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

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**TO:** Local Agency Formation Commission  
**FROM:** Stephen Betts, Deputy Executive Officer  
**SUBJECT:** *LAFCo File 15-02 – South Feather Water and Power Agency – Railroad Avenue Annexation No. 2 (Public Hearing)*  
**DATE:** January 28, 2015, for the February 5, 2015, LAFCo Meeting

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**Summary**

The South Feather Water and Power Agency (SFWPA) has proposed the annexation of one developed parcel and adjacent road right-of-way, totaling approximately 1.2 acres in size (*Exhibit A*), for the provision of public domestic water service to the subject parcel. The annexation proposal substantially conforms to LAFCo policy and staff recommends that the Commission approve the proposal. Draft Resolution 09 2014/15 (*Exhibit C*) contains recommended conditions of approval.

Application Submitted: December 15, 2014

Application Deemed Complete: January 7, 2015

100% Landowner Consent: Yes

Notice and Hearing Required: No

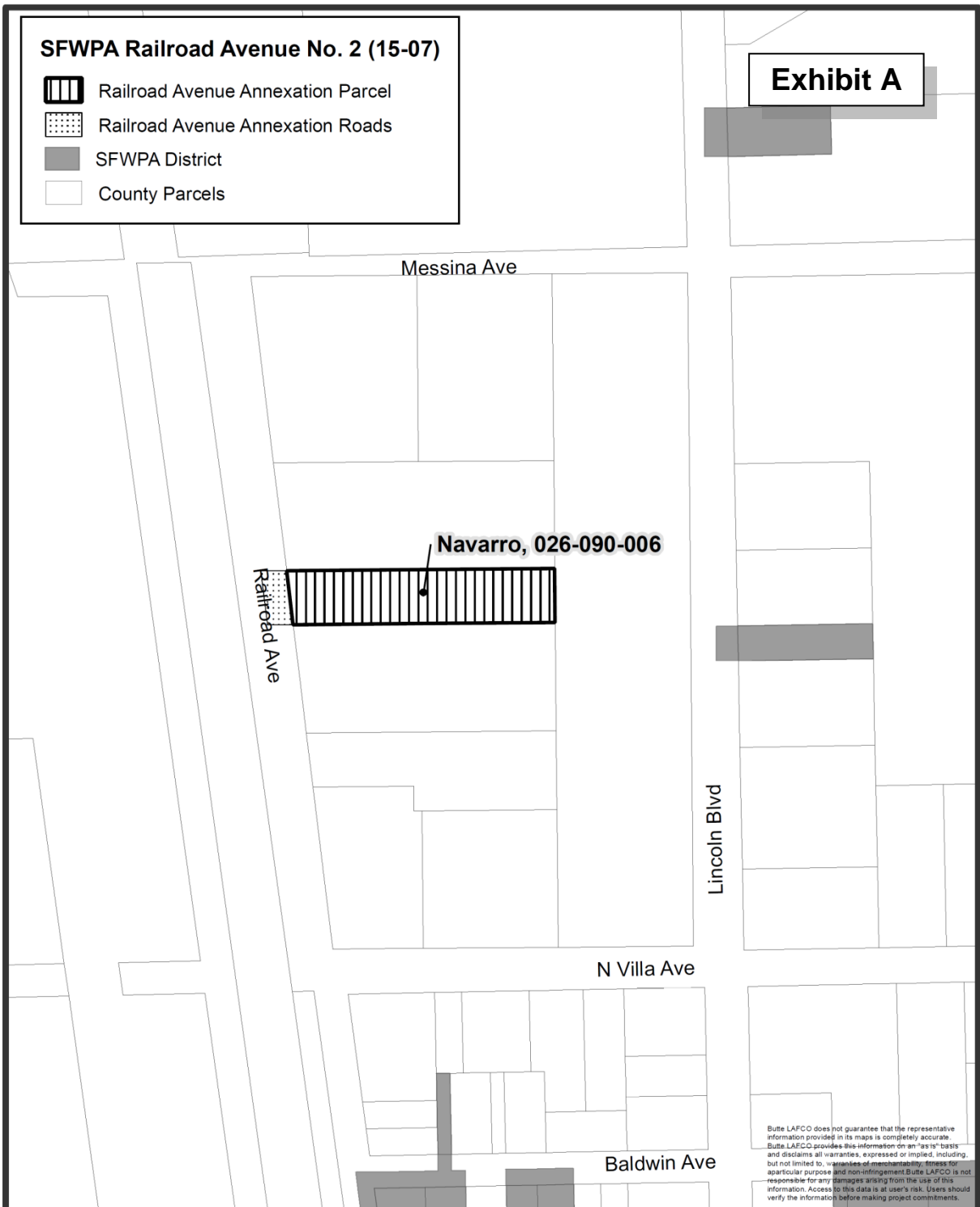
Proponent: South Feather Water and Power Agency, Resolution 04-11-01

