ❖ Assessed land value as determined by the County Assessor; and
    - ❖ Number and names of Registered Voters at each site address.

**I. Public Notice Requirements**

1. Provide a mailing list of all property owners AND/OR registered voters (depending on type of annexation) located within the area to be annexed AND a separate mailing list for those properties located within 300 feet of the exterior boundaries of the area to be annexed. These mailing lists must be extracted from the most recent assessment rolls and registered voter rolls prepared by the County at the time the local agency adopts a resolution of application. Mailing lists shall be submitted with the application as "LAFCO Exhibit 7." The mailing list shall also be submitted in electronic format compatible with WordPerfect or Microsoft Word. The mailing list shall include:

- ❖ The property owners and/or registered voters name residing at address;
- ❖ Mailing address and situs address;
- ❖ The Assessor's Parcel Number; and
- ❖ Mailing labels.





**The LAFCO Application is intended to provide the Commission with all relevant data in order to make an informed decision. LAFCO staff will review each application for completeness within 30 days of submittal and inform the applicant in writing of any deficiencies or additional information required.**

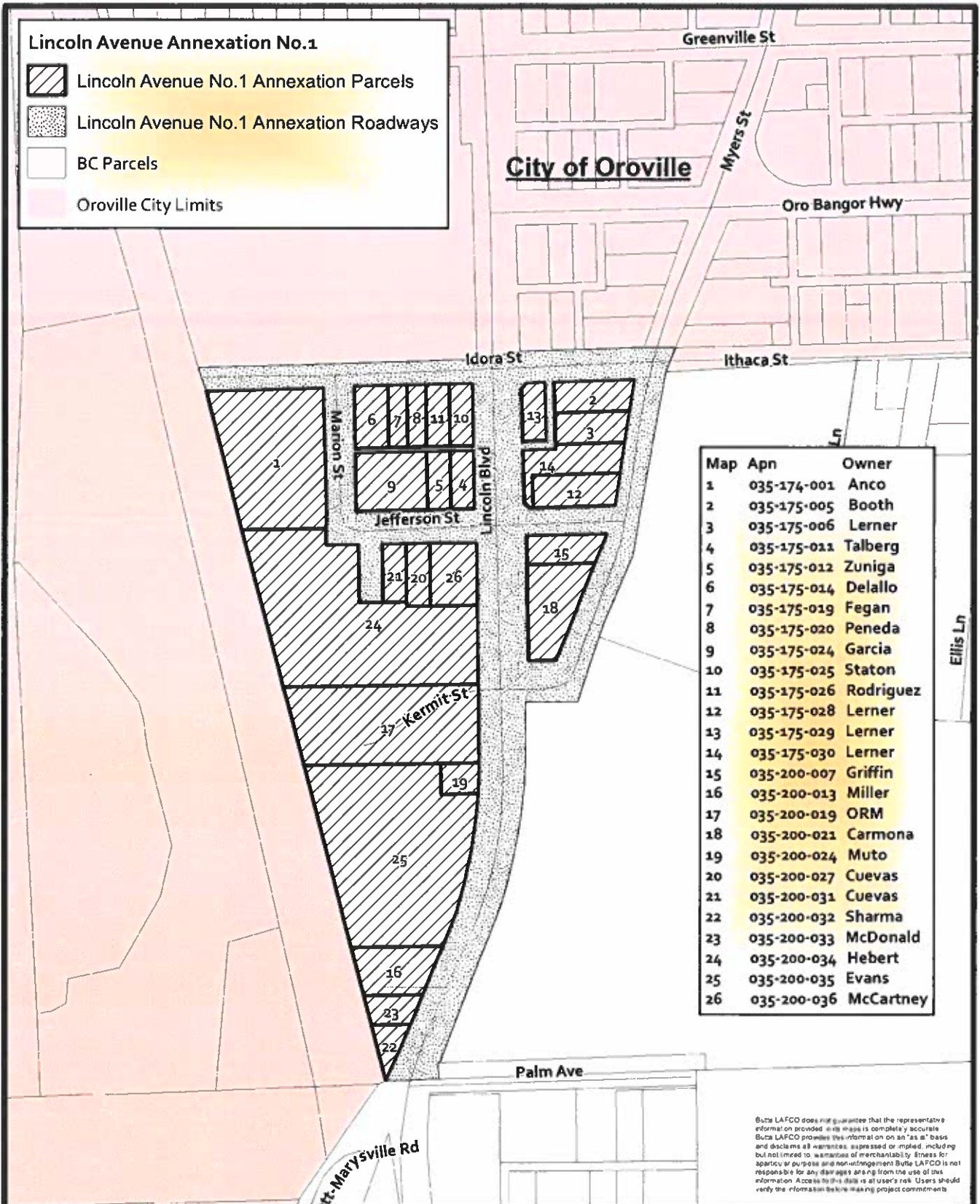
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#### **REQUIRED LAFCO EXHIBITS**

