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

TO: Local Agency Formation Commission

FROM: Stephen Betts, Deputy Executive Officer

SUBJECT: *LAFCo File 17-06 – Paradise Irrigation District - Sphere of Influence Amendment and Neal Road Annexation No. 1 (Public Hearing)*

DATE: December 19, 2016, for the January 5, 2017, LAFCo Meeting

Summary

Proposed is a minor Sphere of Influence Amendment for the Paradise Irrigation District to add four developed parcels totaling approximately 8.2 acres to the District's Sphere of Influence (SOI). Also proposed is the annexation of one of those four parcels to the Paradise Irrigation District (PID) (See **Exhibit A**). The parcel proposed for annexation to PID has been receiving domestic and irrigation water from PID for numerous years under an annual out of district contract. The proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

General Information

Application Submitted: October 31, 2016

Application Deemed Complete: November 22, 2016

100% Landowner Consent: Yes, for the annexation. Landowner consent or protest proceedings are not required for the SOI Amendment

Notice and Hearing Required: Yes (SOI Amendment requires a noticed public hearing)

Proponent: Paradise Irrigation District Board of Directors, by Resolution 2016-21

Landowners: APN 055-450-010: Ezekiel & Edna Duncan (SOI Amendment)
 APN 055-450-011: William Hammond (SOI Amendment)
 APN 055-450-012: Laramie Griffith (SOI Amendment)
 APN 055-450-022: James Family Trust (SOI Amendment and Annexation)

Location: The subject area is located on both sides of Neal Road, between Wayland Road and Indian Springs Road, in the unincorporated area of southwest Paradise. The parcels are identified as Assessor's Parcel Numbers 055-450-010 (3242 Neal Rd.), 055-450-011 (3220 & 3222 Neal Rd.), 055-450-012 (3218 Neal Rd.), and 055-350-022 (3241, 3243, 3245, & 3247 Neal Rd.). The territory is located in Supervisorial District 5.

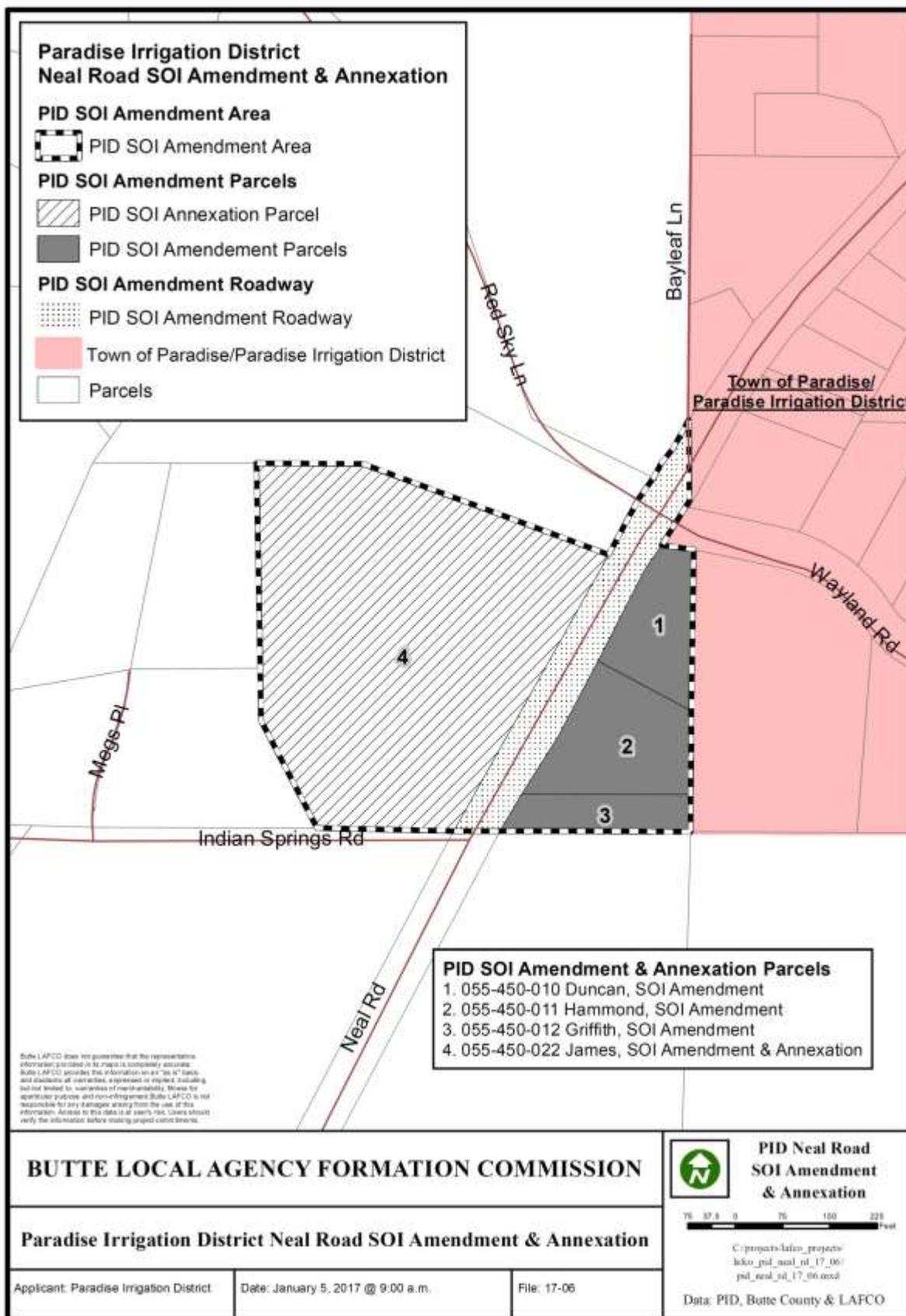
Proposal:

1. Minor Sphere of Influence Amendment for the Paradise Irrigation District to add four parcels totaling approximately 8.2 acres to the District's SOI; and
2. Annexation of APN 055-450-022 and a portion of the Neal Road right-of-way, totaling approximately 6.4 acres, to the Paradise Irrigation District.

Requested

Action:

1. Adopt Resolution 10-S 2016/17 (**Exhibit B**) approving the SOI amendment;
2. Adopt Resolution 10 2016/17 (**Exhibit C**) approving the annexation.



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DISCUSSION AND ANALYSIS

Background

Proposed is a sphere of influence amendment to add four parcels and the adjacent road right-of-way, totaling approximately 8.2 acres, to the Paradise Irrigation District's Sphere of Influence. The Paradise Irrigation District (PID) is proposing that one of these four parcels – APN 055-350-022 - be annexed into the District. The parcel proposed for annexation has been receiving water service from PID for numerous years under an annual out of district contract. The annexation of the parcel will end the need for the annual contract. The proposed sphere of influence amendment of the three parcels on the east side of Neal Road would facilitate the future annexation of these parcels to PID in the event the landowners desire water services from PID.

Project Site

The four parcels proposed to be added to the Paradise Irrigation District's Sphere of Influence are all developed as shown on the following table and map:

| APN | Type of Development | Parcel Size (acres) |
|-------------|---|---------------------|
| 055-450-010 | Single-family dwelling | 0.54 |
| 055-450-011 | Two single-family dwellings | 0.82 |
| 055-450-012 | Single-family dwelling | 0.56 |
| 055-450-022 | Mini storage business and 3 single-family dwellings | 5.51 |



Wastewater disposal for the effected parcels is via individual, on-site septic systems. The three affected parcels on the east side of Neal Road utilize on-site wells for domestic water. All four of the effected parcels are within the Town of Paradise's Sphere of Influence.

The parcel proposed for annexation - APN 055-450-022 - is developed with a mini storage business (James Company Storage), three single-family dwellings, and several septic systems. Access to the mini storage business is from Neal Road, which is a public road maintained by Butte County at this location. Access to the three dwelling units on this parcel is from a driveway off of Indian Springs Road, which is a private road. The site is relatively level with a slight slope. No agricultural uses are found on the territory. No new development is proposed for the territory.

Sphere of Influence Amendment

The parcel proposed by PID for annexation to the District is outside of PID's current Sphere of Influence (SOI) and must be added to PID's SOI in order to be annexed. To ensure the creation of logical, orderly, and contiguous SOI boundaries, three additional parcels located on the east side of Neal Road, and the adjacent portion of the Neal Road right-of-way, should be included with the SOI amendment.

