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

TO: Local Agency Formation Commission

FROM: Stephen Betts, Deputy Executive Officer

SUBJECT: *LAFCo File 16-03–City of Biggs–West Biggs Gridley Road Annexation No. 2*

DATE: December 29, 2015, for the January 7, 2016, LAFCo Meeting

Summary

Proposed is the annexation of three parcels to the City of Biggs (See **Exhibit A**). The territory is owned by the City of Biggs and will be developed with the City's wastewater treatment plant enhancement project, which is needed to meet the City's waste discharge requirements. The proposal is a reorganization because the affected territory is within County Service Area 164 and the Butte County Resource Conservation District and the territory will be detached from these districts. The proposal substantially conforms to LAFCo policy and the Executive Officer recommends approval of this proposal.

General Information

Application Submitted: December 8, 2015

Application Deemed Complete: December 14, 2015

100% Landowner Consent: Yes

Notice and Hearing Required: No

Proponent: City of Biggs City Council, by Resolution 2015-23

Landowner: City of Biggs

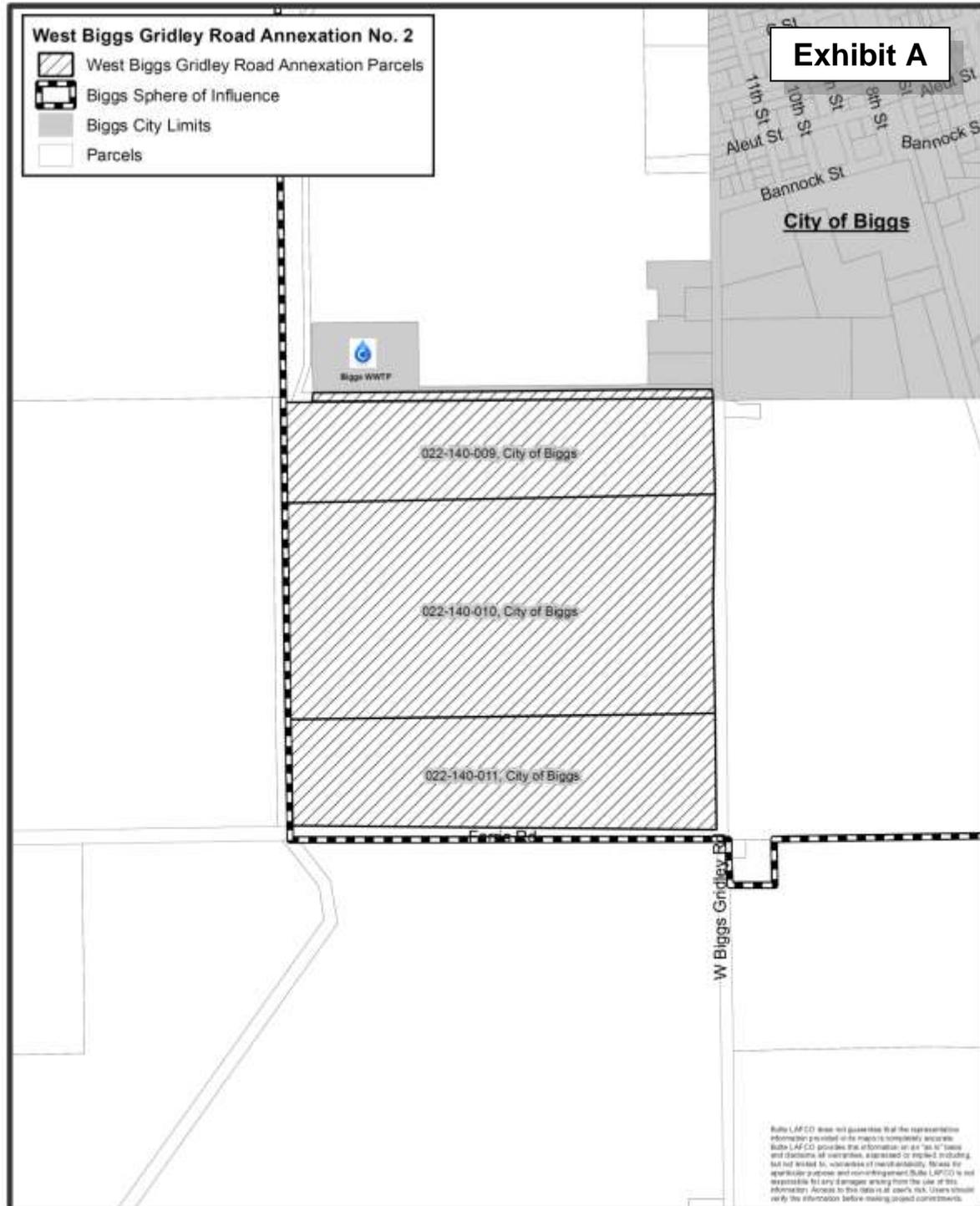
Location: The territory is approximately 160 acres in size and is located on the west side of West Biggs Gridley Road, north of Farris Road. The territory is identified as Assessor's Parcel Numbers 022-140-009 (2837 West Biggs Gridley Road), 022-140-011 (3951 Farris Road), and 022-140-010 (no street address). The territory is located in Supervisorial District 4.

Proposal:

1. Annexation of three parcels totaling approximately 160 acres to the City of Biggs;
2. Detachment of the subject territory from CSA 164 (Butte County Animal Control District) and from the Butte County Resource Conservation District; and
3. The subject territory will remain within CSA 31 (Schohr's Pool) and CSA 37 (Gridley-Biggs Ambulance).

