

MODOC LOCAL AGENCY COMMISSION

EXECUTIVE OFFICER'S REPORT

MEETING DATE: June 14, 2016 4:00 PM

TO: Local Agency Formation Commission

FROM: John Benoit, Executive Officer

SUBJECT: LAFCo File 2016-0001 - Hagge Reorganization - Hot Springs Valley Water District and Sphere of Influence Amendment

Attachments:

1. Notice of Exemption
2. Resolution 2016-0002 approving a minor Sphere of Influence Amendment
3. Resolution 2016-0003 approving a reorganization for the Hot Springs Valley Water District consisting of a detachment of 52.5 acres more or less and annexation of 52.5 acres more or less consisting of a 42.5 acre area and a 10.00 acre area.

Summary:

The Hot Springs Valley Water District and Hagge Ranch, Inc. (William Hagge) have applied to LAFCO to annex to and detach territory from the district. maps and descriptions for the annexation and detachment are included as Exhibits A and B in Attachment #3.. Specifically, this proposal includes an annexation of 52.5 acres more or less consisting of a 42.5 acre area and a 10.00 acre area and a detachment of 52.5 acres more or less to and from the Hot Springs Valley Water District concerning all or portions of APNs 017-220-30, 017-240-36, & 017-250-29. The territory is entirely within Modoc County. As a result of this application, there are no lands proposed to be detached from any other irrigation district or domestic water provider. Modoc LAFCO policies and the Cortese-Knox Act would have required detachment of lands from other service providers had a conflict existed. As a result, this report includes only a detachment from the Hot Springs Valley Water District and an annexation to the Hot Springs Valley Water District.

Background information the Hot Springs Valley Water District is included in the Municipal Service Review adopted by Modoc LAFCo on August 21, 2012 by LAFCo and the Sphere of Influence Update adopted by Modoc LAFCo on February 12, 2013. Territory to be detached will be removed from the District's Sphere of Influence and territory to be annexed will be included in the district's Sphere of Influence.

Based on assessments for irrigation purposes, the Hot Springs Valley Water District has approximately 13,000 acres of territory.

This project is exempt from from the provisions of the California Environmental Quality Act since this action involves a small annexation and detachment in an agricultural area and no change in land use will occur nor is contemplated for the subject territory. Staff recommends approval of a Notice of Exemption based on Class 19 Changes of

Organization for local agencies where existing and proposed structures are exempt from the California Environmental Quality Act and the General Rule exemption since this action cannot or could not have an effect upon the environment.

Staff recommends that the Modoc Local Agency Formation Commission approve the reorganization for the Hot Springs Valley Water District.

Proposal and Justification:

Territory proposed to be detached is not in need of irrigation water unlike territory proposed for annexation to the HSVWD. See exhibits C and D included in Attachment #1 the plan for services and statement of justification of proposal.

Location:

This property is located along the boundaries of the Hot Springs Valley Water District with access to the Hagge Ranch from County Road 179 off of SR 299 between Alturas and Canby. An irrigation pivot is being installed. The pivot circle is determining the territory to be annexed.

Purpose:

The goal of this reorganization is to maintain the maximum irrigable acreage and to put to beneficial use the water available under the HSVWD's water rights. The justification is also to obtain a reliable water supply for the parcel source through annexation to the Hot Springs Valley Water District.

Accepted for filing: May 12, 2016

Publication and Posting: May 12, 2016

Compliance with CEQA:

Lead Agency:	LAFCo at request of HSVWD and William Hagge
Responsible Agency:	HSVWD
Environmental Finding:	Notice of Exemption (Attachment #2)
Date of Finding:	June 14, 2016

Compliance with applicable Plans:

The proposed reorganization conforms to the County of Modoc General Plans being in various agricultural designations including some territory under Williamson Act Contract.

Compliance with the Sphere of Influence:

A Sphere of Influence update has been completed. This proposal is consistent with the HSVWD Sphere of Influence. This proposal does not conflict with any other Sphere of Influence of any other agency.

Existing Land Use and Zoning:

LAND USE DESIGNATIONS:	Agriculture.
ZONING:	Agriculture
DWELLINGS:	On various properties
POPULATION:	N/A
REGISTERED VOTERS:	N/A
LANDOWNERS:	1

Existing Land Use for surrounding territory:

- North: Agriculture
- East: Agriculture
- South: Agriculture
- West: Agriculture

Proposed development: No development is proposed.

Fiscal data: Lands in this reorganization will not receive property tax revenue as a result of this change of organization. Parcels to receive irrigation water are not referenced to the Assessor's parcel layer and there will be no changes in any tax rate area as a result. The HSVWD does not receive any property taxes from the county nor is in the BOE system.

Existing service agencies:

School District:	Modoc Jt. Unified School District
Fire Protection:	n/a
General Government	County of Modoc
Police Protection	County of Modoc
Agricultural Water Service	HSVWD
Water and Wastewater:	N/A
Street Lighting:	N/A

Proposed service agencies:

School District:	No Change
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Fire Protection:	Calfire
General Government	No Change
Police Protection	No Change
Agricultural Water Service	Changes based on detachment and annexation
Water and Wastewater:	No Change
Street Lighting:	No Change

Conclusion:

The above considerations are the basis to support the reorganization (HSVWD) and Recommended actions are presented in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Based upon the foregoing, it is recommended that the attached Resolution making determinations and approving the reorganization for the Hot Springs Valley Water District be approved.

Governing Law and LAFCO Policy

LAFCO is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Act to its decisions regarding detachments, annexations, incorporations, reorganizations, and other changes of government. LAFCO's policies and procedures have been adopted to be consistent with the policy directives of the Act. Specifically, Policies adopted by Modoc LAFCO are designed to:

- a) Provide Information. Give applicants for changes of organization guidance as to the information LAFCO needs to make appropriate determinations concerning their applications and provide information and notice to elected officials, governmental staff, and members of the general public as to the standards and procedures that LAFCO will use in evaluating applications.
- b) Set Criteria. Provide applicants for changes of organization with explicit guidance as to the criteria LAFCO will use in approving, disapproving, amending, or conditionally approving applications for changes of organization.
- c) Ensure Greater Consistency in LAFCO's decision-making process.
- d) Facilitate Communication among local agencies in the region.
- e) Minimize Adverse Impacts of the social, economic and environmental results of growth.
- f) Provide for Planned, Well-Ordered Efficient Urban Development Patterns with appropriate consideration of preserving open space lands within those patterns.

The following table is provided as a guide for the Commission to consider.

