

YUBA COUNTY LOCAL AGENCY FORMATION COMMISSION

JOHN BENOIT, EXECUTIVE OFFICER

**526 C STREET
MARYSVILLE, CA 95901**

**Phone (530)749-5467
Fax (530)740-4836
URL www.yubalafco.org**



Local Agency Formation Commission
Of
Yuba County

September 5, 2012

TO: LAFCO Commissioners

FROM: John Benoit, LAFCO Executive Officer

SUBJECT: Sphere of Influence (SOI) Update Study for South Yuba Water District

Attachments: 1. Notice of Exemption
2. Resolution adopting Sphere of Influence Update for SYWD.
3. Sphere Options Report – Section on SYWD

1. LAFCO's Responsibilities:

Government Code §56425 et seq. requires LAFCO to establish and maintain spheres of influence for all local agencies within its jurisdiction. A sphere of influence (SOI) is defined by statute as a “plan for the probable physical boundary and service area of a local government agency as determined by the commission” (§56076). Government Code §56425(g) requires that “on or before January 1, 2008, and every five years thereafter, the commission shall, as necessary review and update each sphere of influence.”

Yuba LAFCO is required to conduct a Sphere of Influence update consistent with the Policies and Procedures related to Spheres of Influence, adopted by Yuba LAFCO on July 11, 2007. Sphere of Influence Policies adopted by Yuba LAFCO and an analysis regarding this Sphere of Influence Update are as follows:

4.1 GENERAL

Government Code §§ 56425 et seq. requires LAFCO to establish and maintain spheres of influence for all local agencies within its jurisdiction. A sphere of influence (SOI) is defined by statute as a “plan for the probable physical boundary and service area of a local government agency as determined by the commission” (§56076). Every determination made by a commission shall be

consistent with the spheres of influence of local agencies affected by that determination (§ 56375.5). A sphere of influence is primarily a planning tool that will:

1. Serve as a master plan for the future organization of local governments within the County by providing long range guidelines for the efficient provision of services to the public;
2. Discourage duplication of services by local governmental agencies;
3. Guide the Commission's consideration of individual proposals for changes of organization;
4. Identify the need for specific reorganization studies, and provide the basis for recommendations to particular agencies for government reorganizations;
5. LAFCO shall establish the nature, location, and extent of any functions or classes of service provided by existing districts as part of SOI update and service review processes (§56425, §56430).

Note: The nature, location and extent of South Yuba Water District's functions are included in the Sphere Options Report prepared by Burr Consulting ((See Attachment #3) accepted April 1, 2009)

4.2 PERIODIC REVIEW AND MAINTENANCE

The adequacy of each adopted SOI will be reviewed every 5 years following the initial sphere determination or initial review of an original sphere. At approximately 5-year intervals, a preliminary sphere evaluation will be conducted by LAFCO staff. The evaluation will include a recommendation by the Executive Officer to either (1) proceed with a sphere update study or; (2) affirm an existing sphere.

Each subject agency will be notified of the pending review of its SOI and will be requested to participate actively in any sphere update study deemed necessary by the Commission. Each agency will complete a SOI questionnaire relating to its services and plans. Failure to respond will be regarded as concurrence with the Executive Officer's recommendation.

Changes in land use, planning policy, demographics, demand for public services, or service capabilities may justify the need to study and amend spheres of influence. The Commission is responsible for the cost of LAFCO initiated review and revision of spheres. LAFCO will seek cooperative cost sharing agreements with the agencies involved.

LAFCO will receive requests for amendments to spheres at any time. If an agency, the County or other party requests a review, study and/or amendment of a sphere; LAFCO will undertake the review as required by statute. Where possible within the scope of its budget, LAFCO will assist a requesting agency with the costs associated with a sphere study in the initial review of an original sphere. Otherwise, fees to cover the actual costs associated with a sphere review and amendment may be charged to the party requesting the review.

