

Staff Report

for the Board of Directors Meeting of June 26, 2019

TO: Honorable Board of Directors

FROM: Greg Jones, Assistant General Manager

DATE: June 18, 2019

SUBJECT: Annexation of E. Bennett Road Area, Nevada County

ADMINISTRATION

RECOMMENDATION:

Adopt Resolution 2019-20 (Making Application for Annexation of Land to Nevada Irrigation District - Unincorporated Nevada Co.) along E. Bennett Road and authorize the General Manager to execute the necessary documents, as recommended the Administrative Practices Committee on June 5, 2019.

BACKGROUND:

On January 19, 2007, Nevada County Local Area Formation Commission (LAFCo) adopted Resolution No. 07-01 which adopted the Nevada Irrigation District Sphere of Influence (SOI) Plan 2006 Update. The major purpose of the SOI was to update the District's SOI in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act and identify horizons for annexation of "islands" within the District's service boundary.

Lands within the perimeter of the District's Sphere of Influence, but not included in the District's boundaries ("islands"), may be annexed into the District with rights to service if and when water is available. Islands are properties outside of the District service territory and must be annexed into the District in order to receive water service. Upon annexation, the District will begin receiving a proportionate share of the County's incremental property tax according to the Master Tax Exchange Agreement between NID, Nevada County and Grass Valley adopted by the Board of Supervisors Resolution 90-72.

The East Bennett Road annexation of land consists of twenty-five (25) parcels in unincorporated Nevada County totaling +/- 138 acres. The annexation was requested by a property owner on E. Bennett Road, and NID has since received consent signatures of nearly all 25 property owners therein as of this staff report.

The area to be annexed is currently within the District's place of use for its current water rights.

This annexation will allow for future treated water deliveries. Service to this area will require waterline extensions and infrastructure upgrades in order to service water. Treated water mains are located within close proximity to the interested parcels, and waterline extensions to the parcels may be accessible from E. Bennett with interconnections to Idaho Maryland Rd. Waterline extensions will occur as property owners develop the vacant parcels. Individual parcel owners will fund the necessary waterline extensions and it is up to the private parcel owners to determine the timing of connection.

The attached Resolution of Application, annexation map, and Plan for Providing Service is required by Nevada LAFCo to initiate the application for the annexation.

This item supports Goal No. 3 of the District's Strategic Plan of developing and managing District resources in a self-determining manner to protect and provide for local control of our community's most valuable assets – a fairly priced and available water supply.

BUDGETARY IMPACT:

Estimated cost of \$18,780 will be paid for as indicated in the table below. Once annexation is approved, NID will receive a percentage of existing property tax fees currently levied from these properties.

	Budget Acct	Budgeted Amount	Est. Cost	Est. Budget Remaining
Annexation Fees	10114-52608	\$60,000	\$8,780	\$51,220
Annexation Consulting	10115-52603	\$50,000	\$10,000	\$40,000

Estimated Cost Breakdown:

Nevada County Fees

- a. Nevada LAFCo* \$5,000 (deposit applied to cost)
- b. Map Check Fee: \$255
- c. Clerk-Recorder: \$25

* Includes fees from Registrar of Voters and Assessor:

State Fees/charges

- d. Board of Equalization \$3,500 (based on acreage)

Outside Services

- e. Survey \$7,000 (estimate)
- f. Consulting Planner \$3,000 (estimate)

Total Estimate \$18,780

Attachments (4):

- Resolution of Application
- Exhibit A: Annexation Map
- Exhibit B: Nevada LAFCo Plan for Providing Services
- Exhibit C: Nevada County / NID Tax Sharing Agreement



RESOLUTION No. 2019-20

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

Making Application for Annexation of Land to Nevada Irrigation District – Unincorporated Nevada Co.

