TO: Local Agency Formation Commission
FROM: Craig Sanders, Deputy Executive Officer
SUBJECT: LAFCo File 18-11 – Lake Oroville Area Public Utility District – Oak Knoll Annexation No. 1
DATE: April 26, 2018, for the May 3, 2018, LAFCo Meeting

Summary
Proposed is the annexation of a single 3.1 acre undeveloped parcel to the Lake Oroville Area Public Utility District (See Exhibit A). This uninhabited annexation would allow the Lake Oroville Area Public Utility District (LOAPUD) to provide sanitary sewer service to future development within the area proposed for annexation. Future development within the territory would have to conform to the zoning and general plan regulations administered by Butte County. The proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

General Information
Application Submitted: March 29, 2018
Application Deemed Complete: April 10, 2016
100% Landowner Consent: Yes
Notice and Hearing Required: No
Proponent: Lake Oroville Area Public Utility District Board, by Resolution 02-2018
Landowner: Waid and Becky Domoe
Location: The territory is approximately 3.15 acres in size and is located on the south side of Oak Knoll Way, approximately 730 feet west of Autrey Lane, in the unincorporated area south of Oroville. The parcel proposed for annexation is identified as Assessor’s Parcel Number 078-270-017 along with the portion of Oak Knoll Way in front of the parcel. The territory is located in Supervisorial District 1.
Proposal: Annexation of one parcel and a portion of Oak Knoll Way, totaling 3.15 acres, to the Lake Oroville Area Public Utility District.
Requested Action: Adopt Resolution 11 2017/18 (Exhibit B) approving the annexation.
Butte Local Agency Formation Commission

Lake Oroville Public Utility District
Oak Knoll Way Annexation No. 1

Applicant: LOAPUD
Date: May 3, 2018
File: 18-11

LOAPUD – Olive Highway Annexation No. 1
April 26, 2018
Page 2 of 14
DISCUSSION AND ANALYSIS

Background

The 3.15-acre territory proposed for annexation to LOAPUD consists of a single parcel under private ownership along with the portion of Oak Knoll Way that the parcel fronts upon. The property is located on the south side of Oak Knoll Way approximately 730’ west of Autrey Lane. The annexation would allow LOAPUD to provide sanitary sewer services to allow the development of a single-family dwelling on the parcel.

Surrounding land uses are single-family dwellings on large (1+ acre) parcels. The general plan and zoning for the site and surrounding area is Medium Density Residential which allows single family residential development up to 6 dwelling units per acre. Additionally, the zoning allows one dwelling unit per parcel with a second dwelling unit being permitted in accordance with State law. The property was developed with a single family (a mobile home) which has since been removed. The intent of the property owner is to obtain sanitary sewer service for the development of a single-family dwelling on the property. The aerial photo below shows the parcel in relation to other development in the area.

Annexation

The annexation was initiated by LOAPUD and the affected property owner to allow the extension of LOAPUD sanitary sewer services to the territory to facilitate development of the territory with a single-family dwelling as previously noted. According to the Butte County Elections Office, there are no registered voters within the proposal area. Given this information,
the proposal area is considered an uninhabited annexation. The annexation has 100% landowner support.

**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 within the unincorporated area of Butte County and can currently be characterized as rural residential in nature. Average density is approximately 1 dwelling per 2 acres. The topography of the area is flat to slightly rolling. The neighborhood is located in the vicinity of a low density residential area that is developed at approximately 3 dwelling units per acre, though there is currently no road circulation connecting the two neighborhoods. The territory contains minor slopes but has no significant natural features that would affect the annexation.

Surrounding uses include single-family dwellings at rural densities, including some animal keeping, and single-family dwellings at low density. The likelihood of additional growth in the neighborhood is low due to a lack of publically maintained roads. Currently, the roads are dirt with significant potholes and uneven surfaces. The cost to improve the roads and drainage would be prohibitive for any single property owner in the vicinity. With the limited number of homes in the area a road improvement district is also unlikely as the costs would be too high in relationship to the modest property values in 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.

As discussed in (a) above the primary need for services in the area is an improved road system. The dirt roads are adequate to serve the existing parcels however, no additional parcel divisions would be allowed without the installation of paved road to the developing parcel. A paved road is not needed to allow the development of a single-family dwelling on an existing parcel.

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

The proposed annexation will facilitate the development of a single-family dwelling on an existing rural residential parcel. No impact to local government services.

