

# Staff Report

**TO:** Board of Directors  
**FROM:** Greg Jones, Assistant General Manager  
**DATE:** July 13, 2022  
**SUBJECT:** Resolution of Application for Annexation of Land –  
Unincorporated Placer County

---

---

## ***ADMINISTRATION***

### **RECOMMENDATION:**

Adopt Resolution No. 2022-43 (Requesting the Placer County Agency Formation Commission Initiate Proceedings for the Annexation Unincorporated Area of Placer County to Nevada Irrigation District) and authorize the General Manager or assignee to execute the appropriate documents.

### **BACKGROUND:**

On January 19, 2007, Nevada County Local Area Formation Commission (LAFCO) adopted Resolution No. 07-05, which adopted the Nevada Irrigation District Sphere of Influence (SOI) Plan 2006 Update. One purpose of the SOI was to comply with the requirement of the Cortese-Knox-Hertzberg Local Government Reorganization Act and identify “islands” within the District’s service boundary. The SOI states that 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.

On February 8, 2017, the NID Board adopted Resolution 2017-05 authorizing the execution of a property tax revenue sharing agreement with Placer County. This Resolution further requires parcels to be “in-District” for service and states, in part, “...parcels requesting District water service require annexation to the District to be eligible to receive water”.

On June 22, 2022, this item was brought forth and considered by the Board. At that meeting, the Board requested an additional twelve parcels be added to the annexation application. These parcels are reflected in the updated parcel list, Sections 1 & 2 in Exhibit B.

Additionally, corrections to certain GIS parcel inconsistencies between NID map data and Placer County parcel information were identified and have been corrected as indicated in the parcel list (Exhibit B). In particular, after review of Placer County’s interactive GIS parcel search, Section 3, Block J has been updated to reflect the

correct number of parcels from two to four and Section 3, Block O has been corrected from six parcels in the previous agenda item to four. The total parcel count for this annexation is sixty-five. In addition, there was a correction to the number of customers, which has been amended to reflect the actual, or 21 customers, as opposed to the previous number of 18.

There are nearly 700 island parcels throughout the unincorporated area of Placer County. The District currently serves water to 77 Placer County island accounts, consisting of 76 raw water and 1 treated water accounts.

Over the years, NID has received many requests from island parcel owners interested in receiving water service from the District. Due to the complexity and scale of the various islands throughout Placer County, NID staff has attempted to systematically identify island annexation parcels which fall under four general priority aspects: (i) geographically proximal; (ii) existing water customer; (iii) expressed interest in annexation to District staff; and (iv) annual budget. The proposed island annexation areas, identified in the attached Exhibit A and B, have accounted for these three factors.

The proposed annexation consists of sixty-five (65) unincorporated Placer County island parcels, totaling +/- 700 acres, where 21 of the parcels are current NID raw water customers. NID has received annexation inquiries from approximately 20% of parcels for one of two reasons: (i) to be able to receive water if available; and (ii) to remove the 25% outside District surcharge for those with existing service.

Over the next five to ten fiscal years pending budget, staff anticipates annexing a majority, if not all, of the unincorporated Placer County islands. The goal of this strategy is to clean up the interior exclusions in the NID service territory.

A County tax sharing agreement is in place in Placer and Nevada County, whereby NID will receive a proportionate share of the parcel incremental tax increase upon annexation. The annual revenue receipts for parcel-specific tax revenue is often nominal, yet the annexation contributes to NID's overall goal of supplying water to the communities it serves.

As indicated in the Plan for Providing Services, no additional NID infrastructure would be required to serve water to the proposed annexation areas. Once annexation is complete, a prospective customer may inquire with NID to establish new service. If approved by NID, the individual property owner would be responsible for installing the necessary infrastructure to convey water from a point of delivery to their respective property.

Staff has prepared the attached Resolution making application for the annexation. As indicated in the Resolution, the territory is within the District's service area, which qualifies the annexation for Categorical Exemption to the provisions of the California Environmental Quality Act under Class 19, Annexation of Existing Facilities and Lots for Exempt Facilities.

Upon the effective date of annexation, some parcels as identified in Exhibit B will be designated in Division 3 while others will be designated in Division 4.

Of note, annexation of land does not guarantee water service to any property.

**BUDGETARY IMPACT:**

The budgetary impact is reflected in two categories as defined below:

Annexation Fees & Services:

The estimated cost of the annexation, including survey fees, LAFCo fees, and State fees, is being paid for by the District as follows:

	Budget Acct	Budgeted Amount	Est. Cost	Est. Budget Remaining
Annexation Fees	10115-52608	\$10,000	\$10,750	(\$750)
Annexation Consulting	10115-52603	\$35,000	\$23,000	\$12,000
Budget Remaining:				\$11,250

Estimated Cost Breakdown:

Placer County Fees

a. Placer LAFCo \$10,750

Outside Services

b. Survey Consultant \$23,000

**Total Estimate \$33,750**

**2022 Budget \$45,000**

**Net Budget Remaining \$11,250**

Reduced Annual Revenue from the Out-of-District Customers:

In 2022, the 21 existing customers included in this annexation proposal were billed a raw water, Out-of-District 25% surcharge in the amount of approximately \$5,700. This annual revenue surcharge will be lost to the District upon annexation of these 21 parcels.

**Attachments (3):**

- Attachment A: Resolution 2022-43 - Making Application for Annexation
  - Exhibit A: Map of Proposed Annexation Areas – Unincorporated Placer County
  - Exhibit B: List of Annexation APN's by Section & Block
  - Exhibit C: Placer County LAFCo Application - Plan for Services
- Attachment B: NID Resolution No. 2017-05
- Attachment C: Placer County / NID Tax Sharing Agreement



## RESOLUTION NO. 2022-43

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

### **Requesting the Placer Local Agency Formation Commission Initiate Proceedings for the Annexation of Unincorporated Area of Placer County**

**WHEREAS**, the Nevada Irrigation District (NID) desires to initiate proceedings with the Placer Local Agency Formation Commission (LAFCO) 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 the unincorporated areas of Placer County as defined in Exhibits A and B; and

**WHEREAS**, the map describing and depicting the boundaries of the subject territory, defined in Sections and sub-Section Blocks, is set forth in Exhibits A and B, attached hereto and by this reference incorporated herein; 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**, this proposal is consistent with the Sphere of Influence of the Nevada Irrigation District, as adopted by the Nevada County Local Agency Formation Commission in 2006; and