WHEREAS, the Nevada Irrigation District desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for the annexation of EXCLUSIONS WITHIN UNINCORPORATED NEVADA COUNTY BOUNDARY; and

WHEREAS, notice of intent to adopt this Resolution of Application has not been given to each interested and subject agency; and

WHEREAS, a map depicting the boundaries of the territory is set forth in Exhibit A attached hereto and by this reference incorporated herein; and

WHEREAS, this proposal is consistent with the Sphere of Influence of the Nevada Irrigation District, as adopted by the Local Agency Formation Commission in 2006; and

WHEREAS, the final metes and bounds description of the proposed annexation may result in minor adjustments to the annexation boundaries. These minor adjustments may proceed forward as if fully contained herein; and

WHEREAS, the territory proposed for annexation contains 25 rural properties, of which one property currently receives District water service and the others do not. Annexation will result in the opportunity for the properties to establish raw water use and will enable owners to participate in District elections.; and

WHEREAS, the Board of the Nevada Irrigation District has considered the environmental impacts of the proposed annexation of the subject territories and concluded the annexation of territory already within the District's service area qualifies for Categorical Exemption to the provisions of the California Environmental Quality Act under Class 19, Annexation of Existing Facilities and Lots for Exempt Facilities; and,

WHEREAS, this Board hereby adopts the plan for providing services to the affected territory required by Government Code Section 56653 and attached hereto as Exhibit C; and

WHEREAS, this Board certifies that, pursuant to Section 99 (b) of the Tax and Revenue Code, that it remains in agreement with the Master Tax Exchange Agreement between the County of Nevada, Nevada Irrigation District and the City of Grass Valley for Apportionment of Property Tax Revenues due to Jurisdictional Changes, approved on February 13, 1990, by Nevada County Board of Supervisor's Resolution No. 90-72, on March 16, 1990, by the City of Grass Valley Resolution No. 88-48, and on February 28, 1990, by Nevada Irrigation District Resolution No. 90-10.

NOW, THEREFORE BE IT RESOLVED, this Resolution of Application is hereby adopted and approved by the Board of Directors of the Nevada Irrigation District. The General Manager is directed to file a Notice of Exemption citing Class 19, Sec. 21083 of the Public Resources Code and the Local Agency Formation Commission of Nevada County is hereby requested to take proceedings for the annexation of the territory described in Exhibit A, according to the terms and conditions stated above, and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

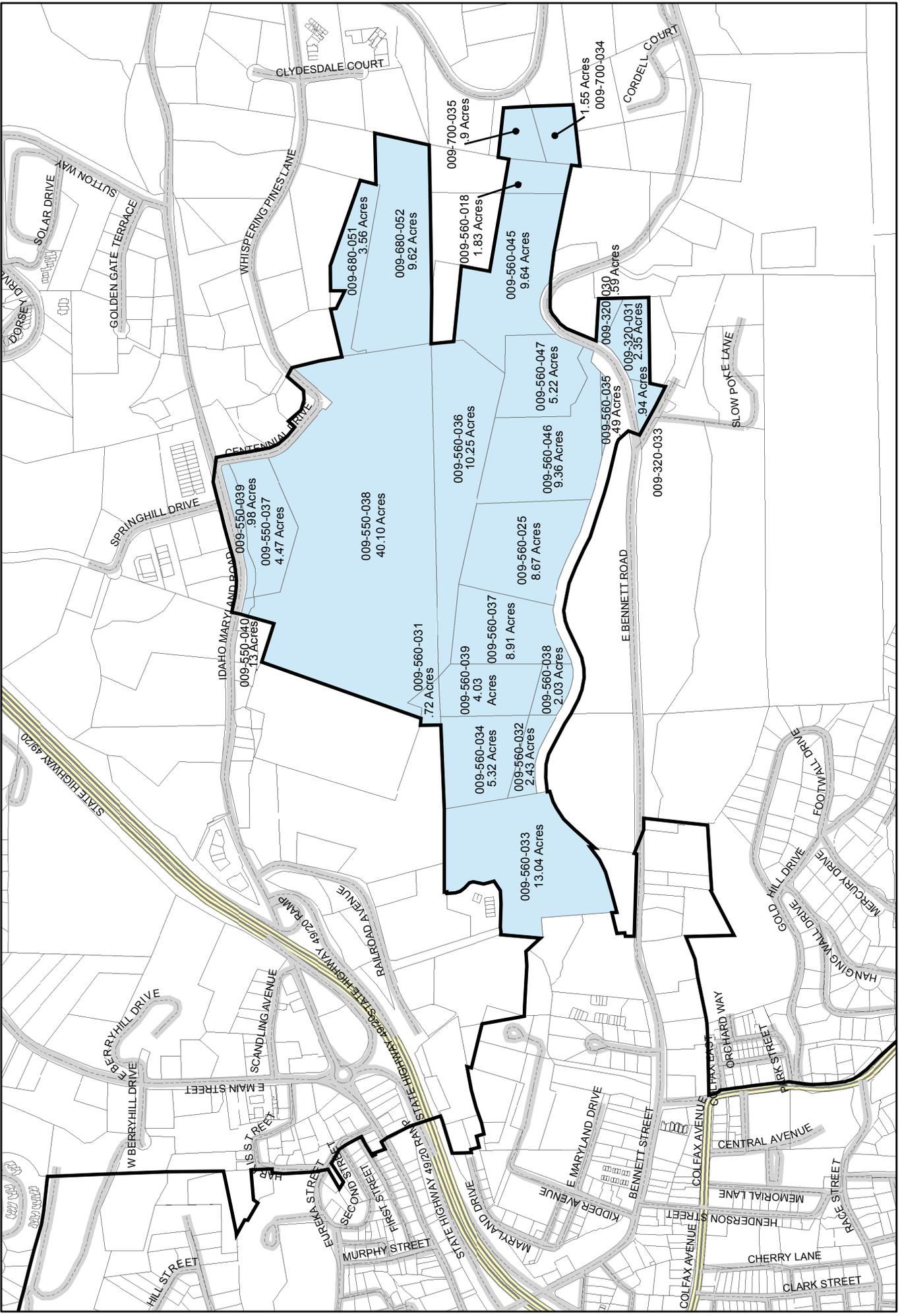
PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 26th day of June 2019, by the following vote:

AYES: Directors:
NOES: Directors:
ABSENT: Directors:
ABSTAINS: Directors:

Attest:

President of the Board of Directors

Secretary to the Board of Directors



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EAST BENNETT ROAD ANNEXATION PARCELS

NEVADA IRRIGATION DISTRICT

NEVADA COUNTY -- PLACER COUNTY
GRASS VALLEY, CALIFORNIA



Drawn By: D. HUNT Date: 6/19/2019

Scale: 1" = 750' @ 8-1/2x11 Sheet: 1 of 1

PLAN FOR PROVIDING SERVICES
IN CONNECTION WITH THE
Annexation of 31 Parcels on East Bennett Road, Nevada Co

(annexation, detachment, etc)

(designation of subject territory)

Nevada Irrigation District will provide services to the subject territory as outlined below:

1. **Enumerate and describe the services to be extended to the affected territory.**

This annexation is proposed to allow for future treated water deliveries to the 31 parcels requesting annexation. Upon completion of annexation they will be eligible to receive treated water from the Nevada Irrigation District (NID). Annexation will require waterline extensions and infrastructure upgrades. Treated water mains are located within a close proximity to the interested parcels.

2. **Specify the level and range of those services.**

The annexation will make treated water available for purchase from NID.

3. **Indicate when those services can feasibly be extended to the affected territory.**

Waterline extensions to the annexed parcels may be accessible from E. Bennett with some type of interconnections to Idaho Maryland Rd.

4. **Indicate any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.**

Waterline extensions will occur as property owners develop the vacant parcels.

5. **Provide information about how each of those services will be financed.**

Parcel owners will fund the necessary waterline extensions.



RESOLUTION No. 90-72

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

(A RESOLUTION AUTHORIZING THE EXECUTION OF A CONTRACT OR AGREEMENT)

BE IT HEREBY RESOLVED by the Board of Supervisors, of the County of Nevada, State of California, that the Chairman of the Board of Supervisors be and he is hereby authorized to execute, on behalf of the County of Nevada, that certain

AGREEMENT

dated the 13th day of February, 1990 by and between said County and City of Grass Valley and Nevada Irrigation District

pertaining to apportionment of property taxes upon annexation.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 13th day of February, 1990, by the following vote of said Board:

Ayes: Supervisors Todd Juvinal, Jim Weir, "G" "B" Tucker.

