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Stan Neutze
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Special District Member



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Public Member

David Kehoe
County Member

Patricia A. Clarke
Special District Alternate

Katharine Ann Campbell
Public Member Alternate

George Williamson
Executive Officer

James M. Underwood
General Counsel

Kathy Bull
Office Manager

Agenda Item: 7.b.

Meeting Date: November 1, 2018

From: George Williamson AICP, Executive Officer & Kathy Bull, Office Manager

Subject: Proposed Annexation of Stephens Ridge subdivision to Cottonwood Water District (CWD) and County Service Area (CSA) # 17 Cottonwood by Property Owner Petition

The Commission will consider a proposal submitted by resolution of application for annexation of approximately 655.71 acres of unincorporated territory located along Rhonda Road, west of I-5 and north of the town of Cottonwood into the Cottonwood Water District (CWD) and County Service Area (CSA) #17 Cottonwood. The proposed project will develop 122 acres of the proposed annexation with 98 suburban residential lots, provide a 36.6-acre open space parcel, and include a 59.1-acre residential parcel and two approximately one-acre residential parcels. The proposed project is within the CWD and CSA #17 Spheres of Influence.

LAFCOs are responsible, under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code (G.C.) § 56375. LAFCOs are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

BACKGROUND

Shasta LAFCO has received a proposal submitted by Petition generally located along Rhonda Road, west of I-5 and north of the town of Cottonwood, (see Figure 1).

Reasons for Proposal

The reasons for the annexation as set forth in the June 21st, 2018 proposal to Shasta LAFCO are as follows:

The proposed subdivision is within the Spheres of Influence for both the Cottonwood Water District and County Service Area #17, which provide both water and sewer service within their district boundaries. The annexation will allow the districts to provide utility services to the subdivision and appropriate surrounding parcels. The project approval is contingent on rezoning the project site to Planned Development (PD) and/or the appropriate zoning district.

Provision of Public Services


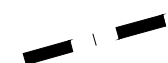


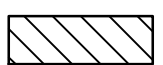
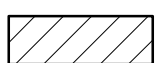
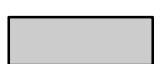
A Plan for Services was prepared on behalf of the property owner, Mark Stephens, for the proposed annexation. As contemplated, the CWD would provide water service and CSA #17 would provide wastewater collection and treatment. Fire protection would be provided by the Cottonwood Fire Protection District given the completion of required improvements. Police and safety services would be provided by the Shasta County Sheriff's Office and dispatched by the Shasta Area Safety Communications Agency,