**WHEREAS**, the territory proposed for annexation contains sixty-five (65) individual rural properties comprised of +/- 700 acres, of which twenty-one (21) currently receive raw water service paying Out-of-District rates and forty-four (44) of which currently receive no District water service. Annexation will result in the opportunity for properties to establish treated and/or raw water service if available, existing customers will realize a reduction in irrigation water rates, and will enable the property owners to participate in District elections; 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, the Master Agreement between the County of Placer and the Nevada Irrigation District for Apportionment of Property Tax Revenues due to Jurisdictional Changes, approved by the Placer County Board Resolution No. 2017-080, and by the Nevada Irrigation District Resolution No. 2017-05 applies to the proposed subject annexation; and

**WHEREAS**, the Board of the Nevada Irrigation District, as Lead Agency pursuant to the California Environmental Quality Act (CEQA), has considered the proposed annexation of application of the subject territory and concludes finds the annexation of subject territory already within the District's service area and sphere of influence, and qualifies for is therefore Categorical Exemption pursuant to the provisions of the California Environmental Quality Act under Class 19 Section 15319 Class 19 Exemption, Annexation of Existing Facilities and Lots for Exempt Facilities; and

**NOW, THEREFORE BE IT RESOLVED**, The land identified in Exhibit A & B is hereby designated as included in Divisions 3 & 4 respectively; and

**NOW, THEREFORE BE IT RESOLVED**, this Resolution of Application is hereby adopted and approved by the Board of Directors of the Nevada Irrigation District and the Local Agency Formation Commission of Placer County is hereby requested to take proceedings for the annexation of the territory described in Exhibits A and B, according to the terms and conditions stated above, and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

**BE IT FURTHER RESOLVED**, the above Recitals are true and correct and are incorporated as findings of the Board of Directors.

**BE IT FURTHER RESOLVED**, the General Manager is directed and authorized to take such further action as necessary and reasonable to implement the terms of this Resolution, and to file a Notice of Exemption citing Class 19, Sec. (15319) of the Public Resources Code, and to work with the County of Placer and any other landowners within this exclusion area in an effort to fully annex this exclusion area.

\* \* \* \* \*

**PASSED AND ADOPTED** by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 13<sup>th</sup> day of July 2022, by the following vote:





<b>AYES:</b>	Directors:
<b>NOES:</b>	Directors:
<b>ABSENT:</b>	Directors:
<b>ABSTAINS:</b>	Directors:

