BEFORE THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF KERN, STATE OF CALIFORNIA

In the Matter of
Lost Hills Utility Dist: Annexation No. 17
Proceeding No. 1676

REPORT AND RECOMMENDATION
August 12, 2015

In the above-entitled matter the staff report and the recommendation of the executive officer are respectfully submitted as follows:

PROPOSAL BACKGROUND AND ANALYSIS:

On May 15, 2015 the Lost Hills Utility District submitted Annexation No. 17 to Kern LAFCo. The process required by the Cortese Knox Hertzberg has been followed including notices to affected agencies and any notices and publications required by law.

This proposal is to annex approximately three areas consisting of approximately 327 acres of to the Lost Hills Utility Dist in order to provide municipal services. The proposal consists of three areas. The first area (A) will be an expansion of a county park the second area (B) is planned for an apartment complex and the third area (C) is currently a solar project.

This proposal has 100% landowner consent and the applicant (District) requests that the Commission waive notice hearing and protest hearing.

CONDITION RECOMMENDED BY EXECUTIVE OFFICER:

The Applicant has signed an agreement to actively defend or indemnify and hold harmless the Kern County Local Agency Formation Commission or its agents, officers and employees, from any liability or loss connected with the approval of Lost Hills Utility Dist: Annexation No. 17.

CONDITION REQUESTED BY APPLICANT

The Applicant requests the following conditions in their resolution of application however these conditions are not enforceable by LAFCo therefore not a LAFCo condition. The District would be responsible for enforcing these conditions. "(a) that area C shall not have any right to sewer service from District unless the property owners of the property first pay the full cost of upgrading District’s sewer system to service them and extending it to the property and (b) that the property may receive water service only upon construction to District’s specifications by property owner of a waterline and all pumps and appurtenances thereto at property owner’s sole cost and expense connecting the property to the District’s water system and acquisition of all rights of way
ENVIRONMENTAL IMPACT STATEMENT:

The District as lead agency has prepared and filed a Notice of Exemption. The Commission has been given a copy of the District's Notice of Exemption to review and consider.

TAXATION:

Property tax will not increase due to annexation.

NOTE TO THE PUBLIC:

If you are an applicant for, or a participant in (actively supporting or opposing) any proceeding on the agenda and have made a campaign contribution of $250 or more to or for any of the Commission members, state law provides for disqualification of Commissioner voting, or even prohibition of such gifts. These restrictions also apply to agents of applicants or participants. Please consult with Commission staff as to the requirements of the Political Reform Act (Government code Section 84308)

RECOMMENDATION:

It is recommended that the Commission consider the notice of exemption and approve the proposed annexation, subject to condition recommended by Executive Officer, conditions requested by applicant, waiving notice, hearing and protest hearing as requested by the applicant. (Resolution)

Respectfully Submitted

Rebecca Moore
Executive Officer
The following are the considerations required by Gov Code 56668:

a) POPULATION AND POPULATION DENSITY; LAND AREA AND LAND USE; PER CAPITA ASSESSED VALUATION; TOPOGRAPHY, NATURAL BOUNDARIES, AND DRAINAGE BASINS; PROXIMITY TO OTHER POPULATED AREAS; THE LIKELIHOOD OF SIGNIFICANT GROWTH IN THE AREA, AND IN ADJACENT INCORPORATED AND UNINCORPORATED AREAS, DURING THE NEXT 10 YEARS.

This area is uninhabited and developed as an elementary school. The surrounding areas are agricultural and industrial. There is no unusual topography or natural boundaries in this area. This area is served by the Tulare Lake (drainage basin). Additional growth is not likely in this area.

ASSESSED VALUATION: Secured: $3,333,940 Unsecured: $56,958

b) THE NEED FOR ORGANIZED COMMUNITY SERVICES

EXISTENCE OF: FUTURE NEEDS:

Essential governmental services and controls now provided, or which may be provided in the future by local governmental agencies within subject territory include the following:

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<thead>
<tr>
<th>Type</th>
<th>Now provided by</th>
<th>After proposed action future needs provided by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>County of Kern</td>
<td>Same</td>
</tr>
<tr>
<td>Parks and Recreation</td>
<td>County of Kern</td>
<td>Same</td>
</tr>
<tr>
<td>Library</td>
<td>County of Kern</td>
<td>Same</td>
</tr>
<tr>
<td>Police Protection</td>
<td>Sheriff &amp; CHP</td>
<td>Same</td>
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<tr>
<td>Fire Protection</td>
<td>County of Kern</td>
<td>Same</td>
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<td>Streets</td>
<td>County of Kern</td>
<td>Same</td>
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<td>Flood Control</td>
<td>County of Kern</td>
<td>Same</td>
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<tr>
<td>Sewerage</td>
<td>none</td>
<td>Same Lost Hills Utility Dist</td>
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<tr>
<td>Water</td>
<td>none</td>
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c) THE EFFECT OF THE PROPOSED ACTION AND OF ALTERNATIVE ACTIONS ON ADJACENT AREAS, ON MUTUAL SOCIAL AND ECONOMIC INTERESTS AND ON THE LOCAL GOVERNMENTAL STRUCTURE OF THE COUNTY.