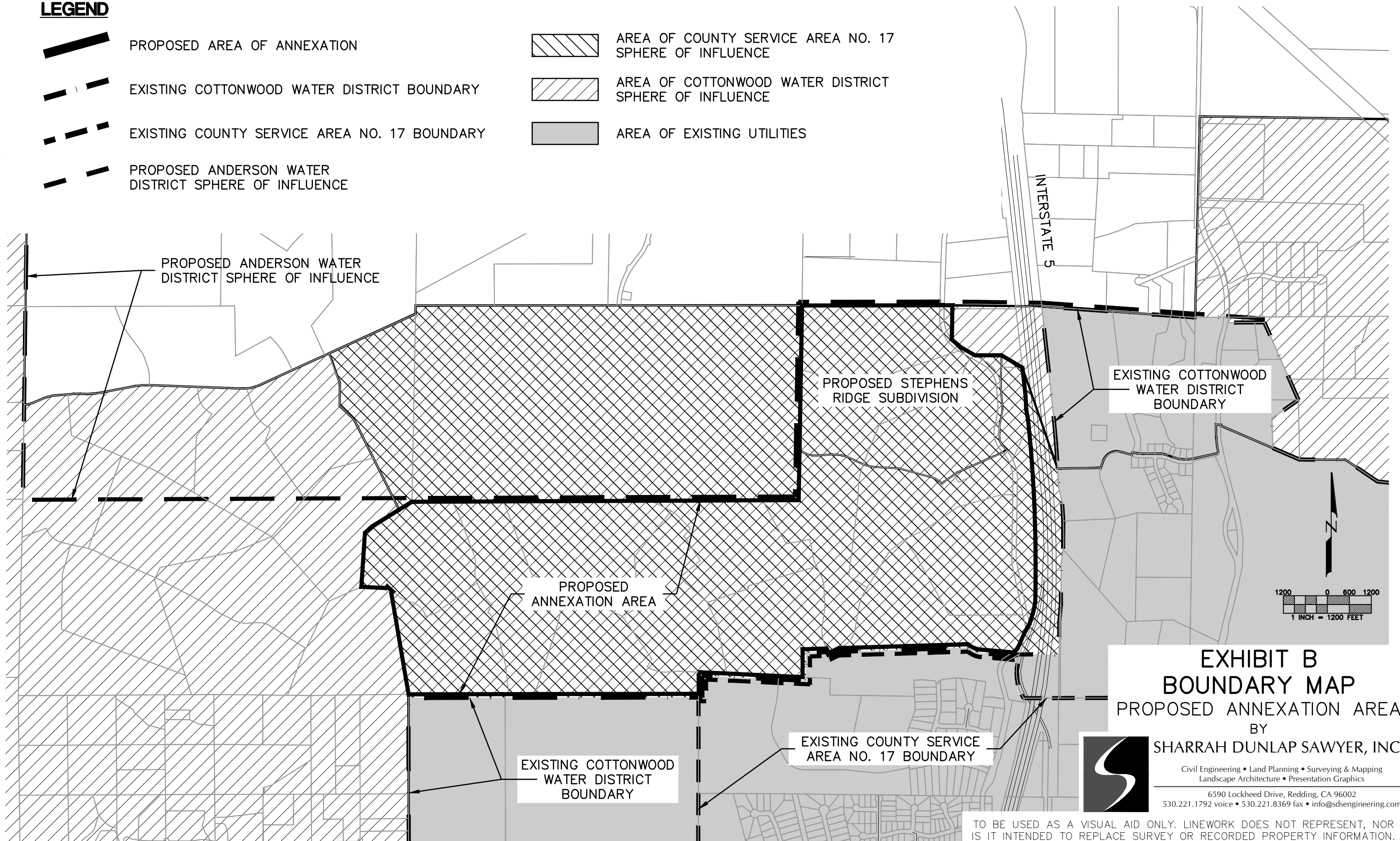
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LEGEND

-  PROPOSED AREA OF ANNEXATION
-  EXISTING COTTONWOOD WATER DISTRICT BOUNDARY
-  EXISTING COUNTY SERVICE AREA NO. 17 BOUNDARY
-  PROPOSED ANDERSON WATER DISTRICT SPHERE OF INFLUENCE
-  AREA OF COUNTY SERVICE AREA NO. 17 SPHERE OF INFLUENCE
-  AREA OF COTTONWOOD WATER DISTRICT SPHERE OF INFLUENCE
-  AREA OF EXISTING UTILITIES



**EXHIBIT B
BOUNDARY MAP
PROPOSED ANNEXATION AREA**

BY
SHARRAH DUNLAP SAWYER, INC.



Civil Engineering • Land Planning • Surveying & Mapping
Landscape Architecture • Presentation Graphics
6590 Lockheed Drive, Redding, CA 96002
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TO BE USED AS A VISUAL AID ONLY. LINEWORK DOES NOT REPRESENT, NOR IS IT INTENDED TO REPLACE SURVEY OR RECORDED PROPERTY INFORMATION.

DATE: APRIL, 2018 SCALE: 1"=1200' SHEET 1 OF 1

(SHASCOM). Solid waste collection, electrical service, road infrastructure, and maintenance will be provided by the appropriate local service provider upon annexation. The cost of maintaining street-side landscaping, stormwater detention and fuels management would be the responsibility of owners. The project area would be annexed into the Cottonwood Water District and CSA #17 for provision of water and wastewater services, respectively.

The CWD currently provides water service to the Town of Cottonwood and the surrounding area and has the ability to serve the project area at full buildout. Water services would be available to properties within the annexation area upon the extension/connection of infrastructure. Additional infrastructure would be extended, as needed, to serve area development and/or to address water quality or capacity limitations. The service extension costs would be borne by the property owner(s). The District indicates there is sufficient capacity to serve the annexation area with appropriate infrastructure upgrades.

Shasta County Planning Commission Resolution # 2017-005 conditions of approval for Tract Map 2003, list infrastructure and improvements necessary to serve at least 98 additional household equivalents with appropriate infiltration and inflow, including laterals, sewage collection pipes, sewer plant expansion and possible construction of new sewer lift stations or expansion of existing lift stations as described in Shasta County Planning Commission conditions 83 through 99 adopted for tentative map approval on January 13, 2017, with work to be complete or bonded for prior to Final Map for Tract Map 2003 recordation.