Noes: Bill Schultz

Absent: Jim Callaghan

Abstain: None

ATTEST;

CATHY R. THOMPSON

Clerk of the Board of Supervisors

By Cathy R. Thompson

Todd Juvinal
Chairman

DATE	COPIES SENT TO
2-15-90	NID (3) Grass Valley (2)
3-20-90	CAO <u>JK</u> A-C <u>JK</u> Tax Collector <u>JK</u> Co. Counsel <u>JK</u>

MASTER AGREEMENT FOR
APPORTIONMENT OF PROPERTY TAX
REVENUES DUE TO JURISDICTIONAL CHANGES

County of Nevada
City of Grass Valley
Nevada Irrigation District

THIS AGREEMENT is made and entered into this 13th day of FEBRUARY, ^{1990 WED PM} ~~1989~~, by and between the COUNTY OF NEVADA, a political subdivision of the State of California (hereinafter referred to as "County"), the CITY OF GRASS VALLEY, a municipal corporation (hereinafter referred to as "City"), and NEVADA IRRIGATION DISTRICT, a special district (hereinafter referred to as "NID").

WHEREAS, section 99 of the Revenue and Taxation Code provides that no jurisdictional change pending before the Local Agency Formation Commission shall become effective until each local agency whose service areas or service responsibilities would be altered by such jurisdictional change agrees by resolution to accept the negotiated exchange of property tax revenues; and

WHEREAS, the parties have negotiated this Master Agreement for the exchange of property tax revenues upon annexation of specified territory;

NOW, THEREFORE, the parties do agree as follows:

1. Scope: This Agreement shall apply only to annexations involving NID. Any annexations not involving NID shall be subject to the terms of the Master Agreement dated July 13, 1981, between the City and County (hereinafter referred to as the "City-County Agreement") and/or County Resolution 81-316.

2. Definitions:

(a) "Base Year Revenues" - In the event of annexation, "Base Year Revenues" shall be all property tax revenues accruing to the agency, whose service area or service responsibility would be affected by the annexation, in the fiscal year in which the annexation occurs. Annexation to NID shall be deemed to affect its service area and service responsibility, and to confer a service not previously provided, whether or not the subject territory has been previously served with surplus water by NID pursuant to Outside User Agreements.

(b) "Tax Increment" means the amount of property tax revenues in excess of Base Year Revenues accruing to each agency (by TRA) and resulting from the increase in assessed valuation from one year to the next. For the purposes of this Agreement, Tax Increments shall be cumulative. The original Base Year (when annexation occurs) shall remain the Base Year for future calculations of the cumulative increments to be apportioned among the County, City and NID (see example: Exhibit "A").

(c) "TRA" means tax rate area.

3. Apportionment:

(a) Upon annexation of territory to NID, no part of any agency's Base Year Revenues from such territory shall be reapportioned to NID.

(b) Upon annexation of unincorporated territory to NID, ten percent (10%) of the Tax Increment thereafter accruing to County from the annexed territory shall be apportioned to NID.

(c) If any territory which is subject to the ten percent (10%) reapportionment specified in subsection 3(b), above, is subsequently annexed to the City, NID shall continue to receive ten percent (10%) of the Tax Increment that otherwise would have accrued to the County, and the remaining ninety percent (90%) shall thereafter be apportioned between the City and the County pursuant to their Master Agreement dated July 13, 1981, and any amendments or renewals thereof. All future increments accruing to the three affected agencies within the subject territory shall be apportioned in like fashion (See example: Exhibit "C").

(d) Upon the annexation to NID of territory which is within the incorporated boundaries of the City, twenty-five percent (25%) of the Tax Increments accruing to the City after the Base Year (when annexation occurs) shall be reapportioned and paid to NID.

4. Exceptions: Where a proposed annexation contains in excess of Ten Million Dollars (\$10,000,000) in taxable valuation, or where previously tax-exempt property is subsequently placed on the tax rolls, individual agreements shall be negotiated between the parties, consistent with existing law.

5. Term of Agreement: This Agreement shall become effective as of the day specified herein and shall remain in force and effect until the 13th day of July, 1991, and shall be automatically renewed on that date and at the end of all subsequent five (5) year periods unless a party files with the others a notice of intention to terminate or renegotiate the provisions of this Agreement upon expiration, which notice shall be served at least three (3) months prior to the next expiration date with copies to the County Auditor-Controller and the Local Agency Formation Commission. The termination of this Agreement shall not result in a reapportionment of property tax revenues from territories annexed prior to such termination.