- LAFCO Exhibit 1:** Certified copies of the Resolution of Application or Petition for Change of Organization.
- LAFCO Exhibit 2:** Boundary map of annexation area.
- LAFCO Exhibit 3:** Legal description of proposed annexation area.
- LAFCO Exhibit 4:** Copies of the complete environmental documentation.
- LAFCO Exhibit 5:** Tax Exchange Agreement.
- LAFCO Exhibit 6:** List of all affected property owners and/or registered voters.
- LAFCO Exhibit 7:** Public Notice requirements mailing list.

**Lincoln Avenue Annexation No.1**

-  Lincoln Avenue No.1 Annexation Parcels
-  Lincoln Avenue No.1 Annexation Roadways
-  BC Parcels
-  Oroville City Limits



Map	Apn	Owner
1	035-174-001	Anco
2	035-175-005	Booth
3	035-175-006	Lerner
4	035-175-011	Talberg
5	035-175-012	Zuniga
6	035-175-014	Delallo
7	035-175-019	Fegan
8	035-175-020	Peneda
9	035-175-024	Garcia
10	035-175-025	Staton
11	035-175-026	Rodriguez
12	035-175-028	Lerner
13	035-175-029	Lerner
14	035-175-030	Lerner
15	035-200-007	Griffin
16	035-200-013	Miller
17	035-200-019	ORM
18	035-200-021	Carmona
19	035-200-024	Muto
20	035-200-027	Cuevas
21	035-200-031	Cuevas
22	035-200-032	Sharma
23	035-200-033	McDonald
24	035-200-034	Hebert
25	035-200-035	Evans
26	035-200-036	McCartney

Butte LAFCO does not guarantee that the representative information provided in this map is completely accurate. Butte LAFCO provides this information on an "as is" basis and disclaims all warranties, expressed or implied, including but not limited to, warranties of merchantability, fitness for a particular purpose and non-infringement. Butte LAFCO is not responsible for any damages arising from the use of this information. Access to this data is at user's risk. Users should verify the information before making project commitments.

**Butte Local Agency Formation Commission**

**City of Oroville Lincoln Avenue No. 1**



LOAPUD Ophir Road Annexation No. 2



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valco\_loapud\_ophir\_rd2\_20\_10  
loapud\_ophir\_rd2\_20\_10.mxd

Applicant: LOAPUD

Date: October 1, 2020 @ 9:00 a.m.

File: 20-10

Data: LOAPUD, LAFCO,  
Butte County



## **Manager's Report**

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020  
  
RE: Item No. 10 – COVID19-Update

Manager McCutcheon will update the board on the District's continuing response to the pandemic.

*Recommended Action:* None



## Manager's Report

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 11 – Request to Authorize Hiring at Advanced Step Salary Range

The District is currently advertising for a new Field Operations Technician.

Board Policy No. 2150 requires that the General Manager request the Board of Director's authorization to hire an employee at a step salary range that is something other than the first step of the salary range.

In accordance with Policy No. 2150, the General Manager is requesting authorization to hire a Field Operations Technician at a step range that is greater than the first step in the applicable salary range, if and when it is necessary, in order to fill the position with a qualified applicant.

*Recommended Action:* Consider the General Manager's request for authorization to hire a Field Operations Technician at a step salary range necessary to obtain a qualified applicant.