Requested

Action: Adopt Resolution 08 2015/16 (**Exhibit B**) approving the annexation.



Butte Local Agency Formation Commission		City of Biggs West Biggs Gridley Road Annexation No. 2 c:\projects\lafco_projects\west_biggs_gridley_rfd_16_03\west_biggs_gridley_rfd_16_03.mxd Data: LAFCO, City of Chico
City of Biggs - West Biggs Gridley Road Annexation No. 2		
Applicant: City of Biggs	Date: January 7, 2016 @ 9:00 a.m.	File: 16-03

DISCUSSION AND ANALYSIS

Background

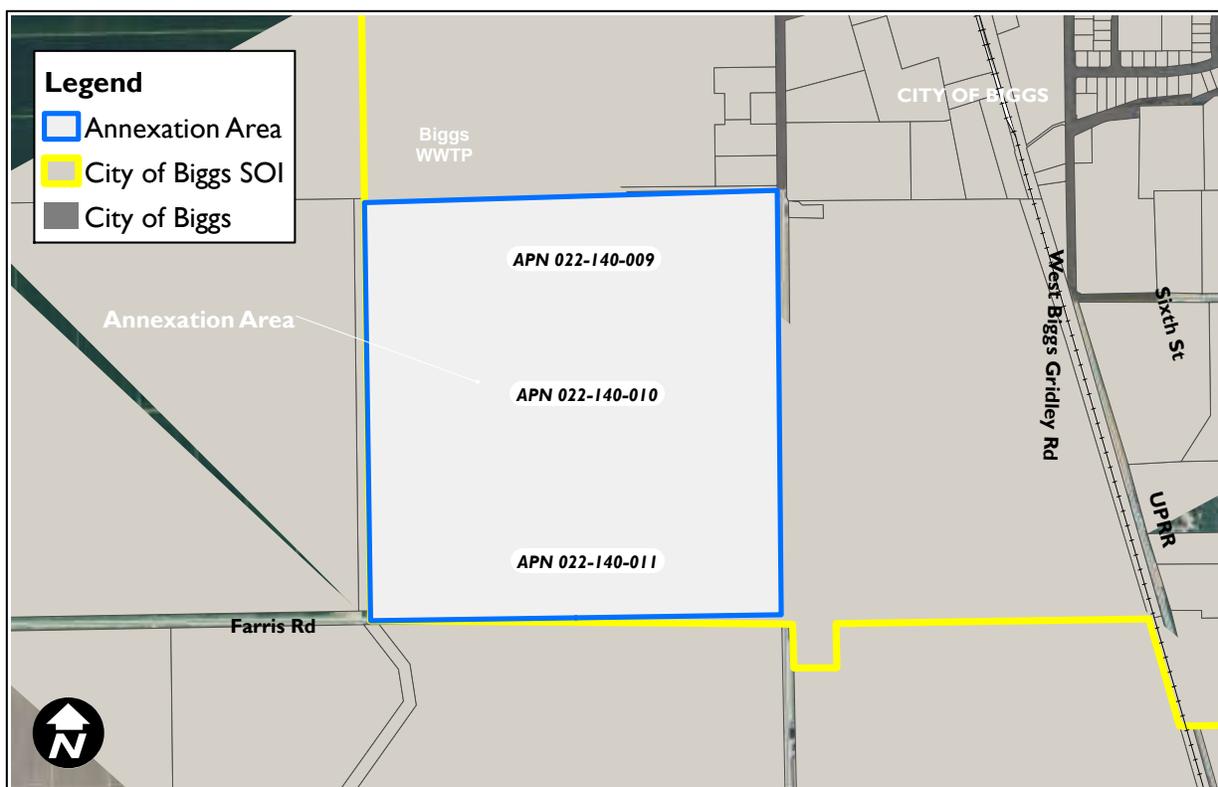
The proposed annexation would place the City of Biggs' Wastewater Treatment Plant Enhancement Project within the jurisdictional boundaries of the City of Biggs. Staff recommends the proposal be modified to include detachment of the territory from County Service Area No. 164 (Butte County Animal Control) and from the Butte County Resource Conservation District.

Following annexation:

- The subject territory will be detached from CSA No. 164 (Butte County Animal Control), as this service will be provided by the City of Biggs;
- The subject territory will be detached from the Butte County Resource Conservation District, as this service is confined to unincorporated parcels only;
- The subject territory will remain within County Service Area No. 31 (Schohr's Pool); and
- The subject territory will remain within County Service Area No. 37 (Gridley-Biggs Ambulance).

Project Site

The uninhabited territory consists of three parcels totaling approximately 160 acres in size. All of the parcels within the territory are owned by the City of Biggs. Until recently, the territory consisted of approximately 152 acres of fallowed rice fields, a 5.3-acre agricultural industrial use (large storage barns) located in the northeast corner of the territory, and a 2-acre telecommunications facility located in the southeast corner of the territory. A large portion of the territory was recently graded and soil excavated in order to prepare the site for the City of Biggs' Wastewater Treatment Plant Enhancement Project.



AERIAL VIEW OF TERRITORY AND SURROUNDING AREA

West Biggs Gridley Road lies on the east side of the territory and Farris Road is located on the south side of the territory. The City's wastewater treatment plant is located immediately to the north of the territory. Land uses on the surrounding parcels include agricultural uses, the City of Biggs wastewater treatment plant to the north, and several residential uses to the east. The territory is contiguous to City of Biggs jurisdictional boundaries on the north side.

