



AGENDA ITEM 6A

MEETING: May 25, 2016
TO: Humboldt LAFCo Commissioners
FROM: George Williamson, Executive Officer
SUBJECT: **Authorization of a Request from the City of Blue Lake to Extend Water and Wastewater Services Outside the City Boundary to 271 Davis Street**
The Commission will consider a request submitted by the City of Blue Lake to extend water and wastewater services to a vacant parcel proposed to be developed with a single family residence, located within the City's Sphere of Influence.

Local Agency Formation Commissions (LAFCos) are responsible under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to regulate the formation and development of local governmental agencies and their municipal services. This includes approving or disapproving requests from cities and special districts to provide new or extended municipal services outside their jurisdictions under California Government Code (G.C.) Section 56133. LAFCos are authorized to condition approval for outside service agreements as long as the terms do not directly regulate land use, property development, or subdivision requirements.

BACKGROUND

LAFCo has received an application filed by the City of Blue Lake for the extension of water and sewer services to a 4.3-acre parcel (APN 312-121-013) located outside of the Blue Lake city limits. The parcel is adjacent to Blue Lake Boulevard and contains a portion of Davis Street. The parcel was part of a larger parcel that was subdivided into two parcels, one developed with an existing residence and one vacant, in 1995 (see parcel map, Attachment A). According to City records, the property owner paid connection fees to the City for water and wastewater services in June of 1995, intended for the vacant parcel. The current property owner is selling the vacant parcel for the development of a single-family residence.

The proposed service extension is separate from the approximately 106 City utility accounts for water and sewer connections outside of City limits. Several of these connections are for properties directly adjacent to the subject parcel. Existing water and sewer lines occur within the Blue Lake Boulevard right-of-way adjacent to the subject parcel and could be extended a short distance to serve the property.

The City has expressed its willingness to serve in a letter dated April 26, 2016 (see Attachment B). This is based on the fact that the current property owner has already paid the connection fees and that existing utility lines occur directly adjacent to the subject parcel. In addition, the City Council adopted Resolution No. 1071, approving

the water and sewer service extension, subject to approval by LAFCo, on May 10, 2016 (see Attachment C).



DISCUSSION

G.C. Section 56133 requires cities and special districts to request and receive written approval from LAFCo before entering into agreements to provide new or extended services outside their jurisdictional boundaries. The Commission may authorize a city to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence "in anticipation of a later change of organization". It is Humboldt LAFCo's policy that the inclusion of an area to be served within the sphere of influence of the subject agency shall be sufficient to comply with this provision.

Humboldt LAFCo policy provides that the Commission review all development-related applications, whereas the Executive Officer can administratively approve non-development related extensions for health and safety reasons. Upon receipt of the City's application, LAFCo staff provided a referral to the County and other interested agencies (See Attachment D). No comments have been received.

ANALYSIS

The Commission has a locally-adopted Policy on Outside Service Agreements, most recently approved in 2012. Several components are especially relevant to this application:

Criteria for Authorizations for Outside Service Area Requests

The Commission's policy clarifies in Section 5.7 that the Commission and the Executive Officer shall limit its outside service area authorizations to circumstances where:

A. Sufficient service capacity exists;

Staff Analysis: According to the City's Public Works Department, the City currently has more than sufficient water capacity to serve the property including storage capacity. In September 2013, it was determined that the City had unallocated sewer capacity equal to one hundred (100) residential equivalent units (REU's). At that time, the City Council adopted an interim policy pertaining to the release of sewer capacity which reserved sixty (60) residential equivalent units for residential development which includes both single and multi-family uses. Since that time the City has allocated approximately 26 REU's, leaving approximately 34 remaining.

B. Annexation would not be practicable; and

Staff Analysis: Annexations involving territory located within the affected City's sphere of influence is generally preferred to out of agency service agreements. The Commission recognizes, however, there may be instances when out of agency service agreements are appropriate given local circumstances or conditions.