This proposal complies with applicable legal and proposed policy requirements, as summarized below:

General Policies

<i>Policy</i>		<i>Comment</i>
Communication between local agencies is encouraged.	<i>N/A</i>	
Urban development proposals shall include annexation to a city where possible.	<i>N/A</i>	<i>The Territory is not planned or zoned for urban development</i>
LAFCO will normally deny proposals that result in urban sprawl.	<i>N/A</i>	<i>This project is not planned or zoned for urban development</i>
Environmental consequences (CEQA) shall be considered.	<i>Consistent</i>	<i>Class 19 exempts minor annexations for exempt purposes</i>
LAFCO will consider the impact of a proposal on the regional supply of housing for all income levels.	<i>N/A</i>	
LAFCO will favor proposals that promote compact urban form and infill development.	<i>N/A</i>	
Government structure should be simple, accessible, and accountable.	<i>Consistent</i>	<i>There is no indication of unnecessary complexity or lack of accessibility or accountability.</i>
Agencies must provide documentation that they can provide service within a reasonable period of time.	<i>N/A</i>	<i>The purpose of this reorganization is to maximize beneficial use of water.</i>
Efficient services are obtained when proposals: Utilize existing public agencies. Consolidate activities and services. Restructure agency boundaries to provide more logical, effective, and efficient services.	<i>N/A</i>	
Adverse impacts on adjacent areas, social and economic interests and the local government structure must be mitigated.	<i>N/A</i>	
Conformance with general & specific plans required.	<i>Consistent</i>	

<p>Boundaries: Definite boundaries are required. Boundaries that are favored: Create logical boundaries & eliminate islands or illogical boundaries. Follow natural or man-made features and include logical service areas.</p> <p>Boundaries that are disfavored: Split neighborhoods or communities. Result in islands, corridors, or peninsulas. Drawn for the primary purpose of encompassing revenue-producing territories. Create areas where it is difficult to provide services.</p>	<i>Consistent</i>	
Revenue neutrality required for all proposals.	<i>Consistent</i>	
<p>Agricultural and Open Space Land Conservation Standards: Must lead to planned, orderly & efficient development. Approved Sphere of Influence Plan required. Findings with respect to alternative sites required. Impact on adjacent agricultural/open space lands assessed.</p> <p>Agricultural Buffers</p>	<i>Consistent</i>	
<p>Need for services exists when: Public health and safety threat exists. The residents have requested extension of non-growth-inducing community services. Subject area is likely to be developed for urban use within 5 years.</p>	<i>N/A</i>	
<p>Exceptions are justified on the following grounds: Unique. Standards Conflicts. Quality/Cost. No Alternative.</p>	<i>N/A</i>	

Annexation and Detachment Policies—General

<i>Policy</i>		<i>Comment</i>
Proposals must be consistent with LAFCO general policies.	<i>Consistent</i>	
A proposal must be consistent with the agency's Sphere Plan	<i>Consistent</i>	
Plan for Services required.	<i>Consistent</i>	
Subject territory must be contiguous to the agency's boundaries if required by law, or if necessary for efficient service delivery.	<i>N/A</i>	

The detachment is necessary to ensure delivery of services essential to Health and Safety.	N/A	
The Successor provider will be the most efficient service provider	N/A	
The service plans for districts, which lie within a City's Sphere of Influence should provide for orderly detachment of territory from the district or merger of the district as district territory is annexed to the City.	N/A	
Detachment from a City or Special District shall not relieve the landowners within the detaching territory from existing obligations for bonded indebtedness or other indebtedness previously incurred.	<i>Consistent</i>	<i>The project proponents shall pay any bonded indebtedness to the HSVWD as applicable.</i>
Adverse impact of detachment on other agencies or service recipients is cause for denial.	<i>Consistent</i>	
Action options include: Approval. Conditional approval to require only a portion of the area to be detached. Denial.		

Sphere of Influence Amendment - Policy

Modoc LAFCo Policies updated and adopted in April 2009 require an amendment to the adopted sphere of influence plan when an agency seeks to annex territory not within its Sphere of Influence. The HSVWD Sphere of Influence was adopted in 2013.

Policy Analysis

Modoc LAFCO adopted Policies and Procedures regarding Amendments and Updates of Spheres of Influence (Section 3.4) in April 2009. Below is a discussion of the applicable policy.

Policy 3.4 (e)

General Requirements. LAFCO will generally treat an update or a proposed amendment to an agency's Sphere of Influence similarly to an application for approval of a Sphere of Influence. Each of the following sets of policies apply to amendments to and updates of Spheres of Influence:

- i) General policies.
- ii) Specific policies and standards for Spheres of Influence and for Updates and Amendments thereto.

General Policies (Section 3.1) require an analysis of four factors as stated in Section 56425 (e) these are discussed below.

These areas are all designated for agriculture and located adjacent to the HSWWD service area. No future development is contemplated in these areas since they are agricultural areas. These sphere amendments are internally consistent with the existing General Plans.

Policy 3.4 (f)

Precedence of Amendments over Annexations. Sphere of Influence amendments shall precede the Commission's consideration of proposals for change of organization or reorganization.

The amendment discussion will precede commission action on the consideration of the annexation proposal.

Policy 3.4 (g)

Demonstrated Need Required. An applicant for amendment to a Sphere of Influence must demonstrate a projected need or (in the case of reduction of the sphere) lack of need for service.

The District has the capability of providing services to the territory.

Policy 3.4 (h)

Open Space and Prime Agricultural Land. Amendment proposals involving Sphere expansions, which contain open space or prime agricultural land will not be approved by LAFCO if there is sufficient alternative land available for annexation within the existing Sphere of Influence.

This is an agricultural area and agricultural irrigation water will be provided.

Pursuant to Government Code Section 56425, LAFCO must consider four specific issues prior to making written determinations to support its action in amending a Sphere of Influence. These are discussed in the following paragraphs:

1. The present and planned land uses in the area, including agricultural and open space lands.

Present and planned land uses in the area include agricultural production

2. The present and probable need for public facilities and services in the area.

There will be no change in the territory except irrigation services will be provided alleviating the need for groundwater pumping, as necessary.

3. The present capacity of public facilities and adequacy of services that the agency is authorized to provide.

The Hot Springs Valley Irrigation District was formed in 1919 under the Wright Irrigation Act.¹ In 1921 the District completed the construction of the dam, which formed Big Sage Reservoir with a capacity of 77,000 acre-feet. Water from Big Sage Reservoir provides a supplemental supply of water for lands within the District, which were being served from the natural flow of the Pit River.² In 1923, the District received Permit 1768 from the State Water Rights Board authorizing the District to appropriate 50,000 acre-feet per annum from the Big Sage Drainage Area, tributary to Rattlesnake Creek for irrigation purposes.³ Below Big Sage Dam, Rattlesnake Creek flows southeast 6 miles, then turns and flows southwest 3.5 miles and discharges into the Pit River. Below the mouth of Rattlesnake Creek, Pit River meanders southwest 25 miles through the Hot Springs Valley Irrigation District.⁴

In 2010, the name was changed to the Hot Springs Valley Water District.