The Butte County General Plan designates approximately 155 acres of the territory as Agricultural and is zoned A-40 (Agricultural, 40-acre minimum parcel size). A 5-acre portion of the territory (consisting of the northeast portion of APN 022-140-009) is designated by the County's General Plan as Agricultural Services and is zoned AS (Agricultural Services). The City of Biggs' General Plan designates the territory as Agricultural Industrial and the City recently pre-zoned the territory as Public/Quasi-Public (P-Q).

City of Biggs Wastewater Treatment Plant Enhancement Project

On October 4, 2012, the City of Biggs received Time Schedule Order (TSO) R5-2012-0048 from the California Regional Water Quality Control Board (RWQCB). The TSO found that the City was not able to consistently comply with new effluent limitations for ammonia and as such, changes to the City's Wastewater Treatment Plant (WWTP) were necessary. The City completed numerous investigations in order to comply with their Waste Discharge Requirements and the Time Schedule Order. Based on these investigations, options for wastewater disposal were narrowed to a land application solution requiring up to 160 acres of area. Specifically, the City will improve the current effluent disposal method employed at the Biggs WWTP and comply with their waste discharge requirement by applying treated wastewater to the territory, which is located directly south of the City's existing WWTP. The City has acquired ownership of the three parcels that comprise the territory through eminent domain and the resulting court order that conveys possession.

The City of Biggs is in the early stages of developing the territory with the City's Wastewater Treatment Plant Enhancement Project. To prepare the territory for the project, a large portion of the territory was recently graded and a large amount of soil was excavated. The City's Wastewater Treatment Plant Enhancement Project entails the construction of two treated water storage basins (one 28 acres in size and the other 38 acres in size), and 77 acres of area that would be utilized for the land disposal of treated wastewater. The 77-acre area would be planted with feed-grade fodder crops, most likely alfalfa, which would be used off-site. The City of Biggs prepared a Draft Environmental Impact Report for the project and adopted a Final Environmental impact Report for the City's wastewater treatment plant enhancement project.¹ Exhibit C of this report shows the layout of the project. Construction of the wastewater treatment plant enhancement project is anticipated to begin in spring of 2016.

Annexation

The annexation was initiated by the City of Biggs to place the City's expanded wastewater treatment plant within the City's jurisdictional boundaries. 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 (City of Biggs) support.

¹ City of Biggs – Biggs WWTP Enhancement Project Draft Environmental Impact Report, October 2013.

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.

Until recently, the territory consisted of approximately 152 acres of fallowed rice fields, several large agricultural barns, and a telecommunications facility. The City of Biggs is currently in the early stages of developing the territory with the City's wastewater treatment plant enhancement project. So far, the development activity on the territory has consisted of soil excavation on a portion of the fallowed rice fields. The barns and the telecommunications facility uses will remain.

The territory currently does not have any residents and no residential uses are expected to be placed on the territory. The territory is located in an agricultural area with several nearby single-family dwellings. Very little significant growth in the area is anticipated because the surrounding parcels are utilized and zoned for agricultural uses.

(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 territory is to support the City's wastewater treatment plant enhancement project on the territory.

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

The proposed annexation will facilitate the development of the territory with the City of Biggs' wastewater treatment plant enhancement project. The annexation will place the territory within the City of Biggs jurisdictional boundaries, which will allow the City to have full land use authority over the territory. Additionally, placing the territory within the City's jurisdictional boundaries will remove the City's obligation to pay property taxes on the three parcels in the territory. 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 City of Biggs is consistent with the planned, orderly, and efficient patterns of urban development within the adopted Spheres of Influences of the affected agencies. The annexation will place the City's wastewater treatment plant enhancement project within the jurisdictional boundaries of the City of Biggs.

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

Until recently, the territory consisted of approximately 152 acres of fallowed rice fields, an agricultural industrial use (large storage buildings) that encompassed approximately 5 acres of the territory, and a telecommunications facility that encompassed approximately 2 acres of the territory. The territory will be developed with the City of Biggs Wastewater Treatment Plant Enhancement Project and the City has already converted the agricultural use on the territory through grading and soil excavation activities. The existing storage structures and telecommunications will remain on the territory.

The territory and most of the surrounding parcels contain prime agricultural soils that have historically been utilized for the growing of rice or row crops. Most of the territory is designated by the Butte County General Plan as Agricultural, with five acres designated

as Agricultural Services, and the surrounding parcels are designated as Agricultural or Agricultural Services. The City of Biggs' General Plan designates the territory as Agricultural Industrial and the City has rezoned the territory Public/Quasi-Public (P-Q). None of the parcels within the territory are subject to a California Land Conservation Act agreement ("Williamson Act").

The City of Biggs circulated a Draft Environmental Impact Report and adopted a Final Environmental Impact Report for the City's Wastewater Treatment Plant Enhancement Project. The Draft and Final EIRs determined that the conversion of the agricultural use on the territory was a significant and unavoidable impact that could not be mitigated. The City of Biggs adopted a Findings of Fact/Statement of Overriding Considerations for the significant, unavoidable environmental impacts caused by the WWTP enhancement project, one of which was unavoidable impacts to agricultural resources. The Findings of Fact/Statement of Overriding Considerations stated that approximately 77 acres of the project area will be available for the growing of fodder crops (primarily alfalfa), which would be used to feed off-site livestock. Additionally, the Findings of Fact/Statement of Overriding Considerations stated that the treated effluent storage basins will be used to irrigate the fodder crops and that the treated effluent storage basins would make use of earthen berms constructed from on-site soils and none of this acreage would be permanently paved. Therefore, the territory could potentially be returned to a state suitable for agricultural use in the future. The conversion of agricultural land to treated effluent storage basins is reversible, since the land can be regraded and the rice fields can be replanted, although there are no plans to guarantee that the territory would be reclaimed for agricultural production in the future.