(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 urban development in adjacent areas and facilitates efficient provision of sanitary sewer services by LOAPUD.

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

No commercial agricultural uses are found in the territory or on the surrounding parcels. Some residents in the area keep limited livestock such as a horse or goat. Annexation of the subject territory to provide sanitary sewer service would not contribute to the loss of agricultural lands.

(f) Boundaries of the territory.
The subject territory is a single parcel, with definite and certain boundaries. There are no conflicts with lines of assessment or ownership. The subject territory is uninhabited with no registered voters. The only changes to existing jurisdictional boundaries will be to the Lake Oroville Area Public Utility District.

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

The parcel within the territory is subject to the land use regulations of Butte County. The Butte County General Plan Land Use Designation for the territory is Medium Density Residential (MDR) Medium Density Residential. This designation allows detached and attached single-family dwellings at densities of up to 6 dwelling units per acre. The land use designation does not have a minimum density that must be achieved. As such, the development of a single-family dwelling on an existing 3-acre parcel is consistent with this land use designation.

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

The territory has long been within the Sphere of Influence for the Lake Oroville Area Public Utility District. The territory is within the Sphere of Influence of the City of Oroville, which provides wastewater collection services to parcels within the City’s jurisdictional boundaries. LOAPUD is the most logical wastewater collection service provider for the territory because LOAPUD already provides wastewater collection services to parcels adjacent to the territory and throughout the south and east Oroville area. The annexation proposal does not conflict with the Sphere of Influence of any agency.

(i) The comments of any affected local agency.

On April 3, 2018, LAFCo staff circulated the proposal for review and comment from local public agencies. The following table lists the agencies that responded to LAFCo’s request for comments and their response.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butte Co. Assessor’s Office</td>
<td>Annexation does not divide assessment parcels.</td>
</tr>
<tr>
<td>Butte Co. Auditor’s Office</td>
<td>AB8 negotiations are not required and zero factor with respect to property taxes.</td>
</tr>
<tr>
<td>Butte County Mosquito and Vector Control District</td>
<td>No comments and/or objections.</td>
</tr>
</tbody>
</table>

The following agencies were also sent a request for comments, but who did not respond:

Butte Co. Land Development Division, Butte Co. Planning Division, Butte Co. Ag. Commissioner, Butte Co. Elections Office; Butte Co. Environmental Health Division, Butte Co. Sheriff’s Office; Butte Co. Resource Conservation District; Feather River Recreation & Park District; Butte-Glenn Community College District; Oroville Union High School District, Oroville Elementary School District, Oroville Cemetery District, South Feather Water and Power Agency.

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

The annexation will allow LOAPUD to extend sanitary sewer to serve development within the territory (which will be a single family dwelling at this point in time and for the foreseeable future). Wastewater from the territory will be conveyed through LOAPUD’s
sewer collection system to the Sewerage Commission-Oroville Region’s (SC-OR) East Interceptor and Main Interceptor trunk lines, and then to SC-OR’s wastewater treatment plant (WWTP) for treatment and ultimate discharge to the Feather River.

LOAPUD, through its resolution of application, attests to its ability to extend sanitary sewer services to the parcel proposed for annexation without impact to existing LOAPUD customers. LAFCo adopted the LOAPUD Municipal Service Review (MSR) in 2013, which indicates that the District has adequate resources to provide sanitary sewer services to the territory. For each EDU generated within the territory, LOAPUD will collect a connection fee and a capacity charge. Additionally, LOAPUD will collect a monthly service fee for providing sanitary sewer service to the territory.

(k) Availability of adequate water supplies.

The territory is within the jurisdictional boundaries of the South Feather Water and Power Agency (SFWPA), which provides domestic and irrigation water services to the east Oroville area. A District water connection already services the affected territory. SFWPA has adequate water sources and infrastructure to continue to provide water services 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.

The annexation 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.

Landowners and registered voters within 300 feet of the territory were notified of this annexation proposal. No written comments were received.

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

As previously noted the parcel within the territory is zoned to allow medium density residential development of up to 6 dwelling units per acre. Currently the lack of public road and drainage infrastructure severely limits the development potential of the area. The cost of installing said infrastructure cannot be borne by the area residents or the County.

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

The territory is within a disadvantaged unincorporated community (DUC). 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.