4. The existence of any social or economic land communities of interest in the area if the Commission determines that they are relevant to the community.

The subject territory is agricultural land. No other social or economic communities of interest exist in the area.

Conclusion:

The above considerations are the basis to support the inclusion of the 52.5 acres to the Sphere of Influence and the District including one 42.5-acre area and one 10.0-acre area for the HSVWD and removal of 52.5 acres from the Sphere of Influence and the District. Recommended actions are presented in accordance with the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 as they apply to the Sphere of Influence Studies.

Based upon the foregoing, it is my recommendation that adopting the attached resolutions making determinations and approving the Sphere of Influence amendment and reorganization for the HSVWD approve the above stated determinations.

Comments from the public and public agencies

1. No comments received

¹ Hot Springs Valley Irrigation District, Financial Statements Modified Cash Basis and Independent Auditor's Report, Prepared by Carlos E. Soler, 910 Florin Road Suite 200, Sacramento California 95831, Phone 916-424-6233, www.colercpa.com, June 30, 2008, Page 5.

² STATE OF CALIFORNIA STATE WATER RIGHTS BOARD, DECISION APPROVING APPLICATION 20904 IN PART AND GRANTING PETITIONS TO CHANGE PLACE OF USE AND TO EXTEND TIME FOR BENEFICIAL USE OF WATER UNDER PERMIT 1768 (APPLICATION 3353), Page 4, December 22, 1964.

³ STATE OF CALIFORNIA STATE WATER RIGHTS BOARD, DECISION APPROVING APPLICATION 20904 IN PART AND GRANTING PETITIONS TO CHANGE PLACE OF USE AND TO EXTEND TIME FOR BENEFICIAL USE OF WATER UNDER PERMIT 1768 (APPLICATION 3353), Page 2, December 22, 1964.

⁴ STATE OF CALIFORNIA STATE WATER RIGHTS BOARD, DECISION APPROVING APPLICATION 20904 IN PART AND GRANTING PETITIONS TO CHANGE PLACE OF USE AND TO EXTEND TIME FOR BENEFICIAL USE OF WATER UNDER PERMIT 1768 (APPLICATION 3353), Page 4, December 22, 1964.

Recommendation

Staff recommends the Commission take the following actions:

1. *Adopt Resolution 2016-0002 approving a Sphere of Influence amendment for the Hot Springs Valley Water District consisting of a detachment of 52.5 acres more or less and annexation of 52.5 acres more or less consisting of a 42.5 acre area and a 10.00 acre area.*
2. *Adopt Resolution 2016-0003 approving a reorganization for the Hot Springs Valley Water District consisting of a detachment of 52.5 acres more or less and annexation of 52.5 acres more or less consisting of a 42.5 acre area and a 10.00 acre area.*

NOTICE OF EXEMPTION

TO: County Clerk
County of Modoc
Alturas, CA

FROM: Modoc LAFCO
P.O. Box 2694
Granite Bay, CA 95746

PROJECT TITLE: LAFCO 2016-0001 – Hot Springs Valley Water
Dist. Hagge Reorganization

PROJECT LOCATION: County Road 179 off of SR 299 in and adjacent to
the Hot Springs Valley Water District

DESCRIPTION OF PROJECT:

The proposed project would involves approximately 52.5 acres more or less to be detached and 52.5 acres more or less to be annexed for irrigation water purposes.

NAME OF PUBLIC AGENCY APPROVING PROJECT:

Modoc Local Agency Formation Commission

NAME OF PERSON OR AGENCY CARRYING OUT THE PROJECT:

Modoc Local Agency Formation Commission

EXEMPT STATUS:

Class 19 Categorical Exemption, The proposal would not result in the development or use of structures or land that would not be considered exempt (CEQA Guidelines Section 15319) and this proposal is also covered by the General Rule Exemption (15061 b (3)).

REASONS WHY PROJECT IS EXEMPT:

The proposal would not result in any change in services since irrigation water services will not induce growth in an agricultural area and agriculture is exempt from CEQA and whereby this activity is covered by the general rule that CEQA applies only to projects, which have the potential for causing a significant effect on the environment. Minor annexations and or detachments of small parcels for irrigation will result.

CONTACT PERSON:
John Benoit
LAFCO Executive Officer

TELEPHONE NUMBER:
(530) 233-9625

By: _____

Date: June 14, 2016

Resolution No. 2016-0002

MODOC LOCAL AGENCY FORMATION COMMISSION

A Resolution Making Determinations and Approving A Sphere of Influence Amendment for consisting of an inclusion of 52.5 acres more or less containing a 42.5 acre area and a 10.00 acre area and a detachment of 52.5 acres more or less to and from the Sphere of Influence for the Hot Springs Valley Water District

WHEREAS, Government Code Section 56425 requires each Local Agency Formation Commission to adopt and periodically review and update a sphere of influence for each local governmental agency within its jurisdiction; and

WHEREAS, the Modoc Local Agency Formation Commission, in compliance with the aforementioned requirement, is providing an " amended plan for the probable physical boundaries and service area" for the Hot Springs Valley Water District; and

WHEREAS, the Commission has set the hearing date of June 14, 2016, for the amendment of the sphere of influence for the Hot Springs Valley Water District and has noticed this hearing at the times and as otherwise prescribed by Government Code Section 56150, *et seq.*; and

WHEREAS, the Commission has heard and previously adopted a Municipal Services Review of services provided by the Hot Springs Valley Water District in accordance with Gov. Code section 56430; and

WHEREAS, the Commission has reviewed and considered the proposed Sphere of Influence amendment report and the proposed Sphere of Influence Amendment map which are attached hereto and incorporated herein; and

WHEREAS, Modoc LAFCo has prepared a Notice of Exemption for this Sphere of Influence amendment, which will not change that nature of any land use or intensity of land use or cropping patterns of these areas currently being in agricultural production and use; and

WHEREAS, the Commission has considered those factors determined by it to be relevant to the proposed sphere of influence amendment, including, but not limited to, those factors specified in Government Code Section 56425, *et seq.*, and has heard from interested parties and considered requests for amendment and/or revision of the proposed amended sphere boundary, if any;

NOW, THEREFORE, BE IT RESOLVED that the Modoc Local Agency Formation Commission does hereby find and determine as follows:

1. That the proposed sphere of influence amendment with respect to the Hot Springs Valley Water District complies with the provisions of Government Code Section 56000, *et seq.*
2. That no significant protests have been received regarding the establishment of this Sphere of Influence amendment.