When considering a SOI amendment, the Commission is required under Section 56425(e) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to consider five factors and to prepare a written statement of its determinations with respect to:

1. The present and planned land uses in the area, including agricultural and open-space lands;
2. The present and probable need for public facilities and services in the area,
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Pursuant to Butte LAFCo Policy 3.4.2, this project is a minor amendment to PID's Sphere of Influence, not an update to the Sphere. A minor sphere of influence amendment generally involves a discrete change to a Sphere of Influence map or plan that is proposed by an agency or individual to accommodate a specific proposal that is determined to not have substantial influence or impact to the agency's ability to provide comprehensive services.

LAFCo adopted the *Domestic Water and Wastewater Services Municipal Service Review (MSR)* in 2006, which included an evaluation of the structure and operation of the Paradise Irrigation District and made specific determinations on that agency's ability to provide domestic water service. This MSR while useful, is now ten years old and may not fully reflect PID's current operating conditions. LAFCo Staff has approached PID in recent years about the need to update the District's MSR. LAFCo Staff does not believe that PID's MSR needs to be updated to support this minor SOI amendment because there will no significant impacts to PID's water system. As previously noted, PID has long provided water service to the parcel proposed for annexation under an annual out of district contract. The annexation of this parcel to PID will not result in any additional water demands from the District. Additionally, PID has taken measures

to enhance their water supply, such as replacing older, leaking pipes, and PID will soon begin construction of the Process Water Recycle Project, which will add between 600 to 800 acre feet of water annually to PID's water system. Finally, an inspection of PID's water system was conducted by the State Water Resources Board, Division of Drinking Water, in January 2016. The inspection report stated that "*The Paradise Irrigation District's public water system is generally well operated and maintained and appears to be in overall compliance with drinking water regulations. Paradise Irrigation District maintains excellent communications with the Division and does a commendable job of operating its drinking water facilities. No deficiencies were noted.*"¹

Although PID's MSR does not need to be updated to support the current SOI amendment and annexation project, LAFCo Staff firmly believes that PID's MSR should be updated in 2017 so that the MSR accurately reflects the District's operating conditions. Staff will continue to advise the District to begin this process. A condition of approval for the annexation project urges PID to submit a request to LAFCo to update PID's MSR update and prepare a SOI Plan in 2017.

Present and Planned Land Uses

The area proposed to be added to PID's SOI is located on the southwest boundary of the Town of Paradise and the Paradise Irrigation District. The territory is within the Town of Paradise's Sphere of Influence but is outside of PID's Sphere of Influence. The 8.2-acre SOI amendment area, consisting of four parcels and the adjacent Neal Road right-of-way, is fully developed and no new development is expected to occur. The three parcels within the SOI amendment area that are located on the east side of Neal Road are designated by the Butte County General Plan as Rural Residential and are zoned RR-5 (Rural Residential, 5-acre minimum parcel size). The effected parcel on the east side of Neal Road, which is developed with a mini-storage business and three dwelling units, is designated by the Butte County General Plan as Retail and Office and is zoned G-C (General Commercial).

The proposed action appears consistent with the present and planned land use of the site.

Agricultural and Open Space Land Considerations

No agricultural uses are established on the parcels within the SOI amendment area or on any of the surrounding parcels. All of the effected parcels are developed with little area available for agricultural uses. Neither the territory nor the surrounding parcels are subject to a Williamson Act contract. The territory's location in the upper foothills, with shallow, rocky soils, large amounts of brush, and lack of adequate water precludes the use of the territory for most types of agricultural uses. Livestock grazing may occur on some of the larger parcels in the area, but such use would be very limited due to heavy brush and steep, rocky slopes. The territory and the adjacent parcels do not appear to be "prime agricultural land" as defined in §56064 due to the steep slopes, thin, rocky soils, and heavy brush found in the area.

Section 2.13 of the Butte LAFCO Policies addresses the conservation of agricultural and open space lands, with a purpose of preserving open space and prime agricultural lands. The proposal is consistent with the policies of Section 2.13 in that:

¹ State Water Resources Board, Division of Drinking Water - Paradise Irrigation District, Public Water System No. 0410007 – Fiscal Year 2015-2016 Annual Inspection.