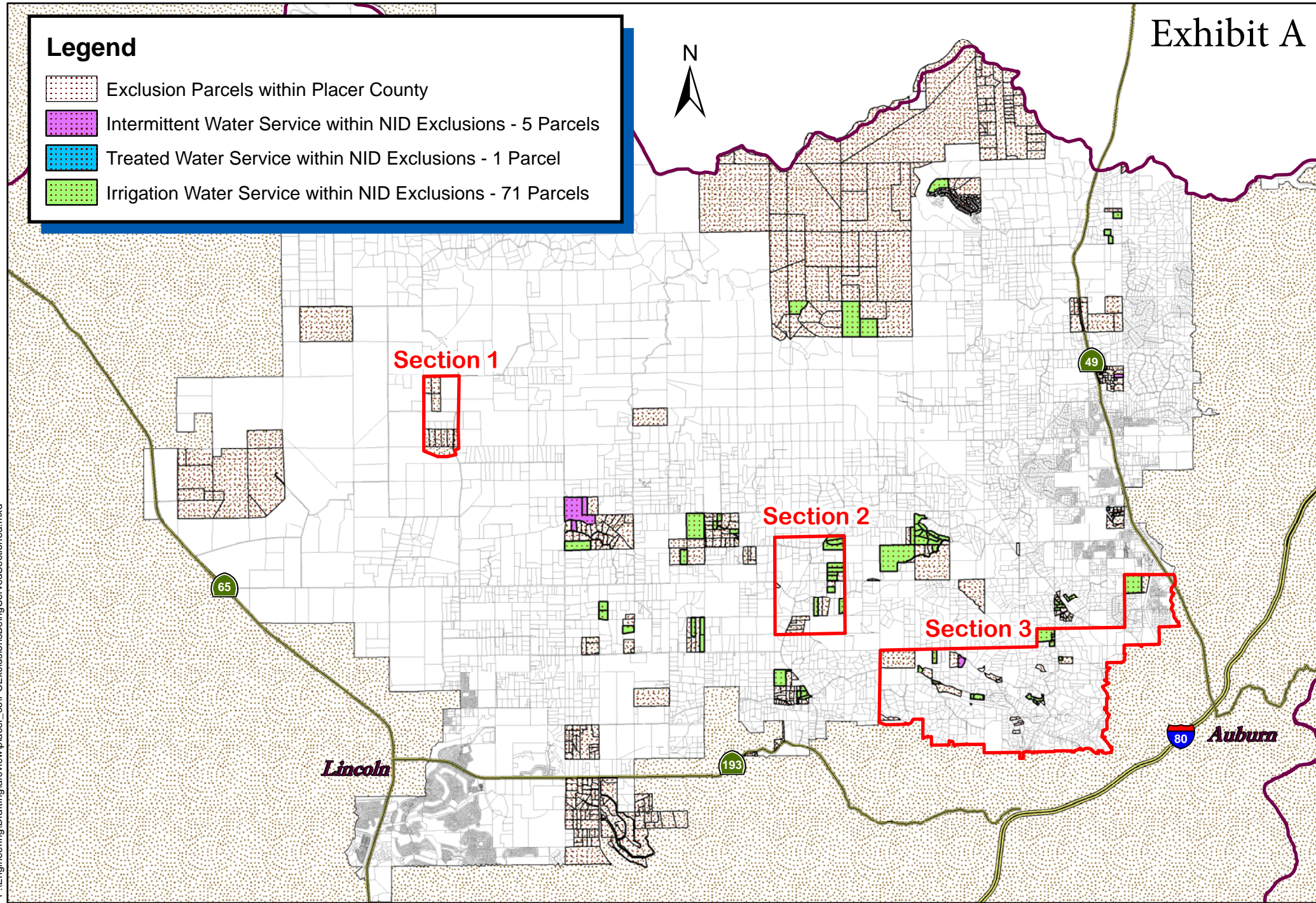
**Attest:**

\_\_\_\_\_  
President of the Board of Directors

\_\_\_\_\_  
Secretary to the Board of Directors

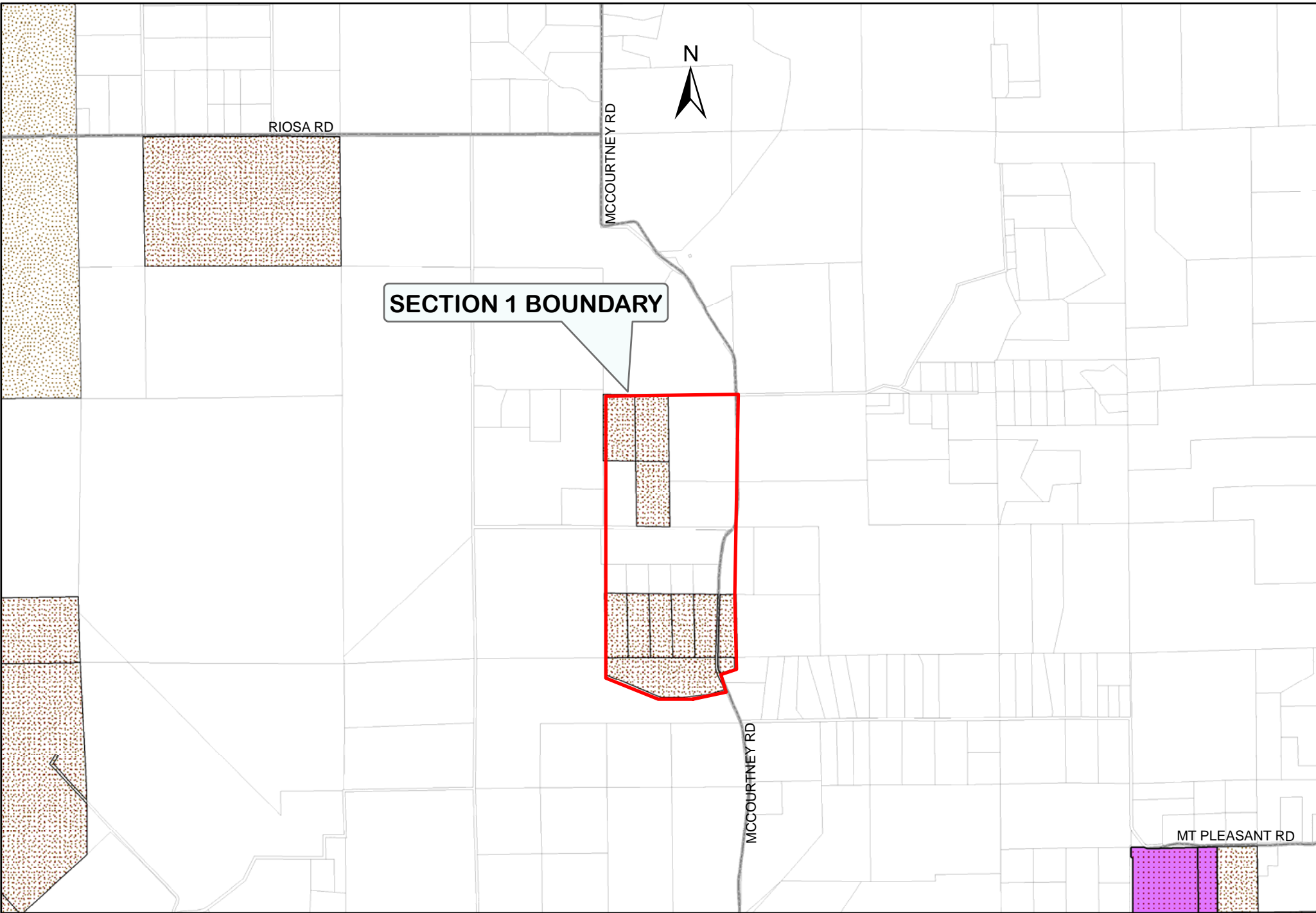
**Legend**

-  Exclusion Parcels within Placer County
-  Intermittent Water Service within NID Exclusions - 5 Parcels
-  Treated Water Service within NID Exclusions - 1 Parcel
-  Irrigation Water Service within NID Exclusions - 71 Parcels



