

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

**TO:** Local Agency Formation Commission

**FROM:** Stephen Betts, Deputy Executive Officer

**SUBJECT:** ***LAFCo File 16-06 – Butte Water District – Sphere of Influence Amendment and Singh/Etcheverry/Farm for Fun Annexation***

**DATE:** August 24, 2016, for the September 1, 2016, LAFCo Meeting

**Summary**

Proposed is a Sphere of Influence Amendment to add three parcels, totaling approximately 241.5 acres, to the Butte Water District's Sphere of Influence and the annexation of the same three parcels to the Butte Water District (see **Exhibit A**). This proposal would allow the Butte Water District to provide irrigation water to the subject territory. Two of the parcels proposed for annexation are within Sutter County and one is in Butte County. The proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

**General Information**

Application Submitted: May 27, 2016 (application deemed incomplete)

Application Deemed Complete: July 19, 2016

100% Landowner Consent: Yes

Notice and Hearing Required: The SOI Amendment requires public notice and public hearing

Proponent: Butte Water District Board of Directors, Resolution 2016-3

Landowners:

<u>APN</u>	<u>Landowner</u>
021-220-021	Farm for Fun L.P./Gary Justeson
08-230-015	Reginald Singh
10-020-005	Charles Etcheverry

Location: Butte County APN 021-220-021 (no street address) is located at the west end of Melo Glow Lane, southwest of the City of Gridley. Sutter County APN 08-230-015 (9424 Township Road) is located on the west side of Township Road, approximately 0.6 miles south of Pennington Road, west of the City of Live Oak. Sutter County APN 10-020-005 (no street address) is located at the south end of Graves Street, south of the City of Live Oak.

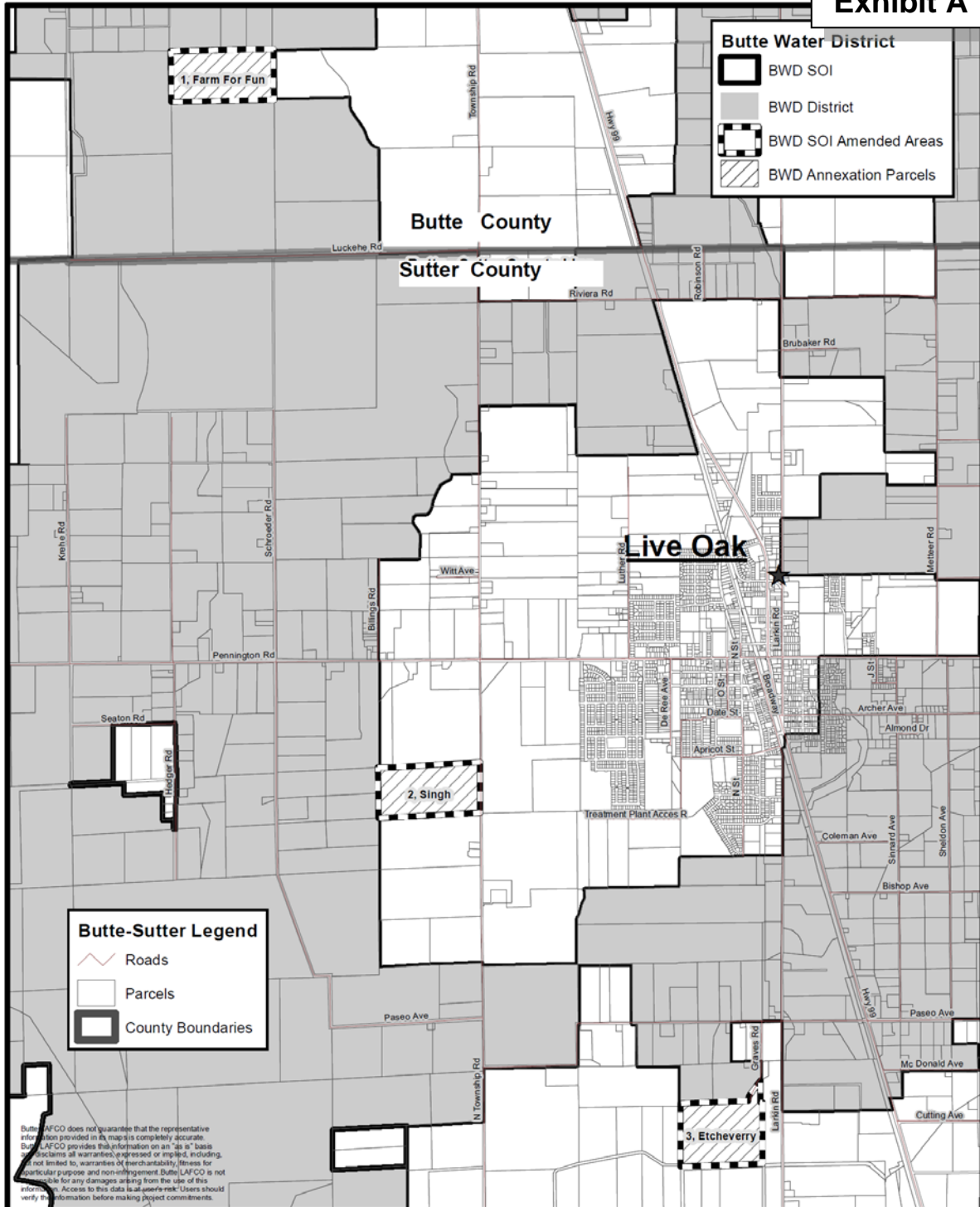
Proposal: Sphere of Influence Amendment and annexation of three parcels, totaling approximately 241 acres, to the Butte Water District.