The City of Biggs City Council found that the benefits of the WWTP enhancement project outweigh the project's significant and unavoidable impacts and that those impacts therefore are considered acceptable in light of the proposed project's benefits. The City of Biggs found that the following benefits are an overriding consideration that warrants approval of the WWTP enhancement project, notwithstanding the proposed project's significant and unavoidable impacts:

- Provide an improved wastewater treatment plant effluent disposal method in a manner that results in compliance with Central Valley Regional Water Quality Control Board National Pollutant Discharge Elimination System (NPDES) Permit No. CA0078930 and compliance with Time Schedule Order (TSO) RS-2012-0048.
- Implementation of the project would result in the enhancement of water quality to downstream receiving waters through the elimination of treated discharge.
- Implementation of the project would enhance Lateral K and Hamilton Slough as a natural resource.
- Failure to implement the project would subject that City and its residents to continual fines for failure to comply with the requirements of its waste discharge permit.
- The land application method of discharge represents the most cost-effective and reduced cost solution to the disposal of the City's treated wastewater effluent thereby reducing the potential service cost burden to City residents and reducing operational costs to the City as a whole.

(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 no registered voters.

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

The proposal is consistent with the land use policies of the City of Biggs. The City has rezoned the subject territory for public-quasi public uses. The City of Biggs has approved a use permit to allow the City's wastewater treatment plant enhancement project on the territory.

(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 Influence for the City of Biggs, as was updated by the Commission on December 3, 2015. The territory is within County Service Area No. 164 (Butte County Animal Control) and the territory will be detached from this district as this service will be provided by the City of Biggs. The territory is within the Butte County Resource Conservation District, and the territory will be detached from this district as the services this district provides is confined to unincorporated parcels only.

The territory is located within the boundaries of County Service Area No. 31 (Schohr's Pool), County Service Area No. 37 (Gridley-Biggs Ambulance), Reclamation District 833, Biggs West Gridley Water District (irrigation water), and the Butte County Mosquito and Vector Control District. The territory will remain within all of these districts and the proposed annexation will not have any significant impact to these districts.

(i) The comments of any affected local agency.

On December 10, 2015, 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.

<u>Agency</u>	<u>Comment</u>
Butte Co. Assessor's Office	The boundaries of the proposed annexation do not divide assessment parcels.
Butte Co. Development Services Dept.	Butte County has determined that we do not oppose the City's request to LAFCO and that the County supports the City's effort to comply with the changed Discharge Standards that are driving the need for the project.
Butte Co. Mosquito & Vector Control District	No comments.

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

Butte Co. Auditor's Office; Butte Co. Agricultural Commissioner's Office; Butte Co. Elections Office; Butte Co. Environmental Health Division; Butte Co. Fire Department/CalFire; Butte Co. Sheriff's Office; CalTrans; Butte Co. Resource Conservation District; Butte-Glenn Community College District; Biggs West Gridley

Water District; Reclamation District 833; Gridley-Biggs Cemetery District; Biggs Unified School District.

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

The City of Biggs provides general administration, community development, public works, sewer, police, fire protection, domestic water, electricity, and other services within its incorporated area. The future land use on the territory – the City's expanded wastewater treatment plant – will require few, if any, city municipal services. The City has the ability to provide any needed municipal services to the territory without decreasing current levels of service to city residents.

(k) Availability of adequate water supplies.

The City of Biggs is the domestic water provider for uses within the City's jurisdictional boundaries. The territory is not expected to require a large amount of domestic water, if any, as the territory will be developed with the City's WWTP enhancement project. The City does have the ability to provide domestic water service to the territory if such service is needed.

(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 Butte County General Plan currently designates the territory as Agricultural (155 acres of the territory) and Agricultural Services (5 acres of the territory). The City of Biggs General Plan designates the territory as Agricultural Industrial. Approximately 145 acres of the territory will be developed with the City of Biggs Wastewater Treatment Plant Enhancement Project. The territory also contains several large barns and a telecommunications facility use. There will be no residential uses on the territory. The proposed annexation does not affect the City of Biggs' or the County of Butte's ability to achieve their share of regional housing needs as the territory is not designated or planned for residential uses.

(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 comments were received.

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

As noted, the City of Biggs General Plan designates the subject territory as Agricultural Industrial. The City determined that the City's Public/Quasi-Public (P-Q) zoning district is consistent with the Agricultural Industrial land use designation and on October 27, 2015, the Biggs City Council pre-zoned the territory as P-Q. The City's P-Q zoning district requires a conditional use permit be approved for all public facilities and infrastructure within the P-Q zoning district and also on October 27, 2015, the Biggs City Council approved a conditional use permit for the City's wastewater treatment plant enhancement project proposed for the territory.

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

The proposed reorganization is not expected to promote or discourage the fair treatment of minority or economically disadvantaged groups as the territory will be developed with the City of Biggs' WWTP enhancement project. The WWTP project will ensure that City has a sewer system that meets State water quality requirements.