F:\Engineering\Drafting\arcview\placer\_co\PCExclusionsBeingServed\Section1.mxd

F:\Engineering\Drafting\arcview\placer\_co\PCExclusionsBeingServed\Section 1.mxd



**NEVADA IRRIGATION DISTRICT**

NEVADA COUNTY -- PLACER COUNTY  
GRASS VALLEY, CALIFORNIA

**SECTION 1  
PLACER COUNTY PARCELS SERVED WITHIN NID EXCLUSIONS**

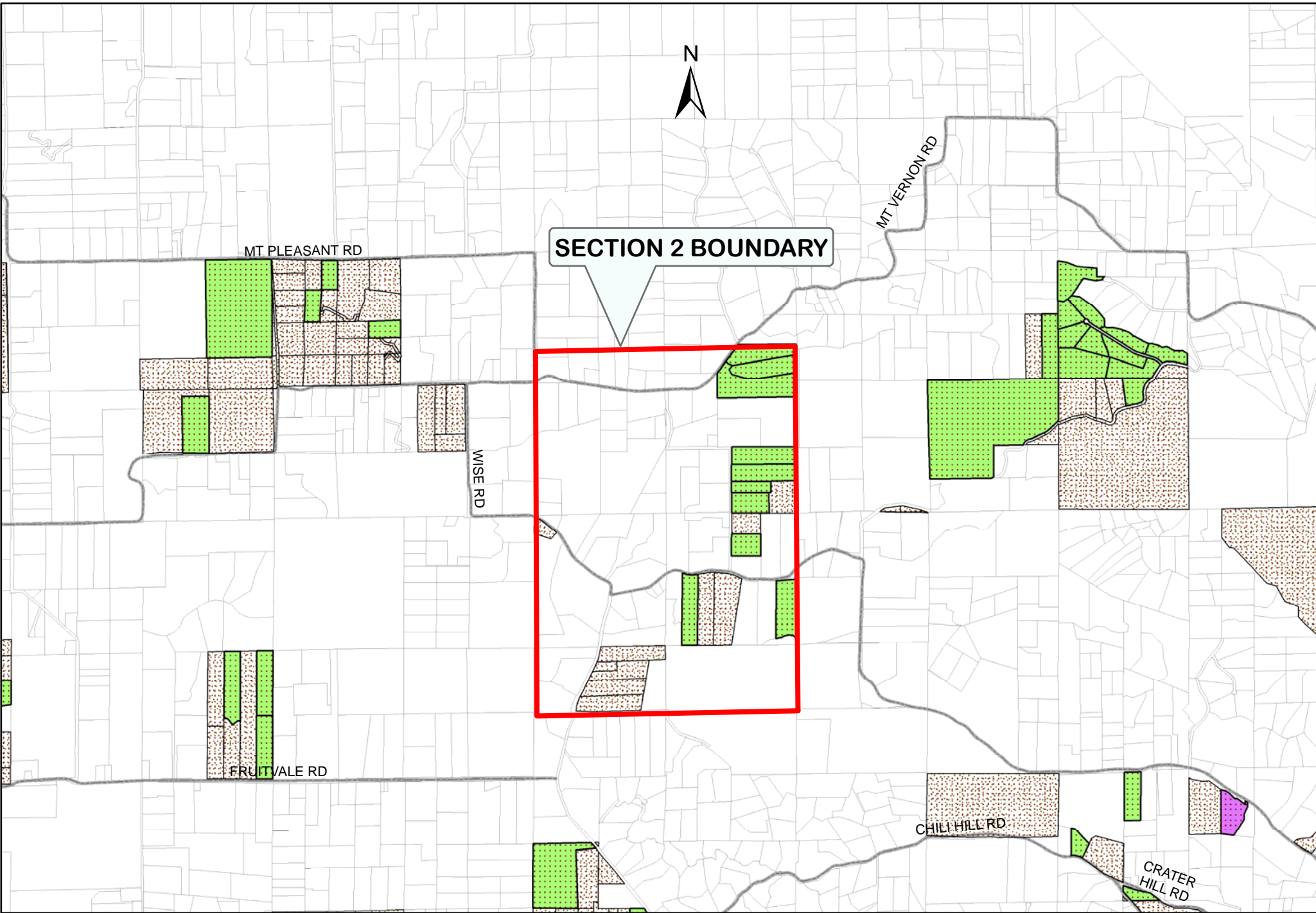
Drawn By: L. HAMMER

Date: 6/27/2022

Scale: 1" = 2500' @ 8.5 x 11

Sheet: 2 of 4

F:\Engineering\Drafting\arcview\placer\_co\PCExclusionsBeingServed\Section2.mxd

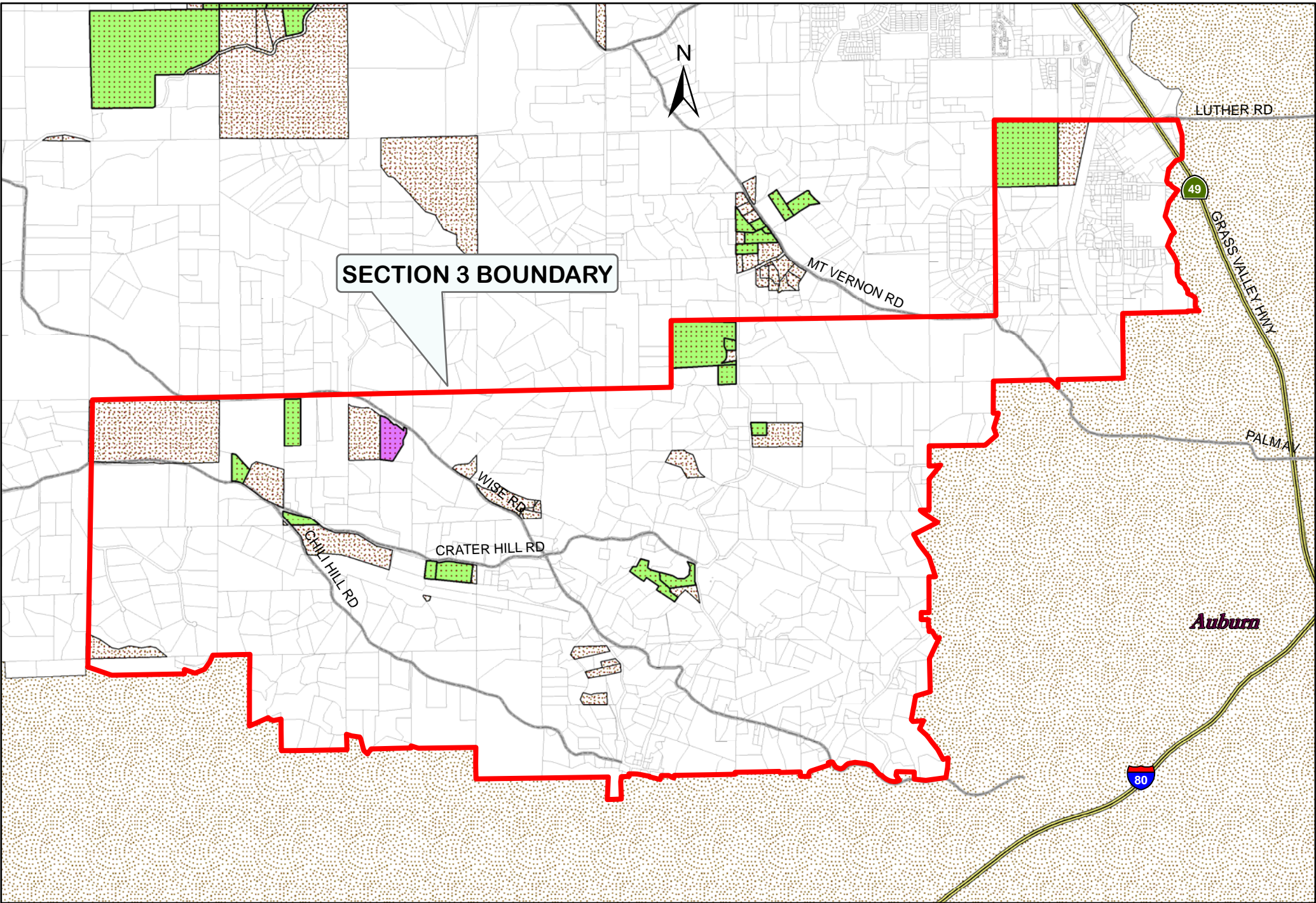


**NEVADA IRRIGATION DISTRICT**  
 NEVADA COUNTY -- PLACER COUNTY  
 GRASS VALLEY, CALIFORNIA

**SECTION 2**  
**PLACER COUNTY PARCELS SERVED WITHIN NID EXCLUSIONS**  
 Drawn By: L. HAMMER      Date: 6/27/2022      Scale: 1" = 2500' @ 8.5 x 11      Sheet: 3 of 4



