



CITY OF MARTINEZ

**COUNCIL AGENDA
May 7, 2014**

TO: Mayor and City Council
FROM: Tim Tucker, City Engineer
SUBJECT: Out of Agency Water Service
DATE: May 1, 2014

RECOMMENDATION:

Adopt resolution establishing a non-binding strategy to annex Alhambra Valley by the year 2020 in a single phase approach.

BACKGROUND:

State law regulates under what conditions a city owned water systems may “extend” water service to new customers outside their jurisdictional boundaries. State statute allows the Local Agency Formation Commission (LAFCO) to approve out of agency service under two situations:

- 1) Existing or impending threat to the health and safety of the public, or
- 2) In anticipation of a future annexation (if the subject property is within the City's Sphere of Influence (SOI)).

City water systems must meet one of these conditions even though the properties are within the City’s Water Service Area. State statutes do not define the meaning of “Extension of Service.” Contra Costa’s LAFCO staff has taken a conservative approach when making interpretations of this statute. LAFCO indicates the mere act of installing a water service line to a water meter on an existing water main constitutes an extension of service. This is regardless of if the surrounding properties are currently being served with City water.

Should LAFCO not be able to make one of the findings above, current developments with County approvals and future development and single parcel development cannot proceed. In some cases developers have already received County approval and constructed or paid for significant improvements for sewer and water system improvements. These investments could be lost should LAFCO not be able make the required findings.

The LAFCO Board requested that when the City submits applications for “Out of Agency Water Service Agreements” that the City provide:

- a map showing which properties in the area currently have City water;
- a map showing which properties in the area currently have deferred annexation agreements; and
- details regarding the future annexation of Alhambra Valley (i.e. approximate acreage).

The LAFCO Board also indicated that it would be useful for the Commission to see the City's long-term strategy/timeline and cohesive plan for annexing the Alhambra Valley, and to receive the necessary assurances that these requests for out of agency service are in accordance with the statute.

DISCUSSION:

There is an owner (Spencer) of vacant property on Gordon Way, within the Urban Limit Line, within the City Water Service Area, but outside the City Corporation boundary that is requesting water service. He contends that as part of the subdivision approval in 1955 that the City indicated that water service was available. LAFCO legal counsel has reviewed the documentation. Based on their legal analysis, they concluded that the document does not establish a vested right to water or trump the requirements of the LAFCO law. The City, at Mr. Spencer's expense, must obtain an "Out of Agency Water Service Agreement" approval from LAFCO prior to providing water.

Staff has previously developed the maps showing properties currently served with water and with deferred annexation agreements requested by LAFCO. Staff has also developed a proposed non-binding strategy for future annexations of the area.

On March 29, 2014 the Annexation Subcommittee recommended the City annexation strategy for the Alhambra Valley be a single step process in lieu of attempting to annex the valley in phases.

The strategy also includes:

1. Informing un-incorporated Alhambra Valley residents of programs the City could implement or maintain that are also benefit non residents.
2. Informing un-incorporated Alhambra Valley residents of improvements the City has implemented such as park renovations.
3. The polling of un-incorporated Alhambra Valley residents of their needs and desires of local government.

At this time it is unlikely the City could process a successful application with LAFCO to annex additional Alhambra Valley areas. Should development occur the issue will be revisited with the Annexation Subcommittee. Staff recommends the Council set the timeline for annexing the Alhambra Valley by 2020.

FISCAL IMPACT:

None at this time. All costs for "Out of Agency Water Service Agreements" applications are reimbursed by the developer requesting water service. There are costs associated with annexing property both in the application processing phase and after annexation. Some, if not all costs are offset with increased property tax revenues. However staff is not proposing to submit an application for annexing any property at this time.

ACTION:

Motion to adopt a resolution establishing a non-binding strategy to annex Alhambra Valley by the year 2020 in a single phase approach.

Attachment:
Resolution
Site Map

APPROVED BY:


Interim City Manager

RESOLUTION NO. -14

**ADOPT RESOLUTION ESTABLISHING A NON-BINDING STRATEGY TO
ANNEX "ALHAMBRA VALLEY" BY THE YEAR 2020 IN A
SINGLE PHASE APPROACH**

WHEREAS, in the past the City Council of the City of Martinez (Council) has pursued annexations within the southwest portion of the City of Martinez's Sphere of Influence (SOI) commonly known as Alhambra Valley; and

WHEREAS, the Council adopted Resolution 116-10 establishing Design Guidelines for portions of Alhambra Valley; and

WHEREAS, the Council adopted Resolution 115-10 establishing General Plan policies and Land Use designations for portions of Alhambra Valley; and

WHEREAS, the Council adopted Resolution 114-10 adopting a Negative Declaration for annexing portions of Alhambra Valley; and

WHEREAS, the Council adopted Resolution 123-12 Reaffirming the Councils desire to annex the remainder of Alhambra Valley within the Martinez Sphere of Influence; and

WHEREAS, the Council believes that a non-binding single phase process as depicted on Exhibit "A" attached, is the most likely process for annexing the Alhambra Valley within the Martinez Sphere of Influence; and

WHEREAS, the Council set the goal and timeline for completing the annexation of Alhambra Valley by the year 2020; and

WHEREAS, the Council direct staff inform residents of Alhambra Valley SOI on a regular basis accomplishments within the City Limits that benefit non residents such as park, road and water system improvements; and

WHEREAS, the Council direct staff poll residents of Alhambra Valley SOI on a regular basis regarding ideas and desires for improvements and programs the City could implement or maintain that also benefit non residents; and

WHEREAS, the Council requests staff report to the Council every even year at a minimum the status, quantity and location of Differed Annexation Agreements; and

WHEREAS, the Council direct staff to report to the Council every even year at a minimum the status, quantity and location of Differed Annexation Agreements and likelihood of successful additional annexations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Martinez establishing a non-binding strategy to annex Alhambra Valley by the year 2020 in a single phase approach.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 7th day of May, 2014, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

Alhambra Valley Annexation Plan

Legend

Completed Annexation

Future Annexation

Parcels with Deferred Annexation Agreements

Vacant Properties

City Limits

Sphere of Influence

Urban Limit Line



Note: Annexation limits will only include properties that are within the City of Martinez Sphere of Influence & within the Urban Limit Line.

May 2014