- The parcels within the SOI amendment area are developed and no new development is expected to occur;
- The proposal will not result in a change in land use or a significant increase in density because all of the effected parcels are developed with commercial and/or single family residential uses.
- The territory and the adjacent parcels are not considered to be “prime agricultural land” as defined in §56064 due to thin, rocky soils found in the area.

The proposed action appears consistent with policies regarding agricultural uses and open space.

The Present and Probable Need for Public Facilities and Services in the Area

This minor Sphere of Influence amendment to the Paradise Irrigation District is proposed in order to facilitate future annexation of the parcels to the District for the provision of public water for existing development. One of the four effected parcels already receives water service from the District, and the three other parcels utilize on-site wells to obtain their water. These wells may go dry or not be able to produce an adequate water supply should drought conditions continue, and these parcels will require another water source. The Paradise Irrigation District is the only provider of domestic water in the area.

The proposed action appears consistent with the present and probable need for public facilities and services in the area.

The Present Capacity of Public Facilities and Adequacy of Public Services that the Agency Provides or is Authorized to Provide

The Paradise Irrigation District (PID) provides domestic and irrigation water to the Paradise area. One of the parcels within the SOI amendment area, which is also proposed to be annexed to the District, already receives water services from PID under an annual out of district contract. The annexation of this parcel to PID will not create a new demand for water from the District. The other parcels within the SOI Amendment area would be able to receive water service from PID if they are annexed into the District.

PID’s water treatment plant has a capacity (actual) of 21.1 million gallons per day, and PID has the ability to store 10 million gallons of water. In 2014, PID has 10,473 active meter connections with a population of approximately 27,212. In 2014, PID produced approximately 1,750 million gallons of water. The water treatment plant provides approximately 3 million gallons per day during the winter months and approximately 7 million gallons per day during the summer months.²

The Domestic Water and Wastewater Services MSR, adopted by the Commission in 2006, states that PID can provide adequate supplies of water during years of normal precipitation, but has inadequate supplies of potable water during drought periods (Determination PID-2). To ensure that the District has an adequate water supply, PID has undertaken a comprehensive program to replace older, leaky pipes. Water losses in the District’s water distribution system has significantly decreased in recent years, from 1,570 acre feet lost in 2007 to 335 acre feet lost in 2015. According to PID, about 40%

² Paradise Irrigation District, 2016 Annual Consumer Confidence Report (for water testing performed in 2015)

of the District's pipes still need to be replaced, which is expected to take about 25 years to complete.

Additional water supply will be obtained from the District's Process Water Recycle Project, which is scheduled to be completed in 2018. This project will allow the District to treat and recycle waste washwater (process water) back to the treatment plant, which will add between 600-800 acre feet of water annually to PID's water system.

PID is also looking into various ways to increase the amount of raw water stored by the District, which is currently provided by the Magalia and Paradise reservoirs. One option is to place a bladder dam in the spillway at Paradise Lake, which would increase the lake level by approximately three feet. Other options include raising one or both dams or by building another dam between the two existing reservoirs.

An inspection of PID's water system was conducted by the State Water Resources Board, Division of Drinking Water, in January 2016. The inspection report stated that "*The Paradise Irrigation District's public water system is generally well operated and maintained and appears to be in overall compliance with drinking water regulations. Paradise Irrigation District maintains excellent communications with the Division and does a commendable job of operating its drinking water facilities. No deficiencies were noted.*"³

The proposed action appears consistent with the ability of PID to provide service to the territory.

The Existence of any Social or Economic Communities of Interest in the Area if the Commission Determines that they are Relevant to the Agency

The subject territory is immediately adjacent to the jurisdictional boundaries of the Town of Paradise and the Paradise Irrigation District and is within the recognized social and economic area of the Town and PID.

The proposed action appears consistent with the relevant social and economic communities of interest.