**Requested**

Action:

1. Adopt Resolution 02-S 2016/17 (**Exhibit B**) approving the SOI amendment;
2. Adopt Resolution 02 2016/17 (**Exhibit C**) approving the annexation.

**Exhibit A**



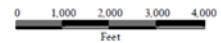
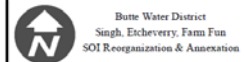
**Butte Local Agency Formation Commission**

**Butte Water District Singh, Etcheverry, Farm for Fun Annexations & SOI Amendments**

Applicant: Butte Water District

Date: September 1, 2016 @ 9:00 a.m.

File: 16-06



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Data: BWD, Butte County & LAFCO

## DISCUSSION AND ANALYSIS

### Background

The Butte Water District (BWD) provides agricultural irrigation water services to large portions of the unincorporated areas of both Butte and Sutter Counties. Additionally, BWD provides agricultural irrigation water services to parcels within the Cities of Biggs, Gridley, and Live Oak. Butte LAFCo is the principal LAFCo for any boundary changes for BWD because the majority of assessed land value within the District is located in Butte County.

The proposal consists of:

- A Sphere of Influence Amendment to the Butte Water District to add three parcels and adjacent road right-of-ways to the District's Sphere of Influence; and
- The annexation of the above-noted three parcels and adjacent road right-of-ways, totaling approximately 241.5 acres, to the Butte Water District.

The three subject parcels are developed with agricultural uses, and one, APN 08-230-015, is also developed with a dwelling unit and accessory buildings. The following table provides information on the parcels proposed for annexation.