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

Applicable Butte LAFCo Policies

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

- Consistency of the proposal with the General Plan of the applicable planning jurisdiction. (2.10.1).
- 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)
- Contiguity of a proposed annexation area to the jurisdictional boundaries of the annexing city. (4.1.3)
- Determination of the most efficient service provider. (4.2)

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

- Is contiguous to City of Biggs jurisdictional boundaries.
- Will result in orderly, effective, and logical jurisdictional boundaries.
- Will place the City of Biggs’ wastewater treatment plant enhancement project within the jurisdictional boundaries of the City of Biggs.
- The City of Biggs’s wastewater treatment plant enhancement project proposed for the territory is consistent with the City of Biggs’ General Plan land use designation of Agricultural Industrial and is consistent with the City’s Public/Quasi-Public prezoing of the territory.

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.

Existing Service Agencies and Proposed Service Changes

The following table shows the services that are currently provided to the territory and the changes in service providers as a result of annexation to the City of Biggs.

<u>Service</u>	<u>Presently Provided By</u>	<u>Proposed Provider</u>
Fire Protection	County of Butte	City of Biggs
Police Protection	County of Butte	Gridley-Biggs Police Department
Code Enforcement	County of Butte	City of Biggs
Sewer Service	None	No change
Domestic Water Service	None	No change
Agricultural Water Service	Biggs West Gridley Water District	No Change
Animal Control	County of Butte (CSA 164)	City of Biggs
Solid Waste	Private Collector	No change
Road/Street Maintenance	County of Butte	No change
Power Infrastructure	PG&E	City of Biggs
Street Lighting	None	No change
Planning & Zoning	Butte County	City of Biggs
Schools	Biggs Unified School District	No change
Resource Conservation	Butte Co. Resource Conservation Dist.	None

Mosquito Abatement	Butte Co. Mosquito Abatement Dist.	No change
Recreation	CSA 31 (Schohr's Pool).	No change
Storm Water Drainage	Reclamation District No. 833	No change

The territory will be detached from the following districts:

- County Service Area No. 164 (Butte County Animal Control), as this service will be provided by the City of Biggs; and
- The Butte County Resource Conservation District, as this service is restricted to unincorporated parcels only.

ADDITIONAL INFORMATION

Property Tax Agreement

In accordance with provisions of Revenue and Taxation Code §99, the exchange of property tax revenues between the County of Butte and the City of Biggs will be in accordance with the master tax sharing agreement between the County of Butte and its Cities (as amended January 31, 1980), which was approved by the Butte County Board of Supervisors on January 22, 1980. The master tax sharing agreement calls for the City of Biggs to receive 42% of the property taxes generated within City boundaries, and the County to receive 58%. However, as this will be municipally owned property, no property taxes will be levied or collected and therefore, the County will cease to receive property taxes.

Support/Protest

The City of Biggs conducted a public hearing on October 27, 2015, at which time the annexation proposal was initiated by Resolution No 2015-23. 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. On December 15, 2015, hearing notices were mailed to all landowners and registered voters within 300 feet of the territory and as of the date of this report no written comments have been received.

Conducting Authority Proceedings

The proposed annexation has 100% consent of the property owner (City of Biggs) 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 California Environmental Quality Act (CEQA) requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. The City of Biggs is the Lead Agency for environmental review for the proposed annexation, with Butte LAFCo acting as a Responsible Agency.

The City of Biggs, as Lead Agency, prepared the City of Biggs Wastewater Treatment Plant (WWTP) Enhancement Project Draft Environmental Impact Report. The Draft EIR was released for a 45-day public review period that began on October 10, 2013. The Biggs City Council held a public hearing on November 12, 2013, to solicit comments on the adequacy of the Draft EIR. On December 30, 2013, the City of Biggs released the Final EIR (State Clearinghouse Number 2013042029), which consisted of written response to all comment letters received by the City during the official public review period and errata to the Draft EIR. On January 14, 2014, the Biggs City Council adopted Resolution Number 2014-01 certifying the Final Environmental Impact Report for the Biggs Wastewater Treatment Plant Enhancement Project, adopted

environmental findings pursuant to CEQA, adopted a mitigation monitoring and reporting program, and adopted a Findings of Fact/Statement of Overriding Considerations. Copies of the City's Wastewater Plant Enhancement Project Draft and Final EIRs, the mitigation monitoring and reporting program, and the Findings of Fact/Statement of Overriding Considerations were previously provided to the Commission and are available in the LAFCo office and on LAFCo's webpage.

The environmental review that the City of Biggs prepared for the wastewater treatment plant enhancement project did not specifically analyze the potential environmental impacts associated with rezoning the territory or the annexation of the territory to the City of Biggs. To ensure that the rezoning and annexation proposals were fully evaluated pursuant to CEQA, the City of Biggs prepared and circulated for public review the *Addendum to the Certified City of Biggs WWTP Enhancement Project EIR*. The addendum analyzed the rezoning, an SOI amendment, and the annexation of the territory to the City of Biggs. On October 27, 2015, the City of Biggs City Council approved the Public/Quasi-Public (P-Q) rezoning of the territory and initiated the annexation of the territory. The Addendum determined that the proposed rezoning, SOI Amendment, and annexation proposal would not have any significant environmental impacts beyond those that were already identified in the Final EIR approved for the overall wastewater treatment plant enhancement project.

As responsible agency, LAFCo is required to rely on the City's environmental documentation in acting on the proposal, but must prepare and issue its own findings. The Commission now has the decision to affirm the environmental documents prepared and adopted by the City of Biggs for the City's Wastewater Treatment Plant Enhancement Project, including the above-noted addendum, or to find that the environmental documents do not adequately address the potential significant impacts to the environment.

