

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

OUT-OF-AGENCY SERVICE AGREEMENT

August 2, 2001 (Agenda)

LAFCO 01-9: City of Santa Maria – Machinist's Union

LOCATION Approximately one acre located west of and adjacent to Orcutt Road, about 130 feet north of Goodwin Road. (3265 Orcutt Road)

REQUEST: The City of Santa Maria requests authorization to provide domestic water outside of its boundaries for an existing meeting facility owned by the Machinist's Union.

GENERAL ANALYSIS:

1. Introduction

Government Code §56133 states that "A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundaries only if it first requests and receives written approval from the commission."

Further, "The commission may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization."

The City of Santa Maria has requested authorization to provide domestic water supply for the Machinist's Union meeting hall. The parcel in question is within the City's sphere of influence but it is not contiguous to the City boundaries and cannot, therefore, be annexed at this time without including other properties in the annexation.

2. Present and Future Land Use, City Boundaries and Public Services

The site is a one-acre parcel with an existing facility. No change in land use is proposed. Existing water service for this parcel is from a private, shallow well that has a higher probability for potential contamination than municipal water. The City and property owners propose to substitute connection to the City water system for the well.

An existing City water main is located in Orcutt Road adjacent to the subject parcel. No main line extension is required to serve the property, which could be connected to the line for an estimated construction cost of \$1,000.

Several unincorporated parcels in the vicinity of the Machinist's Hall already receive water from the City of Santa Maria. The application from the City states:

“Annexation of parcels in this vicinity could occur at any time deemed appropriate. It does not seem appropriate that this single parcel should be considered for annexation possibility until consideration for surrounding parcels occurs.”

3. Annexation vs. Out-of-Agency Service Agreement

It is the Commission's policy about out-of-agency services that,

“Annexations to cities and special districts are generally preferred for providing public services; however, out-of-agency service agreements can be an appropriate alternative.”

“While each proposal must be decided on its own merits, the Commission may favorably consider such agreements in the following situations:

- A. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
- B. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use. (Emphasis added)
- C. Where public agencies have a formal agreement defining service areas, provided LAFCO has formally recognized the boundaries of the agreement area.
- D. Emergency or health related conditions militate against waiting for annexation.
- E. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Santa Barbara LAFCO.”

The City staff has provided the enclosed map of the area surrounding the Machinist's Union hall showing that many nearby parcels are connected to the City water system. The owners of some of these properties have signed agreements to annex to the City but others are receiving services with no annexation agreement on file.

The staff feels it would timely and justified to work with the City of Santa Maria staff to pursue annexation proceedings for these urbanized areas that are within the City's sphere of influence and currently receiving services from the City.

4. Landowner Consent to Annex

The Commission's policy is that whenever a property may ultimately be annexed to a city or special district, an out-of-agency service agreement should require recordation by the landowner of an agreement consenting to annex the territory and that such consent inure to future owners of the property.

The application materials from the City included a generic "Agreement for Utility Connection and Service Outside of City Boundaries" that waives the landowners right to protest future annexation, but the agreement has not been executed or recorded.

5. Environmental Impact of the Proposal

There is no change in land use or entitlements from the City or the County, and therefore environmental review is not required.

The impacts of this out-of-agency agreement are similar to the annexation of a developed parcel to a city or special district, an action that is categorically exempt pursuant to CEQA Guidelines Section 15319 (Class 19 - Annexation of Existing Facilities and Lots for Exempt Facilities).

6. Alternatives for LAFCO Actions

Alternatives available to the Commission include:

- Option 1. Approve the request, as recommended below.
- Option 2. Approve the request with different terms and conditions.
- Option 3. Deny the request.
- Option 4. Continue the item to obtain additional information.

RECOMMENDED ACTION

Authorize the City of Santa Maria to provide water service to this parcel subject to the following terms and limitations:

1. LAFCO's approval applies to both current and future property owners.
2. Water supply is the only authorized service.
3. Approval to extend services beyond those specifically noted herein is withheld and is subject to future LAFCO review.
4. Before the service is provided the property owner shall record an agreement consenting to annex to the City.

It is further recommended that the LAFCO staff be directed to work with the City of Santa Maria to explore and facilitate annexations to the City of properties within the City's sphere of influence that are already receiving City services.

BOB BRAITMAN
Executive Officer
LOCAL AGENCY FORMATION COMMISSION