F:\Engineering\Drafting\arcview\placer\_co\PCExclusionsBeingServed\Section3.mxd



**SECTION 3 BOUNDARY**

# NEVADA IRRIGATION DISTRICT

NEVADA COUNTY -- PLACER COUNTY  
GRASS VALLEY, CALIFORNIA

## SECTION 3 PLACER COUNTY PARCELS SERVED WITHIN NID EXCLUSIONS

Drawn By: L. HAMMER

Date: 6/17/2022

Scale: 1" = 2500' @ 8.5 x 11

Sheet: 4 of 4



Section & Block Assessment List

		APN_D	NID Customer?	Approx. Acres	Updated Division
Section 1	Block A	P020-143-012-000		20	Division 3
		P020-143-013-000		20	Division 3
		P020-143-015-000		20	Division 3
	Block X	P020-142-027		20	Division 4
		P020-142-028		20	Division 4
		P020-142-029		20	Division 4
		P020-142-030		20	Division 4
		P020-142-031		20	Division 4
		P020-142-008		11.7	Division 4
		P020-163-014		40	Division 4

Section 2	Block B	P031-040-039-000		11	Division 3
		P031-040-040-000		15.7	Division 3
	Block C	P031-040-041-000		11	Division 3
		P031-040-036-000	Yes	11	Division 3
	Block D	P031-040-050-000	Yes	6	Division 3
		P031-040-049-000		5.8	Division 3
		P026-260-035-000	Yes	7.4	Division 3
		P026-260-036-000		7.9	Division 3
		P026-260-032-000	Yes	4.2	Division 3
		P026-260-050-000	Yes	10.1	Division 3
		P026-260-049-000	Yes	10.1	Division 3
	Block E	P026-250-079-000	Yes	17.3	Division 3
		P026-250-078-000		10	Division 3
		P026-250-077-000	Yes	9.7	Division 3
	Block F	P031-040-017-000		2.6	Division 3
	Block Y	P031-050-011		9.5	Division 3
		P031-050-041		2	Division 3
		P031-050-040		7.5	Division 3
P031-050-039			9.4	Division 3	
P031-050-013			9.5	Division 3	

Section 3	Block G	P031-470-020-000		9.8	Division 4
	Block H	P031-031-006-000		80	Division 4
	Block I	P031-081-002-000	Yes	3.3	Division 4
		P031-081-003-000		11.6	Division 4
	Block J	P031-083-002-000	Yes	2.86	Division 4
		P031-092-048-000		5.7	Division 4
		P031-092-049-000		6.1	Division 4
		P031-092-050-000		10.2	Division 4
	Block K	P031-092-004-000	Yes	2	Division 4
		P031-092-005-000	Yes	6.5	Division 4
		P038-170-037-000		1.3	Division 4
	Block L	P031-081-005-000	Yes	7.4	Division 4
	Block M	P031-081-035-000		16.5	Division 4
		P031-081-034-000	Yes	7.8	Division 4
	Block N	P038-272-006-000		2.7	Division 4
	Block O	P038-160-014-000		7.2	Division 4
		P038-170-070-000		1.9	Division 4
		P038-160-009-000		0.8	Division 4
		P038-160-013-000		0.1	Division 4
	Block P	P040-280-064-000		2.7	Division 4
	Block Q	P040-280-023-000		2.7	Division 4
		P040-280-020-000		1	Division 4
	Block R	P040-280-022-000		3.2	Division 4
	Block S	P038-201-058-000	Yes	6.1	Division 4
		P038-201-057-000	Yes	4.8	Division 4
		P038-201-056-000		2.1	Division 4
	Block T	P038-272-043-000		5.4	Division 4
	Block U	P038-211-021-000		10.2	Division 4
		P038-211-025-000	Yes	1.6	Division 4
	Block V	P038-260-018-000	Yes	3.67	Division 4
		P038-260-033-000	Yes	25.9	Division 4
		P038-260-007-000		1.22	Division 4
		P038-260-006-000	Yes	1.35	Division 4
	Block W	P038-010-006-000	Yes	40.4	Division 4
P038-010-007-000			15.1	Division 4	

Approx. Acres: 700.6

PLAN FOR PROVIDING SERVICES  
IN CONNECTION WITH THE  
Annexation of Sixty-Five (65) Parcels in the Unincorporated Area of  
Placer County, Placer Co.

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.**

*Upon completion of annexation, the properties in question will be eligible to receive treated and/or raw water service for private use from the Nevada Irrigation District (NID or District), if available. Annexation will not require any infrastructure upgrades by NID as irrigation canals are located within close proximity to many of the proposed annexation island parcels. If / when an annexed parcel requests water service from NID and it is granted by NID, a meter box would be installed at the closest location to the applicant, and the applicant would then be responsible for the installation of a private service lateral to their property.*

*Twenty One (21) of the proposed annexation island parcels are already NID “Out-of-District” customers. These parcels will continue to receive raw water service from NID.*

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

*NID will provide treated and/or raw water service for purchase, if available, for the purpose of irrigation on the lands to be annexed.*

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

*No additional NID infrastructure will be necessary to provide services to the parcels other than the installation of a meter outlet. All other plumbing to convey water to these newly annexed parcels will privately owned, operated, and maintained. The timeframe for service is solely at the discretion of the individual property owner and their desire to apply for water service.*

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.**

*The only installation NID will require is a meter box to regulate the flow of purchased water.*

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

*Water service to the annexed parcels requires no new infrastructure installations by NID. Service lines conveying water from NID facilities to the annexed parcels will be privately owned, installed and maintained by each property owner. Funds for the installation will be born on each property owner performing the installation.*



**RESOLUTION No.** 2017-05

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

**AUTHORIZING THE GENERAL MANAGER TO  
EXECUTE A PROPERTY TAX REVENUE SHARING  
AGREEMENT WITH THE COUNTY OF PLACER**

**WHEREAS**, the Nevada Irrigation District (District) expanded service into Placer County (County) in 1926 by a majority vote of landowners; and

**WHEREAS**, following the 1926 vote a number of parcels elected to abstain from inclusion thereby creating islands of exclusionary lands within the District's service area within the County; and