Applicable Butte LAFCo Policies

Section 3.0 (*Sphere of Influence*) of Butte LAFCo Policies and Procedures provides the Commission with general standards for sphere of influence amendments. The relevant policies for consideration and guidance for this proposal include:

- LAFCo will discourage including lands that are:
 - Unlikely to require the services provided by the agency, for example, lands not designated for inclusion to a city by the applicable general plan;
 - Areas where development is constrained by topographical factors;
 - Areas where the projected and/or historical growth rates do not indicate a need for service within the time frame of the Sphere Plan;
 - Areas in an agency's sphere of influence which cannot feasibly be served by the agency within a 20 year time frame consistent with the Sphere Plan. (3.1.4.1)

³ State Water Resources Board, Division of Drinking Water - Paradise Irrigation District, Public Water System No. 0410007 – Fiscal Year 2015-2016 Annual Inspection

- Current Municipal Service Review Required. Any agency submitting a proposal for a change of organization or reorganization to LAFCo for consideration must have an existing Municipal Service Review and Sphere of Influence Plan. LAFCo will approve a proposal only if the proposed service provider is the most efficient provider of services with an acceptable cost, as demonstrated in the provider's Municipal Service Review. (3.3.2)
- Demonstrated Need Required. An application for an amendment to a sphere of influence must demonstrate a projected need or (in the case of reduction of the sphere) lack of need for service. (3.4.7)

The proposed Sphere of Influence Amendment for the Paradise Irrigation District is consistent with Butte LAFCo Policies in that:

- One of the parcels within the SOI amendment area has long received water services from PID through an annual out of district contract. This proposal will formalize the provision of water service that the District has provided to this parcel. The other three parcels within the SOI amendment area, which are fully developed and utilize individual on-site wells, may require water service from PID at some point in the future if ground water levels continue to fall due to ongoing drought conditions.
- The Paradise Irrigation District has the ability to provide domestic water service to the territory.
- The Paradise Irrigation District is the most efficient provider of domestic water services in the area.

Other Sphere of Influence Issues

It has been Butte LAFCo's historical preference to require coterminous boundaries for the Town of Paradise and the Paradise Irrigation District. This course of action ensured that properties within the Town could be provided with public water from PID. However, for this proposal, none of the four parcels within the SOI amendment area are proposed to be annexed to the Town of Paradise and only one of the subject parcels is proposed to be annexed to PID. Staff does not believe that requiring concurrent annexation to the Town of Paradise and PID is necessary for this annexation proposal as a concurrent annexation would result in illogical jurisdictional boundaries. Additionally, the parcel being annexed to PID does not appear to need municipal services from the Town of Paradise.

This Sphere of Influence Amendment is intended to facilitate the annexation of the territory into PID. This Amendment is not related to a systematic review of the District's Sphere of Influence as addressed in §56425. A previously noted, LAFCo Staff believes that PID's MSR should be updated in 2017 and that an updated Sphere of Influence Plan also be prepared.

With the understanding that the requested Sphere of Influence Amendment is adequately supported as discussed above, the following review of the specific annexation is provided.

Annexation

The parcel proposed for annexation (APN 055-350-022) already receives domestic (treated) and raw (untreated) water service from the Paradise Irrigation District under an annual out of district contract. The annexation of this parcel to PID will end the need for the yearly contract. According to the County of Butte Registrar of Voters, there are less than 12 registered voters

within the proposal area. Given this information, the proposal area is considered uninhabited in terms of LAFCO annexation proceedings.

Individual Factors for Consideration

California Government Code § 56668 provides a list of factors to be considered in the review of a proposal. The Commission's review shall include, but is not limited to, consideration of these factors:

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

The territory is contiguous to the jurisdictional boundaries of the Town of Paradise and the Paradise Irrigation District. The territory is located approximately three miles from downtown Paradise. The territory is developed with a mini-storage business and three single-family dwellings on a 5.5-acre parcel. With three dwellings, the territory has a population of approximately nine people.

The site and surrounding area are relatively level with no significant natural features that would adversely affect the annexation. Future growth in the area is limited due to the large minimum parcel sizes allowed in the area and due to the large area needed to accommodate on-site sewage disposal systems.

(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 parcel proposed for annexation to the Paradise Irrigation District has long received water services from the District under an annual out of district contract. The annexation of the parcel to PID will formalize this arrangement.

(c) The effect of the proposed action and of alternative actions.