3. That, pursuant to Government Code Section 56425, the Commission makes and adopts those determinations set forth in the Sphere of Influence report included in the Executive Officer's Report dated June 14, 2016 are attached hereto and incorporated herein.
4. That the Modoc Local Agency Formation Commission hereby adopts a Notice of Exemption prepared for this Sphere of Influence amendment.
5. That the Sphere of Influence Amendment Report, Executive Officer's Report, and Map for the Hot Springs Valley Water District amended Sphere of Influence is hereby adopted and approved as set forth in Attachment "A".

PASSED AND ADOPTED at a regular meeting of the Modoc Local Agency Formation Commission in the County of Modoc, State of California, on June 14, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

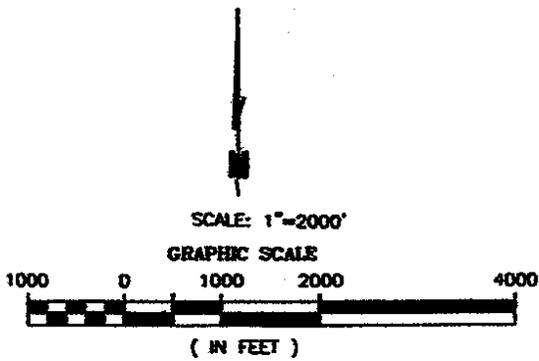
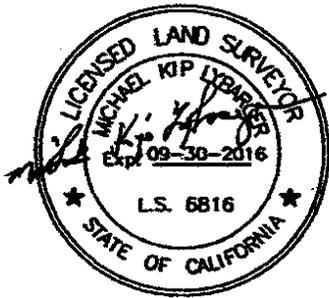
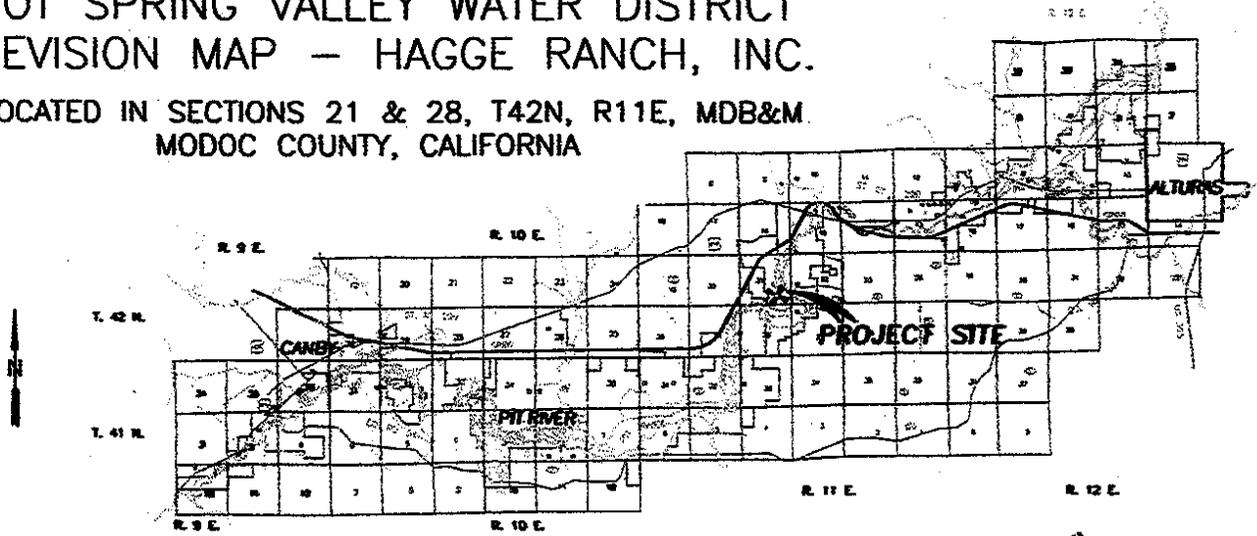
Kathie Rhoads, Chair
Modoc Local Agency Formation Commission

Attest:

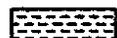
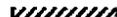
John Benoit, Executive Officer

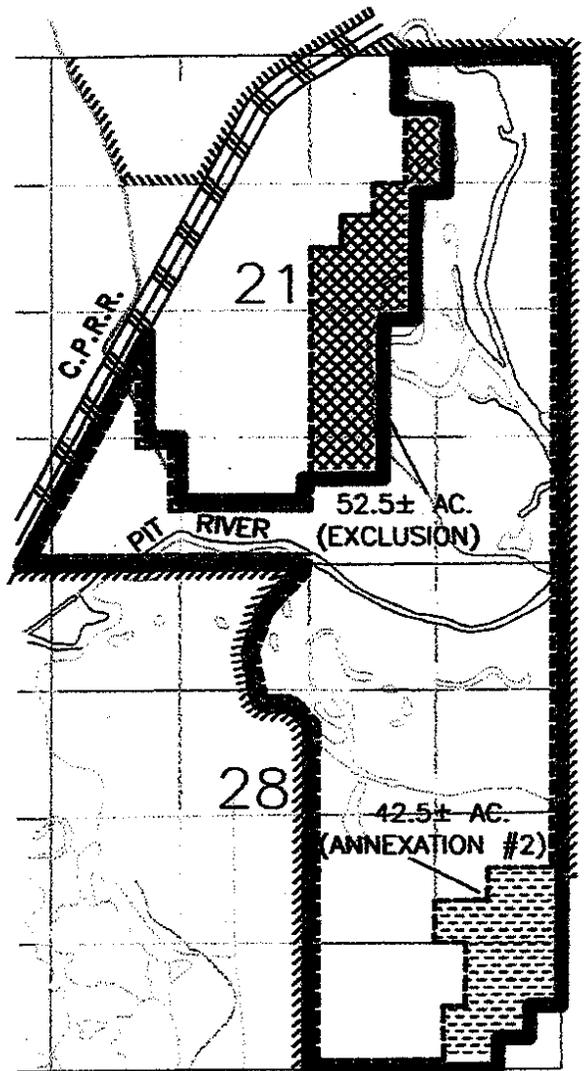
HOT SPRING VALLEY WATER DISTRICT REVISION MAP — HAGGE RANCH, INC.

