

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 1, 2010

TO: LAFCO Commissioners
FROM: John Benoit, LAFCO Executive Officer
SUBJECT: Sphere of Influence (SOI) for North Yuba Water District
Attachments: 1. 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 North Yuba Water District's functions are included in the Sphere Options Report prepared by Burr Consulting (accepted April 1, 2009) See attachment #1

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.

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 sphere of influence update.

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. 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: This is addressed in the MSR And incorporated by reference.

- 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 is in the process of being updated. Planned future land uses will be dependent on the 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: The North Yuba Water District (NYWD) provides domestic and irrigation water services to residents of the communities of Oregon House, Dobbins, Brownsville, Challenge, and Rackerby in Yuba County, and the community of Forbestown in Butte County.

The District receives revenue from property taxes on each parcel within the District and anticipates receiving significant power generation revenue through an agreement with South Feather Water and Power Agency.

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

Note: The proposed Sphere of Influence for NYWD will resolve an overlap of service boundary, of an area of approximately 2,821 acres, with Browns Valley Irrigation District. As a result, an expansion is proposed for a SOI update for BVID which appears to be better able to serve the area, given existing infrastructure and water sources.

The NYWD does not provide domestic or irrigation water services within the overlap territory. BVID presently serves each of the parcels within the overlap area.

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 will be held.

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 North Yuba Water District does not in itself ensure LAFCO will approve future 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: The area proposed for this SOI update is not identified as Prime Agricultural land, and therefore will not result in any adverse impacts upon agricultural lands. It should be noted that the NYWD currently provides agricultural irrigation water to parcels containing agricultural activities. Water availability has the potential to encourage agricultural activities on larger parcels.

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:

Depending upon specific circumstances a Sphere of Influence may or not be exempt from CEQA. Since the recommendation for the North Yuba Water District would create a sphere of influence and include additional areas not presently within NYWD bounds or currently being served by NYWD, it may likely be growth inducing and is subject to an environmental review. North Yuba Water District has prepared an initial study and Negative Declaration for this Sphere of Influence, which was approved by the District on April 8, 2010, pursuant to the requirements of the California Environmental Quality Act (Section 21000 et seq of the Public Resources Code) and found it had no potentially significant effects on the environment.

LAFCO was afforded the opportunity to review the proposed Negative Declaration prior to its adoption by the NYWD Board of Directors and found that issues of importance to LAFCO were addressed.

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

Background:

North Yuba Water District (NYWD) is a multi-county agency, as a portion of its northern boundary extends into Butte County. Yuba is the principal county, and Yuba LAFCO has jurisdiction. The boundary extends northeast from Loma Rica, and is generally bounded by the North Fork of the Yuba River and the New Bullards Bar Reservoir in the east, the Yuba-Butte County line in the north, and the Yuba-Plumas and Yuba-Sierra County lines in the northeast. The District has a boundary area of 128 square miles.

The District does not have an SOI adopted by LAFCO. The 1987 Sphere of Influence Study for the Yuba County water agencies conducted by LAFCO recommended an SOI “coterminous with its authorized water service area,” but there is no evidence in the LAFCO archives to confirm that such an SOI was ever officially adopted.

3.1 SOI Determinations for Present and Planned Land Use:

The area within the District’s bounds is largely rural residential and agricultural with lots ranging in size from 20 to 40 acres outside of the community centers, lots of primarily 5 acres in the communities of Dobbins and Oregon House, and lots of one to five acres in the communities of Brownsville and Challenge. There are limited commercial areas within each of these communities. The remaining land is used for timber production and a national forest. Business activity in the District includes logging and timber work, three summer camps, a bank, a few general stores, and two gas stations.

Planned land uses within the District are not anticipated to change significantly with the upcoming Yuba County General Plan update.

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

As of February 2008, the District estimated that it had approximately 730 domestic customers and 100 agricultural irrigation customers. Irrigation customers include a winery operation, cattle farmers, and vegetable producers. There were 3,580 residents in the District, according to 2000 Census data and GIS analysis.

The District reported that there has been limited growth within District bounds. In 2006, the District added eight additional connections to the system, which represents a growth rate of approximately 0.7 percent. The District reported that existing peak demand in its system exceeds the flow from transmission facilities.¹ NYWD estimated its long-term (to 2040) water demand within its service area to be 27,100 afa;² by comparison existing demand is 2,945 afa in the service area.

Future growth is anticipated to be moderate, as proposed developments are approved and begin construction. As of February 2008, there was a single development proposal of 300 single family homes within the District's boundaries. The District has a strategic planning committee that plans for the next 15 years to accommodate any anticipated growth.

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

NYWD operates in a severely resource-constrained fashion and charges relatively high rates. The District has substantial infrastructure needs that are presently unfunded; however, the District will be receiving a very sizable increase in revenues in 2010. The District may consider borrowing on the security of those future revenues to begin addressing infrastructure needs in a more timely manner.

NYWD lacks distribution and conveyance capacity to deliver adequate water to its service area. A pipeline is needed to provide adequate capacity. The distribution system suffers from a lack of preventative maintenance, is undersized and in poor condition, and needs to be replaced or rehabilitated. Three storage tanks are undersized and in poor condition.

Use of anticipated revenues and contributions from capacity and connection fees will help to alleviate water conveyance issues at the time any territory is annexed into the district.

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

¹ State Water Resources Control Board, *Water Rights Order 2004-0029*, 2004, p. 25.

² State Water Resources Control Board, *Water Rights Order 2004-0029*, 2004, p. 25.

Communities of interest within the District include Oregon House, Dobbins, Brownsville, Challenge, and Rackerby in Yuba County, and the community of Forbestown in Butte County.

4. RECOMMENDATION:

It is recommended that LAFCO adopt an SOI update for NYWD which excludes the overlap areas with BVID, which are served by BVID; and the NYWD SOI should also include other territory adjacent to the BVID boundaries, (SOI option #1).

This SOI should be adopted in conjunction with an SOI expansion for BVID. . The LAFCO Commission may consider adoption of a SOI update for NYWD after a public hearing to be conducted in November 2010.

North Yuba Water District Sphere of Influence Options