There will be no immediate change to the subject territory brought by annexation. The territory is already developed with a commercial use (mini-storage business) and three single-family dwellings. Impact to local government is nominal.

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

The annexation of the subject territory to the Paradise Irrigation District is consistent with the planned, orderly, and efficient patterns of urban development within the adopted Spheres of Influences of the affected agencies.

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

The parcel proposed for annexation is developed with a mini-storage business and three single-family dwellings, with little area available for agricultural uses. Neither the territory nor the surrounding parcels are subject to a Williamson Act contract. The territory's location in the upper foothills, with shallow, rocky soils, large amounts of brush, and lack of adequate water precludes the use of the territory for most types of agricultural uses. Livestock grazing may occur on some of the larger parcels in the area, but such use would be very limited due to heavy brush and steep, rocky slopes. The territory and the adjacent parcels do not appear to be "prime agricultural land" as defined in §56064 due to the steep slopes, thin, rocky soils, and heavy brush found in the area. Annexation of the subject territory to PID would not contribute to the loss of 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. The subject territory is legally uninhabited with less than 12 registered voters.

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

The Butte County General Plan designates the subject territory as Retail and Office and is zoned G-C (General Commercial). The proposal is consistent with the land use policies of the Butte County.

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

The proposed annexation is consistent with the Sphere of Influences for the Town of Paradise and the Paradise Irrigation District. The annexation does not conflict with the Sphere of Influence of any other district.

(i) The comments of any affected local agency.

On November 14, 2016, LAFCo staff circulated copies of the application materials for review and comment from local public agencies. No substantive comments were received from an affected local agency during the review of this proposal.

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

The Paradise Irrigation District already provides water service to the territory under an annual out of district contract. PID pipelines already extend to the parcel proposed for annexation. Annexation of the parcel will not result in any additional water demands on the District.

(k) Availability of adequate water supplies.

The Domestic Water and Wastewater Services MSR, approved by LAFCo in 2006, states that PID can provide adequate supplies of water during years of normal precipitation, but has inadequate supplies of potable water during drought periods (Determination PID-2). As previously noted, PID already provides water service to the territory and therefore there will not be any additional water demands on the District due to the annexation.

(l) 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 subject territory is developed with a mini-storage business and three single-family dwellings. This annexation proposal makes no significant impact on the ability of Butte County to meet its regional housing needs determination.

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

No comments were offered.

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

None.

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

The proposed annexation is intended to benefit the existing residents of the subject territory by providing a long-term source of public domestic water.

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:

- The creation of logical boundaries. (2.11.2)
- That a need for service exists and whether a lack of the service creates a demonstrated threat to the public health and safety. (2.14.1)
- 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 annexation does not create illogical boundaries;
- The parcel proposed for annexation to PID already receives water service from the District; and
- PID is the only agency that provides public water in the Paradise 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 Paradise Irrigation District and the Butte County Board of Supervisors on June 12, 2007. The Master Property Tax Transfer Agreement states that no property tax transfer will occur as a result of any annexation to PID.

Support/Protest

On October 19, 2016, the Paradise Irrigation District Board of Directors adopted Resolution No. 2016-21 initiating the annexation proposal. There is one registered voter in the territory, which makes the territory uninhabited pursuant to Government Code §56046, which requires twelve or more registered voters to live within the proposal area before it can be considered inhabited.

Conducting Authority Proceedings

The proposed annexation has 100% consent of the property owner and the subject territory is uninhabited. No subject agency has provided written opposition to a waiver of protest proceedings. Accordingly, conducting authority proceedings may be waived pursuant to California Government Code § 56663(c) if the Commission approves the annexation.

Environmental Analysis

The Paradise Irrigation District, acting as lead agency, found the project to be Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexation of Existing Facilities and Lots for Exempt Facilities. This action is based on the current developed status of the territory. The Paradise Irrigation District filed a Notice of Exemption on October 25, 2016, with the Butte County Recorder's Office, which is inserted as "**Exhibit D**" of this report. Staff concurs with PID's use of the 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 – APPROVE the proposals as submitted:

- A. Move to adopt Resolution 10-S 2016/17 approving the proposed Sphere of Influence Amendment to the Paradise Irrigation District.
- B. Move to adopt Resolution 10 2016/17 making determinations approving the proposed *Paradise Irrigation District – Neal Road Annexation No. 1*.