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)
- 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:

- It will further consolidate the service boundaries of LOAPUD, resulting in more logical and efficient jurisdictional boundaries;
- It would facilitate development of the territory;
- As identified in the LOAPUD section of the Wastewater Service Providers-Oroville Region Municipal Service Review, both LOAPUD and SC-OR facilities have the capacity to provide service to the territory; and
- LOAPUD is the most logical, efficient and only sanitary sewer service provider in the area.

State law and Butte LAFCo Policies allow the Commission to add or remove parcels from an annexation proposal to ensure the creation of logical, efficient, and effective jurisdictional boundaries. Additionally, Butte LAFCo Policy 4.1.4 states that LAFCO will modify small, piece-meal annexations, to include additional territory in order to promote orderly annexation and logical boundaries, while maintaining a viable proposal. Staff does not recommend that any additional parcels be added to the annexation proposal.

ADDITIONAL INFORMATION

Property Tax Agreement

In accordance with provisions of Revenue and Taxation Code §99, a Master Property Tax Exchange Agreement exists between the Lake Oroville Area Public Utility District and the County of Butte, which was signed on April 26, 2005. In accordance with the Master Property Tax Exchange Agreement, the proposed change of organization will be revenue neutral to all affected agencies.

Support/Protest/Conducting Authority Proceedings

The Lake Oroville Area Public Utility District Board of Directors conducted a public hearing on March 13, 2018, at which time the annexation proposal was initiated by Resolution No. 02-2018. There are no registered voters 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. The annexation has the support of the landowner.

As 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:

1. The subject area is uninhabited;
2. All owners have given their consent; and
3. 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. Accordingly, conducting authority proceedings may be, and are recommended to be, waived pursuant to California Government Code §56663(c) if the Commission approves the annexation.

Environmental Analysis
The Lake Oroville Area Public Utility 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. The District adopted a finding that the project is exempt from CEQA review on March 18, 2018 and filed the notice with the Butte County Recorder on April 10, 2018. The filed document is inserted as “Exhibit C” of this report.

CONCLUSION

The Lake Oroville Area Public Utility District is capable of providing sanitary sewer services to the territory without impacting service levels provided to current District customers. Annexation of this area represents a logical extension of the District’s boundaries and services, and it will have no adverse impacts on any other agency’s ability to provide services. The annexation proposal substantially conforms to LAFCo policy and 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 proposals as submitted:

A. Find: 1) the subject territory is uninhabited, 2) the affected landowner has given written consent to the annexation, and 3) the annexing agency has given written consent to the waiver of conducting authority proceedings.

B. Waive the conducting authority proceedings and direct staff to complete the proceeding.

C. Adopt Resolution 11 2017/18 making determinations approving the proposed LOAPUD – Oak Knoll Way Annexation No. 1.

OPTION 2 - DENY the proposal.

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

OPTION 4 – AMEND the annexation proposal and CONTINUE this proposal to a future meeting to allow for notices to be sent to the owners and registered voters of the parcels to be added.

ACTION REQUESTED:

Approve OPTION 1.

Respectfully submitted,

Craig Sanders
Deputy Executive Officer

Attachments:
Exhibit A: Annexation Area Map (Page 2)
Exhibit B: Draft LAFCo Resolution No. 11 2017/18 (Page 10)
Exhibit C: Notice of Exemption (Page 13)
RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 18-11
LAKE OROVILLE AREA PUBLIC UTILITY DISTRICT
OAK KNOLL WAY 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 Lake Oroville Area Public Utility District in the County of Butte was heretofore filed by the Lake Oroville Area Public Utility District and accepted for filing on April 10, 2018, 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 May 3, 2018, 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 May 3, 2018, 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:

A. The Commission concurs with the Lake Oroville Area Public Utility 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 District and filed on April 10, 2018.

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, Butte LAFCo Policies and Procedures, Sphere of Influence and General Plan consistency, the Lake
Oroville Area Public Utility District Sphere of Influence Plan and Municipal Service Review and other factors specified in Government Code Section 56666 and as described in the staff report dated April 26, 2018, for the meeting of May 3, 2018.

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 078-270-017, and that portion of Oak Knoll Way that fronts the parcel totaling approximately 3.15 acres, as submitted by the Lake Oroville Area Public Utility District and shown in Exhibit “A.”