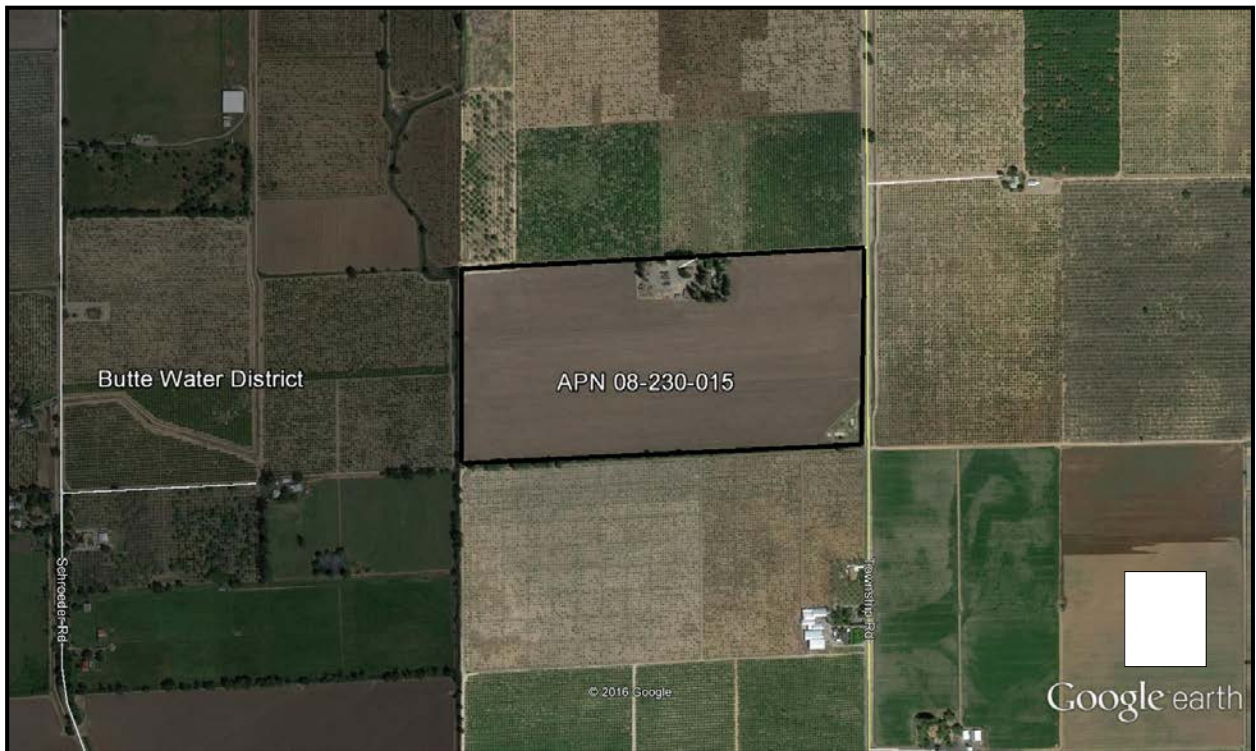
<u>APN</u>	<u>County</u>	<u>Size (acres)</u>	<u>Land Use</u>	<u>General Plan</u>	<u>Zoning</u>
021-220-021	Butte	79.6	Walnut Orchard	Agricultural	AG-40
08-230-015	Sutter	80.1	Rice field, house, accessory structures	Agricultural 80	AG
10-020-005	Sutter	81.4	Orchard	Agricultural 20	AG

APN 021-220-021 and APN 10-020-005 are subject to a California Land Conservation Agreement, also known as a Williamson Act contract. The annexation of these parcels to the Butte Water District for the provision of public irrigation water will not conflict with the Williamson Act contracts on these parcels.

All of the parcels proposed for annexation are located in intensive agricultural areas of primarily orchards and rice fields. The following aerial photographs show each parcel proposed for annexation and the land uses on the surrounding parcels.



**AERIAL VIEW OF APN 021-220-021 (BUTTE COUNTY, SOUTHWEST OF THE CITY OF GRIDLEY)**



**AERIAL VIEW OF APN 08-230-015 (SUTTER COUNTY, WEST OF THE CITY OF LIVE OAK)**





**AERIAL VIEW OF APN 10-020-005 (SUTTER COUNTY, SOUTH OF THE CITY OF LIVE OAK)**

## **Analysis**

### **Sphere of Influence Amendment**

#### **Sphere of Influence Amendment**

The annexation of the affected parcels requires amendments to the Butte Water District's Sphere of Influence. 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 four 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 BWD'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 overall ability to provide comprehensive services.

LAFCO adopted a Municipal Service Review (MSR) and Sphere of Influence Plan for the Butte Water District in September 2010. The MSR included an evaluation of the structure and operation of the District and made specific determinations on that agency's ability to provide irrigation water service. The MSR and SOI Plan for the Butte Water District remain relevant as there have been no significant changes to the District's operations since adoption of these documents in 2010.