In making that determination, the Commission should consider the following direction regarding standards for adequacy of an EIR set forth in the CEQA Guidelines, §15151:

CEQA Guidelines Section 15151:

An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.

Based on the adequacy requirements established in CEQA §15151, staff recommends that the Commission find that the City's Wastewater Treatment Plant Enhancement Project Draft EIR, the Certified Final EIR, the Findings of Fact and Statement of Overriding Considerations, the Mitigation Monitoring and Reporting Program, and the Addendum to the Certified City of Biggs WWTP Enhancement Project EIR provide the Commission with sufficient information to enable them to make a decision that purposefully takes account of environmental consequences and adopts reasonably feasible measures to mitigate the adverse impacts of the proposed annexation.

CONCLUSION

The proposed annexation of the City of Biggs Wastewater Treatment Plant Enhancement Project area to the City of Biggs will allow the City to have full land use authority over the territory and relieve the City from paying property taxes on the territory. Very little in the way of City municipal services will be required for the territory and the annexation will have no significant impact on the ability of the City to provide services to existing and future residents. Annexation of this area represents a reasonably logical extension of the City's boundaries, 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 proposal as submitted:

- A. Determine that the City of Biggs, as Lead Agency, prepared and circulated a Draft Environmental Impact Report and certified a Final Environmental Impact Report for the City of Biggs Wastewater Treatment Plant Enhancement Project, adopted Findings of Fact and a Statement of Overriding Considerations, adopted a Mitigation Monitoring Reporting Program, and adopted an Addendum to the Environmental Impact Report for the City of Biggs Wastewater Treatment Plant Enhancement Project that analyzed potential environmental impacts associated with rezoning the territory and annexation of the territory to the City of Biggs.
- B. Certify that LAFCO has reviewed and considered the information contained in the EIR prepared and certified by the City of Biggs and in the City's CEQA documentation. Affirm the Findings of Fact and Statement of Overriding Considerations as approved by the City of Biggs per City of Biggs Resolution Number 2014-01.
- C. Adopt Resolution 08 2015/16 making determinations approving the proposed *City of Biggs – West Biggs Gridley Road Annexation No. 2*.
- D. 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.
- 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.

Respectfully submitted,

Stephen Betts

Stephen Betts
Deputy Executive Officer

Attachments:

Exhibit A: Annexation Area Map (Page 2)

Exhibit B: Draft LAFCo Resolution No. 08 2015/16 (Page 14)

Exhibit C: Wastewater Treatment Plant Enhancement Project Site Plan (Page 21)

DRAFT

RESOLUTION NO. 08 2015/16

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF BUTTE
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF
TERRITORY DESIGNATED AS 16-03
CITY OF BIGGS REORGANIZATION
WEST BIGGS GRIDLEY ROAD ANNEXATION NO. 2**

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 City of Biggs in the County of Butte was heretofore filed by the City of Biggs and accepted for filing on December 14, 2015, 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 7, 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 January 7, 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 Findings:

- A. On October 10, 2013, the City of Biggs released for a 45-day public review period the *City of Biggs Wastewater Treatment Plant (WWTP) Enhancement Project Draft Environmental Impact Report*. On January 14, 2014, the City of Biggs City Council certified the Final Environmental Impact Report for the City of Biggs Wastewater Treatment Plant Enhancement Project, adopted Findings of Fact and a Statement of Overriding Considerations, and adopted Mitigation Monitoring Reporting Program (City of Biggs Resolution Number 2014-01).
- B. On October 27, 2015, the City of Biggs City Council reviewed and approved the *Addendum to the Certified City of Biggs WWTP Enhancement Project EIR*. The addendum analyzed the rezoning, SOI amendment, and the annexation of the territory to the City of Biggs.

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- C. The Commission has reviewed and considered the Draft and Final Environmental Impact Reports for the City of Biggs Wastewater Treatment Plant Enhancement Project and the Addendum to the EIR, which included an analysis of the proposed West Biggs Gridley Road Annexation. The Final Environmental Impact Report consists of the following:
- (1) Revisions to the Draft Environmental Impact Report prepared by the City of Biggs as Lead Agency.
 - (2) A list of persons, organizations and public agencies commenting on the Draft Environmental Impact Report
 - (3) Comments received by the City of Biggs on the Draft Environmental Impact Report either verbatim or in summary.
 - (4) Responses to the comments received on the Draft Environmental Impact Report.
- D. The Commission certifies that it has held a duly noticed public hearing and heard testimony and received written comments from affected agencies at a noticed public hearing and has responded to those comments.
- E. The Commission affirms the Final Environmental Impact Report for the City of Biggs Wastewater Treatment Plant Enhancement Project and the Addendum to the EIR and finds that in accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report and Addendum has been completed in compliance with CEQA and was presented to the Commission and the Commission reviewed and considered the information contained in the Final Environmental Impact Report and the Addendum to the Environmental Impact Report prior to approving the project.
- F. In accordance with CEQA Guidelines Section 15090, the Final Environmental Impact Report and the Addendum reflects the Lead Agency's independent judgment and analysis.
- G. The implementation of the City of Biggs Wastewater Treatment Plant Enhancement Project and annexation of that project area will not have a significant effect on the environment in regards to Air Quality, Biological Resources, Cultural and Paleontological Resources, and Hydrology and Water Quality, as identified in Section 4.0 (*No Environmental Impacts*) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs for the City's Wastewater Treatment Plant Enhancement Project.
- H. The implementation of the City of Biggs Wastewater Treatment Plant Enhancement Project and annexation of that project area will result in less than significant environmental impacts without the need for mitigation measures in regards to, Agricultural Resources, Air Quality, Climate, Hydrology and Water Quality, and Hazardous Materials/Human Health as identified in Section 5.0 (*Less than Significant Environmental Impacts*) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs for the City's City of Biggs Wastewater Treatment Plant Enhancement Project.

