BUTTE LOCAL AGENCY FORMATION COMMISSION (LAFCO) EXECUTIVE OFFICER'S REPORT

TO: Local Agency Formation Commission

FROM: Shannon Costa, Local Government Planning Analyst

SUBJECT: LAFCo File 22-08 – South Feather Water & Power Agency – Oro Bangor Hwy

Annexation No. 4

DATE: December 29, 2021 for the January 6, 2022 LAFCo Meeting

Summary

Proposed is the annexation of an approximately 90-acre parcel to the South Feather Water and Power Agency (*Exhibit A*). The proposed annexation will allow the South Feather Water and Power Agency to supply irrigated (raw) water to the parcel to support fire risk mitigation for the existing single-family home. The proposal has the support of the affected landowner and substantially conforms to LAFCo policy; therefore, the Executive Officer recommends approval of this proposal.

General Information

Application Submitted: November 8, 2021

Application Deemed Complete: November 22, 2021

100% Landowner Consent: Yes

Notice and Hearing Required: No

Proponent: South Feather Water & Power Agency, by Resolution 21-26b-10

<u>Landowners:</u> Randy and Chai Chapman

Location: The annexation territory is located on the south side of Oro Bangor Hwy,

approximately 0.6 miles south of Mt. Ida Road. The parcel is situated easterly of the City of Oroville in unincorporated Butte County. The subject parcel is identified as Assessor's Parcel Number 079-270-048. The territory is located in

Supervisorial District 1.

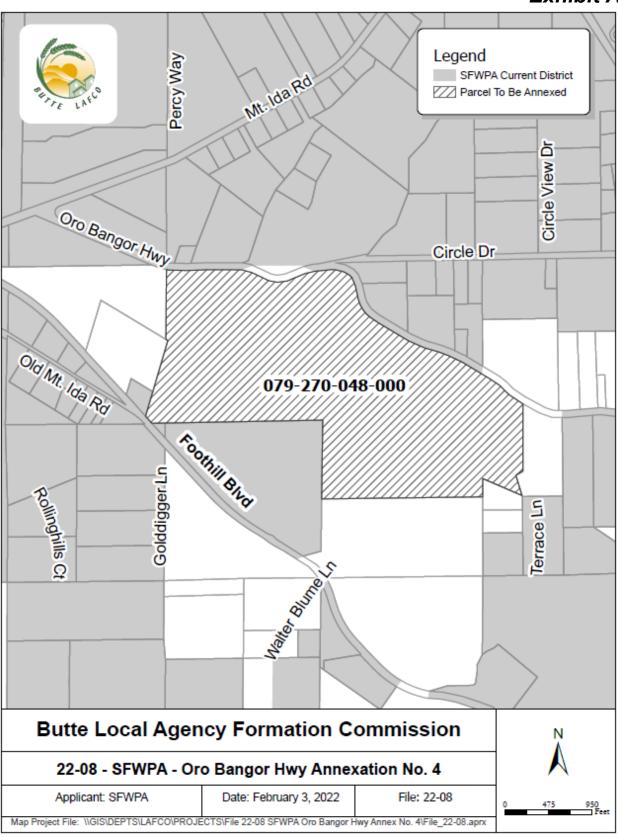
Proposal: Annexation of APN 079-270-048 totaling approximately 90 acres to the South

Feather Water and Power Agency for the provision of irrigated (raw) water.

Requested

Action: Adopt Resolution 07 2021/22 (*Exhibit B*) approving the annexation.

Exhibit A



DISCUSSION AND ANALYSIS

Background

The annexation territory is approximately 90 acres in size and is located on the south side of Oro Bangor Hwy, approximately 0.6 miles south of Mt. Ida Road. The parcel is situated easterly of the City of Oroville in unincorporated Butte County. The parcel is a small ranch/homestead developed with a single-family home and several outbuildings including barns and sheds, and an irrigation/livestock pond. Land uses surrounding the territory are generally rural-residential, consisting of homesteads, some light/hobby agricultural uses, and areas of dense, woody vegetation.

According to CAL Fire's Fire Hazard Severity Zones in State Responsibility Area's (SRA), the annexation territory is located within a high-risk severity zone. Currently, fire risk is mitigated by an onsite pond; in times of drought, dependence on the pond is reduced as water levels fluctuate. The homeowner is seeking an additional source of water to backfill the irrigation pond.