In the case of this request, the City has acknowledged that there are approximately 106 utility accounts for water and sewer connections outside the City limits, several of which are directly adjacent to the subject property. The city maintains that they conducted an Annexation Study in 2001 to determine the feasibility of annexing parcels within its adopted sphere of influence. The study determined that there would be benefits to annexation such as a small amount of additional property tax and land use control, but that the cost of being responsible for the maintenance of Blue Lake Boulevard and Glendale Drive outweighed the benefits. Since the study was conducted, the City has considered the annexation of parcels within its SOI and determined it not to be a viable option at the present time.

The subject property is planned for residential uses that may eventually require urban services. Considering the service extension has been requested for development of a single-family residence and is not intended to provide urban services that would create growth or affect open space and agricultural lands, LAFCo staff has included a recommended condition that would limit the extension of water and sewer services to one (1) single-family residence on the subject parcel, and not to any other properties.

C. The outside service area request is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

Staff Analysis: There are no additional requirements for consideration under G.C. Section 56133 that should be considered by the Commission.

Environmental Review

All matters that involve discretionary action are subject to the applicable provisions of the California Environmental Quality Act (CEQA). The City, as lead agency, has determined the proposed water and wastewater service extension is a project under CEQA, but qualifies for an exemption from further review pursuant to CEQA Guidelines Section 15301 (Class 1) and 15303(d), New Construction or Conversion of Small Structures, which exempts the construction and location of water mains and other utility extensions of reasonable length to serve such construction.

RECOMMENDATION

Staff recommends the Commission approve the extension of water and wastewater services outside the City's boundary to APN 312-121-013, as submitted by the City (Option 1). It is recommended that the approval include the following standard conditions:

- o The City of Blue Lake and property owners of the subject parcel shall enter into a recorded Covenant and Agreement Regarding Water and Wastewater Services to include a provision that limits the extension of services to one (1) single-family residence permitted on the subject parcel, and not to any other properties. Any expansion or intensification of water or wastewater services on said property shall be considered a new request, subject to LAFCo review. This Covenant and Agreement shall automatically terminate at such time as the property is annexed to the City of Blue Lake.
- o All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.

ALTERNATIVES FOR COMMISSION ACTION

Staff has identified three options for Commission consideration with respect to the service extension request. These options are summarized below.

- o Option 1 (Recommended): Adopt the draft resolution identified as Attachment E, approving the request with the recommended conditions along with any desired changes as requested by members.
- o Option Two: Continue consideration of the item to the next regular meeting and provide direction to staff for additional information as needed.
- o Option Three: Disapprove the proposal. Disapproval would statutorily prohibit the initiation of a similar proposal for one year unless a request for reconsideration is filed and approved within 30 days of Commission action.

PROCEDURES FOR CONSIDERATION

The following procedures are recommended with respect to the Commission's consideration of this item:

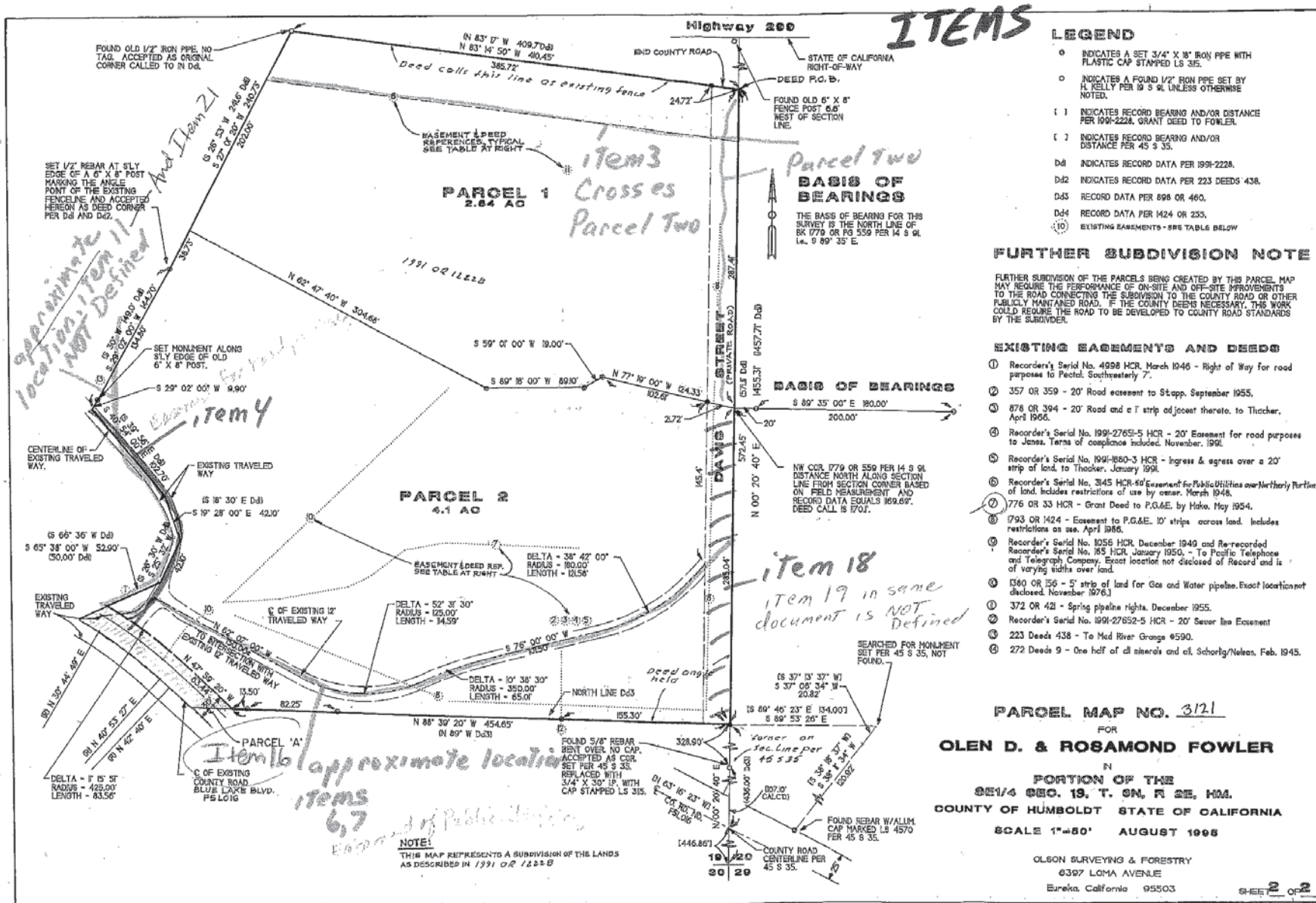
- A. Receive verbal report from staff
- B. Invite public testimony
- C. Discuss item and consider action on recommendation:

"I move to adopt Resolution No. 16-03, authorizing the City of Blue Lake to extend water services outside the City boundary to 271 Davis Street (APN 312-121-013), as described in the staff report, subject to the recommended conditions."

Attachments:

- Attachment A: Parcel Map
- Attachment B: City Willingness to Serve Letter
- Attachment C: City Resolution No. 1071
- Attachment D: LAFCo Referral to interested and subject agencies
- Attachment E: Resolution No. 16-03

Cc: Garry Rees, City of Blue Lake Planner





CITY OF BLUE LAKE

Post Office Box 458,
Phone 707.668.5655

111 Greenwood Road,

Blue Lake, CA 95525
Fax 707.668.5916

DATE: April 26, 2016

FROM: Garry Rees, City Planner

TO: Humboldt County Local Agency Formation Commission (LAFCo)

RE: Provision of water and sewer service to parcel 312-121-013 (291 Davis Street)

The City has received a request from Gloria J. Montgomery to provide water and sewer service to parcel 312-121-013 (291 Davis Street) outside of Blue Lake city limits. The parcel is currently vacant and the services would allow the development of a single-family residence. According to City records, the property owner previously paid connection fees to the City for these services on 06/01/1995.