Note: Yuba LAFCO is in the process of updating Spheres of Influence and has completed a Municipal Service Review and a Sphere of Influence Options report. Yuba LAFCO had adopted an Interim Sphere for the South Yuba Water District on August 4, 2010 with the condition the Commission would revisit it upon the completion of the Yuba County General Plan Update. Yuba County adopted its updated General Plan in 2011, therefore, this sphere of influence is now being revisited.

4.3 LIMITED SERVICE SPHERE OF INFLUENCE

Territory proposed for inclusion within the SOI of a multi-service provider agency which is also contained within the boundary of another limited purpose district (providing some but not all of the services which may be needed), may be included within the SOI of the multi-service agency and designated as a limited-service sphere of influence area. Territory designated as limited service sphere may be considered for annexation to the multi-service agency, without concurrent detachment from the limited purpose district, when the following determinations are made by the Commission:

- a. No feasible or logical alternative arrangement exists for the provision of service in the territory proposed for inclusion within the SOI.
- b. The existing multi-service agency is the most orderly and logical provider of some of the services which will be needed in the future.
- c. Existing services provided by the limited-purpose district are adequate, cost-effective and efficient.
- d. Inclusion of the territory in the SOI is in the best interests of local government organization and structure in the area.

Note: This policy is not applicable to this update since the same services are not being provided.

4.4 CRITERIA FOR REVIEW OF SPHERE OF INFLUENCE AMENDMENTS

In determining the sphere of influence for each local agency, the Commission shall prepare a written statement of determinations with respect to each of the following:

- a. The present and the planned land uses in the area, including agricultural and open-space lands.
- b. The present and probable need for public facilities and services in the area.
- c. The present capacity of public facilities and adequacy of public services which the agency provides or is authorized to provide.
- d. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Note: A fifth determination is now required (effective July 1, 2012). This determination was not included in the Sphere Options Report since it does not apply and therefore not required in the case of the South Yuba Water District Sphere of Influence.

e. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Note "e" is not applicable in the Sphere of Influence since the South Yuba Water District does not provide municipal and industrial water and therefore no determinations are included the section below.

Before making these determinations, the Commission will review the following:

- i.) The service capacity, levels and types of services currently provided by the agency and the areas where these services are provided, topographic factors, financial capabilities, costs of service, and social and economic interdependencies;

Note: South Yuba Water District appears to provide adequate irrigation services to agricultural users in its service area.
- ii.) Existing and planned land uses, land use plans and policies; consistency with county and city general plans; projected growth in the affected area, and potential effects on agricultural and open space lands;

Note: The Yuba County General Plan adopted in 2011 provides for planned future land uses consistent with land use designations and the policies contained in the adopted County General Plan as updated.

- iii.) A description of the services that will be provided to any areas which may be added to the sphere and the timing and method for funding expansion of facilities or services to those areas.

Note: South Yuba Water District provides retail water services for agricultural irrigation.

- iv.) An analysis of the effects of a proposed sphere of influence on other agencies and their service capabilities.

Note: As territory urbanizes, it is possible that there may not be adequate groundwater to support expanding urban uses and that surface water may continue to be needed in future urbanization areas. It is possible that the irrigation water provider might supply surface water to the domestic water provider or directly. However, before that occurs, an application will need to be filed and LAFCO will have to grant a specific Latent Power before an irrigation district can provide urban water services. In basin transfers between agricultural irrigation districts and urban water districts whether or not with an agency's Sphere of Influence may also be subject to LAFCO depending upon specific circumstances and evaluated on a case by case basis.

e. A substantial SOI amendment is an amendment that causes the SOI to be internally inconsistent, is inconsistent with provisions of the CKH Act, has the potential to cause significant adverse social, economic, environmental, or other consequences, or has substantial adverse regional planning implication. Substantial SOI amendments shall not be processed until service reviews are completed (§56430) and the subject SOI is updated consistently with §56425.

Note: N/A

f. A substantial SOI amendment may be processed concurrently with a service review and incorporated into a SOI update. However, LAFCO will make service review determinations prior to considering a substantial SOI amendment (§56425, §56430).