The annexation territory is within the Sphere of Influence for the South Feather Water and Power Agency, which provides domestic and irrigation water services to eastern Oroville and surrounding areas, including Bangor, Kelly Ridge, and Palermo. Water would be provided to the site via existing canal systems operated by SFWPA.

Land Use/Zoning Designations

The Butte County General Plan designates the annexation territory as RR (Rural Residential, 5 to 10 acres per dwelling unit). The zoning is Rural Residential, which is intended for small farmsteads, large-lot single-family development and uses intended to preserve and protect the character of existing rural residential areas. The proposed single-family dwelling use on the site is consistent with the County's General Plans and zoning ordinances.

Annexation

The annexation was initiated by South Feather Water & Power Agency and the affected property owners to facilitate *irrigated* water to the annexation territory to support fire risk mitigation for the existing single-family home and outbuildings at the site. Annexation into the District would allow the homeowner to supplement an onsite pond in times of drought. According to the Butte County Elections Office, there are less than 12 registered voters within the proposal area making the proposal an uninhabited annexation with 100% landowner support.

Pursuant to LAFCo Policies and Procedures, Municipal Service Review/Sphere of Influence Fees are collected in conjunction with an application to annex into a city, town, or special district at a rate of \$500 per acre for developed parcels and \$10 per acre for ag-productive lands. The annexation territory consists of 90 acres; the developed area of the parcel utilizes approximately three acres of the site with a small ranch/farmstead, including a single-family home and various animal-keeping uses such as barns and sheds. Staff has determined that use of the site qualifies as ag-productive, and was therefore assessed an MSR/SOI fee based on the \$10 per acre fee. The parcel's zoning of RR-5 (Rural Residential, 5-acre minimum) does allow for future subdivision of up to 17 parcels, although no subdivision is being pursued at this time and the property owners indicated they would not be interested in future subdivision. As such, staff recommends a condition of approval limiting the extension of services by the South Feather Water and Power Agency to irrigated (raw) water (not domestic water) and to the existing development at the time of annexation into the district (one single-family home). At such time that the parcel is subdivided, SFWPA shall inform LAFCo of the request to review of the project for compliance with this

December 29, 2021 Page 4 of 8

approval. Additional MSR/SOI fees could be collected at that time associated with the delivery of domestic water (potable).

Individual Factors for Consideration

California Government Code § 56668 provides a list of factors to be considered in the review of a proposal. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

(a) Population; land use; topography; proximity to other populated areas; the likelihood of significant growth in the area.

The affected territory is located in unincorporated Butte County, east of the City of Oroville. The annexation territory is developed with a single-family home and several outbuildings, including barns and sheds and a pond. Topography of the area is hilly, with dense, wood vegetation.

The Butte County General Plan designates the annexation territory as RR (Rural Residential, 5 to 10 acres per dwelling unit). The zoning is Rural Residential, which is intended for small farmsteads, large-lot single-family development and uses intended to preserve and protect the character of existing rural residential areas. The proposed single-family dwelling use on the site is consistent with the County's General Plans and zoning ordinances. Surrounding land uses are rural-residential in nature, developed with single-family homes on larger lots.

The affected territory is legally uninhabited given there are fewer than twelve (12) registered voters based on the most recent data provided by the Butte County Elections Department. The parcel, at approximately 90 acres in size, has the potential for future subdivision under the jurisdiction of Butte County Development Services, although no subdivision is proposed at this time.

Significant growth in the area is limited by parcel size, topography, General Plan and Zoning designation, infrastructure availability and access to the area.

(b) The need for organized community services; probable effect of the proposed annexation on the cost and adequacy of services and controls in the area and adjacent areas.

The annexation was initiated by South Feather Water & Power Agency and the affected property owners to facilitate irrigated water to the annexation territory to support fire risk mitigation for the existing single-family home and outbuildings at the site. According to CAL Fire's Fire Hazard Severity Zones in SRA maps, the annexation territory is located within a high-risk severity zone. Currently, fire risk is mitigated by an onsite pond; in times of drought, dependence on the pond is reduced as water levels fluctuate.