#### Present and Planned Land Uses

*The territory is located within intensive agricultural areas of Butte and Sutter Counties. All of the parcels proposed to be added to BWD's SOI are designated by their respective County's General Plan for agricultural uses on large parcels. One of the subject parcels is developed with a residential use and the other two parcels could be developed with a residential use.*

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

#### Agricultural and Open Space Land Considerations

*All of the parcels proposed to be added to BWD's SOI are located within intensive agricultural areas and are developed with commercial agricultural uses. The parcels are designated by their respective County's General Plan for agricultural uses. The annexation of the subject parcels to the Butte Water District will allow the District to provide irrigation water, which would provide for the continued use of the parcels for agricultural uses.*

*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:*

- The parcels proposed to be added to BWD's SOI are designated by their respective County's General Plan for agricultural uses and are developed with commercial agricultural uses;*
- The proposal will not result in a change in land use or an increase in density.*
- The proposal will allow public irrigation water to be provided to the subject parcels, ensuring a dependable, long-term source of water for existing and future agricultural uses on the parcels.*

*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 Sphere of Influence amendment to the Butte Water District is proposed in order to provide public irrigation water to the subject parcels. The provision of public irrigation water to the subject parcels will provide a managed, dependable, long-term supply of irrigation water to the subject parcels. Due to the location of the subject parcels, the Butte Water District is the only practical provider of irrigation water.*

*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 Butte Water District (BWD) provides irrigation water to a large portion of southwest Butte County and to the north Sutter County area. The MSR for BWD states that the District has adequate water sources to provide irrigation water to the subject parcels. The incremental increase in the need for public irrigation water service for the effected parcels does not represent a significant impact to BWD's ability to continue to provide irrigation water to existing customers.*

*The Butte Water District indicates that the landowners of the territory will finance any required infrastructure improvements, and therefore, the project will not adversely affect the cost and adequacy of services to existing service users.*

*The proposed action appears consistent with the ability of BWD 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 parcels proposed to be added to BWD's SOI are located in the unincorporated area of Butte County and Sutter County. The parcel located in Butte County is located to the southwest of the City of Gridley and the two parcels located in Sutter County are located near the City of Live Oak.*

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

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.

*The Butte Water District does not provide services related to sewers, municipal and industrial water, or structural fire protection. Nor does the sphere amendment rise to the level of a sphere update.*

## **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)
- 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 Butte Water District is consistent with LAFCO Policies in that:

- The provision of irrigation water by the Butte Water District to the subject parcels will ensure a long-term, dependable supply of irrigation water to existing and future agricultural uses.
- The Municipal Service Review for the Butte Water District is current and supports BWD's ability to provide irrigation water service to the territory.
- The Butte Water District is the most efficient provider of domestic water services in the area.

## Annexation

The proposed annexation must be analyzed with respect to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and with local Butte LAFCo policies. The following sections provide the required analysis.

## **Individual Factors for Consideration**

California Government Code Sections 56668 and 56668.3 require the Commission to consider sixteen specific factors when it reviews proposed boundary changes involving special districts. 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 proposed boundary change follows.



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

*The territory is located within intensive agricultural areas of unincorporated Butte and Sutter Counties and the parcels within the territory are developed with agricultural uses. One of the parcels in the territory – Sutter County Assessor’s Parcel Number 08-230-015 – is developed with a residential use. The other two effected parcels could also be developed with a residential use. General Plan and zoning designations for the territory require large parcel sizes.*

*As an intensive agricultural area with very large parcels, the territory and surrounding area have a very low growth rate. No significant growth in the area is expected to occur.*

**(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 need for organized community services in the proposal area is to support agricultural uses consistent with the Butte County and Sutter County General Plans. Annexation of the territory to BWD will not result in a demand for additional organized community services in the area.*

*The Butte Water District indicates that the landowners of the territory will finance any required infrastructure improvements, and therefore, the project will not adversely affect the cost and adequacy of services to existing service users.*

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

*The proposed annexation does not negatively impact existing County governmental structures or agencies currently providing service to the territory or the area.*

**(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 BWD will not conflict with the planned, orderly, and efficient patterns of development within the Counties of Butte and Sutter.*

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

*The territory is located within intensive agricultural areas of unincorporated Butte and Sutter Counties and is located on prime agricultural land. Two of the parcels proposed for annexation – APNs 021-220-021 and APN 10-020-005 – are subject to a California Land Conservation Act (“Williamson Act”) contract. The proposed annexation to BWD for the provision of agricultural irrigation water services will not result in any impact to agricultural uses on or off of the territory.*