OPTION 2 - DENY the proposal.

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

ACTION REQUESTED:

Approve OPTION 1.

Respectfully submitted,



Stephen Betts
Deputy Executive Officer

Attachments:

- Exhibit A: SOI/Annexation Area Map (Page 2)
- Exhibit B: Draft LAFCo Resolution No. 10-S 2016/17 (SOI Amendment) (Page 13)
- Exhibit C: Draft LAFCo Resolution No. 10 2016/17 (Annexation) (Page 16)
- Exhibit D: Notice of Exemption (Page 19)

RESOLUTION NO. 10-S 2016/17

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND APPROVING
A SPHERE OF INFLUENCE AMENDMENT TO THE
PARADISE IRRIGATION DISTRICT – NEAL ROAD**

Exhibit B

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

WHEREAS, a proposal for an amendment to the Paradise Irrigation District's Sphere of Influence was heretofore filed by the Paradise Irrigation District and accepted for filing on November 22, 2016, 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 Paradise Irrigation District has identified a need to amend the District's Sphere of Influence to provide municipal water services in a logical and orderly manner; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56427, set January 5, 2017, 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 56428, has reviewed this proposal and prepared a report, including his 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 public hearing on the proposal on January 5, 2017, 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, the applicable Butte LAFCo Policies and Procedures and the factors specified in Government Code Section 56425(e); and

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

Section 1. Environmental Action:

The Commission concurs with the Paradise Irrigation District's determination that this project is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexation of Existing Facilities and Lots for Exempt Facilities. A Notice of Exemption was prepared by the Paradise Irrigation District and filed on October 25, 2016.

Section 2. Determinations:

- A. The Commission has considered the factors determined by the Commission to be relevant to the Sphere of Influence Amendment including Butte LAFCo Policies and

Procedures, the Domestic Water and Wastewater Service Providers Municipal Service Review, planned land uses, the potential conversion of agricultural and open space lands, the need for municipal services, the availability of services, and the existence of any social or economic communities of interest as discussed in Government Code Section 56425, and as described in the staff report dated December 19, 2016, for the meeting of January 5, 2017.

- B. The Commission determines that the extension of domestic and irrigation water services to the subject parcel conforms to the land use plans of the Paradise Irrigation District in that the territory is located on the southwest boundary of, and is contiguous to, the Paradise Irrigation District Sphere of Influence and District boundary.
- C. 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 all of the subject parcels developed; will not result in a change in land use or a significant increase in density on the subject parcels; the adjacent parcels are not developed with agricultural uses nor are agricultural uses expected to be established due to lack of adequate soil and adequate water, and the presence of heavy brush; the territory and the adjacent parcels are not considered to be "prime agricultural land" as defined in §56064 due to thin, rocky soils found in the area. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the requested Sphere of Influence amendment.
- D. The Paradise Irrigation District has the capacity to provide domestic and irrigation water to the affected area and the project will not adversely affect the District's ability to provide water services to existing customers.
- E. The Commission determines that the subject territory is located immediately southwest of and adjacent to the Paradise Irrigation District's Sphere of Influence.
- F. The Commission determines that the Sphere of Influence Amendment is intended to facilitate the annexation of defined territory and is not related to a systematic review of the Paradise Irrigation District's Sphere of Influence as addressed in California Government Code Section 56430.
- G. The Sphere of Influence Amendment area shall consist of four (4) parcels, Assessor's Parcel Numbers 055-450-010, 055-450-011, 055-450-012, and 055-350-022, and a portion of the Neal Road right-of-way, totaling approximately 8.2 acres, as described in Exhibit "A."
- H. The subject proposal is assigned the following short form designation: 17-06(S) – Paradise Irrigation District Sphere of Influence Amendment – Neal Road.

Section 3. The Executive Officer is hereby authorized and directed to mail certified copies of this Resolution in the manner and as provided in Section 56853 of the Government Code.