SFWPA is an enterprise district and service charges are based on quantity consumed. The proposed annexation would not affect the cost or adequacy of services in the area and adjacent areas.

(c) The effect of the proposed action and of alternative actions on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.

The proposed annexation will allow SFWPA to extend services for irrigated (raw) water to the annexation territory. The annexation territory is within the Sphere of Influence for the South Feather Water and Power Agency, which provides domestic and irrigation water services to eastern Oroville and surrounding areas, including Bangor, Kelly Ridge, and Palermo. The proposed annexation will not have a nominal effect on the local government structure of the county or on mutual social and economic interests.

(d) The conformity of the proposal with the adopted commission policies on providing planned, orderly, efficient patterns of urban development.

The proposed boundary change is consistent with existing service delivery patterns and rural residential development in adjacent areas and facilitates efficient provision of irrigated (raw) water services by SFWPA. The proposal is consistent with Commission policies that encourage consistency with spheres and municipal service reviews (4.1.1), and discourage annexations that would have adverse effects on other agencies and service recipients (4.1.10).

(e) The effect of the proposal on agricultural lands.

The annexation territory and surrounding parcels are zoned for residential use. Ag uses in the area are limited to ranches, small farmsteads, and hobby farms. The proposed extension of irrigated water service to the subject parcel will not affect agricultural lands.

(f) Boundaries of the territory.

The subject territory is parcel specific, with definite and certain boundaries. There are no conflicts with lines of assessment or ownership.

(g) Consistency with city or county general and specific plans.

The Butte County General Plan designates the annexation territory as RR (Rural Residential, 5 to 10 acres per dwelling unit). The zoning is Rural Residential, which is intended for small farmsteads, large-lot single-family development and uses intended to preserve and protect the character of existing rural residential areas. The proposed single-family dwelling use on the site is consistent with the County's General Plans and zoning ordinances.

(h) The sphere of influence of any local agency that may be applicable to the proposal being reviewed.

The territory is within the Sphere of Influence for the South Feather Water and Power Agency. The proposed annexation territory is also within the Sphere of Influence for Feather River Parks and Recreation District, Oroville Cemetery District, Butte County Mosquito and Vector Control District, and Community Service Area 164 (Animal Control). The annexation proposal does not conflict with the Sphere of Influence of any agency. The existing public services provided to the subject parcel by Butte County will not change as a result of this proposal.

(i) The comments of any affected local agency.

On November 18, 2021, LAFCo staff circulated copies of the application materials for review and comment from local public agencies. The following agencies were sent a request for comments, but either did not respond or responded with no substantial comment:

Butte County Mosquito and Vector Control District, CAL Fire/Butte County Fire, Butte County Elections, Butte County Assessor's Office, Butte County Administration, Butte County Auditor's Office, Butte County Resources Conservation District, Butte County Environmental Health, Butte County Ag Commissioner, Oroville Cemetery District, Feather River Recreation & Park District, Butte-Glenn Community College District, Oroville Union High School District and Palermo Union School District.

(j) The ability of the receiving entity to provide the services.

The territory is within the Sphere of Influence for the South Feather Water and Power Agency. SFWPA is the most logical domestic and irrigations water service provider for the territory because SFWPA already provides domestic and irrigation water collection and conveyance services throughout the northern and eastern Oroville area. Water would be provided to the site via existing canal systems operated by SFWPA. The annexation proposal does not conflict with the Sphere of Influence of any agency.

(k) Availability of adequate water supplies.

As indicated in the agency's Municipal Service Review (adopted by the Commission in June 2006), SFWPA has sufficient capacity to provide domestic water service to the affected parcel without detriment to current service recipients. The Agency's average annual consumption is approximately 28,000 AF (acre-feet), with one quarter (7,000 AF) of that being delivered to residential users and the rest (21,000 AF) going to agricultural users (whose use is projected to decline in future years as agriculture uses are converted to urban uses). Because the Agency has water rights that exceed the actual yield of the watershed, the Agency has significant expansion capability for residential development.

The existing public services provided to the subject parcel by Butte County will not change as a result of this proposal.

(I) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs.

The annexation would support continued use of the site with a single-family home. This annexation proposal would not affect Butte County in achieving its regional housing needs allocation.

(m) Any information or comments from the landowner or owners, voters, or residents of the affected territory.