## **Manager's Report**

To: Board of Directors  
From: Scott McCutcheon, General Manager  
Date: August 11, 2020  
  
RE: Item No. 12 – SC-OR Commissioner's Report

Included in your packet, if available, are the July 2020 Minutes of the Regular Meeting of the Sewerage Commission – Oroville Region. Directors Kuehner and Fairbanks will present the SC-OR report if any information is available for reporting.

**Attachment Included**



## **Manager's Report**

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 13 – BCSDA Representatives' and LAFCo Commissioners' Report

### **13.1 BCSDA**

No Report

### **13.2 LAFCo**

The Butte LAFCo agenda for the August 6, 2020 regular meeting is attached for general information purposes.

Also included in the attachments is a report for item 6.1 Executive Officer's Report. Item 6.1 covers general business of LAFCo.

Attachment Included



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**BUTTE LOCAL AGENCY FORMATION COMMISSION**  
1453 DOWNER STREET, SUITE C, OROVILLE, CALIFORNIA 95965  
TELEPHONE (530) 538-7784 FAX (530) 538-2847

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**REGULAR MEETING NOTICE OF THE COMMISSION**

Location: **Meeting to be held via remote participation.**

Date/Time: **Thursday, August 6, 2020 - 9:00 a.m.**

**SPECIAL NOTICE**

Pursuant to California Governor Gavin Newsom's Executive Order N-29-20 issued on March 17, 2020, relating to the convening of public meetings in response to the COVID-19 pandemic, the Butte LAFCo will be conducting the August 6, 2020 LAFCo meeting by tele-conference. Each Commissioner and Staff are allowed to attend the meeting via teleconference and to participate in the meeting to the same extent as if they were present. The Commission meeting can be accessed by the public via telephone as follows:

1. Call **1-800-326-0013** and follow the instructions.
2. When prompted, enter the identification code followed by the # symbol: **8892595#**
3. You will be connected to the call.
4. The moderator (Executive Officer) will call the meeting to order and ask those on the phone to announce their participation. Phone participants will be asked for comment on each agenda item after the LAFCo Staff and Commission comments. **In order to efficiently run the meeting, phone participants are asked to mute their phones until public comments are requested and only comment when prompted by the moderator.**

Comments from the public on the agenda items will also be accepted via email ([slucas@buttecounty.net](mailto:slucas@buttecounty.net)), via phone (530-538-7784) or mail at the above address. All comments received will be conveyed to the Commission for consideration during the meeting. All meetings conducted under these circumstances will be audio recorded and placed on the LAFCo website ([www.buttelafco.org](http://www.buttelafco.org)) for public access and accountability.

The Commission appreciates the public's adaptation and patience during this crisis and will endeavor to refrain from placing non-essential items, or matters of significant public interest on the agenda until such time greater public participation can be reasonably accommodated.

**AGENDA**

ALL ITEMS ARE OPEN FOR PUBLIC COMMENT

**1. CALL TO ORDER**

**1.1 Roll Call**

**2. CONSENT AGENDA**

**2.1 Approval of the Minutes of June 4, 2020.**

**3. NOTICED PUBLIC HEARINGS**

**3.1 20-06 – Oroville Mosquito Abatement District (OMAD) – Dissolution and Annexation.**

The proposed project consists of two actions, 1) the dissolution of the Oroville Mosquito Abatement District (OMAD) and 2) the subsequent annexation of the same parcels/area to the Butte County Mosquito and Vector Control District (BCMVCD). The proposed dissolution/annexation area is generally located in central Oroville and portions of unincorporated Butte County and is bounded

by the BCMVCD. This proposed dissolution/annexation is in response to several determinations contained in the Municipal Service Reviews and Sphere of Influence Plans for Mosquito Abatement Districts in Butte County, adopted by Butte LAFCo on December 7, 2017.

**ACTION REQUESTED:** Adopt Resolution No. 01 2020/21 approving the dissolution and annexation.

**4. REGULAR AGENDA**

**4.1 Items Removed from the Consent Agenda (If any)**

**5. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA (If any)**

**6. REPORTS AND COMMUNICATION**

**6.1 Executive Officer's Report**

**6.2 Correspondence - None**

**7. ADMINISTRATION.** The Commission will discuss and provide direction to the Executive Officer on administrative matters relating to the operation of the Commission.