LOCATED IN SECTIONS 21 & 28, T42N, R11E, MDB&M.
MODOC COUNTY, CALIFORNIA



LEGEND

-  HOT SPRING VALLEY WATER DISTRICT
PARCEL BOUNDARY BEING REVISED
-  PROPOSED HOT SPRING VALLEY WATER
DISTRICT BOUNDARY
-  ANNEXATION TO HOT SPRING VALLEY
WATER DISTRICT
-  EXCLUSION FROM HOT SPRING
VALLEY WATER DISTRICT
-  EXISTING HOT SPRING VALLEY WATER
DISTRICT BOUNDARY



**HOT SPRING VALLEY WATER DISTRICT
ANNEXATION & EXCLUSION MAP
Hagge Ranch, Inc.**

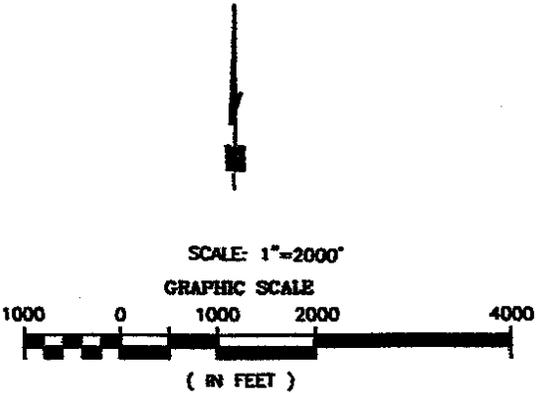
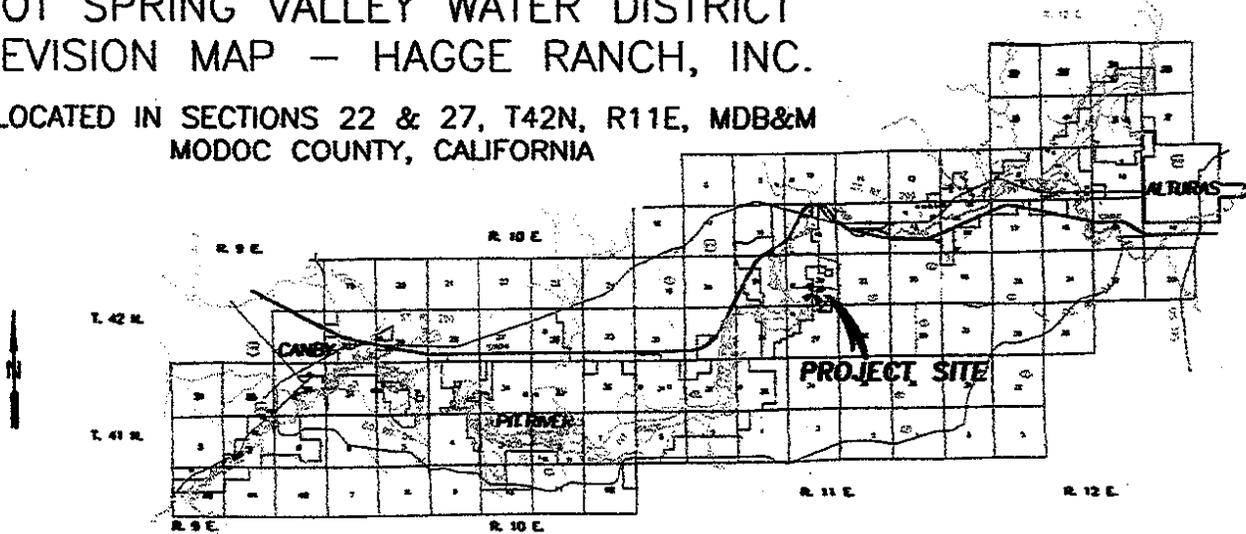
Altec Engineering
PO BOX 758 ALTURAS CA
(530) 233-2453

NOVEMBER 2015

Sheet 1 of 1 Job: 15-54

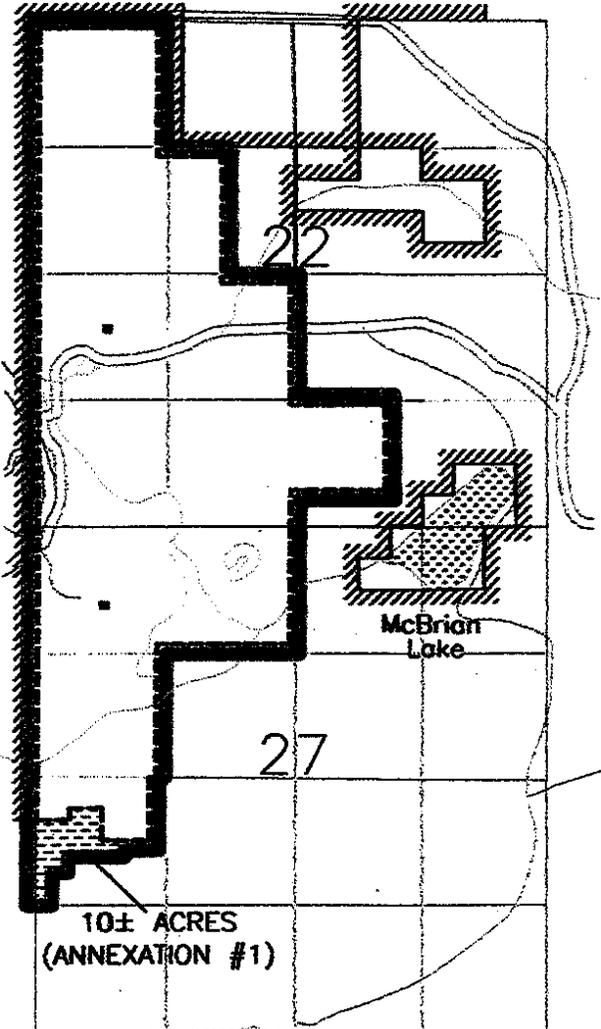
HOT SPRING VALLEY WATER DISTRICT REVISION MAP – HAGGE RANCH, INC.

LOCATED IN SECTIONS 22 & 27, T42N, R11E, MDB&M
MODOC COUNTY, CALIFORNIA



LEGEND

-  HOT SPRING VALLEY WATER DISTRICT PARCEL BOUNDARY BEING REVISED
-  PROPOSED HOT SPRING VALLEY WATER DISTRICT BOUNDARY
-  ANNEXATION TO HOT SPRING VALLEY WATER DISTRICT
-  EXISTING HOT SPRING VALLEY WATER DISTRICT BOUNDARY
-  HOUSE



**HOT SPRING VALLEY WATER DISTRICT
ANNEXATION MAP
Hagge Ranch, Inc.**

Altec Engineering
PO BOX 758 ALTURAS CA
(530) 233-2453

NOVEMBER 2015
Sheet 1 of 1 Job: 15-54

Resolution 2016-0003 of the

Modoc Local Agency Formation Commission

A Resolution Making Determinations and Approving approving a reorganization for the Hot Springs Valley Water District consisting of a detachment of 52.5 acres more or less and annexation of 52.5 acres more or less consisting of a 42.5 acre area and a 10.00 acre area.