**(f) Boundaries of the territory.**

*The subject territory is parcel specific, with definite and certain boundaries. The subject territory is legally uninhabited with less than 12 registered voters. The territory is contiguous to Butte Water District boundaries.*

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

*Butte County Assessor's Parcel Number 021-220-021 is designated by the Butte County General Plan as Agricultural and is zoned AG-40 (Agricultural, 40-acre minimum parcel size). Sutter County Assessor's Parcel Number 08-230-015 is designated by the Sutter County General Plan as Agricultural-80 and is zoned Agricultural. Sutter County Assessor's Parcel Number 10-020-005 is designated by the Sutter County General Plan as Agricultural-20 and is zoned Agricultural.*

*The proposed annexation to BWD is consistent with the Butte County General Plan and with the Sutter County General Plan, both of which designate the territory for agricultural uses.*

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

*The territory is located within, and is consistent with, the Sphere of Influence for the Butte Water District as reviewed and updated by the Commission on September 2, 2010. The proposed annexation does not conflict with the Sphere of Influence of any other agency that provides agricultural irrigation water.*

**(i) The comments of any affected local agency.**

*LAFCo staff circulated copies of the application materials for review and comment from local public agencies and no substantive comments were received.*

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

*The Butte Water District has adequate resources and capacity to provide service to parcels proposed to be annexed to the District.*

**(k) Availability of adequate water supplies.**

*As reflected in the Municipal Service Review Update for the Butte Water District, adopted by Butte LAFCo on September 2, 2010, the District has rights to approximately 133,200 acre feet annually while demand for water from the District averages 100,000 acre-feet during the summer irrigation season and 10,000 acre-feet during the winter. The District currently utilizes approximately 70–80 percent of its yearly allocation. The District has adequate water supplies to provide service to the territory.*

**(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.**

*This annexation proposal will not affect the ability of Butte County or Sutter County to meet their regional housing needs allocation.*

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

*LAFCo has received no comments or information from the effected and nearby landowners or residents.*

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

*The proposed annexation conforms to the Butte County General Plan and the Sutter County General Plan.*

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

*The proposed annexation is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups.*

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

**Butte LAFCo Policies**

Section 4 (General Standards for Annexation and Detachments) of Butte LAFCo Policies provides the standards for determinations regarding annexation and detachment proposals. As stated in this section, annexations and detachments must be consistent with the general policies set forth in the Butte LAFCo Policies. Staff's analysis (in italics) of each applicable sub policy in Section 4 follows.

**Section 4.1.1 - Consistency with Spheres and Municipal Service Reviews.** Section 4.1.1 states that an annexation/detachment shall be approved only if the Municipal Service Review and the Sphere of Influence Plan of the affected agency(s) demonstrates that adequate services will be provided within the time frame needed by the inhabitants of the annexed or detached area.

*On September 2, 2010, the Commission reviewed and adopted the Municipal Service Review Update for the Butte Water District and also reviewed and approved a Sphere of Influence Plan for the District. The MSR and the SOI Plan demonstrate that the District has adequate resources to provide service to the territory.*

**Section 4.1.10 - Service Requirements.** This policy states that LAFCo will deny annexation proposals that would result in significant adverse effects upon other service recipients or other agencies serving the affected area unless the approval is conditioned to mitigate such impacts as determined by the Commission.

*The proposed annexation will not have any significant adverse effects to any other service providers in the area.*

**Section 4.2 LAFCo Determination of the Most Efficient Service Provider.** This section states that LAFCo will normally approve an annexation only if the Commission determines that the annexing agency possesses the capability to provide the most efficient delivery of applicable services for the affected population. Policy 4.2.3 lists six factors that must be considered in determining the most efficient service provider:

- 1. Physical accessibility of the territory to the agency's service provision resources.**

*The territory is located in an area that is already served by the Butte Water District.*

**2. The agency's possession of or ability to acquire resources necessary to provide the needed service.**

*BWD owns, operates, and maintains an agricultural irrigation water conveyance system in the area. The District's facilities have adequate capacity to provide agricultural irrigation water services to the territory.*