**WHEREAS**, a moratorium on water deliveries to parcels outside District boundaries was established in 2005 by the Board of Directors; and

**WHEREAS**, the County and private parcel owners located within the exclusionary lands have expressed a renewed interest in receiving District services; and

**WHEREAS**, parcels requesting District water service require annexation to the District to be eligible to receive water; and

**WHEREAS**, the Local Agency Formation Commission (LAFCO) requires a resolution authorizing the exchange of tax revenues between the County and the District for taxes generated in the annexation area, prior to consideration of the annexations; and

**WHEREAS**, the District and the County have negotiated a "Master Agreement for Apportionment of Property Tax Revenues Due to Jurisdictional Changes" (Tax Agreement) to support funding for potential future infrastructure in and services to the unincorporated areas of the County that are located within District boundaries; and

**WHEREAS**, the Tax Agreement is exempt from environmental review under the California Environmental Quality Act (CEQA) in that the activity does not constitute approval of a project under CEQA because execution of the Tax Agreement does not have the potential to cause a significant effect on the environment. The District will conduct separate environmental review, as required, under CEQA for any potential future infrastructure improvements or requests for annexation to the District.

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Directors of the Nevada Irrigation District:

1. The Board of Directors approves the attached Tax Agreement.
2. The General Manager is authorized and directed to execute the Tax Agreement
3. This resolution shall become effective upon execution of the Tax Agreement by the District's General Manager and the County of Placer.

**PASSED AND ADOPTED** by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 8th day of February 2017, by the following vote:

AYES:	Directors: Weber, Drew, Miller, Morebeck, Wilcox
NOES:	None
ABSTAINING:	None
ABSENT:	None

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Board Secretary

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

COUNTY OF PLACER &  
NEVADA IRRIGATION DISTRICT

THIS AGREEMENT is made and entered into the 24<sup>th</sup> day of April 2017, by and between the COUNTY OF PLACER, a political subdivision of the State of California (hereinafter referred to as "County") and NEVADA IRRIGATION DISTRICT, a special district (hereinafter referred to as "NID")(hereinafter sometimes collectively referred to as "Parties").

RECITALS

A. NID has certain areas within its jurisdiction in Placer County identified as exclusion zones as depicted in Exhibit A where NID provides limited service. NID wishes to apply to the Local Agency Formation Commission ("LAFCO") to annex areas within exclusion zones in the unincorporated Placer County.

B. Both Parties agree that this Agreement does not apply to exclusion zones located within the City of Lincoln city limits, areas within the City of Lincoln Sphere of Influence, areas located within the boundaries of the Bickford Ranch Specific Plan, and areas within the Auburn Valley Country Club community and as depicted in Exhibit B.

C. Section 99 of the Revenue and Taxation Code provides that no jurisdictional change pending before the LAFCO 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.

D. This Master Tax Sharing Agreement governs allocations and distributions of available property tax revenues in the annexation areas upon annexation and consistent with the terms of existing law.

E. The County is in support of this Agreement and NID's annexation of the exclusion zones to better serve customers in areas that are largely rural, agricultural and / or within commercially designated areas in unincorporated Placer County.

### AGREEMENT

NOW, THEREFORE, the parties do agree as follows:

1. Recitals. The Parties incorporate by reference the recitals.
2. Scope. This Agreement shall apply only to annexations involving NID and the County in the exclusion zones, which do not include those areas identified in Recital B above. The parties understand that NID shall only submit an application to LAFCO for annexation of parcel groupings within the exclusion zones upon request of one or more of the affected parcel(s) property owner(s). NID agrees to include a legal description of the affected parcel(s) with each annexation application. NID acknowledges and agrees that the County has the right to comment on each such application.
3. Definitions.
  - a) "Base Year Tax Revenues". In the event of annexation, "Base Year Tax Revenues" shall be the portion of the 1% property tax authorized by Article 13A, section 1 of the California Constitution, accruing to the County General Fund, excluding any property tax revenues allocated to the Library Fund or Fire Control Fund, and less the

Superior Debt amount, based on the AB-8 gross levy prior to adjustments and revenue transfer relative to the Education Revenue Augmentation Fund (ERAF) in the applicable fiscal year the Annexation Area(s) is annexed.

b) "ERAF Factor". The "ERAF Factor" is the percentage required by California Revenue and Taxation Code sections 97, et seq., to be multiplied by an affected agency's AB-8 gross levy in order to determine the amount of funds to be transferred to the schools for ERAF.

c) "Tax Increment" means the amount of 1% ad valorem property tax revenues accruing to the County, excluding any allocation to the Library Fund or Fire Control Fund and less the Superior Debt, in excess of Base Year Revenues accruing to each agency (by TRA) in the annexation area (s) 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 and NID. "TRA" means tax rate area.

d) "Superior Debt" means such debt or other enforceable obligations that are from the former Placer County Redevelopment Agency bonded indebtedness or other obligations that have been disclosed and defined as enforceable obligations pursuant section 34167(d) of the California Health and Safety Code that encumber areas within the exclusion zones and have a superior lien position on tax increment revenues accruing from the former redevelopment project areas. For areas within the exclusion zones that are within former redevelopment project areas (Exhibit C), the calculation of Apportionment as detailed below shall be calculated after bonded indebtedness obligations and enforceable obligations have been paid.



4. Apportionment.

a) No part of any agency's Base Year Revenues from annexed territory shall be reapportioned to NID.

b) From and after the first fiscal year following the effective date of each annexation ten percent (10%) of the Tax Increment of the annexed territory thereafter accruing to County prior to the ERAF Factor shall be apportioned to NID less the Superior Debt obligation identified in Paragraph 3.

5. Infrastructure Improvements. In consideration for the apportionment as defined in Section 4.b. above, NID expend a minimum investment of \$500,000 in infrastructure improvements to improve water service flow and pressure standards ("Infrastructure Improvements") to the Placer County Government Center. NID shall also commit to expending the revenues received under the apportionment defined in Section 4.b. above in the unincorporated area of Placer County. Any State permit requirements and/or environmental review required for said Infrastructure Improvements and all costs of construction shall be the sole responsibility and cost of NID. NID agrees and acknowledges that this provision is material consideration for the County to enter into this Agreement. Failure of NID to perform these commitments is grounds for termination of this Agreement.