WHEREAS, LAFCo received an Application for a detachment of 52.5 acres more or less and an annexation of 52.5 acres more or less consisting of a 42.5 acre area and a 10.00 acre area to and from the Hot Springs Valley Water District has been filed with the Executive Officer of the Modoc Local Agency Formation Commission in Modoc County, California; and said application complied with all the requirements of law and the Commission; and,

WHEREAS, the proceedings for this reorganization are governed by the Cortese-Knox-Hertzberg Local Government Reorganization Act, Section 56000 *et seq.* of the Government Code; and

WHEREAS, at the time and in the manner provided by law, the Executive Officer gave notice of the date, time, and place of a public hearing by the Commission upon said application; and

WHEREAS, the Executive Officer has reviewed the application and has prepared a report including staff recommendations thereon within the time required by law and has furnished copies of said report to the Commission and to all other persons required by law to receive it; and

WHEREAS, at a hearing on June 14, 2016, the Commission considered the proposal and the report of the Executive Officer; the factors determined by the Commission to be relevant to this proposal, including, but not limited to, factors specified in Government Code Section 56668; and all other relevant evidence and information presented at said hearing, including the comments of all interested parties desiring to be heard;

NOW THEREFORE, the Modoc Local Agency Formation Commission does hereby resolve and order the following:

1. The foregoing recitals are true and correct.
2. The territory comprises approximately 52.5 acres more or less to be detached and 52.5 acres containing a 42.5 and a 10.00 acre area more or less to be annexed.
3. The change of organization is assigned the following distinctive short-term designation:

LAFCO 2016-0001 - Hot Springs Valley Water District - Hagge Reorganization

4. The proposal is consistent with the sphere of influence of the Hot Springs Valley Water District, as amended. The Commission has considered the factors determined by the Commission to be relevant to this proposal, including, but not limited to, Sphere of Influence and General Plan consistency, and other factors

specified in Government Code Section 56668 and as described in the staff report dated June 14, 2016.

5. The Commission adopts the determinations regarding consistency with LAFCO Policies contained in the staff report for this reorganization and incorporates them by reference herein.
6. The purpose of this reorganization is to maintain the maximum irrigable acreage and to put to beneficial use the water available under HSVWD water rights for the benefit of all landowners withing the district.
7. In reviewing this application, the Commission finds that all property owners in said territory have been given notice regarding this change of organization.
8. In reviewing this application, the Commission finds that irrigation water services to be provided by Hot Springs Valley Water District are necessary and that there will not be a duplication of other powers provided by any other special district.
9. In reviewing this application, this Commission has considered each of the factors required by Government Code Section 56668 and LAFCO's adopted policies.
10. The LAFCO Executive Officer's Staff Report including attachments and recommendation for approval of the proposal is hereby incorporated by reference and hereby adopted.
11. The map and boundary description are not subject to the State Board of Equalization requirements since the territory to be annexed and detached is not referenced to the Assessor's parcel layer. The boundary descriptions and maps if amended by action of the Commission shall be revised prior to filing of the Certificate of Completion.
12. The boundaries, as set forth in the proposal and (or) amended by action of the Commission, are hereby approved as submitted and are as described in Exhibits "A" Boundary Description and "B" Map attached hereto and by this reference incorporated herein subject to the terms and conditions included.
13. Said annexation territory is found to be uninhabited.
14. Any Modoc County and LAFCO fees must be paid in full prior to filing the Certificate of Completion. LAFCO will forward invoices and (or) a list of required fees prior to filing the Certificate of Completion, as applicable, for direct payment to the agency by project proponent.
15. If required by the Hot Springs Valley Water District (and as applicable) any bonded indebtedness attributed to the territory (acres) being detached shall be paid in full prior to recordation of the Certificate of Completion. The District shall provide LAFCo a letter with a statement of the applicability of bonded indebtedness or if any outstanding balances are due for those acres being detached.

16. Further protest proceedings are waived and the Commission orders the 52.5 acre more or less detachment from the Hot Springs Valley Water District as well as the annexation of 52.5 acres more or less including one 42.5 acre area and one 10.00 acre area to the Hot Springs Valley Water District, pursuant to Part 4 commencing with Section 57000. Satisfactory proof has been given that the subject territory is uninhabited, that all landowners within the affected territory have given their written consent to the proposal and all affected agencies have not objected in writing to the waiver of conducting authority proceedings (Section 56663 of Government Code). Therefore, The Commission does hereby approve and authorize the district to annex and (or) detach the territory described in the Exhibit "A" (map) and "B" (boundary description) to or from the Hot Springs Valley Water District without notice and election.
17. The Commission makes a specific determination that this change of organization is exempt from CEQA, Categorical Exemption, Class 19 and the General Rule Exemption. The Commission hereby adopts a notice of exemption and directs the Executive Officer to file the notice with the County Clerk.
18. All Hot Springs Valley Water Districts previously authorized assessments; taxes, fees and charges shall apply to any annexed territory upon recordation of the Certificate of Completion.
19. One electronic copy (PDF's) of each map and boundary description and three reproducible copies (8 1/2 x 11) of each approved map and boundary description (for all annexations and detachments) shall be submitted to LAFCO) prior to recordation of the Certificate of Completion.
20. Approval of this change of organization is conditioned upon the applicant's obligation to defend, indemnify, and hold harmless the Modoc Local Agency Formation Commission and its agents, officers and employees from any claim, action or proceeding against the Commission or its agents, officers, and employees; including all costs, attorney's fees, expenses and liabilities incurred in the defense of such claim, action, or proceeding to attack, set aside, or void the approval or determinations of this Commission concerning this annexation. The Modoc Local Agency Formation Commission shall promptly notify the applicant of any such claim, action, or proceeding and be entitled to representation by counsel of its choosing.
21. The Executive Officer of this Commission is instructed to mail a certified copy of this resolution to those persons so indicated on the application and as required by Government Code Section 56882.
22. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings.
24. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated.

PASSED AND ADOPTED by the Modoc Local Agency Formation Commission, on the 14th day of June 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINS:

Signed and approved by me after its passage this 14th day of June, 2016.

Kathie Rhoads, Chair – Modoc Local Agency
Formation Commission

Attest:

John Benoit, Executive Officer
Modoc Local Agency Formation Commission

Hagge Ranch – Land Annexed to HSVWD

The land described herein is situated in the County of Modoc, State of California, and is more particularly described as follows:

Annexation #1

Township 42 North, Range 11 East, M. D. B. & M.

Section 27: W 1/2 of W 1/2 of SW 1/4 of NW 1/4 of SW 1/4.

N 1/2 of NE 1/4 of SW 1/4 of NW 1/4 of SW 1/4.

E 1/2 of NW 1/4 of SW 1/4 of NW 1/4 of SW 1/4.

N 1/2 of NW 1/4 of SE 1/4 of NW 1/4 of SW 1/4.
EXCEPT the East 78 feet thereof.

SE 1/4 of NW 1/4 of NW 1/4 of SW 1/4.