**3. The agency's historic service provision effectiveness and efficiency.**

*According to the Municipal Services Review for BWD (adopted September 2, 2010), the District has historically provided effective and efficient agricultural irrigation water services to the areas within their jurisdictional boundaries.*

**4. The appropriateness of the agency's organizational structure to meet service needs.**

*According to the Municipal Services Review for the Butte Water District, the overall management structure of the District is sufficient to account for necessary services and to maintain operations in an efficient and effective manner.*

**5. The legislative policy established in Cortese-Knox-Hertzberg to favor consolidation of services in a single multi-service provider over allowing the proliferation of single-purpose service agencies.**

*The Butte Water District is a single-purpose service district. However, there are no multi-service providers in the area that also provide agricultural irrigation water services.*

**6. The effect on alternative service providers and those who use their services.**

*There are no other agencies in the immediate area that provide agricultural irrigation water services.*

### **Policy Summary**

As shown above, the proposed annexation appears to be consistent with the applicable Butte LAFCo policies regarding annexation proposals. The Butte Water District provides effective and efficient irrigation water services and has the water supplies needed to provide service to the territory.

## **ADDITIONAL BACKGROUND**

### **Property Tax Agreement**

The Butte Water District has master tax sharing agreements with Butte County (Butte County Board of Supervisors Resolution No. 10-020, signed February 9, 2010) and with Sutter County (Sutter County Board of Supervisors Resolution No. 10-060, signed October 5, 2010). Both of the master tax sharing agreements provide for no property tax transfer as a result of any annexation of territory to the Butte Water District.

### **Support/Protest**

The Butte Water District conducted a public hearing on April 15, 2016, at which time the sphere of influence amendment and annexation proposals were initiated by Resolution No. 2016-3. There are no registered voters in the proposal area, 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.

Notices regarding the proposed Sphere of Influence Amendment and the proposed annexation were mailed to all effected landowners and registered voter and to all landowners and registered voters within 300 feet of each parcel proposed for annexation. In addition, legal notices regarding the date and time of the public hearing were published in the *Chico Enterprise-Record* and in the *Appeal-Democrat* (Marysville/Yuba City) on August 11, 2016. As of the date of this report, no comments have been received from the public regarding the proposals.

### **Conducting Authority Proceedings (annexation only)**

This proposal has 100% consent of the affected landowners. Pursuant to 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 to a waiver of protest proceedings. This annexation proposal meets the above conditions for a waiver of the protest proceedings, and therefore, approval by this Commission will be the final action required for annexation.

### **Environmental Analysis**

The Butte Water District is the lead agency for the proposed Sphere of Influence Amendment and the proposed annexation under the California Environmental Quality Act. The District found the project to be Categorical Exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3), General Rule Exemption. The Notice of Exemption is inserted as “**Exhibit D**” on page 22 of this report.

This exemption can be used when the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The General Rule exemption is appropriate for this proposal because: 1) the provision of public irrigation water to the territory will not cause a change in land uses or densities and will allow for the continued agricultural uses on the parcels within the territory, and; 2) existing drainage canals will be utilized to supply irrigation water to the territory;



As responsible agency, LAFCo is required to rely on the District's environmental documentation in acting on the proposal, but must prepare and issue its own findings. Staff has reviewed the aforementioned Notice of Exemption and believes that the District has made an adequate determination in that the proposed annexation will not result in any substantial impact to the environment. Staff concurs with the District's use of the Section 15061(b)(3), exemption.

## **CONCLUSION**

The Butte Water District has adequate capacity and resources to provide water services to the three parcels proposed for annexation to the District. The annexation of the territory to the Butte Water District represents a logical extension of the Butte Water District's boundaries and services, and it will have no adverse impacts on any other agency's ability to provide services to existing service users. The proposal substantially conforms to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and with LAFCo policy. The Executive Officer recommends approval of this proposal.