6. Tax Rate Area. The County will work with the County Auditor to establish a separate Tax Rate Area (TRA) for each annexed area prior to allocation and distribution of property tax under this Agreement and will report to NID the actual amount of the 1% AD VOLREM Property Tax Revenues from the TRA available for allocation and distribution pursuant to this Agreement.

7. Term of Agreement.

a) Initial Term. This Agreement shall become effective as of the last date of execution below and shall remain in effect for an initial three (3) year term (Initial Term).

b) First Renewal of Initial Term. If NID has made substantial progress in performing the obligations in section 5, this Agreement shall be renewed for an additional three (3) year term (Extended Term). For purposes of this Agreement, "substantial progress" shall mean that all permitting and environmental review has been completed by NID.

c) Renewal of Extended Term. If NID has completed construction of Infrastructure Improvements by the end of the Extended Term, this Agreement shall be renewed on that date for a subsequent five (5) year Term (Extended Term Renewal) and automatically thereafter at the end of the Extended Term Renewal for subsequent five (5) year Terms.

8. Termination.

a) Failure of NID to satisfy the obligations in section 5 and within the time frames outlined in section 7 is grounds for the County to terminate this Agreement. County agrees to provide NID with three (3) months written notice prior to the date of termination.

b) The termination of the Agreement under this section shall not result in a reapportionment of property tax revenues from territories annexed prior to such termination. In the event of termination pursuant to this section, any monies expended by NID pursuant to Section 5 shall not be subject to reimbursement or claim against the County.

9. Counterpart. This Agreement may be executed in two counterparts, each of which constitutes an original.

10. General Provisions.

a) Modification. This Agreement may only be modified or amended in writing duly authorized and executed by both the NID and the County. Said amendments may require prior approval of the governing boards of NID and the County. The parties agree that amendments to Section 5 shall require prior public hearings by both the NID and the County Board of Supervisors.

b) Entire Agreement. With respect to each annexed area only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings between the NID and the County with respect to the sharing of Property Tax Revenue.

c) Notices. All notices, requests, certifications, or other correspondence provided by the Parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective Parties at the following addresses:

County  
Placer County Executive Officer  
County of Placer  
175 Fulweiler Avenue.  
Auburn, CA 95603

NID  
General Manager  
Nevada Irrigation District  
1036 W. Main Street  
Grass Valley, CA 95945-5424

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three (3) days after mailing, whichever is earlier.

d) Agreement or Consent. Wherever this Agreement requires a party's agreement or consent, the party shall make its decision to give or withhold such agreement or consent in good faith, and shall not withhold such agreement unreasonably or without good cause.

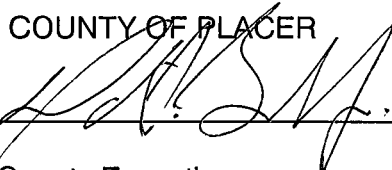
e) Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

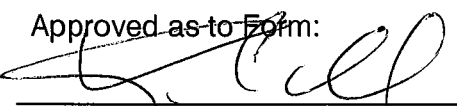
f) Authority to Execute Agreement. NID has authorized the execution of this Agreement by its General Manager through adoption of Resolution No. 2017-05 by its Board. County has authorized the execution of this Agreement by the County Executive through adoption of Resolution No. 2017-080 by the Board of Supervisors.

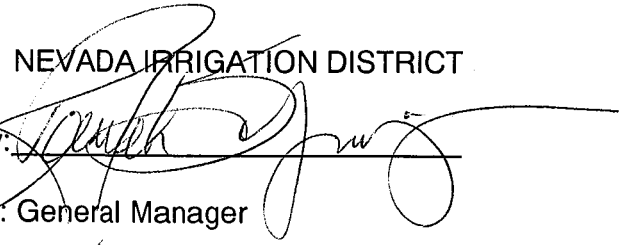
g) Venue. This Agreement is made in the County of Placer in the State of California. Any action to enforce or interpret its terms shall be brought in Placer County Superior Court.

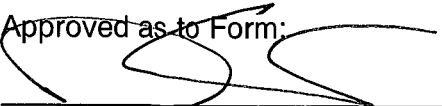
h) Severability. Should any part, term or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

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

COUNTY OF PLACER  
By:   
Its: County Executive  
Date: 5/5/17  
Authorizing Board Resolution: 2017-080

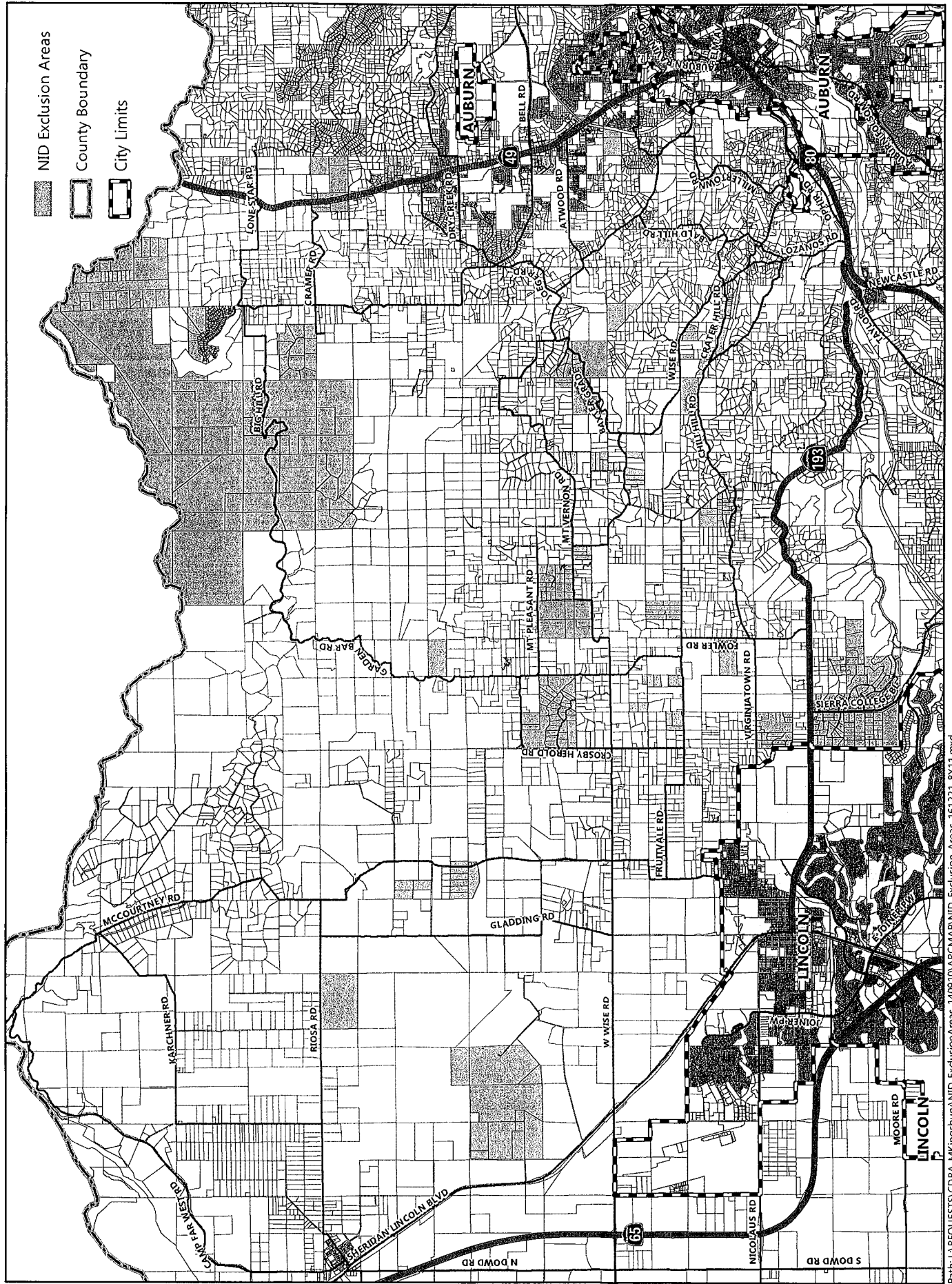
Approved as to Form:  
  