SW 1/4 of NW 1/4 of NW 1/4 of SW 1/4.
EXCEPT the North 126.3 feet thereof.

Said land contains 10 acres, more or less.

Annexation #2

Township 42 North, Range 11 East, M. D. B. & M.

Section 28: NE 1/4 of SE 1/4 of SE 1/4.

E 1/2 of NW 1/4 of SE 1/4 of SE 1/4.

SW 1/4 of SE 1/4 of SE 1/4.

NW 1/4 of SE 1/4 of SE 1/4 of SE 1/4.

SE 1/4 of NE 1/4 of SE 1/4.

S 1/2 of SW 1/4 of NE 1/4 of SE 1/4.

Said land contains 42.5 acres, more or less.

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The description contained herein is based on assessment records of the Hot Springs Valley Irrigation District and is not to be used for transfer of ownership, financing or lease purposes.

Hagge Ranch – Land Excluded from HSVWD

The land described herein is situated in the County of Modoc, State of California, and is more particularly described as follows:

Exclusion

Township 42 North, Range 11 East, M. D. B. & M.

Section 21: E 1/2 of SE 1/4 of NW 1/4 of NE 1/4.

W 1/2 of NE 1/4 of SW 1/4 of NE 1/4.

SE 1/4 of NW 1/4 of SW 1/4 of NE 1/4.

SW 1/4 of SW 1/4 of NE 1/4.

W 1/2 of SE 1/4 of SW 1/4 of NE 1/4.

W 1/2 of NW 1/4 of SE 1/4.

N 1/2 of NW 1/4 of SW 1/4 of SE 1/4.

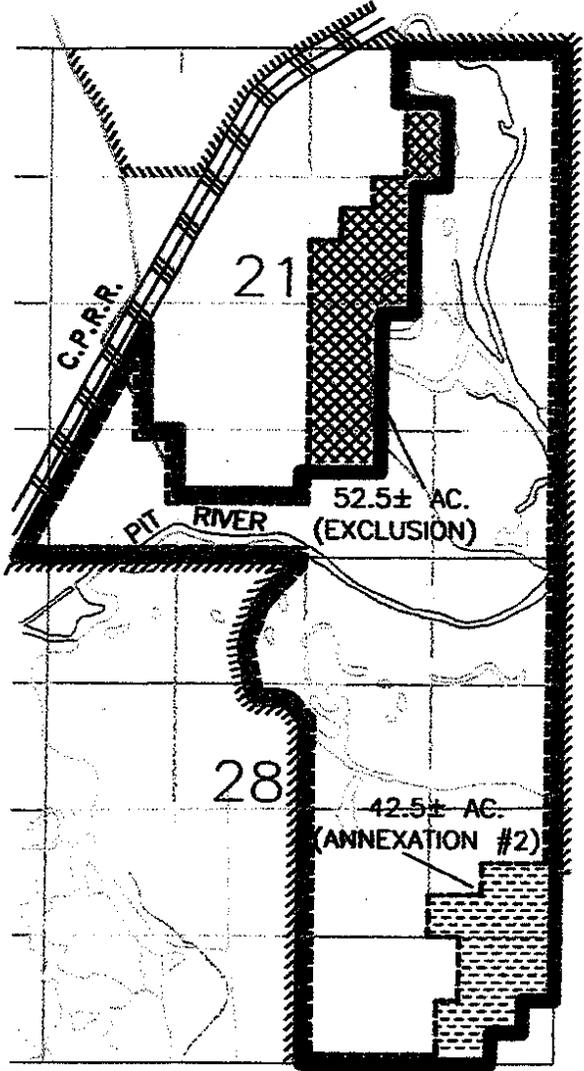
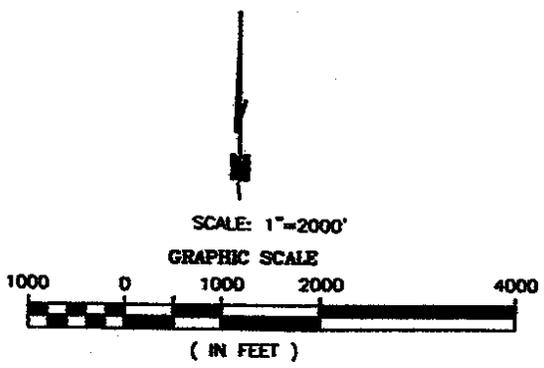
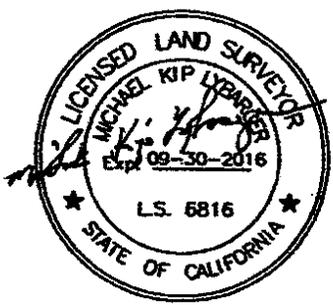
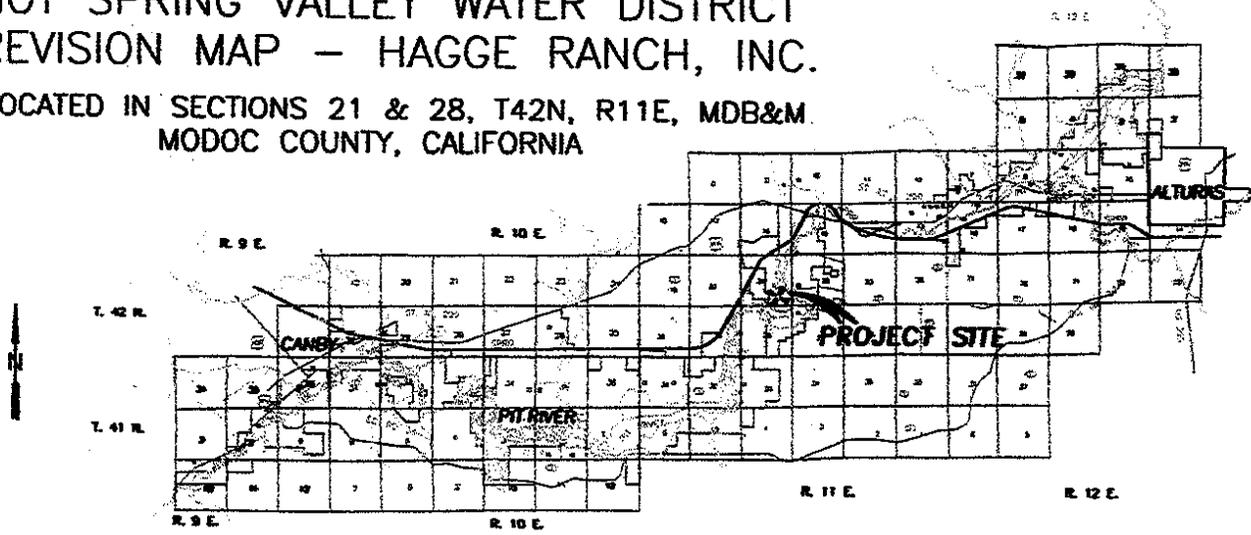
Said land contains 52.5 acres, more or less.