**8. ADJOURNMENT** Adjourn to **Thursday, September 3, 2020** in the Board of Supervisors Chambers.

**TO THOSE WHO PARTICIPATE IN LAFCO PROCEEDINGS:** California Government Code Section 84308 requires you to disclose campaign contributions to LAFCO Commissioners if they amount to \$250 or more and were made within the last twelve months. Please announce your applicable campaign contributions when you speak.

\* Any disabled person needing special accommodation to participate in the Commission proceeding is requested to contact LAFCo staff at (530) 538-7784 prior to meeting and arrangements will be made to accommodate you.

\* Any person may address the Commission during the "Public Comment." Please see the rules regarding public comments below.

\* Copies of Agenda documents relative to an Agenda item may be obtained from the Clerk of the Commission at a cost of \$.10 per page.

**RULES APPLYING TO PUBLIC COMMENTS**

- 1. Members of the public wishing to address the Commission upon any subject within the jurisdiction of Butte LAFCO may do so upon receiving recognition from the Chair at the appropriate time.**
- 2. Comment on items not on the agenda should be made at the time indicated for "Public Comment" on the agenda. The Commission may not act on any matter so raised and will have to put off action until a meeting at which the matter can be put on the agenda.**
- 3. Comment on specific agenda items may be made during the discussion of that agenda item, upon recognition by the Chair.**
- 4. After receiving recognition, please stand and state your name and address before making your presentation, so that the Clerk may take down this information.**
- 5. All documents to be presented to the Commission will be given to the Clerk of the Commission (original and eleven copies) prior to Call of Order of meeting. Such documents will be distributed to the Commission and made available for public inspection.**

**This agenda was mailed to those requesting notice and posted 72 hours in advance of the meeting at the following locations: Butte County Administration Building & LAFCo front entrance.**

## M E M O R A N D U M

**TO:** Local Agency Formation Commission  
**FROM:** Stephen Lucas, Executive Officer  
**SUBJECT:** **Agenda Item 6.1 - Executive Officer's Report**  
**DATE:** July 30, 2020 for the meeting of August 6, 2020

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**ADMINISTRATION:**

1. The Commission has two vacant Special District seats.

- A. District Alternate "*Enterprise or Non-Enterprise*" Member seat:

This seat was vacated by Commissioner Al McGreehan (PRPD) who was promoted to the Special District Regular "Non-Enterprise" seat on the Commission in September 2019. Therefore, the Alternate seat was vacated mid-term with a remaining term to expire May 31, 2021. Staff issued a first Call for Nominations on Thursday, January 9, 2020. Ballots were initially due on March 10, 2020, then extended to July 1, 2020 and again to September 4, 2020 as we have only received 19 ballots, 2 short of the 21 ballots necessary to have a quorum.

- B. Special District Regular *Enterprise* Member seat:

This seat was vacated by Commissioner Jack Kiely (LOAPUD) who resigned midterm in May 2020. Therefore, the Alternate seat is vacant with a remaining term to expire May 31, 2023. Staff will conduct a separate election for this seat following the successful conclusion of the current election discussed in item A above.

2. As requested by the Commission, Staff prepared a letter (***Attachment A***) of appreciation for retiring Commissioner Greg Steel which was signed and delivered by the Chair.

**PROJECT NOTES:**

The following proposals are currently known and being discussed and/or considered:

- ***Tuscan Water District*** – The Petitioners for the proposed formation of the Tuscan Water District submitted a landowner petition to the Butte Local Agency Formation Commission (LAFCo) on March 27, 2020, initiating the formation process. The Butte LAFCo Executive Officer issued a Certificate of Sufficiency (COS) on May 8, 2020. The Proponents subsequently submitted a Butte LAFCo Application for the proposed formation of the Tuscan Water District on June 5, 2020. On July 9, 2020, the Rock Creek Reclamation District (RCRD) Board of Directors authorized its legal counsel to litigate the validity of the petition. On July 10, 2020, the RCRD submitted a letter to LAFCo challenging the validity of the landowner petition and requests the petition to be deemed insufficient and the application processing to cease. The primary reason related to the legal authority of individual landowners to sign for parcels not individually owned, but rather owned by trusts or corporations. After consultation with the LAFCo Chair and legal counsel, the Proponents of the petition and the RCRD special legal counsel, the Executive Officer has determined the petitions are defective and the petition is not in compliance with the law. Therefore, the Executive