Note: N/A

g. A review of a municipal services pertaining to a subject SOI will be prepared prior to, or in conjunction with, each SOI update (§56430) or substantial amendment unless the Commission determines that a prior service review remains adequate.

Note: the review of Municipal Services has been completed for this update.

h. When determining which local agency should provide services, considerable weight will be given to an agency's ability and willingness to provide services. When more than one agency can serve an area, LAFCO shall also consider the conclusion of service reviews, each agency's service capacity, financial capabilities and costs to provide service. Social and economic

interdependencies, topographic, historic and environmental factors, input from affected communities and agencies, and pertinent LAFCO policies shall also be considered (§56668, §56430).

Note: This has been completed as part of the MSR/Sphere Options process.

i. LAFCO shall prioritize pending or anticipated SOI actions and related services review, and consider preliminary work plans as part of its annual work plan and budget hearing processes, although the Commission may consider SOI proposals whether or not they are reflected in the budget. The Commission may also initiate related service reviews. The Commission may also need to review or approve final SOI work plans and other processing recommendations.

Note: This policy is not applicable to this update

j. Agencies will be asked to participate in an SOI scoping session and complete SOI/service review questionnaires relating to their services and plans. Agencies will be required to complete and submit questionnaires within 90 days. Failure to respond within 90 days will be regarded as concurrence with Executive Officer recommendations.

Note: This has been completed as part of the MSR/SOI process

k. LAFCO shall hear and consider the SOI, and related service reviews if any, at a noticed public hearing.

Note: A public hearing is scheduled for September 5, 2012

5. OTHER RELATED POLICIES

a. LAFCO will make every attempt to establish Spheres of Influence acceptable to affected agencies, property owners, and other stakeholders but ultimately, LAFCO is the final determinant of a Sphere of Influence.

i. Inclusion within an agency's sphere of influence does not ensure annexation to that agency.

Note: Establishment of a Sphere Update for South Yuba Water District will not ensure any additional annexations.

ii. In order to encourage orderly growth of urban areas, the Commission promotes infill development of incorporated vacant lands located adjacent to already developed areas.

Note: N/A

iii. Developed lands which benefit from municipal services and are contiguous to a city boundary should be annexed to the city that provides service.

Note: N/A

- iv. Spheres of influence for cities and districts should respect the long-term preservation and protection of the County’s agricultural and open space resources when not in conflict with Policy 4.5.3.

Note: South Yuba Water District provides retail water services for agricultural irrigation to the prime agricultural land that exists within or around the boundaries of the South Yuba Water District’. There is one area where there is an overlap between OPUD and the South Yuba Water District. OPUD provides domestic water and not irrigation water. Upon development of the area a detachment from the South Yuba Water District will be required. Likewise there are two areas near Plumas Arboga Road where no district exists but contain agricultural uses

- v. When an application for a new sphere of influence involves a City, the City and County are required to meet prior to submitting the application to LAFCO, to attempt to reach a mutual agreement regarding the boundaries, development standards, and zoning requirements for the proposed sphere. These agreements are required to carry great weight in any LAFCO decision (§56425).

Note: N/A

2. California Environmental Quality Act:

This action is Exempt from the California Environmental Quality Act pursuant to Section 15319 (a) of the CEQA Guidelines (Class 19). Agricultural activities are exempt from CEQA. Placing territory within the Sphere of Influence for the So. Yuba Water District would not have any impacts or could not have any impacts upon the environment and therefore, the General Rule Exemption CEQA Guideline Section 15061 b (3) would apply (See Attachment #1).

3. Sphere of Influence Update – South Yuba Water District:

Background:

The South Yuba Water District (SYWD) provides retail water services for agricultural irrigation. SYWD’s boundary is primarily located between SRs 70 and 65, south of Olivehurst. There is a noncontiguous portion of the district adjacent to Rancho Road east of SR 65, a contiguous portion of the district in the northwest that crosses SR 70, and a small hole in the middle of the district, south of the intersection of Plumas Arboga and Forty Mile Roads. SYWD is a multi-county agency due to the fact that a portion of its southeastern boundary follows Wheatland Road, which crosses into Sutter County for a short distance. Yuba is the principal county and Yuba LAFCO has jurisdiction over the District. The District has a boundary area of 16 square miles.