The conditions of approval also specify the applicant must enter into an agreement that guarantees all dedicated facilities for a period of one year after acceptance into CSA #17 against defects in design, materials and workmanship. This agreement requires a bond in the amount of 75 percent of the estimated construction costs of the improvements.

Land Use Designations

Land uses within the proposed annexation area are subject to the Shasta County General Plan. The Shasta County Board of Supervisors approved a General Plan Amendment (GPA 13-002) by Resolution 217-035 to change the land use map for the proposed 122-acre project from a Rural Residential A (RA) land use designation to the Suburban Residential One Dwelling Unit Per Acre (SR-1) land use designation. The approval was recorded on March 21st, 2017.

County action also included a zoning change from Planned Development (PD) zone district to a PD zone district specific to the proposed project or other appropriate General Plan and Zoning designations to facilitate the merger and re-subdivision. Required project improvements would include street, electric, water, and sewer utilities.

ANALYSIS

The analysis of the proposal is organized into two sections. The first section considers the proposal relative to the factors mandated for review by the Legislature anytime LAFCos review boundary changes. The second section considers issues required by other applicable State statutes in processing boundary changes, such as environmental compliance with the California Environmental Quality Act.

Required Review Factors

G.C. § 56668 requires the Commission to consider 16 specific factors anytime it reviews proposals for a change of organization. No single factor is determinative. The purpose in considering these factors is to help inform the Commission in its decision-making process. An evaluation of these factors as it relates to the proposal follows.

1) *Population and population density; land area and land use; per capita assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.*

The annexation area as proposed by the property owner consists of approximately 655.71 acres of unincorporated territory located along Rhonda Road, west of I-5 and north of the town of Cottonwood. The associated Stephens Ridge Subdivision project will consist of 98 suburban residential lots, a 36.6-acre open space parcel, a 59.1-acre residential parcel and two approximately one-acre residential parcels. The proposed annexation is within the Spheres of Influence for both the Cottonwood Water District and CSA #17. The total assessed value of properties (land and improvements) is \$2,400,000. The current population of the proposed annexation area is approximately 0 residents based on 2010 Census data. The entire annexation area may accommodate an additional population of approximately 266 at build out and full occupancy. The site is currently zoned rural residential (RA) and suburban residential (SR-1) and is undeveloped.

2) *The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.*

Pursuant to Government Code § 56653, the applicant prepared a Plan for Services to evaluate the needs of the proposed annexation. The need for expanded community services within the affected territory includes water and wastewater. Fire protection, police services, electricity and solid waste collection will also be needed upon development of the proposed subdivision. An analysis of the availability and adequacy of these services relative to projected needs of the proposal follows.

Water

According to the Plan for Services, water will be supplied by the Cottonwood Water District (CWD) The developer is required to extend, expand, and/or upgrade the necessary water infrastructure that complies with CWD standards and pay appropriate fees. Details on necessary upgrades to the water system prior to expanding services are included in the will-serve letter sent to the applicant by the Cottonwood Water District and will include the transfer of a 0.25-acre future tank site immediately north of the District's existing 1MG storage tank and construction of a booster pump station at the existing storage tank site. The applicant must also construct an 8-inch diameter cross-country water main between the booster pump and the development. Water supply main line, appurtenant facilities and service connections will be installed in accordance with the standards of the operating entity and the County's Fire Safety Standards and will be approved by the both the operating entity and the Cottonwood Fire Protection District.

Sewer

According to the Plan for Services, wastewater collection and treatment will be provided by Cottonwood CSA #17. The developer is required to extend, expand, and/or upgrade the necessary wastewater infrastructure to meet CSA #17 standards and pay appropriate fees as a condition of subdivision.

Storm Drainage

The applicant must design and construct a drainage system that utilizes above ground detention facilities and underground drainage rock with perforated pipe storm water detention facilities and/or other Low Impact Development facilities acceptable to the County Resource Management and Public Works Department as a condition of subdivision. All drainage outlets into a natural drainage course will incorporate water velocity attenuation devices to minimize erosion. The storm drainage outlets must be extended to discharge into a defined channel and the developer must dedicate any off-site easements necessary to accommodate the extension. Stormwater detention will be the responsibility of the specific property owners.