- I. The implementation of the City of Biggs Wastewater Treatment Plant Enhancement Project and annexation of that project area will have a less than significant effect on the environment, with the inclusion of mitigation measures to reduce potential impacts to a less than significant level, as identified in the Final EIR and in Section 6.0 (*Less Than Environmental Impacts With Mitigation Incorporated*) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs. The potential impacts for which mitigation measures have been identified include Air Quality, Biological Resources, Cultural and Paleontological Resources, Climate Change and Greenhouse Gases, and Hazardous Material/Human Health. The City of Biggs adopted a Mitigation Monitoring Reporting Program for the identified mitigations.
- J. The implementation of the City of Biggs Wastewater Treatment Plant Enhancement Project and annexation of that project area will have a significant effect on the environment in certain respects, but for which no feasible mitigation is available to reduce the impacts, as identified in the Final EIR and in Section 7.0 (*Significant and Unavoidable Environmental Impacts*) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs.
 - (1) With respect to the significant, unavoidable impacts detailed in the Final Environmental Impact Report and in Section 7.1 (*Agricultural Resources*) of the *Findings of Fact and Statement of Overriding Considerations* adopted by the City of Biggs, and found to be relevant to the Commission's action and based on the information set forth in the Final Environmental Impact Report and in the *Findings of Fact and Statement of Overriding Considerations*, the Commission finds and determines that:
 - (a) Based on the Draft EIR, the Final EIR, and the whole of the record, the proposed project would result in significant and unavoidable impacts to agricultural resources (loss of and conversion of agricultural land, and cumulative impacts to agricultural resources) and that specific economic, legal, social, technological, or other considerations make infeasible the mitigation measures or project alternatives identified in the Final EIR. The Land Use Element and the Conservation, Open Space and Recreation Element of the City of Biggs' 2030 General Plan contains programs and policies aimed at protecting existing agricultural lands and uses. However, these policies would not prevent the conversion of agricultural land and cannot reduce the impacts to a level that is less than significant. A certain level of mitigation will be provided by implementation of the policies and programs identified in the Land Use Element and the Conservation, Open Space and Recreation Element and in the Final EIR. There are no feasible mitigation measures or project alternatives that will reduce the impacts to a less than significant level.
 - (b) Approximately 77 acres of the annexation area will available for the growing of fodder crops (primarily alfalfa), which would be used to feed off-site livestock.

- (c) Approximately 66 acres of the territory will be taken out of agricultural production in order to construct treated effluent storage basins. However, the storage basins are a part of the agricultural operation, as they will be used to irrigate the fodder crops on the remaining 77 acres. It is also noted that the treated effluent storage basins would make use of earthen berms constructed from on-site soils and none of this acreage would be permanently paved. Therefore, the land could potentially be returned to a state suitable for agricultural use in the future. The conversion of agricultural land to treated effluent storage basins is reversible, since the land can be regraded and the rice fields can be replanted. Nonetheless, Prime Farmland would be taken out of agricultural production as a result of the proposed project, and though possible, there are no plans to guarantee that the affected acreage would be reclaimed for agricultural production in the future. Therefore, impacts are considered significant and unavoidable.
- K. Statement of Overriding Considerations: Pursuant to Section 15093 of the CEQA Guidelines, the Commission finds that the benefits of the proposed project, as found in Paragraph L below and documented in the City of Biggs Wastewater Treatment Plant Enhancement Project Final Environmental Impact Report and the Findings of Fact and Statement of Overriding Considerations, outweigh the adverse impacts of the conversion of prime agricultural land, an impact which cannot be eliminated or reduced to a level that is less than significant and which is unavoidable as the City grows.
- L. Project Benefits: The City of Biggs has balanced the proposed project's benefits against its significant and unavoidable impacts. The City of Biggs finds, and the Commission affirms, that the proposed project's benefits outweigh the proposed project's significant and unavoidable impacts; those impacts therefore are considered acceptable in light of the proposed project's benefits. The City of Biggs finds, and the Commission affirms, that the following benefits are an overriding consideration that warrants approval of the proposed project, notwithstanding the proposed project's significant and unavoidable impacts:
- Provide an improved wastewater treatment plant effluent disposal method in a manner that results in compliance with Central Valley Regional Water Quality Control Board National Pollutant Discharge Elimination System (NPDES) Permit No. CA0078930 and compliance with Time Schedule Order (TSO) RS-2012-0048.
 - Implementation of the project would result in the enhancement of water quality to downstream receiving waters through the elimination of treated discharge.
 - Implementation of the project would enhance Lateral K and Hamilton Slough as a natural resource.
 - Failure to implement the project would subject that City and its residents to continual fines for failure to comply with the requirements of its waste discharge permit.

- The land application method of discharge represents the most cost-effective and reduced cost solution to the disposal of the City's treated wastewater effluent thereby reducing the potential service cost burden to City residents and reducing operational costs to the City as a whole.