## **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 proposal as submitted:

- A. Find that the proposed Sphere of Influence amendment and the proposed annexation are exempt from the California Environmental Quality Act per the General Rule exemption (California Government Code Section 15061(b)(3).
- B. Adopt Resolution 02-S 2016/17 approving the proposed Sphere of Influence Amendment to the Butte Water District.
- C. Adopt Resolution 02 2016/17 approving the proposed annexation to the Butte Water District.
- D. Find: 1) the subject territory is uninhabited, 2) all affected landowners have been given written consent to the annexation, and 3) the annexing agency has given written consent to the waiver of conducting authority proceedings.
- E. Waive the conducting authority proceedings and direct staff to complete the proceeding.

OPTION 2 - DENY the proposal.

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

**ACTION REQUESTED:**

Approve OPTION 1. Based on the information and discussion in this report it is recommended that the Commission approve the proposal as requested by the Butte Water District.

Respectfully submitted,

***Stephen Betts***

Stephen Betts  
Deputy Executive Officer

**Attachments:**

Exhibit A: Annexation Boundary Map - Page 2

Exhibit B: Draft LAFCo Resolution No. 02-S 2016/17 – Page 16

Exhibit C: Draft LAFCo Resolution No. 02 2016/17 – Page 19

Exhibit D: Notice of Exemption – Page 22

**DRAFT**

**RESOLUTION NO. 02-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  
BUTTE WATER DISTRICT**

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

**WHEREAS**, a proposal for an amendment to the Butte Water District's Sphere of Influence was heretofore filed by the Butte Water District and accepted for filing on July 19, 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 Butte Water District has identified a need to amend the District's Sphere of Influence to provide irrigation water services in a logical and orderly manner; and

**WHEREAS**, the Executive Officer, pursuant to Government Code Section 56427, set September 1, 2016, 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 September 1, 2016, 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 Butte Water District findings that this proposed minor Sphere of Influence amendment is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3), General Rule Exemption.

**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 Butte Water District Municipal Service Review and Sphere of Influence Plan, 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 August 24, 2016, for the meeting of September 1, 2016.
- B. The Commission determines that the extension of irrigation water services to the subject parcels conforms to the land use plans of the Butte Water District in that the territory is contiguous to the Butte Water 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 the subject parcels are designated by their respective County General Plans for agricultural uses; are developed with agricultural uses; the provision of public irrigation water will ensure that the parcels have an adequate water supply for agricultural production; and will not result in a change in land use. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the requested Sphere of Influence amendment.
- D. The Municipal Service Review for the Butte Water District finds the District has the capacity to provide irrigation water to the affected parcels and the project will not adversely affect the District's ability to provide irrigation water services to existing customers.
- E. The Commission determines that the subject territory is located immediately adjacent to the Butte Water District's Sphere of Influence.
- F. There will be no significant impact to any special district, the County of Butte or County of Sutter as the subject parcels will be served by the Butte Water District.
- G. 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 Butte Water District's Sphere of Influence as addressed in California Government Code Section 56430.
- H. The Sphere of Influence amendment area shall consist of three (3) parcels, Butte County Assessor's Parcel Number 021-220-021, Sutter County Assessor's Parcel Number 08-230-015, and Sutter County Assessor's Parcel Number 10-020-005, totaling approximately 241 acres, as submitted by the Butte Water District and described in Exhibit "A."
- I. The subject proposal is assigned the following short form designation: 16-06(S) – Butte Water District Sphere of Influence Amendment – Singh, Etcheverry, and Farm for Fun.

**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 1st day of September 2016 by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

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**Clerk of the Commission**

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**CARL LEVERENZ**, Chair  
Butte Local Agency Formation Commission



**DRAFT**

**RESOLUTION NO. 02 2016/17**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF BUTTE  
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF  
TERRITORY TO THE BUTTE WATER DISTRICT,  
DESIGNATED AS 16-06 - BUTTE WATER DISTRICT – SINGH, ETCHEVERRY, AND FARM  
FOR FUN ANNEXATION**

**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 Butte Water District in the County of Sutter and in the County of Butte was heretofore filed by the Butte Water District and accepted for filing on July 19, 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 Butte Water District is a multi-county public agency, with territory in Butte County and in Sutter County; and

**WHEREAS**, pursuant to California Government Code section 56066, Butte LAFCo is the Principal LAFCo for any proposed change in organization or reorganization for the Butte Water District because the greater portion of assessed land value within the District is located in Butte County; and

**WHEREAS**, the Executive Officer, pursuant to Government Code Section 56658, set September 1, 2016, 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 September 1, 2016, 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 Action:

The Commission concurs with the Butte Water District findings that this proposed annexation is Categorically Exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3), General Rule Exemption.