Fire Protection

The proposed annexation area is located within the Cottonwood Fire Protection District (Cottonwood FPD or District). Fire hydrants will be installed according to the County Fire Safety Standards and all water flow requirements must comply with County standards in addition to any requirements stipulated by the Cottonwood Water District. The Cottonwood FPD has reviewed the project and determined that, due to the size of the proposed development and its location at the northern extent of the district, the project would cumulatively impact the District's ability to provide fire protection services within the district. The District has recommended that a specific funding mechanism be created to finance future fire protection infrastructure needed to serve the project, which will include financing a proportional fair share of personnel costs and the costs of a future fire sub-station. The District recommended that the developer deed to the District a lot for potential future development of a fire sub-station near the project and in the northern extent of the fire district. Development of a future fire sub-station would be subject to approval of a future use permit or rezoning, including specific environmental review of a specific fire sub-station proposal.

Law Enforcement

The proposed annexation area is covered by the Shasta Area Safety Communications Agency, which is a joint powers agency that provides dispatch services for the Anderson Police Department, the Redding Police and Fire Departments, the Shasta County Sheriff's Office and the County's EMS providers. A significant increase in demand for law enforcement is not expected due to annexation.

Road Maintenance

The developer is required to form a permanent road division responsible for road maintenance. No additional requirements for road capacity are anticipated as a result of the annexation. Road segments appear to be in good repair and are adequate for residential uses. Frontage improvements including minor road widening and repair, curbs, gutters and sidewalks may be required concurrently with development of each affected parcel. These improvements will be the responsibility of each parcel's property owner when development occurs.

Home Owner's Association

A Home Owners or Property Owners Association will be formed in accordance with Section 1355 of the California Civil Code. The Association will be responsible for the maintenance of defensible space within Open Space areas and the Architectural Wall and associated landscaping. All associated landscaping must comply with the Water Efficient Landscaping Ordinance (WELO).

3) *The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.*

The annexation as proposed by the applicant would include 655.71 acres of unincorporated territory located along Rhonda Road, west of I-5 and north of the town of Cottonwood into the Cottonwood Water District and County Service Area #17. The proposed project will consist of 122 acres divided into 98 suburban residential lots, a 36.6-acre open space parcel, a 59.1-acre residential parcel and two approximately one-acre residential parcels. The proposed project is within the Spheres of Influence for both the Cottonwood Water District and County Service Area #17. Resolution No 2017-035 passed by the Shasta County Board of Supervisors approves a General Plan Amendment for the 122-acre proposed development area that changes the land use designation of the affected area from Rural Residential (RA) to Suburban Residential (SR-1).

4) *The conformity of the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities set forth in G.C. Section 56377.*

The statutory goals of Shasta LAFCO include the promotion of orderly growth and development by determining logical local boundaries [§56001], the preservation of open space by encouraging development of vacant land within cities before annexation of vacant land adjacent to cities [§56377(b)],

and the preservation of prime agricultural land by guiding development away from presently undeveloped prime agricultural lands [§56377(a)]. Based on the statutory goals discussed above, this annexation would support the orderly development of the proposed Stephens Ridge Subdivision Project and provide for an extension of services to the affected parcels.

5) *The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by G.C. Section 56016.*

According to the applicant, none of the territory is subject to a Williamson Act Contract. Natural features/resources identified within the affected area (based on aerial photography and on-line mapping sources) include sparsely forested oak woodlands and grassland areas with unimproved roads.

6) *The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.*

A map and geographic description by a licensed surveyor will be required prior to filing a certificate of completion for the annexation. The proposed boundary follows existing parcel lines and lines of ownership. Also, the proposed annexation would not create islands or corridors of unincorporated territory.

7) *A regional transportation plan adopted pursuant to G.C. Section 65080.*

The Shasta County Regional Transportation Plan (RTP) is currently being updated and a Draft Transit Need assessment is available on the Shasta Regional Transportation Agency website. The RTP is a long-range transportation planning document that is updated every two years. No specific projects are included in the RTP involving the affected territory.

8) *Consistency with city or county general and specific plans.*

Land uses within the proposed annexation area are currently designated as Rural Residential (RA) and Suburban Residential. The Shasta County General Plan identifies land “expected to be developed to urban densities and could eventually be provided with public water or sewer services”. Within the proposed annexation, the 122- acre area proposed for development is suitable for urban services.

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

The proposed annexation area is located within the Spheres of Influence (SOIs) for the Cottonwood Water District and CSA #17.

10) *The comments of any affected local agency or other public agency.*

The applicant provided sufficient notice to interested and subject agencies of its intent to adopt a resolution of application, pursuant to GC Section 56654(c). LAFCO staff also provided a Notice of Filing on August 31, 2018 and a Certificate of Filing dated October 17, 2018 advising of the hearing, to interested and subject agencies.