Officer has rescinded the Certificate of Sufficiency and by this action, the Proponents associated application for formation of the Tuscan Water District is also dismissed. The Proponents may re-start this formation process by submitting a new Notice of Intent to Circulate a Petition and circulate new petitions in accordance with the legal requirements

- ***Miocene Canal*** - With the destruction of the upper Miocene Canal by the Camp Fire, water flowing down the middle and lower Miocene has stopped and this has caused great disruption to the landowners dependent on the water supply for their farms and residences as well as the environment depending on canal leakage over the decades to thrive. While PG&E had initially refused to repair the canal infrastructure however, the recent plea agreement related to its criminal actions, PG&E will provide up to \$15 million over the next five years to restore water to the middle canal that still exists. The most discussed option for restoring water flow is to install a pump on a floating barge in Lake Oroville and pipe approximately 20 acre/feet a day via pipeline to the canal. The installation of the infrastructure is estimated to be \$1.5 million with annual operating expenses estimated to be \$700,000 a year. After the initial five year period, there will be a need to have an entity takeover ongoing maintenance. One possible scenario is to form a special district to finance and manage any future facilities. Staff continues to participate in discussions.
- ***Thermalito Sewer and Water District*** - Sphere of Influence Amendment and Annexation of the state owned clay pits recreation area southeast of the Oroville airport along Larkin Road. The State has yet to resolve a conflict between the State Parks Department and Department of Fish and Wildlife who share authority over the affected territory.
- ***County of Butte*** - Expansion of Powers for CSA 164 to add fire protection services. The County has placed this effort on hold.
- ***Oroville Region Service Providers MSR*** - The State Department of Housing and Community Development (HCD) has awarded a \$100,000 SB2 Planning Grant to Butte County for the development a Municipal Service Review update for back bone service providers in the Oroville region, including the SFWPA, LOAPUD, TWSD and SCOR. This will be a cooperative partnership with the County Department of Development Services to conduct the MSR in support of future housing options that can be provided once core services can be assured. Staff has prepared a draft a Request for Proposals seeking a consultant to prepare the studies and is awaiting the County to determine how to disburse the funds before releasing the RFP.
- ***City of Oroville MSR Update*** – The City of Oroville is starting the process to evaluate its growth goals and has determined that the City needs to update its SOI to accommodate new development goals and at the same time update its MSR to reflect its current service capabilities and financial position. The City has requested LAFCo update its MSR at City expense and executed a Letter Agreement with LAFCo to prepare the MSR update. The City has entered into a contract with Policy Consulting Associates to complete the project under LAFCo supervision. The administrative draft is currently being compiled.

#### **CALAFCO:**

1. CALAFCO Board elections will be held a bit differently this year (***Attachment B***). Rather than in person voting at the fall conference, all voting will be conducted via email this year. The Northern Region seats open for this cycle are the public and city member positions meaning Butte LAFCo Commissioners representing a city or the public are eligible to be nominated. Currently, Commissioner Connelly serves as the county member for the Northern Region and also as the CALAFCO Board Treasurer and sits on the Executive Committee. Commissioner

Connelly would be on track to be the CALAFCO Board Chair in two years should he continue his service. All nominations are due by September 22 and voting will occur by email on October 21, 2020. If the Commission wished to offer a nomination, it should direct the Executive Officer to complete the forms and authorize the Chair to sign.

2. As a result of the COVID 19 pandemic, the CALAFCO Board of Directors has determined to cancel the in-person Conference in 2020 originally scheduled for October. While not yet decided, possibly replaced with a virtual conference consisting of individual webinars that can be viewed by all for a small cost of approximately \$25-50 each webinar. CALAFCO would like to get a feel for how many Commissioners would participate in such webinars?
3. During the COVID 19 pandemic, CALAFCO University is being expanded to provide more educational opportunities remotely (webinars) for its members that might otherwise occurred in person. The first three classes to be offered (**Attachment C**) will include:
  - Navigating the Basics and Beyond - LAFCo 101 for LAFCo Staff, Thursday, **August 6, 2020**
  - The Magical World of LAFCo Clerking – A Look at Processes and Supporting Your Commissioners from a Clerk and Analyst Perspective, Thursday, **August 13, 2020**
  - Being a LAFCo Commissioner – What Does it Really Mean?, Friday, **August 21, 2020**

If Commissioners are interested in any of the above classes, please advise Staff and you will be registered.