**Section 2.** General Terms and/or Conditions:

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, the Municipal Service Review for the Butte Water District, dated September 2, 2010, the Butte Water District Sphere of Influence Plan, dated September 2, 2010, and other factors specified in Government Code Section 56668 and as described in the staff report dated August 24, 2016, for the meeting of September 1, 2016.
- 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 three (3) parcels, Butte County Assessor's Parcel Number 021-220-021, Sutter County Assessor's Parcel Number 08-230-015, and Sutter County Assessor's Parcel Number 10-020-005, totaling approximately 241 acres as submitted by the Butte Water District and described in LAFCO Exhibit "A."
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: Butte LAFCo 16-06 – Butte Water District – Singh, Etcheverry, and Farm for Fun Annexation.
- E. The purpose of the proposal is to annex three parcels to the Butte Water District, which would allow the District to provide agricultural irrigation water to these parcels.
- F. The Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal.
- G. The Butte Water District Board, the Butte County Board of Supervisors, and the Sutter County Board of Supervisors signed master property tax transfer agreements in which no property tax transfer will occur as a result of any annexation of territory to the District.
- H. The Sphere of Influence for the Butte Water District is found to be current as reviewed, updated, and adopted by the Commission on September 2, 2010. The proposal is consistent with the Butte Water District Sphere of Influence and with the Municipal Service Review for the Butte Water District as updated on September 2, 2010.

**Section 3.** Conditions requested by LAFCo:

- A. All LAFCo, County of Butte, County of Sutter, 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 requirements and if rejected by the State Board of Equalization, shall be revised at the expense of the applicant.

**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 1<sup>st</sup> day of September 2016, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

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**Clerk of the Commission**

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**CARL LEVERENZ, Chair**  
Butte Local Agency Formation Commission

**Notice of Exemption**

**Exhibit D**

To: Office of Planning and Research  
P.O. Box 3044, Room 113  
Sacramento, CA 95812-3044  
  
County Clerk  
County of: Butte  
  
\_\_\_\_\_

From: (Public Agency): Butte Water District  
735 Virginia Street, Gridley, CA, 95948  
  
\_\_\_\_\_  
(Address)

Project Title: Amendment to District Sphere of Influence and Annexation of Three Parcels

Project Applicant: Butte Water District

Project Location - Specific:  
Sutter County Assessors Parcel Map Numbers 10-020-005; and 08-230-015. Butte County Assessors Parcel Map Number 021-220-021.

Project Location - City: \_\_\_\_\_ Project Location - County: Sutter, Butte.

Description of Nature, Purpose and Beneficiaries of Project:  
Proposal to amend SOI and annexation of Sutter and Butte County properties into boundaries of Butte Water District for purpose of making available existing irrigation water.

Name of Public Agency Approving Project: Butte County Local Agency Formation Commission

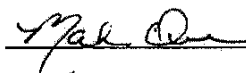
Name of Person or Agency Carrying Out Project: Butte Water District

- Exempt Status: (check one):
- Ministerial (Sec. 21080(b)(1); 15268);
  - Declared Emergency (Sec. 21080(b)(3); 15269(a));
  - Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
  - Categorical Exemption. State type and section number: 14 CCR 15319; 14 CCR 15061(b)(3).
  - Statutory Exemptions. State code number: \_\_\_\_\_

Reasons why project is exempt:  
The proposed project would amend the District's Sphere of Influence and annex three properties into the boundaries of Butte Water District. The parcels proposed for annexation are developed to the density allowed by Butte Water District. No change to the annexed parcels or surrounding area will occur.

Lead Agency  
Contact Person: Mark Orme Area Code/Telephone/Extension: 530 846 3100

- If filed by applicant:
1. Attach certified document of exemption finding.
  2. Has a Notice of Exemption been filed by the public agency approving the project?  Yes  No

Signature:  Date: 4/15/16 Title: Gen. Manager

Signed by Lead Agency  Signed by Applicant