Landowner: Jose and Esperanza Navarro

Location: The subject territory, which consists of one developed parcel and the adjacent road right-of-way, totaling approximately 1.2 acres in size, is located on the east side of Railroad Avenue approximately 600 feet south of Messina Ave, in the unincorporated community of Palermo. The subject parcel is identified as APN 026-090-006 (7049 Railroad Avenue), Palermo, CA. The territory is located in Supervisorial District 1.

Proposal: Annexation of one developed parcel to the South Feather Water and Power Agency for the provision of public domestic water service.

**Requested Action:** Adopt Resolution 09 2014/15 (*Exhibit B*) approving the reorganization.



## Butte Local Agency Formation Commission

South Feather Water & Power Agency - Railroad Ave Annexation No. 2

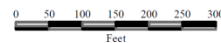
Applicant: SFWPA

Date: February 5, 2015 @ 9:00 a.m.

File: 15-07



SFWPA Railroad Avenue  
 Annexation No. 2



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Data: LAFCO, SFWPA

## DISCUSSION AND ANALYSIS

### Background

The 1.2-acre territory proposed for annexation to SFWPA consists of a 1.1-acre parcel and a 0.1-acre area of the adjacent portion of the Railroad Avenue road right-of-way. The territory is developed with a 2-bedroom, 938 square foot single-family dwelling unit. Domestic water for the dwelling is currently obtained from an on-site well. Wastewater disposal is handled via an on-site septic system. Surrounding parcels range in size from 2 to 7 acres. Land uses on surrounding parcels are single-family dwellings, orchards, and the Union Pacific Railroad tracks.

The territory fronts on Railroad Avenue, which is a public road maintained by Butte County. Railroad Avenue is classified as a local road and is not improved with curb, gutter, or sidewalk.

The territory is zoned VLDR (Very Low Density Residential) by Butte County and the Butte County General Plan designates the territory as Very Low Density Residential, which allow for a density of one dwelling unit per acre.



**Project Site – 7049 Railroad Avenue**

### Annexation

#### **Individual Factors for Consideration**

Government Code Section 56668 identifies a number of factors that are to be considered by LAFCO in reviewing a proposal. The factors are intended to provide the Commission with information about certain topics that are often relevant to annexations. No single factor is determinative. 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 developed with a single-family dwelling and no additional development is currently proposed for the territory. The territory is zoned Very Low Density Residential and is designated as Very Low Density Residential by the Butte County General Plan, which allow for one dwelling unit per acre. With one dwelling unit on the subject parcel, the territory has a population of approximately three*

*people. Land use on surrounding and nearby parcels is primarily single-family dwellings on 2 to 7-acre parcels, orchards, and the Union Pacific Railroad tracks. No additional development on the subject parcel is possible under the existing zoning and General Plan land use designation*

*The site and surrounding area have no significant natural features that would adversely affect the annexation.*

- (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 annexation area is to support residential development consistent with the Butte County General Plan.*

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

*The proposed annexation will not have any effect on land uses in the area.*

- (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 domestic water services by SFWPA.*

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

*The territory and all of the surrounding parcels are designated by Butte County for very low density residential uses. No agricultural uses are located on the territory, but small orchards are found on several of the surrounding parcels. Extension of public domestic water service to the subject territory would not contribute to the loss of agricultural lands.*

- (f) Boundaries of the territory.**

*The subject territory is parcel specific, with definite and certain boundaries. There are no conflicts with lines of assessment or ownership. The subject territory is legally uninhabited with less than 12 registered voters.*

- (g) A regional transportation plan adopted pursuant to Section 65080.**

*The proposed annexation does not conflict with any regional transportation plan.*

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

*The annexation of the subject territory is consistent with the Butte County General Plan 2030, which designates the territory for very low density residential uses.*

**(i) 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 South Feather Water and Power Agency. The territory is within the Sphere of Influence of the City of Oroville, which does not provide domestic water services. The annexation proposal does not conflict with the Sphere of Influence of any agency.*

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

*On January 8, 2015, LAFCo staff circulated copies of the application materials for review and comment from local public agencies. No substantive comments were received from an affected local agency during the review of this proposal.*