11) *The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.*

According to the Plan for Services, there is sufficient capacity to provide water and wastewater services to the annexation area. No other municipal services are proposed.

12) *Timely availability of water supplies adequate for projected needs as specified in G.C. § 65352.5.*

The Cottonwood Water District delivered a will-serve letter to the applicant stating that adequate capacity to serve the annexation area is present given the necessary improvements are completed as identified by the District.

13) *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 as determined by the appropriate council of governments consistent with Chapter 3, Division 1, Title 7, Article 10.6 (commencing with § 65580).*

The proposal would not impact any local agencies in accommodating their regional housing needs. The affected territory is currently undeveloped. The proposed development would provide housing for a maximum of 266 persons at full build-out.

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

All property owners within the proposed annexation area were notified by the applicant regarding the annexation proposal. The applicant provided LAFCO with written letters of consent from 0 owners of record.

15) *Any information relating to existing land use designations.*

See discussion in section 8.

16) *The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the local of public facilities and the provision of public services.*

The proposal will not result in inconsistencies with environmental justice safeguards. The annexation will result in expanded public services for residents.

Other Considerations

Environmental Review

Shasta County prepared a Mitigated Negative Declaration, (MND) which identified and assessed the environmental impacts of planned buildout in the Stephens Ridge Subdivision Area. The County, acting as lead agency, determined that the annexation had been fully analyzed and certified the MND (SCH# 2016122008) in a public hearing held on January 12th, 2017 via Resolution 2017-005. On behalf of the Commission, in its role as responsible agency under CEQA, LAFCO staff independently reviewed the MND and concur that the project will not generate any new direct or indirect significant impacts that have not already been adequately addressed and, as needed, mitigated in the Mitigated Negative Declaration. In accordance with CEQA provisions and County Mitigation Monitoring and Reporting Procedures, mitigation monitoring provisions must be adopted as specifically identified in the Initial Study/Mitigated Negative Declaration. The Mitigation Monitoring and Reporting Program represents the program designed to ensure environmental compliance during project implementation. To mitigate habitat loss, the applicant must acquire either a conservation easement on existing oak woodlands or fee title to existing oak woodlands for the purpose of oak woodland preservation. An Operations and Management Plan (OMP) acceptable to Shasta County will be prepared to define allowable uses on the mitigation sites. Deed restrictions will be established in conjunction with the County to ensure that the land remains undeveloped in perpetuity to maintain the natural habitat value of the oak woodlands. An endowment will be established by the project

proponent to provide for management, monitoring, reporting and other compliance activities needed to ensure oak woodland habitat protection.

Master Property Tax Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCo can consider a proposed boundary change. CWD and CSA#17 do not receive property tax share and no sharing agreement is necessary.

Conducting Authority Proceedings

Boundary changes approved by the Commission are subject to conducting authority proceedings (i.e., protest hearings) unless waived in accordance with criteria outlined under G.C. Section 56663. This application received 0% consent from landowners within the proposed annexation area with 2 landowners providing letters in favor of the project. Typically, the proposal is not subject to conducting authority proceedings under G.C. Section 56663 unless written opposition is received from landowners or registered voters within the affected territory prior to the conclusion of the Commission's proceedings on the proposal.

RECOMMENDATION

APPROVE SUBJECT TO CONDITIONS:

It is recommended the Commission approve the annexation by adopting Resolution 2018-08 including conditions of approval. The Commission may also either waive the conducting authority proceedings (protest proceedings) under G.C. Section 56663 if no written opposition is received or direct the Executive Officer to conduct the protest proceedings.

The Commission delegates to the Executive Officer the determination as to when the requested actions have been sufficiently satisfied before proceeding with a certificate of completion and recordation with State Board of Equalization.

Stephens Ridge Proposed Annexation to the Cottonwood Water District and County Service Area # 17

Attachment - Plan For Service

Introduction

The intent of the Plan for Service (Government Code § 56653) is to describe how a proposed annexation will be implemented if approved. The service provider for the district must document their ability to provide services to the proposed annexed parcels, taking into account the services, capacity, cost and services adequacy and how those services would be affected by the proposed LAFCO action. A Plan for Service, accepted by the Executive Officer, is required for the application to be deemed complete.