No comments were received.

(n) Any information relating to existing land use designations.

The Butte County General Plan designates the annexation territory as RR (Rural Residential, 5 to 10 acres per dwelling unit). The zoning is Rural Residential, which is intended for small farmsteads, large-lot single-family development and uses intended to preserve and protect the character of existing rural residential areas. The proposed single-family dwelling use on the site is consistent with the County's General Plans and zoning ordinances.

(o) The extent to which the proposal will promote environmental justice.

The proposed annexation is intended to benefit the residents of the subject territory by providing a long-term source of irrigated (raw) water to mitigate fire risk at the site.

Based upon the above responses, the proposal appears to be consistent with the listed factors.

Applicable Butte LAFCo Policies

Section 2.0 (*LAFCo General Policies and Standards*) and Section 4.0 (*Annexation and Detachments*) of Butte LAFCo Policies and Procedures provides the Commission with general standards for annexation proposals. The relevant policies for consideration and guidance for this proposal include:

- Consistency of a proposal with the Sphere of Influence and Municipal Service Review of the affected jurisdiction(s). (4.1.1)
- Determination of the most efficient service provider. (4.2)

The proposal is substantially consistent with the above policies in that:

- The South Feather Water & Power Agency will provide a secure source of irrigated (raw) water to the territory being annexed; and
- The South Feather Water & Power Agency has adequate water rights and facilities to provide service to the territory; and
- The South Feather Water & Power Agency is the only domestic and irrigation water service provider in the area.

ADDITIONAL INFORMATION

Property Tax Agreement

In accordance with provisions of Revenue and Taxation Code § 99, a Master Property Tax Transfer Agreement was executed between the South Feather Water & Power Agency and the Butte County Board of Supervisors on July 23, 1996. The Master Property Tax Transfer Agreement states that no property tax transfer will occur as a result of any annexation to the South Feather Water & Power Agency.

Support/Protest and Conducting Authority Proceedings

On October 26, 2021, the South Feather Water & Power Agency Board of Directors adopted Resolution No. 21-26b-10 (**Exhibit C**) initiating the annexation proposal. There are less than twelve (12) registered voters in the territory, which makes the territory uninhabited pursuant California Government Code § 56046, which requires twelve (12) or more registered voters to live within the proposal area before it can be considered inhabited.

The proposed annexation has 100% consent of the affected landowners. Pursuant to California Government Code § 56663, the Commission may waive the protest proceedings if the following conditions are met: the subject area is uninhabited; all owners have given their consent, and; no affected agencies have submitted written opposition for a waiver of the protest proceedings. Therefore, approval by the Commission will be the final action required for this annexation.

Environmental Analysis

The South Feather Water & Power Agency is the lead agency for the proposal under the California Environmental Quality Act (CEQA). The South Feather Water & Power Agency found the proposal to be Categorically Exempt from further CEQA review, pursuant to Section 15319 (Annexations of Existing Facilities and Lots for Exempt Facilities) as indicated in Resolution 21-26b-10. Staff concurs with the Agency's use of Section 15319 exemption.

ALTERNATIVES FOR COMMISSION ACTION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

OPTION 1 – CONDITIONALLY APPROVE the proposals as submitted:

- A. Find: 1) The subject territory is uninhabited, 2) The affected landowners have given written consent to the annexation and 3) No affected agencies have submitted written opposition for a waiver of protest proceedings.
- B. Waive the conducting authority proceedings and direct staff to complete the proceeding.
- C. Adopt Resolution No. 07 2021/22 making determinations approving the proposed South Feather Water & Power Agency Oro Bangor Hwy Annexation No. 4.

OPTION 2 - DENY the proposal.

OPTION 3 – CONTINUE this proposal to a future meeting for additional information.

ACTION REQUESTED:

Approve OPTION 1.