#### **LEGISLATION:**

1. The legislative process has been highly modified this year in response to the COVID pandemic. Few bills affecting LAFCo will be considered this term as can be seen on the CALAFCO Daily Legislative Report (**Attachment D**).

One bill of particular interest is **SB414** (Caballero), which would create the Small System Water Authority Act of 2019 allowing the State Water Resources Control Board to authorize the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. There are currently proposed pending amendments not yet in print being negotiated by the author and sponsors with Assm. Appropriations that remove LAFCo authority in the formation of the new water authority and give that quasi-legislative authority to the SWRCB. Further LAFCO will no longer have any authority in the dissolution of a public water supplier as part of the formation of the new authority, and all LAFCo funding for what is required to be done by LAFCo is being eliminated. There are numerous other issues with the pending amendments, all of which are detailed in our opposition letter. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non-contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency. This bill represents yet another effort by the State legislature to circumvent the local LAFCo process and transfer all decision-making away from the locals and to the SWRCB. CALAFCO is requesting each LAFCo to submit a letter in opposition to this bill.

**GENERAL NOTES:**

1. The 2019/20 Butte County Grand Jury concluded its efforts and published its annual report in June 2020. Of significance is the chapter reviewing the mosquito abatement districts in Butte County (**Attachment E**) which relied heavily on the LAFCO 2018 Municipal Service Review and Sphere of Influence Plans for Mosquito Abatement Districts within Butte County. The Grand Jury made the following observations of LAFCO:

*“BCMVCD has had some success obtaining grants and additional funding, in part, due to its close working relationships with LAFCO and other California mosquito districts. Butte LAFCO was the driving force for obtaining \$310,000 from the Butte Strong Fund for Camp Fire mosquito treatment and an \$80,000 USDA grant to help cover the cost of the District’s new tank truck.”*

Findings:

- F7: LAFCO is limited in its effort to integrate DMAD and BCMVCD.
- F8: LAFCO has reduced Butte County’s risk by removing DMAD’s SOI over 15,000 acres of rice fields.
- F9: LAFCO has provided excellent oversight and direction for BCMVCD and DMAD.

**CAMP FIRE RECOVERY UPDATE:**

1. The State Water Resources Control Board in cooperation with Sacramento State University, Department of Water Programs, continues to proceed with the Options Study for the Paradise Irrigation District. The group of stakeholders, including LAFCO, has met twice (April 21, May 6) on conference calls to discuss the process and the menu of possible options to include the District merging with the Town of Paradise, reorganizing with another public or private water purveyor, expanding the District’s customer base (Miocene residents, Butte Valley, Chico), temporary raw water transfers, Chico intertie, new businesses (bottled water, hydro power, fisheries help), partnership with the Town to operate the proposed sewer system, and rate increases. The next step in the process is for Sac State to prepare a scope of work which was suggested may take four months before selecting a consultant to commence the study.