A service district may provide a Facility Improvement Letter, or other written documentation verifying the ability to provide service. Will serve letter from Cottonwood Water District on file – [CSA # 17 will serve letter attached]. While this information can be useful it can only be considered as a supplement to the Plan for Service. Additional information may be needed from the service provider to complete a Plan for Service.

The Stephens Ridge project annexation proposal includes new water service from the Cottonwood Water District (CWD) and sewer service from County Service Area #17 (CSA#17). The project area is within the Spheres of Influence of both districts.

Objective

The Plan for Service describes and explains the services to be provided to the annexed parcels, how and when the services will be needed and provided, how much the services will cost and how those costs will be paid. In addition, the Plan for Service demonstrates the anticipated benefits of annexation. The Plan for Service is reviewed by LAFCO staff, and additional information or clarification may be needed. The Plan for Service becomes a key part of the staff report and recommendation.

District Profiles

Water service is proposed to be provided by the Cottonwood Water District (CWD) which has approximately 1,203 connections. It was formed in 1955 as a California Water District (Water Code § 30321 et. seq.) and is governed by a five-member board of directors. Water is supplied to residences, businesses, and for fire protection.

CSA#17 is organized as a dependent special district under County Service Area law (Government Code § 25210-25217.4). CSA #17 provides wastewater services to the unincorporated area of Cottonwood, located in south Shasta County about 15 miles south of Redding, and 6 miles south of the City of Anderson, along Interstate 5. CSA #17 serves a population of about 3,316 with approximately 1,365 sewer connections.

The project is located within the Cottonwood Fire Protection District. Fire hydrants will be installed according to the County Fire Safety Standards. The district has reviewed the project and determined that, due to the size of the proposed development and its location

at the northern extent of the district, the project would cumulatively impact the District's ability to provide fire protection services within the district.

The District has recommended that a specific funding mechanism be created to finance future fire protection infrastructure needed to serve the project, which may include financing a proportional fair share of personnel costs needed to serve the project. The district has also recommended that the developer deed to the District a lot for potential future development of a fire sub-station near the project and in the northern extent of the fire district. Future sub-station development subject to future use permit or rezoning, including specific environmental review.

Annexation Need

The proposed land use designation is consistent with the General Plan Objective Numbers CO-2, CO-3, CO-5, CO-6, C-2 and C-4 (*source Shasta County application materials*):

CO-2 Guide development in a pattern that will provide a variety of living environments

CO-3 Guide development in a pattern that will respect natural resource values

CO-5 Guide development in a pattern that will balance public costs with public revenue from new development.

CO-6 Cooperate with private landowners to fashion a development pattern based on County implementation mechanisms that balance public and private expectations and responsibilities concerning land use within the County.

C-2 Guide development in a pattern that recognizes the use of the private automobile as the current primary means of transportation but accommodates and encourages alternative means of transportation that contribute to maintenance and improvement of the County's air quality.

C-4 Strive towards the development of a land use pattern that will accommodate a future regional transport system and supports the goals and policies of the County's Transit Plans.

The proposed annexation would bring the project into compliance with General Plan Policy Numbers CO-e and CO-p:

CO-e Developable land inventory within the County shall make available a full range of lifestyle opportunities.

CO-p Urban Residential (UR) or Suburban Residential (SR) designated areas shall be located within the adopted Sphere of Influence of a city or the Special Districts that serve town centers.

The proposed annexation is located within the Cottonwood Water District and CSA #17 Spheres of Influence. The applicant/property owner intends to build a residential subdivision along the Western side of Argyle Rd. within the annexation area. The subdivision will be built on three parcels with the following APN numbers: 086-080-010, 086-080-024 and 086-080-026. This project requires annexation in order to provide the districts' services to its residents.

Plan for Services

This plan shall, at a minimum, respond to each of the following and be signed by the proponents of the change.

1. Level and range of services to be provided to the territory.

The services provided to the proposed annexation area include sewer and water service extensions paid for by the applicant.

2. Indicate when service would be extended to the territory.

Service would be extended to the area after annexation approval.

The applicant plans to begin construction in May of 2019. The proposed Subdivision will be constructed in 4 phases as shown on approved Tentative Map:

Phase 1 - lots 44 thru 87,	Phase 2 - lots 88 thru 98,
Phase 3 - lots 1 thru 33,	Phase 4 - lots 34 thru 43.

3. Identify any improvements, structures, other infrastructure, or other conditions the consolidated district would need to serve the territory.