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 City of Biggs Municipal Service Review (adopted December 3, 2015), the City of Biggs Sphere of Influence (as updated by the Commission on December 3, 2015), and other factors specified in Government Code Section 56668 and as described in the staff report dated December 29, 2015, for the meeting of January 7, 2016.
- 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 three (3) parcels, Assessor's Parcel Numbers 022-140-009 (2837 West Biggs Gridley Road), 022-140-011 (3951 Farris Road), and 022-140-010 (no street address), totaling approximately 160 acres, as submitted by the City of Biggs and described in Exhibit "A."
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: 16-03 – City of Biggs – West Biggs Gridley Road Annexation No. 2.
- E. The purpose of the annexation to the City of Biggs is to support orderly jurisdictional boundaries and place the City's wastewater treatment plant enhancement project within the City of Biggs' jurisdictional boundaries.
- F. The proposal is consistent with the City of Biggs Sphere of Influence as was reviewed and updated by the Commission on December 3, 2015.
- G. The parcel proposed for annexation will be detached from the following districts:
 - 1. County Service Area No. 164 (Butte County Animal Control); and
 - 2. The Butte County Resource Conservation District.
- H. The territory will remain within County Service Area No. 31 (Schohr's Pool) and County Service Area No. 37 (Gridley-Biggs Ambulance).
- I. The exchange of property tax revenues between the County of Butte and the City of Biggs will be in accordance with the master tax sharing agreement between the County of Butte and Its Cities (as amended January 31, 1980) approved by the Butte County Board of Supervisors on January 22, 1980.

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 7th day of January 2016 by the following vote:

AYES:

NOES:

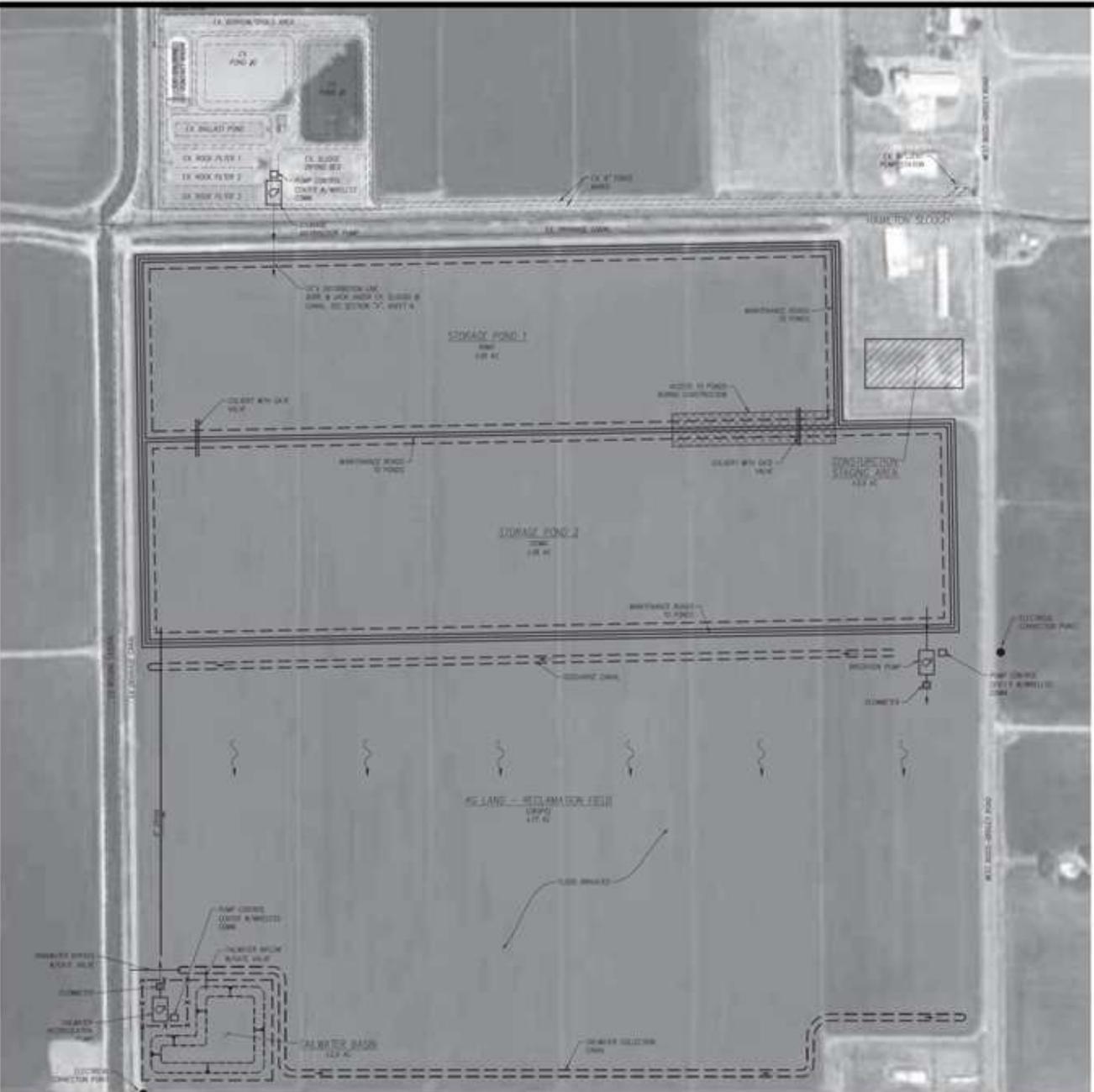
ABSENT:

ABSTAINS:

CARL LEVERENZ, Chair
Butte Local Agency Formation Commission

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Exhibit C



**City of Biggs Wastewater Treatment Plant Enhancement Project
Site Plan**

Source: BEN | EN, February 2013

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