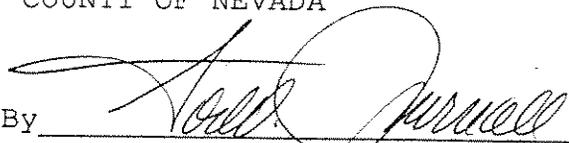
IN WITNESS WHEREOF, this Agreement is entered into the date first above written.

Approved as to Form:

County Counsel
County of Nevada

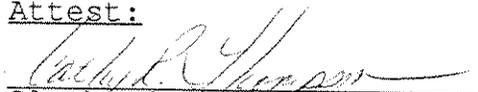
COUNTY OF NEVADA

By



Chairman of the Board of
Supervisors

Attest:


Clerk of the Board

Approved as to Form:

David R. Sidde
City Attorney, City of Grass Valley

CITY OF GRASS VALLEY

By Edward M. Larson
Mayor, City of Grass Valley

Attest:

David A. Breninger
City Clerk

By: Bobbie Poznik
Deputy City Clerk

Approved as to Form:

Jay A. Meis
Attorney for District

NEVADA IRRIGATION DISTRICT

By David E. Hultin
President of the Board of Directors

Attest:

Secretary of the Board of Directors

lt:annexA (5/8/89)

DISTRIBUTION OF ASSESSMENTS - NID, NEVADA COUNTY & CITY OF GRASS VALLEY

- Annexation is completed May 1989. Base year is therefore 1988/89. Revenues to County this year are \$224.00. ($\$80,000 \times 1\% \times 28\%$)
- \$140,000 of improvements are made in July 1989 through December 1989. This will be reflected in December 89 Supplemental Tax distribution. ($\$140,000 \times 1\% \times 28\% = \$392.00 \times 6 \text{ months} = \196.00)
- \$110,000 of improvements are made in Jan 1990 through June 1990. This will be reflected in 1990/91 distribution. ($\$110,000 \times 1\% \times 28\% = \308.00)

	TOTAL	NID	COUNTY	CITY
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DISTRIBUTION	100%	10%	54%	36%
Fiscal Year 89/90 base revenues	224.00	0.00	224.00	0.00
Fiscal Year 89/90 2% increment	4.48	0.45	2.42	1.61
December 1989 Supplemental Tax (Jan89-June89)	196.00	19.60	105.84	70.56
Total Received	424.48	20.05	332.26	72.17
Fiscal Year 90/91 base revenues	620.48	39.65	438.10	142.73
Fiscal Year 90/91 2% increment	12.41	1.24	6.70	4.47
Fiscal Year 90/91 improvements	308.00	30.80	166.32	110.88
Total Received	940.89	71.69	611.12	258.08
Fiscal Year 91/92 base revenues	940.89	71.69	611.12	258.08
Fiscal Year 91/92 2% increment	18.82	1.88	10.16	6.77
Fiscal Year 91/92 improvements	0.00	0.00	0.00	0.00
Total Received	959.71	73.57	621.28	264.85
Fiscal Year 92/93 base revenues	959.71	73.57	621.28	264.85
Fiscal Year 92/93 2% increment	19.19	1.92	10.36	6.91
Fiscal Year 92/93 improvements	0.00	0.00	0.00	0.00
Total Received	978.90	75.49	631.65	271.76

lt:annexB(5/10/89)

DISTRIBUTION OF ASSESSMENTS - NID & NEVADA COUNTY

- Annexation is completed May 1989. Base year is therefore 1988/89. Revenues to County this year are \$224.00. ($\$80,000 \times 1\% \times 28\%$)
- \$140,000 of improvements are made in July 1989 through December 1989. This will be reflected in December 1989 supplemental tax distribution. ($\$140,000 \times 1\% \times 28\% = \$392.00 \times 6 \text{ months} = \196.00)
- \$110,000 of improvements are made in July 1990 through December 1990. This will be reflected in 1990/91 distribution. ($\$110,000 \times 1\% \times 28\% = \308.00)