County Counsel  
County of Placer

NEVADA IRRIGATION DISTRICT  
By:   
Its: General Manager  
Date: 4/20/17  
Authorizing Board Resolution: 2017-05

Approved as to Form:  
  
District Counsel

# EXHIBIT A

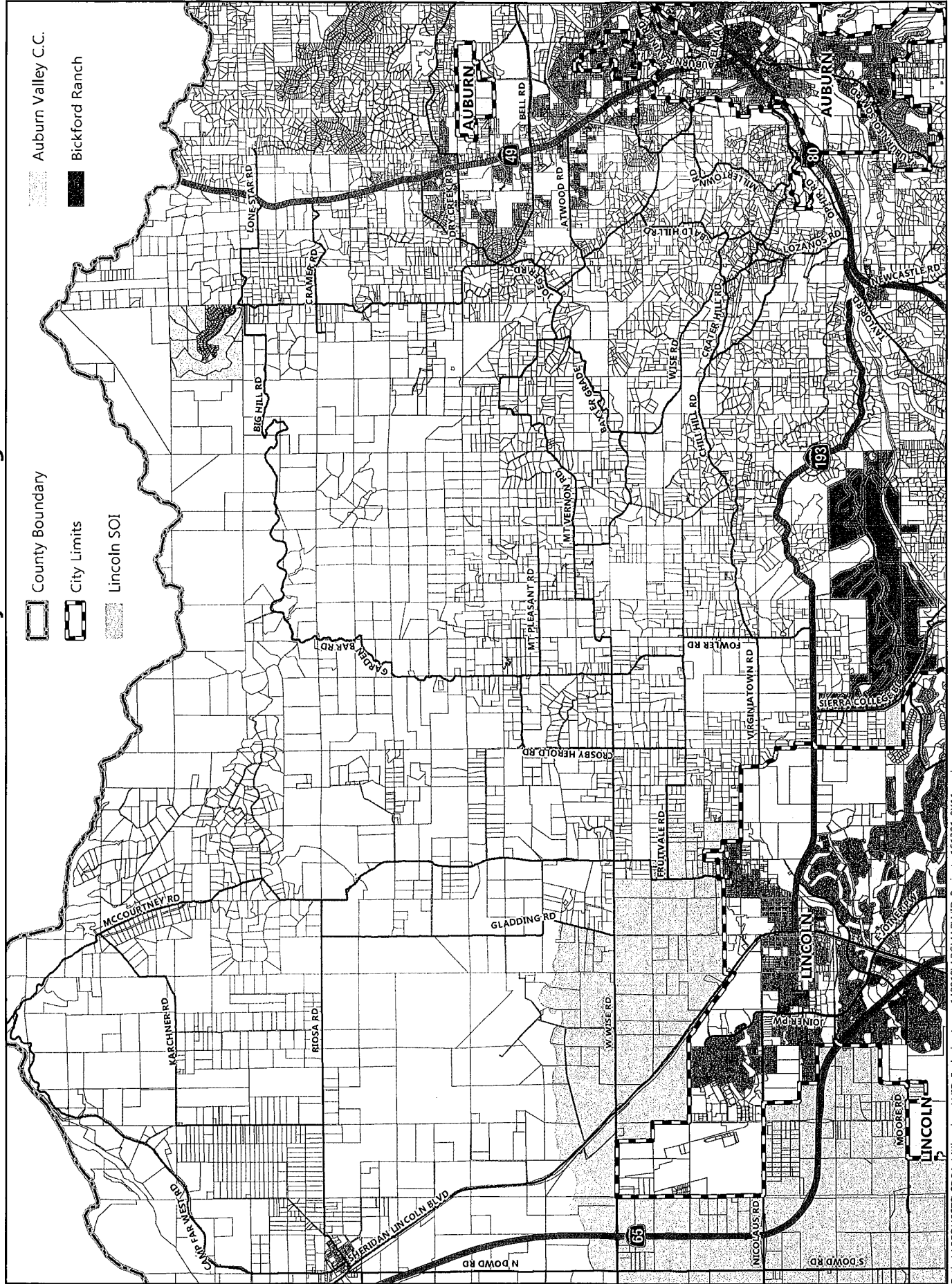
# NID Exclusion Areas



Path: L:\REQUESTS\CDRA\_Mkingsbury NID\_ExclusionAreas\_1409\0VARC\MAP\NID\_ExclusionAreas\_161227\_8X11.mxd

# EXHIBIT B Areas Not Subject to This Agreement

# North Lincoln Area



Path: L:\REQUESTS\CDRA\_MKingsbury\NID\_ExclusionAreas\_140910\ARC\MAP\NID\_Projects\_161221\_8X11.mxd

Exhibit C Former Redevelopment Agency Project Areas North Auburn Redevelopment Area