The SYWD SOI contains only a northeastern and a southeastern portion of the district. The northeastern portion of the SOI is the noncontiguous area adjacent to Rancho Road. The southeastern portion of the SOI is located in the most southeastern quadrant of the district, north of the intersection of Wheatland and Forty Mile Roads. Such an SOI signifies that LAFCO expected the boundary areas outside the SOI to be detached; however, it does not appear that was LAFCO's intention at the time.

3.1 SOI Determinations for Present and Planned Land Use:

Existing land uses in the SYWD boundary area are primarily agricultural, and include rural-residential, entertainment and school uses. The majority of the District's boundary area is zoned as exclusive agricultural, with minimum 80-acre (AE-80) lots. Most of the territory within the district is within the Valley Growth Boundary.

The Sports and Entertainment Zone is a 1,000-acre planning area, located between SR-65 and Forty Mile Road, where sports and entertainment uses exist and are planned. The Sleep Train Amphitheatre occupies 90 acres of this zone. Located adjacent to the district between SR 65 and Rancho Road is the planned 500-acre Rancho Road Industrial and Commercial Park. An amendment to the Sphere of Influence will be necessary at the time these lands develop as domestic water supplies substitute the need for irrigation water.

A small portion of the District west of the Western Pacific railroad overlaps with OPUD. There are two planned housing developments being built in this area, the River Oaks North and North Point developments. The River Oaks North development is planned to contain 107 single-family residential units on 36 acres, and the North Point development is planned to contain 184 single-family residential units on 52 acres. Yuba LAFCO approved the detachment of this area on August 4, 2010, however conditions were not met and the Certificate of Completion was never recorded. LAFCo staff will notify the Building Department not to issue any building permits until the detachment from the South Yuba Water District is final and recorded.

Removal from the district's Sphere of Influence and detachment of territory from the district will be a requirement for future development and should be addressed at the time a development proposal or the County General Plan is amended to provide for such development.

3.2 SOI Determinations for Present and Probable Need for Public Facilities and Services

As areas within the District become urbanized (Areas C and E (not included in the SOI for the SYWD)), the District anticipates detaching the urbanizing area for irrigation water. However, the MSR identified potential for that practice to result in inadequate water supplies for future urban uses. Future urban areas within the SYWD bounds and service area could potentially depend on the District's access to domestic surface water as a water supply, which would require LAFCO approval of a new and authorized power for areas outside the County's Valley Growth Boundary.

3.3 SOI Determinations for Present Capacity of Public Facilities and Adequacy of Public Service

Based on the MSR prepared for the District, the SYWD appears to provide adequate irrigation services to agricultural users in its service area. Surface water distribution infrastructure is located throughout the service area, with distribution canals adjacent to the District's proposed SOI expansion areas. These expansion areas are not included in the Valley Growth Boundary in the County's General Plan and should be considered for inclusion in the district's Sphere of Influence.

3.4 SOI Determinations for Existence of Any Social or Economic Communities of Interest

Within the boundary area, communities of interest include the the Sports and Entertainment Zone. Located in the area, but not included within the District, is the Plumas Lake Charter School and the planned Rancho Road Industrial and Commercial Park.

An additional community of interest is OPUD. There is an overlap between SYWD and OPUD boundaries west of the Western Pacific railroad, the site of two planned developments. Also, the SOI for OPUD runs between Rancho Road and SR 65, bisecting part of the SYWD boundary area in the northeast from the majority of the boundary area in the south and west.

4. RECOMMENDATION:

It is recommended that LAFCO adopt the Attached Resolution (Attachment 2) adopting a Sphere of Influence update for the South Yuba Water District, which includes four areas, (areas A, B, C and D) outside of the District Bounds. The District is already providing service to area C. (This SOI is described as Option #2 in the Burr Consulting Sphere Options Report).

South Yuba Water District - Sphere Of Influence Options