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The description contained herein is based on assessment records of the Hot Springs Valley Irrigation District and is not to be used for transfer of ownership, financing or lease purposes.

HOT SPRING VALLEY WATER DISTRICT REVISION MAP – HAGGE RANCH, INC.

LOCATED IN SECTIONS 21 & 28, T42N, R11E, MDB&M
MODOC COUNTY, CALIFORNIA



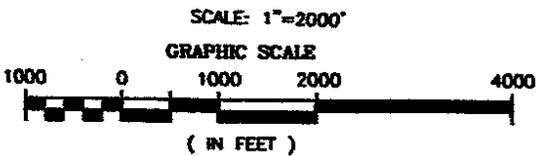
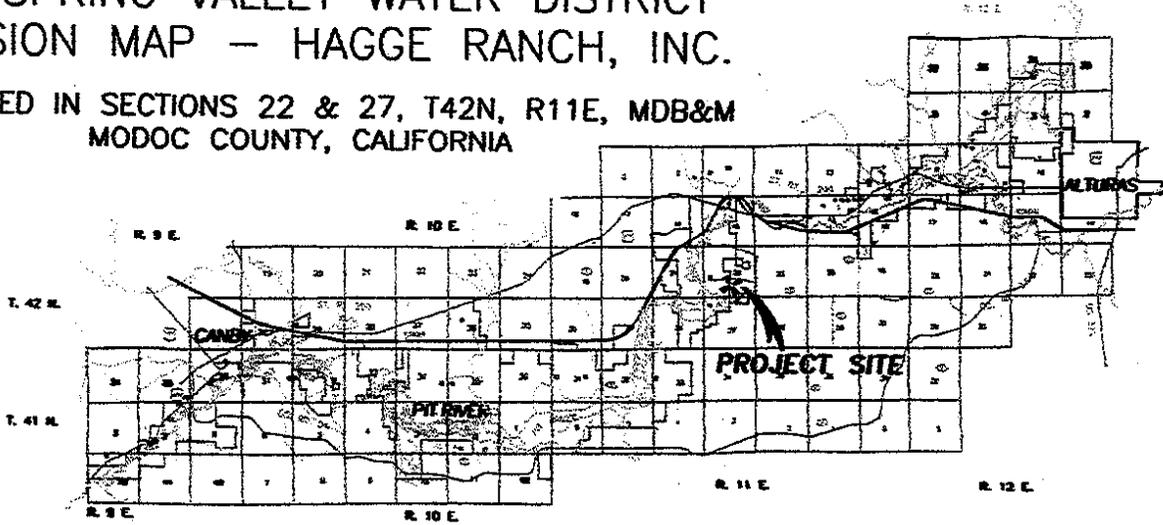
LEGEND

-  HOT SPRING VALLEY WATER DISTRICT PARCEL BOUNDARY BEING REVISED
-  PROPOSED HOT SPRING VALLEY WATER DISTRICT BOUNDARY
-  ANNEXATION TO HOT SPRING VALLEY WATER DISTRICT
-  EXCLUSION FROM HOT SPRING VALLEY WATER DISTRICT
-  EXISTING HOT SPRING VALLEY WATER DISTRICT BOUNDARY

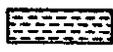
HOT SPRING VALLEY WATER DISTRICT ANNEXATION & EXCLUSION MAP Hagge Ranch, Inc.	
Altac Engineering PO BOX 758 ALTURAS CA (530) 233-2453	NOVEMBER 2015 Sheet 1 of 1 Job: 15-54

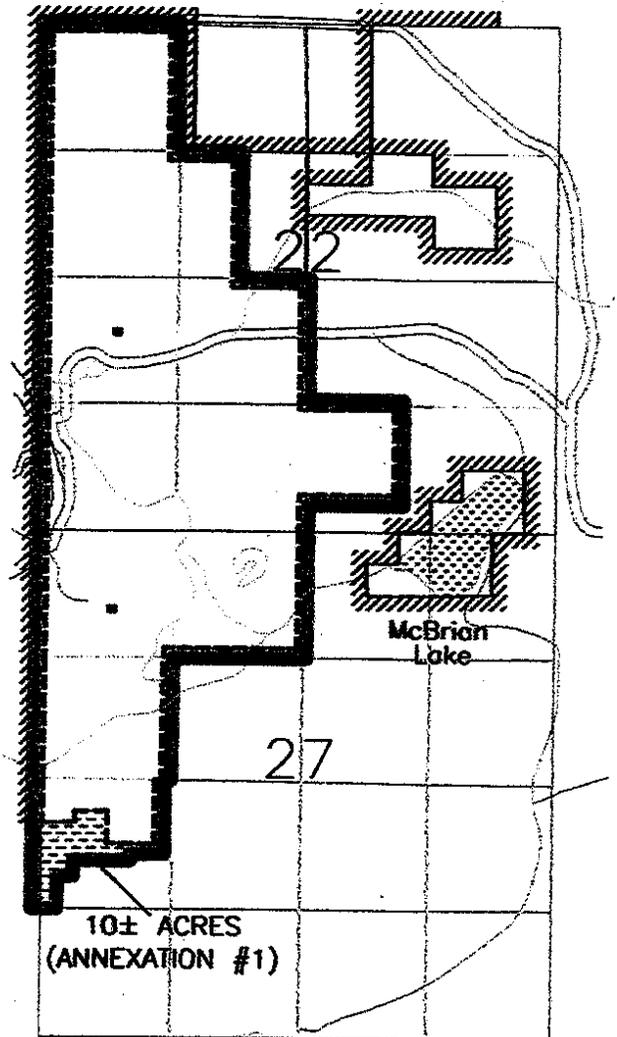
HOT SPRING VALLEY WATER DISTRICT REVISION MAP - HAGGE RANCH, INC.

LOCATED IN SECTIONS 22 & 27, T42N, R11E, MDB&M
MODOC COUNTY, CALIFORNIA



LEGEND

-  HOT SPRING VALLEY WATER DISTRICT
PARCEL BOUNDARY BEING REVISED
-  PROPOSED HOT SPRING VALLEY WATER
DISTRICT BOUNDARY
-  ANNEXATION TO HOT SPRING VALLEY
WATER DISTRICT
-  EXISTING HOT SPRING VALLEY WATER
DISTRICT BOUNDARY
-  HOUSE



**HOT SPRING VALLEY WATER DISTRICT
ANNEXATION MAP
Hagge Ranch, Inc.**

Alec Engineering
PO BOX 758 ALTURAS CA
(530) 233-2453

NOVEMBER 2015
Sheet 1 of 1 Job: 15-54