The proposal does not change zoning or land uses in the area and does not affect the land use of adjacent areas. The proposed annexation does not impact any social or other economic interests in the area. The alternative action would be to not allow annexation which would deny water service to the affordable
The Conformity of both the Proposal and its Anticipated Effects with both the Adopted Commission Policies on providing Planned, Orderly Efficient Patterns of Urban Development and the Policies and Priorities set forth in Section 56377.

The proposal is consistent with Commission policies.

e) The Effect of the Proposal on Maintaining the Physical and Economic Integrity of Agricultural Lands as Defined by Section 56016

"Agricultural Lands" means lands currently used for the purpose of producing an agricultural commodity for commercial purposes, and left fallow under a crop rotational program or land enrolled in an "Agricultural Subsidy or Set-Aside Program".

This proposal does not convert agricultural lands.

f) The Definiteness and Certainty of the Boundaries of the Territory.

The boundary of the proposed annexation conforms to the assessor parcel.

g) A Regional Transportation Plan Adopted Pursuant to Section 65080 and Consistency with City or County General and Specific Plans.

This proposal does not conflict with the County's General Plan, Regional Transportation Plan or any Specific Plans.

h) The Sphere of Influence of Any Local Agency Which May Be Applicable to the Proposal Being Reviewed.

The area is within the sphere of the following districts:

Kern Air Pollution Control District
Kern Citrus Pest Control District
Kern County Water Agency
Kern Joint Community College District
Wasco Union High School District
Kern Roads
Lost Hills Elementary School District
Lost Hills Water District
Cemetery District No. 1
West Side Mosquito and Vector Control
West Side Hospital District
County Commission on School District Organization

There will be no functional overlap.
i) COMMENTS OF ANY AFFECTED LOCAL AGENCY OR OTHER PUBLIC AGENCY:

A notice was sent to affected local agencies and no comments were received. A copy of the proposal was sent to the County Assessor, County Planning and County Surveyor. Comments were received from these agencies and used for this report.

j) THE ABILITY OF THE NEWLY FORMED OR RECEIVING ENTITY TO PROVIDE THE SERVICES WHICH ARE THE SUBJECT OF THE APPLICATION TO THE AREA, INCLUDING THE SUFFICIENCY OF REVENUES FOR THOSE SERVICES FOLLOWING THE PROPOSED BOUNDARY CHANGE.

The District has submitted a plan for services indicating that they charge connection fees and bill monthly for water. The District has submitted a water study which states that there will be sufficient water supply for the proposed annexation areas. The study also notes that the district will need to continue to modify the water supply and distribution system.

k) TIMELY AVAILABILITY OF WATER SUPPLIES ADEQUATE FOR PROJECTED NEEDS AS SPECIFIED IN GOV CODE SECTION 65352.5

The District has submitted a water study which states that there will be sufficient water supply for the proposed annexation areas. The study also notes that the district will need to continue to modify the water supply and distribution system. The study takes into account not only this proposal but also in-fill and total build out of the Lost Hills area which is not guaranteed. The study includes the Berrenda Mesa Water System which is for domestic water and administered by Lost Hills Public Utility District.

l) THE EXTENT TO WHICH THE PROPOSAL WILL AFFECT A CITY AND THE COUNTY IN ACHIEVING THEIR RESPECTIVE FAIR SHARE OF THE REGIONAL HOUSING NEEDS.

This annexation will help the county in achieving their share of the affordable housing needs.

m) ANY INFORMATION OR COMMENTS FOR THE LANDOWNER OR OWNERS, VOTERS OR RESIDENTS OF THE AFFECTED TERRITORY.

Other than request (consent) for annexation no other comments have been made to LAFCo.
n) ANY INFORMATION RELATING TO EXISING LAND USE DESIGNATIONS.

Area (A) will be an expansion of a county park the second area (B) is planned for an apartment complex and the third area (C) is currently a solar project.

o) THE EXTENT TO WHICH THE PROPOSAL WILL PROMOTE ENVIRONMENTAL JUSTICE (FAIR TREATMENT OF PEOPLE OF ALL RACES CULTURES, AND INCOMES WITH RESPECT TO THE LOCATION OF PUBLIC FACILITIES AND THE PROVISION OF PUBLIC SERVICES.

The project does not result in the unfair treatment with respect to the location of public facilities and provision of public services.
PROPERTY OWNERS

Lost Hills Utility District:

Annexation No. 17

County of Kern

HA Lost Hills LLC/First Solar Inc.

Paramount Land Co. LLC