DISTRIBUTION	TOTAL	NID	COUNTY
	100%	10%	90%
Fiscal Year 89/90 base revenues	224.00	0.00	224.00
Fiscal Year 89/90 2% increment	4.48	0.45	4.03
December 1989 supplemental tax	196.00	19.60	176.40
Total Received	424.48	20.05	404.43
Fiscal Year 90/91 base revenues	620.48	39.65	580.83
Fiscal Year 90/91 2% increment	12.41	1.24	11.17
Fiscal Year 90/91 improvements	308.00	30.80	277.20
Total Received	940.89	71.69	869.20
Fiscal Year 91/92 base revenues	940.89	71.69	869.20
Fiscal Year 91/92 2% increment	18.82	1.88	16.94
Fiscal Year 91/92 improvements	0.00	0.00	0.00
Total Received	959.71	73.57	886.14
Fiscal Year 92/93 base revenues	959.71	73.57	886.14
Fiscal Year 92/93 2% increment	19.19	1.92	17.27
Fiscal Year 92/93 improvements	0.00	0.00	0.00
Total Received	978.90	75.49	903.41

It:annexC (5/11/89)

DISTRIBUTION OF ASSESSMENTS - NID & NEVADA COUNTY
- SUBSEQUENTLY ANNEXED TO THE CITY

- Annexation is completed May 1989. Base year is therefore 1988/89. Revenues to County this year are \$224.00. ($\$80,000 \times 1\% \times 28\%$)
- \$140,000 of improvements are made in July 1989 through December 1989. This will be reflected in December 1989 supplemental tax distribution. ($\$140,000 \times 1\% \times 28\% = \$392.00 \times 6 \text{ months} = \196.00)
- \$110,000 of improvements are made in July 1990 through December 1990. This will be reflected in 1990/91 distribution. ($\$110,000 \times 1\% \times 28\% = \308.00)

DISTRIBUTION	TOTAL 100%	NID 10%	COUNTY 90%	CITY
Fiscal Year 89/90 base revenues	224.00	0.00	224.00	
Fiscal Year 89/90 2% increment	4.48	0.45	4.03	
December 1989 supplemental tax	196.00	19.60	176.40	
Total Received	424.48	20.05	404.43	
Fiscal Year 90/91 base revenues	620.48	39.65	580.83	
Fiscal Year 90/91 2% increment	12.41	1.24	11.17	
Fiscal Year 90/91 improvements	308.00	30.80	277.20	
Total Received	940.89	71.69	869.20	
TERRITORY ANNEXED TO THE CITY DISTRIBUTION	100%	10%	54%	36%
Fiscal Year 91/92 base revenues	940.89	71.69	869.20	0.00
Fiscal Year 91/92 2% increment	18.82	1.88	10.16	6.77
Fiscal Year 91/92 improvements	0.00	0.00	0.00	0.00
Total Received	959.71	73.57	879.36	6.77
Fiscal Year 92/93 base revenues	959.71	73.57	879.36	6.77
Fiscal Year 92/93 2% increment	19.19	1.92	10.36	6.91
Fiscal Year 92/93 improvements	0.00	0.00	0.00	0.00
Total Received	978.90	75.49	889.72	13.68

RESOLUTION NO. 88- 48

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS ON BEHALF OF THE CITY OF GRASS VALLEY WITH NEVADA IRRIGATION DISTRICT AND WITH THE COUNTY OF NEVADA CONCERNING PROPERTY TAX INCREMENT DISTRIBUTION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GRASS VALLEY,
as follows:

1. That the Mayor is hereby authorized to execute an agreement(s) on behalf of the City of Grass Valley with NEVADA IRRIGATION DISTRICT, and with THE COUNTY OF NEVADA, relating to property tax increment distribution.

2. That such agreements shall be prepared under the direction of the City Administrator/City Clerk and approved as to form by the City Attorney prior to being duly signed by the Mayor.

ADOPTED as a Resolution of the Council of the City of Grass Valley at a regular meeting thereof held on the 23rd day of February, 1988, by the following vote:

AYES: Councilmen Parman, Battista, Bennallack, Frisch

NOES: Councilmen None

ABSENT: Councilmen Borgnis

ABSTAINING: Councilmen None

The foregoing instrument is a correct copy of the original Res. No. 88-48 on file in this office.

March 16, 1990

David A. Breninger

City Clerk
Council of
Mayor / Grass Valley, CA

Bobbie Pozant
Deputy city clerk

A. Frisch

Mayor

ATTEST:

David A. Breninger

City Clerk