Respectfully submitted,

Shannon Costa

Shannon Costa Local Government Planning Analyst

Attachments:

Exhibit A: Annexation Area Map (Page 2)

Exhibit B: Draft LAFCo Resolution No. 07 2021/22

Exhibit C: SFWPA Resolution 21-26b-10

Exhibit B

RESOLUTION NO. 07 2021/22

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF BUTTE MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF TERRITORY DESIGNATED AS 22-08 SOUTH FEATHER WATER & POWER AGENCY ORO BANGOR HWY ANNEXATION NO. 4

RESOLVED, by the Local Agency Formation Commission of the County of Butte, State of California, that

WHEREAS, a proposal for the annexation of certain territory to the South Feather Water & Power Agency in the County of Butte was heretofore filed by the South Feather Water & Power Agency and accepted for filing on November 22, 2021 by the Executive Officer of this Local Agency Formation Commission pursuant to Title 5, Division 3, commencing with Section 56000 of the Government Code; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56658, set January 6, 2022 as the hearing date on this proposal and gave the required notice of public hearing; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission called for and held a hearing on January 6, 2022 and at the hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed, and all persons present were given an opportunity to hear and be heard with respect to this proposal and the report of the Executive Officer; and

WHEREAS, this Commission considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and

NOW, **THEREFORE**, the Local Agency Formation Commission of the County of Butte **DOES HEREBY RESOLVE**, **DETERMINE AND ORDER** as follows:

Section 1. Environmental Findings:

A. The Commission concurs with the South Feather Water & Power Agency determination that the proposed project is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexations of Existing Facilities and Lots for Exempt Facilities.

Section 2. General Findings and Determinations:

A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and General Plan consistency, the Domestic Water and Wastewater Service Providers Municipal Service Review and Commission Policies and other factors specified in Government Code Section 56668 and as described in the staff report dated December 29, 2021 for the meeting of January 6, 2022.

- B. The Commission finds that the proposal has 100% support of the affected property owners and orders the annexation complete without a protest hearing pursuant to Government Code Section 56663.
- C. The annexation area shall consist of a single parcel identified as Assessor's Parcel Number 079-270-048 consisting of approximately 90 acres, as submitted by the South Feather Water & Power Agency and described in "Exhibit A."
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: 22-08 South Feather Water & Power Agency Oro Bangor Hwy Annexation No. 4.
- E. The proposal is consistent with the South Feather Water & Power Agency Sphere of Influence.
- F. Pursuant to Butte LAFCO Policy 2.13.1, the Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal as the subject parcel is developed; will not result in a change in land use or a significant increase in density on the subject parcel; the adjacent parcels are not developed with agricultural uses nor are agricultural uses expected to be established due to lack of adequate soil, lack of adequate water, and heavy brush; and the adjacent parcels are not considered to be "prime agricultural land" as defined in §56064. Therefore, no conversion of designated agricultural or open space lands will occur because of the requested annexation.
- G. A Master Property Tax Transfer Agreement, which states that there will be no transfer of property taxes, was executed between the South Feather Water & Power Agency Board of Directors and the Butte County Board of Supervisors on July 23, 1996.

Section 3. Conditions requested by LAFCO:

- A. All LAFCO, County of Butte and State of California fees must be paid in full prior to filing the Certificate of Completion.
- B. The legal description and map, if amended by action of the Commission, will be revised at the expense of the applicant, prior to filing the Certificate of Completion.
- C. The map and legal description shall comply with the State Board of Equalization requirement and if rejected by the State Board of Equalization, will be revised at the expense of the applicant.
- D. Authorization to annex the parcel to the South Feather Water and Power Agency is explicitly restricted to raw (irrigated water) to the current, existing use of the site (single-family home). Prior to any further development of the site (i.e. subdivision), requiring additional connections or connection of the parcel to domestic water service provided by South Feather Water and Power Agency, the Agency shall provide notice of such proposal to LAFCo for compliance with this annexation and for the collection of additional MSR/SOI fees associated with increased development at the site.

- **Section 4.** The boundaries, as set forth in the proposal or as amended by action of the Commission, are hereby approved as submitted and are as described in Exhibit "A" attached hereto and by this reference incorporated herein.
- **Section 5.** Further protest proceedings are waived and the Commission orders the annexation, pursuant to Part 4 commencing with Section 57000.
- **Section 6.** The Executive Officer is hereby authorized and directed to mail certified copies of this Resolution as provided in Section 56882 of the Government Code.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 6th day of January 2022 by the following vote:

AYES:	
NOES:	
ABSENT:	
ABSTAINS:	
Clerk of the Commission	CARL LEVERENZ, Chair
Stephen Lucas	Butte Local Agency Formation Commission