D. The subject area is found to be uninhabited, and is assigned the following short form designation: 18-11 – LOAPUD – Oak Knoll Way Annexation No. 1.

E. The purpose of the annexation to the Lake Oroville Area Public Utility District is to support orderly jurisdictional boundaries and allow for the provision of sanitary sewer service to future development on the territory.

F. The proposal is consistent with the Lake Oroville Area Public Utility District Sphere of Influence.

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 territory is contiguous to lands that have been developed with urban uses and the territory does not contain any agricultural uses and is not considered to be “prime agricultural land” as defined in California Government Code §56064. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the proposed annexation.

H. A Master Property Tax Exchange Agreement between the Lake Oroville Area Public Utility District and the Butte County Board of Supervisors was executed on April 26, 2005.

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.

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 3rd day of May 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Clerk of the Commission  

CARL LEVERENZ, Chair  
Butte Local Agency Formation Commission
APPENDIX A
NOTICE OF EXEMPTION

TO: __ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

_ X_ County Clerk
County of Butte
25 County Center Drive
Oroville, CA 95965

FROM: L.O.A.P.U.D.
1960 Elgin St.
Oroville, CA 95966

Project Title: Domoe – 2336 Oak Knoll Way Annexation

Assessor's Parcel No.: 078-270-017

Applicant: Lake Oroville Area Public Utility District

Project Location-Specific: 2336 Oak Knoll Way

Project Location-City: Oroville
Project Location-County: Butte

Description of Nature, Purpose and Beneficiaries of Project: To annex the property to the Lake Oroville Area Public Utility District, for the purpose of providing sanitary sewer service to one single family dwelling.

Name of Person or Agency Approving Project: Lake Oroville Area Public Utility District

Exempt Status: (Check (One)

__ Ministerial (Sec. 15073)
__ Declared Emergency (Sec. 15071(a))
_ X_ Emergency Project (Sec. 15071 (b) and (c))
__ Categorical Exemption. State type and section number: 15303 (a)

Reasons why project is exempt: Section 15319 Annexation of Existing Facilities and Lots for Exempt Facilities.
(A) Annexations to city or special district of areas containing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.
(B) Annexations of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

Contact Person: Cindy Quigley, Clerk of the Board
Telephone: (530) 533-2000

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 ___

Date Received for Filing:

Signature: __________ Date: __/__/__ Title: General Manager

_ X_ Signed by Lead Agency
__ Signed by Applicant
LAFCo File No. 18-11                          LOAPUD – Olive Highway Annexation No. 1
April 26, 2018                Page 14 of
14

State of California - Department of Fish and Wildlife
2018 ENVIRONMENTAL FILING FEE CASH RECEIPT
DFW 753.5a (Rev. 01/03/18) Previously DFG 753.5a

FIELD NUMBER: 04  04/10/201  23
STATE CLEARINGHOUSE NUMBER (if applicable)

SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.
LEAD AGENCY
L.O.A.P.U.D
LEAD AGENCY EMAIL

COUNTY/STATE AGENCY OF FILING
Butte

DATE
04/10/2018

PROJECT TITLE
Domoe 2336 Oak Knoll Way Annexation

PROJECT APPLICANT NAME
Lake Oroville Area Public Utility District

PROJECT APPLICANT ADDRESS
1960 Elgin Street
Oroville, CA 95966

PHONE NUMBER
(530) 533-2000

PROJECT APPLICANT Email

CITY
Oroville

STATE
CA

ZIP CODE
95966

CHECK APPLICABLE FEES:
☐ Environmental Impact Report (EIR) $3,168.00 $ 0.00
☐ Mitigated/Negative Declaration (MND)/(ND) $2,280.75 $ 0.00
☐ Certified Regulatory Program document (CRP) $1,077.00 $ 0.00

☐ Exempt from fee
☐ Notice of Exemption (attach)
☐ CDFW No Effect Determination (attach)
☐ Fee previously paid (attach previously issued cash receipt copy)

☐ Water Right Application or Petition Fee (State Water Resources Control Board only) $850.00 $ 0.00
☐ County documentary handling fee $ 50.00
☐ Other $ 0.00

PAYMENT METHOD:
☐ Cash ☐ Credit ☐ Check ☐ Other TOTAL RECEIVED $ 50.00

SIGNATURE
Cheryl Peterson Deputy Clerk/Recorder Senior

AGENCY OF FILING PRINTED NAME AND TITLE