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

*SFWPA, through its resolution of application, attests to its ability to extend domestic water services to the parcel proposed for annexation without impact to existing SFWPA customers. As shown in the Domestic Water and Wastewater Service Providers Municipal Service Review, SFWPA's 2010 Urban Water Management Plan, and SFWPA's Initial Study and Mitigated Negative Declaration for the Miners Ranch Water Treatment Plant Improvement Project, SFWPA has adequate water rights and adequate water treatment, storage, and conveyance capacity to provide service to the territory.*

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

*As shown in the Domestic Water and Wastewater Service Providers Municipal Service Review, SFWPA's 2010 Urban Water Management Plan, and SFWPA's Initial Study and Mitigated Negative Declaration for the Miners Ranch Water Treatment Plant Improvement Project, the South Feather Water and Power Agency has adequate water rights to provide domestic water service to the territory. No significant changes in water demand are anticipated as the result of this annexation.*

**(m) 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 territory is developed with one dwelling unit. The annexation would not affect Butte County in achieving its regional housing needs allocation.*

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

*No information or comments were offered.*

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

*The territory is zoned VLDR (Very Low Density Residential) by Butte County, with a General Plan land use designation of Very Low Density Residential. The proposal is consistent with the County's General Plan and zoning.*

**(p) 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.*

**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 and the elimination of previously existing island or other illogical boundaries. (2.11.2)
- That a need for service exists and whether a lack of the service creates a demonstrated threat to the public health and safety. (2.14.1)
- Consistency of a proposal with the Sphere of Influence and Municipal Service Review of the affected jurisdiction(s). (4.1.1)
- Denying an annexation if it will result in the creation of islands of incorporated or unincorporated territory or otherwise cause or further the distortion of existing boundaries. (4.1.6)
- 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 SFWPA, resulting in more logical and efficient jurisdictional boundaries;
- Will provide a secure source of treated domestic water to the territory being annexed;
- SFWPA has adequate water rights and facilities to provide service to the territory;
- SFWPA is the only domestic water service provider in the area.

**ADDITIONAL BACKGROUND**

**Property Tax Agreement**

In accordance with provisions of Revenue and Taxation Code § 99, a Master Property Tax Exchange Agreement exists between the South Feather Water and Power Agency the County of Butte, which was signed on July 23, 1996. In accordance with the Master Property Tax Exchange Agreement, the proposed change of organization will be revenue neutral to all affected agencies.

**Public Agency Comments**

LAFCo staff referred the proposed annexation proposal to interested and affected agencies and districts for review and comment. No substantive comments were received from an affected local agency during the review of this proposal.

## **Support/Protest and Conducting Authority Proceedings**

The South Feather Water and Power Agency Board of Directors conducted a public hearing on November 25, 2014, at which time the annexation proposal was initiated by Resolution No. 14-11-01. There are less than twelve 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 landowners.

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: 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 South Feather Water and Power Agency is the lead agency for the proposal under the California Environmental Quality Act (CEQA). SFWPA found the proposal to be Categorically Exempt from CEQA pursuant to Section 15319 – Annexations of Existing Facilities and Lots for Exempt Facilities. This section can be used for annexations to a city or special district of areas containing existing 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.

The Section 15319(a) exemption is appropriate for this proposal because the territory is developed with a residential use that is consistent with the density requirements of the Butte County zoning ordinance and the Butte County General Plan. The extension of public domestic water to the effected parcel would serve only the existing development. The South Feather Water and Power Agency prepared a Notice of Exemption for this proposal, which is inserted as **Exhibit “C”** of this report. Staff concurs with the Agency’s use of the Section 15319(a) exemption.

## **CONCLUSION**

The South Feather Water and Power Agency is capable of providing domestic water service to the territory without affecting service levels provided to current district customers. Annexation of this area represents a logical extension of the Agency’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, staff recommends that the Commission take the actions as listed in Option 1. Staff has provided other options that the Commission may wish to consider.

OPTION 1 – APPROVE the proposal as submitted by the South Feather Water and Power Agency:

- A. Find that the proposed annexation is Categorical Exempt from the California Environmental Quality Act per Section 15319 – Annexations of Existing Facilities and Lots for Exempt Facilities.
- B. Adopt Resolution 09 2014/15 making determinations approving the proposed *South Feather Water and Power Agency – Railroad Avenue Annexation No. 2*.
- C. Find: 1) the subject territory is uninhabited, 2) all affected landowners have given written consent to the annexation, and 3) the annexing agency has given written consent to the waiver of conducting authority proceedings.
- D. 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.