SOUTH FEATHER WATER & POWER AGENCY

LAFCO EXHIBIT 1 RESOLUTION OF THE BOARD OF DIRECTORS

Resolution 21-26b-10

Application by the South Feather Water & Power Agency Requesting the Local Agency Formation Commission to Take Proceedings for the Annexation of Territory into the Agency

Oro Bangor Hwy. ANNEXATION #6-21 (Stiefel)

WHEREAS, the Board of Directors of the South Feather Water and Power Agency desires to initiate proceedings pursuant to the Cortese-Knox Local Government Reorganization Act of 1985, commencing with §56000 of the California Government Code, for the annexation of the territory hereinafter described; and,

WHEREAS, notice of intent to adopt this resolution of application has been given to each interested and subject agency; and,

WHEREAS, the territory proposed to be annexed is inhabited and its owners support the annexation proposal;

WHEREAS, a description of the boundaries of the territory proposed to be annexed is set forth in Exhibit 3 of the LAFCo Application Form for the subject annexation, attached hereto and by this reference incorporated herein; and,

WHEREAS, this proposal is consistent with the sphere of influence of South Feather Water and Power Agency; and,

WHEREAS, the proposed annexation is consistent with the Butte County General Plan applicable to this property; and,

WHEREAS, the annexation is proposed for the purpose of allowing South Feather Water and Power Agency to raw (irrigation) water to the annexing territory when available; and,

WHEREAS, this Board of Directors acknowledges that, in accordance with Section 99, Subsection B, Paragraph 8, Subpart (d) of the Revenue and Taxation Code, the Master Property Tax Exchange Agreement that exists between South Feather Water and Power Agency (formerly Oroville-Wyandotte Irrigation District) and the County of Butte applies to this proposed annexation; and,

WHEREAS, this Board of Directors finds that, in accordance with said Master Property Tax Exchange Agreement with Butte County, this change of organization will be revenue neutral to all affected agencies; and,

WHEREAS, this Board of Directors acknowledges that South Feather Water and Power Agency is responsible for Butte LAFCo's expenses for staff services and materials associated with the processing of this annexation

application and agrees to pay, prior to the filing of the Certificate of Completion or within 30 days of receipt of invoice, all required fees and to reimburse Butte LAFCo for the cost of its services that exceed the initial deposit; and,

NOW, THEREFORE, BE IT RESOLVED that this project is exempt from the California Environmental Quality Act in accordance with the general rule contained in Title 14 CCR, §15319(b).

BE IT FURTHER RESOLVED that this Resolution of Application is hereby adopted and approved by the Board of Directors of the South Feather Water and Power Agency, and the Local Agency Formation Commission of Butte County is hereby requested to take proceedings for the annexation of territory as described in LAFCo Exhibit 3, according to the terms and conditions stated above and in the manner provided by the Cortese-Knox Local Government Reorganization Act of 1985 (rev. 1994).

BE IT FURTHER RESOLVED that the Local Agency Formation Commission be requested to make this change of organization subject to the conditions specified in the Statement of Justification, set forth in Section A.4 of the LAFCo Standard Application Form for the subject annexation, by this reference incorporated herein.

BE IT FURTHER RESOLVED that the General Manager shall file a Notice of Exemption from CEQA with the County Clerk for this project.

PASSED AND ADOPTED by the Board of Directors of the South Feather Water and Power Agency at the regular meeting of said Board on the 26th day of October 2021, by the following vote:

AYES: RHW, JS, TH, RW, DM

NOES: None

ABSTAINED: None

ABSENT: None

Rick Wulbern, President

(seal)

Rath T. Moseley, Secretary

SECRETARY'S CERTIFICATE

RATH T. MOSELEY, certifies that: he is the Secretary of the Board of Directors of the South Feather Water and Power Agency; and that the foregoing is a true and correct copy of a resolution duly and regularly adopted by the Board of Directors of the South Feather Water and Power Agency at a meeting of said Board duly and regularly held on the 26th day of October 2021, at which meeting a quorum was present and voted; said resolution has not been rescinded and is in full force and effect.

October 26, 2021

Date

Rath T. Moseley, Secretary

Board of Directors, South Feather Water and Power Agency

(seal)