The Cottonwood Water District has indicated that it has adequate capacity to serve the project but has placed requirements on the applicant prior to provision of services. The applicant would be required to extend electrical service to an existing CWD water storage tank facility immediately south of the project site, construct a booster pump station at the facility, and construct a cross-country water line extension from the facility to the subdivision. The applicant must dedicate a 0.25 acre future tank site to the District and pay connection fees for 90 entitled lots prior to recording of the first final map

The project is proposed to be served by the Cottonwood CSA#17. CSA #17 has indicated that it has adequate capacity to serve the project. The applicant would be required to extend a sewer line to its existing infrastructure. The applicant would also be required to evaluate the system's ability to transmit effluent from the project site to the existing CSA treatment plant and, if necessary, make improvements to an existing booster station.

4. Estimated services cost and description of how services or required improvements financed.

The estimated onsite and offsite water and sewer installation costs:

Sanitary Sewer – Offsite:	\$ 865,000
Sanitary Sewer – Onsite:	\$ 249,000
<u>Water Service:</u>	<u>\$ 1,032,000</u>
Total:	\$ 2,146,000

Required improvements financed by the applicant. Developer to construct improvements necessary to serve at least 98 additional household equivalents with appropriate infiltration and inflow, including laterals, sewage collection pipes, sewer plant expansion and possible construction of new sewer lift stations or expansion of existing lift stations as described in Shasta County Planning Commission conditions 83 through 99 adopted for tentative map approval on January 13, 2017, with work to be complete or bonded for prior to Final Map for Tract Map 2003 recordation

5. Indicate whether the territory is or will be proposed for inclusion within a proposed improvement zone/district, assessment district, or community facilities district.

The project is proposed to be served by the CWD. The District currently serves 1,220 existing water service connections. The project at build out would require 102 water service connections, which is an increase of less than 10 percent in the number of the public water system's existing service connections. The CWD has evaluated the applicant's request and provided a will serve letter to indicate adequate capacity to serve the project.

The project is proposed to be served by the Cottonwood CSA #17 wastewater treatment system. The CSA has indicated that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments.

6. Outline of the proposed governing body structure and, at a minimum, a projected five-year budget for revenues and expenditures. The budget presented will need to indicate the source and amount of revenues and expenditures based upon services to be provided. Note any "share" of property tax revenues generated within the consolidated district boundaries. Identify any additional revenue source for any projected budget shortfall. No new taxes can be imposed by the District without two-thirds approval by voters.

CWD governed by a five-member board of directors. Board vacancy announcements are published in newspaper, and posted for a minimum of 3 weeks. Candidates interviewed and voted on by district board and submitted to Shasta County Board of Supervisors (BOS) for approval. CWD Meetings held every second Wednesday of each month at 5:00pm.

Budget Information for the Cottonwood Water District

Budget	Actual 2016-17	Adopted 2016-17	Adopted 2017-18
Total Revenues	\$578,975	\$630,650	\$819,005
Total Expenses	\$532,262	\$514,830	\$574,300
Net Total (Deficit)	\$46,713	\$115,820	\$244,705

CSA #17 is a dependent special district governed by County BOS. The Shasta County Public Works Department provides staff support and administers the operation of the District. In addition, a Community Advisory Board (CAB) consisting of seven (7) members serve as a liaison between district residents and County. The CAB established by Resolution No. 84-6, members are appointed by County BOS for two-year terms. Property owners may nominate candidates, elections held if candidates exceed number of vacant seats. CSA #17 meetings conducted by the Board of Supervisors, occur most Tuesdays at 9:00am as needed.

CSA #17 Budget Information

Budget	Actual 2016-17	Adopted 2017-18	Adopted 2018-19
Total Revenues	\$851,693	\$1,430,250	\$1,451,000
Total Expenses	\$964,473	\$1,695,783	\$1,814,369
Net Total (Deficit)	(\$112,780)	(\$265,533)	(\$363,369)

SHASTA LOCAL AGENCY FORMATION COMMISSION

RESOLUTION 2018-08

**RESOLUTION MAKING DETERMINATIONS AND APPROVING THE
STEPHENS RIDGE**

ANNEXATION TO THE Cottonwood Water District & County Service Area #17 Cottonwood

WHEREAS, the Shasta Local Agency Formation Commission (LAFCO), hereinafter referred to as the "Commission", is responsible regulation boundary changes affecting cities and special districts pursuant to the Cortese-Know-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, the proposal seeks Commission approval for annexation of approximately 655.71 acres to the Cottonwood Water District (CWD) & County Service Area (CSA) #17 Cottonwood; and

WHEREAS, the subject territory is uninhabited as defined in Government Code Section 56046; and

WHEREAS, the proposal is consistent with the adopted CWD & CSA #17 Spheres of Influence; and

WHEREAS, sufficient hearing notice was published in the form and manner provided for in accordance with California Government Code Section 56661; and

WHEREAS, a staff report with recommendations on the proposal was presented to the Commission in the manner provided by law; and

WHEREAS, the Commission heard and fully considered all testimony and evidence presented at a public hearing held on November 1, 2018; and

WHEREAS, the Commission considered all the factors required under California Government Code Section 56425.