**APPLICATION ACTIVITY:**

APPLICATION ACTIVITY								
Project Status As of July 27, 2020								
File	Applicant	Project Name	Date Application Received	Certificate of Filing	LAFCO Hearing Date	Certificate of Completion	SBE Submittal Date	Additional Comments
11-06	Butte County	CSA No. 114 - Expansion of Powers	02/02/11	N/A	pending	N/A	N/A	Incomplete - On Hold
15-17	Chico	Chapman Annexation No. 1	04/17/15	05/17/15	07/02/15	07/01/20		Recorded 7/1/20
15-18	Chico	Mulberry Annexation No. 1	04/17/15	05/17/15	07/02/15	07/01/20		Recorded 7/1/20
18-09	TWSD	Clay Pit State Recreation Area Annexation						On hold. Incomplete Application
19-10	Durham I.D.	Holland Ave Annexation No. 1	04/03/19	11/12/19	12/05/19	01/22/20	01/22/20	SBOE to refund dues
19-12	County	CSA 158 - Mandville Park Subd. Annex	05/02/19	05/29/19	10/03/19			Approved w/ conditions - 218 Hearing
20-04	Chico	Ext of Services - 216 Centennial Ave	11/8/2019	11/08/19	12/05/19	N/A	N/A	Waiting for fees to be paid
20-05	AGUBC	Tuscan Water District Formation						Petition under review
20-06	OMAD	Dissolution / Annexation to BCMVCD	01/21/20	02/06/20	08/06/20			In progress
20-07	RCRD	Ext of Services - Rock Creek/Keefer	03/06/20	N/A	06/04/20			Withdrawn
20-08	Oroville	MSR Update	05/20/20					In progress
20-09	LAFCO	Oroville Region Sewer & Water MSR	N/A					In progress
20-10	LOAPUD	Ophir Road Annexation No. 2	06/22/20	06/27/20	08/06/20			In progress
21-01	Oroville	Lincoln Boulevard Annexation No. 1	07/02/20					In progress



## **Manager's Report**

To: Board of Directors

From: Scott McCutcheon, General Manager

Date: August 11, 2020

RE: Item No. 14 – Board Members', Manager and Staff Comments

### **14.1 Field Operations Supervisor Report**

July 2020 Field Operations Activity Report is included for your review and discussion.

Attachment Included

### **14.2 Facilities Tour**

# **FIELD OPERATIONS ACTIVITY REPORT**

## **AUGUST 2020**

### **Safety Meetings and Compliance**

- Pro Active Safety Attitude Training
- Target Solutions Training
- CPR and AED Training
- DMV physical-One employee

### **General meetings**

- Conference call with John Starr regarding developing Loma Vista lot
- Conference call regarding River Ranch project
- Employee evaluations
- Meet with Cascade Electric to acquire generator permit
- Meet customer on Tarn Circle regarding solar array

### **I & I Related Work**

- Replaced Broken VV tank lid 3031 Oro Bangor Hwy

### **New Permits and Connections, Estimates, Inquiries or Termination**

- Restored service to 3139 Oro Bangor after new lateral install and inspection
- Final new home at 40 Greenbrier Dr
- New Loafer Creek launch ramp facilities nearing completion

### **Lines Cleaned**

- 7,176' L.F. Cleaned with Jet Rodder

### **CCTV Work**

- 838.9' L.F. Televised

### **GIS Work**

- Garden Ranch Lane
- Kelly Ridge Rd.
- 387 Crane lateral
- 4791 Oak Knoll
- Manhole A85
- Crest Ridge Dr.

### **PSPS Related**

- Cummings tech for Generator scheduled for 8-21-20
- Acquired permit for Generator-Exempt



**General Maintenance**

- Rebuilt 2 lateral launch cables and 1 tractor cable
- New front tires on service truck
- Replaced all ceiling tiles, patched holes and painted in the office
- Langley's replaced intake manifold on F-150
- Help shredding company load waste
- Inventory
- Replaced fuel filter and starter on 4wd service truck
- Sold scrap iron
- Transport dually for front tire replacement

**Field Maintenance, Repairs and Misc.**

- Replaced rusted through stand pipe on pump 1 at Heritage lift station
- Cleaned pump stations

**Callouts Primary- 2 (4 Last Month)**

- 2-Laterals Plugged-Non-District problem

**V.V. Callouts and Tanks That Needed Serviced- 6 (7 Last Month)**

- 5-Tanks cleaned, flushed and/or pumped
- 1-Tank not pumping - Replaced Float Switch

Gas Consumption: 194.0 (Last Mo. 251.4)

Diesel Consumption: 368.7 (Last Mo. 349.7)

LOAPUD Gas: 194.0 (Last Mo. 251.4) Diesel: 145.4 (Last Mo. 148.8)

El Medio Fire Dept. Gas: 0.0 (Last Mo. 0.0) Diesel: 223.3 (Last Mo. 200.9)

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Field Operations Supervisor  
Dan W. Sanders