RECOMMENDED ACTION:

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. 09 2014/15 – Page 9

Exhibit C: Notice of Exemption – Page 12



**DRAFT**

**RESOLUTION NO. 09 2014/15**

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF BUTTE  
MAKING DETERMINATIONS AND ORDERING THE ANNEXATION OF  
TERRITORY DESIGNATED AS 15-07  
SOUTH FEATHER WATER AND POWER AGENCY  
RAILROAD AVENUE ANNEXATION NO. 2**

**Exhibit B**

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

**WHEREAS**, a proposal for the annexation of certain territory to the South Feather Water and Power Agency in the County of Butte was heretofore filed by the South Feather Water and Power Agency and accepted for filing on January 7, 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 February 5, 2015, 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 February 5, 2015, 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 Butte LAFCo Policies and Procedures; 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 finds that the proposed annexation is Categorically Exempt from the California Environmental Quality Act per Section 15319 – Annexations of Existing Facilities and Lots for Exempt Facilities.

**Section 2.** General Findings and Determinations:

- A. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Butte LAFCo Policies and Procedures, Sphere of Influence and General Plan consistency, the Domestic Water and Wastewater Service Providers Municipal Service Review, and other factors specified in Government Code Section 56668 and as described in the staff report dated January 28, 2015, for the meeting of February 5, 2015.

- B. The Commission finds that the proposal has 100% support of the affected property owners and orders the reorganization complete without a protest hearing pursuant to Government Code Section 56663.
- C. The annexation area shall consist of one (1) parcel, APN 026-090-006 (7409 Railroad Avenue) and the adjacent portion of the Railroad Avenue road right-of-way, totaling approximately 1.2 acres and described in LAFCo Exhibit “A.”
- D. The subject area is found to be uninhabited, and is assigned the following short form designation: 15-07 – South Feather Water and Power Agency – Railroad Avenue No. 2.
- E. The purpose of the annexation is to support orderly jurisdictional boundaries and for the provision of public domestic water services to the territory.
- F. The Commission determines that agricultural and/or open space lands will not be adversely affected by this proposal as the territory is already developed; there are no agricultural lands associated with the proposal; the territory and surrounding parcels are designated by Butte County General Plan for very low density residential uses; and the territory and surrounding parcels are not designated for agricultural or open space uses as primary uses under the County zoning and General Plan designations. Therefore, no conversion of designated agricultural or open space lands will occur as a result of the requested annexation.
- G. A Master Property Tax Exchange Agreement between the South Feather Water and Power Agency and the Butte County Board of Supervisors was executed on July 23, 1996.
- H. The proposal is consistent with the South Feather Water and Power Agency Sphere of Influence.

**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 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 5<sup>th</sup> day of February 2015, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINS:**

**ATTEST:**

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Clerk of the Commission

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

**Exhibit C**

**NOTICE OF EXEMPTION**

**To:** Office of Planning and Research  
P.O. Box 3044, Room 212  
Sacramento, CA 95812-3044

**From:** South Feather Water and Power Agency  
2310 Oro-Quincy Highway  
Oroville, CA 95966

**County Clerk**  
County of Butte  
25 County Center Drive  
Oroville, CA 95965-3375

**Project Title:** Railroad Avenue Parcel Annexation into South Feather Water and Power Agency

**Project Location - Specific:**

*Refer to Figure 1:* The project is located south of the City of Oroville in the unincorporated community of Palermo, in Butte County, CA. An existing water line is located in Railroad Avenue that extends north-south between Ophir Road and E. Palermo Street. 39°26'24.71N, 121°33'12.39W

**Project Location - City:** Palermo **Project Location - County:** Butte

**Description of Nature, Purpose, and Beneficiaries of Project:**

The project applicant is requesting annexation into the South Feather Water and Power Agency boundaries and subsequently tie-in to the existing water line that is located in Railroad Avenue for domestic water. The single family residential parcel fronts Railroad Avenue.

**Name of Public Agency Approving Project:** South Feather Water and Power Agency

**Name of Person or Agency Carrying Out Project:** Jose and Esperanza Navarro

**Exempt Status:**

- 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 (type and section number); 15319-Annexations of Existing Facilities and Lots for Exempt Facilities
- Statutory Exemption (state code number): \_\_\_\_\_

**Reason why project is exempt:**

The project is the annexation to a district containing existing public facilities that have been developed to the allowed density under the current zoning. The existing facility has the capacity to serve the existing single-family residential parcel.

**Lead Agency**

**Contact:** Mike Glaze, General Manager **Phone:** (530) 533-9700

**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: [Signature] Title: GENERAL MANAGER Date: 11.26.14

- Signed by Lead Agency
- Signed by Applicant

Date received for filing at OPR: \_\_\_\_\_