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:

1. The Commission's determinations on the proposal incorporate the information and analysis provided in the Executive Officer's written report.

The Commission, as Responsible Agency, certifies it has independently reviewed and considered the Mitigated Negative Declaration (MND), prepared and circulated to the State Clearinghouse (SCH#2016122008) pursuant to the California Environmental Quality Act (CEQA) prepared by the County of Shasta, as Lead Agency concerning potential impacts associated with the proposed project. The Commission finds the MND is adequate and directs the Executive Officer to file a Notice of Determination with the Shasta County Clerk; and

Mitigation monitoring provisions have been considered by the approving authority pursuant to County Mitigation Monitoring and supporting Procedures. Feasible mitigation

measures have been identified in the MND and Mitigation Monitoring and Reporting Program (MMRP), and represents the program designed to ensure environmental compliance during project implementation.

2. The Commission, pursuant to Government Code Section 56425, makes the written statement of determinations included in the annexation staff report, hereby incorporated by reference.

3. The Commission approves the proposal, contingent upon the satisfaction of following terms and conditions as determined by the Executive Officer:

a) Completion of the 30-day reconsideration period provided under G.C. Section 56895.

b) Waiving of conducting authority (protest) proceedings by the Executive Officer, in accordance with Government Code Section 56662, due to 100% property owner consent and no protest received at the public hearing. [attach written consent form]

c) Irrevocable Offer of Dedication of lot for Fire Sub-station, to the Cottonwood Fire Protection District (FPD). Documentation, to FPD's satisfaction, that a Mello-Roos District, or other financing mechanism will be established to provide a proportional fair share of financing costs for construction, acquisition, maintenance and operations.

d) Installation of wastewater facilities and infrastructure improvements for CSA #17 as conditioned in County of Shasta Planning Commission Resolution # 2017-005 for Tract Map 2003. Should annexation precede final map recordation, the applicant to provide a letter from County of Shasta Public Works Department documenting how those improvements will be made as a condition of map recordation.

e) Installation of water facilities and infrastructure improvements, as conditioned in County of Shasta Planning Commission Resolution # 2017-005 for Tract Map 2003. Should annexation precede final map recordation, the applicant to provide a letter from Cottonwood Water District documenting how those improvements will be made as a condition of map recordation.

f) Submittal of a final map and geographic description of the affected territory prepared by a licensed land surveyor (or a civil engineer who is authorized to practice land surveying) and conforming to the requirements of the California Department of Tax and Fee Administration. Prior to the annexation being recorded, the boundary description shall be reviewed and approved by the County Surveyor, with payment of all applicable County fees.

g) Payment of any outstanding fees as identified in the Commission's adopted fee schedule.

4. The proposal is assigned the following distinctive short-term designation:

Stephens Ridge Annexation

5. The Executive Officer shall revise the official Commission records to reflect this annexation.

6. The effective date shall be the date of recordation of the Certificate of Completion. The Certificate of Completion must be filed within one calendar year from the date of approval unless a time extension is approved by the Commission.

7. Upon effective date of the proposal, the affected territory will be subject to all previously authorized charges, fees, assessments, and taxes that were lawfully enacted by the CWD & CSA #17. The affected territory will also be subject to all of the rates, rules, regulations, and ordinances of the CWD & CSA #17.

8. The proposal is not subject to a master property tax exchange agreement and no apportionments of property tax revenues generated from the affected territory are needed for the annexation.

BE IT FURTHER RESOLVED The annexation is hereby approved and incorporated herein by reference as presented on the attached map Exhibit A.

THE FOREGOING RESOLUTION was passed and duly adopted at a regular meeting of the Shasta LAFCO Commission on the 1st day of November, 2018, and adopted by the following vote:

AYES:
NOES:
ABSTAINS:
ABSENT:

Date

Irwin Fust, Chairman
Shasta Local Agency Formation Commission