PASSED AND ADOPTED by this Local Agency Formation Commission of the County of Butte, on the 5th day of January 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

DRAFT

RESOLUTION NO. 10 2016/17

Exhibit C

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 17-06
PARADISE IRRIGATION DISTRICT – NEAL ROAD ANNEXATION NO. 1**

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 Paradise Irrigation District in the County of Butte was heretofore filed by the Paradise Irrigation District and accepted for filing on November 22, 2016, 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 5, 2017, 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 5, 2017, 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 Paradise Irrigation District determination that the proposed project is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15319, Annexation of Existing Facilities and Lots for Exempt Facilities. A Notice of Exemption was prepared by the Paradise Irrigation District and filed on October 25, 2016.

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 19, 2016, for the meeting of January 5, 2017.

- B. The Commission finds that the proposal has 100% support of the affected property owner and orders the annexation complete without a protest hearing pursuant to Government Code Section 56663.
- C. The annexation area shall consist of one (1) parcel, Assessor's Parcel Number 055-350-022, and a portion of the Neal Road right-of-way, totaling approximately 6.4 acres, as submitted by the Paradise Irrigation District and described in Exhibit "A."
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: 17-06 – Paradise Irrigation District – Neal Road Annexation No. 1.
- E. The Paradise Irrigation District already provides water service to territory under an annual out of district contract and has done so for over 40 years. This annexation formalizes the water services already provided by the District to the territory and ensures the creation of orderly jurisdictional boundaries.
- F. The proposal is consistent with the Paradise Irrigation District Sphere of Influence as amended by the Commission on January 5, 2017 (Resolution No. 10-S 2016/17).
- G. 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 due to thin, rocky soils and heavy brush found in the area. Therefore, no conversion of designated agricultural or open space lands will occur because of the requested annexation.
- H. A Master Property Tax Transfer Agreement, which states that there will be no transfer of property taxes, was executed between the Paradise Irrigation District Board of Directors and the Butte County Board of Supervisors on June 12, 2007.

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. The Commission requests that the Paradise Irrigation District submit a request to LAFCo by May 1, 2017, to update the District's Municipal Service Review and to prepare a Sphere of Influence Plan. The District shall be responsible for all costs associated with the preparation of the MSR Update and SOI Plan.

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 Exhibits "A" and "B" 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 5th day of January 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

Exhibit D

NOTICE OF EXEMPTION

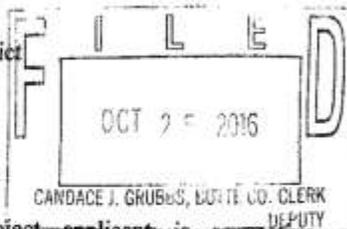
To: County Clerk
County of Butte
25 County Center Drive
Oroville, CA 95965

From: Paradise Irrigation District
6332 Clark Road
Paradise, CA 95969

Project Title: Neal Road Parcel Annexation into Paradise Irrigation District

Project Location - Specific: ³3247 Neal Road, Paradise, CA 95969

Project Location - City: Paradise Project Location - County: Butte



Description of Nature, Purpose, and Beneficiaries of Project: The project applicant is requesting annexation into the Paradise Irrigation District boundaries and continuing service at an existing meter that is located in Neal Road for irrigation and domestic water.

Name of Public Agency Approving Project: Paradise Irrigation District

Name of Person or Agency Carrying Out Project: James Family Trust, 4990 Rich Bar Road, Chico, CA 95928

Exempt Status: (Check One)

Ministerial Exemption (Public Resources Code Section 21080(b)(1); 14 CCR 15268);

Declared Emergency (Section 21080(b)(3); 15269(a));

Emergency Project (Section 21080(b)(4); 15269(b)(c));

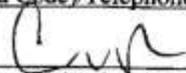
Categorical Exemption. State type and section number: 15319 (b) - Annexations of Existing Facilities and Lots for Exempt Facilities

Statutory Exemption. State type and code number: _____

Reasons why project is exempt: The project is the annexation of an individual small parcel to a district containing existing public facilities that have been developed to the allowed density under the current zoning. The existing facility has the capacity to serve the existing rural residential parcel.

Lead Agency Contact Person: George Barber, District Manager, Paradise Irrigation District

(Area Code)/Telephone/Extension: (530) 877-4971


George M. Barber, General Manager

10/26/16
Date