According to the Public Works Department, the City currently has more than sufficient water capacity to serve the property including storage capacity. In September 2013, it was determined that the City had unallocated sewer capacity equal to one hundred (100) residential equivalent units (REU's). At that time, the City Council adopted an interim policy pertaining to the release of sewer capacity which reserved sixty residential (60) residential equivalent units for residential development which includes both single and multi-family uses. Since that time the City has allocated approximately 26 REU's for residential development, leaving approximately 34 remaining.

Currently, the City has approximately 106 utility accounts for water and sewer connections outside of City limits. Several of these connections are for properties directly adjacent to parcel 312-121-013 including parcels 312-121-001, -003, -004, -007, -008, -009 and 312-131-002, -003, -004, -005, -014, -035. Existing water and sewer lines occur within the Blue Lake Boulevard right-of-way adjacent to parcel 312-121-013 and could be extended a short distance to serve the property.

The City conducted an Annexation Study in 2001 to determine the feasibility of annexing parcels within its Sphere of Influence (SOI). The study determined that there would be benefits to annexation such as a small amount of additional property tax and land use control, but that the cost of being responsible for the maintenance of Blue Lake Boulevard and Glendale Drive outweighed the benefits. Since the study was conducted, the City has considered the annexation of parcels within its SOI and determined it not to be a viable option at the present time.

Since the property owner has already paid the connection fees for water and sewer service and the existing utility lines occur directly adjacent to parcel 312-121-013, the City supports providing water and sewer service to the property to allow the development of a single-family residence.

If you have any questions please e-mail (garry@streamlineplanning.net) or call me at (707) 822-5785.

RESOLUTION NO. 1071

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BLUE LAKE EXPRESSING
INTENT TO PROVIDE WATER AND SEWER SERVICE TO PARCEL 312-121-013 (291 DAVIS
STREET) TO ALLOW FOR THE DEVELOPMENT OF A SINGLE-FAMILY RESIDENCE**

WHEREAS, the City of Blue Lake has received a request from Gloria J. Montgomery to provide water and sewer service to parcel 312-121-013 (291 Davis Street) which is located outside of the Blue Lake City limits; and

WHEREAS, according to City records, the property owner previously paid connection fees to the City for water and sewer services on June 1, 1995; and,

WHEREAS, parcel 312-121-013 (291 Davis Street) is currently vacant and the services would allow the development of a single-family residence; and,

WHEREAS, the City currently has sufficient water and sewer capacity to serve the property, including water storage capacity; and,

WHEREAS, the City currently has approximately one-hundred six (106) utility accounts for water and sewer connections outside of City limits including for properties directly adjacent to parcel 312-121-013 (291 Davis Street); and,

WHEREAS, existing water and sewer lines occur within the Blue Lake Boulevard right-of-way adjacent to the parcel and could be extended a short distance to serve the property; and,

WHEREAS, the City conducted an Annexation Study in 2001 to assess the feasibility of annexing parcels within its Sphere of Influence (SOI) and concluded that there would be benefits to such annexation, but the cost of being responsible for the maintenance of Blue Lake Boulevard and Glendale Drive outweighed the benefits; and,

WHEREAS, since the study was conducted, the City has considered the annexation of parcels within its Sphere of Influence and determined it not to be a viable option at the present time;

NOW THEREFORE, be it resolved by the City Council of the City of Blue Lake as follows:

1. The City Council finds that the project is categorically exempt pursuant to Section 15301 (Class 1) of the City's duly adopted CEQA Guidelines which allows the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of public or private structures and Section 15303 (Class 3) of the City's duly adopted CEQA Guidelines which allows the construction and location of limited numbers of new, small facilities or structures, including water main, sewage, electrical, gas, and other utility extensions.

2. The City Council of the City of Blue Lake hereby expresses its intent to provide water and sewer services to parcel 312-121-013 (291 Davis Street) to allow the development of a single-family residence.

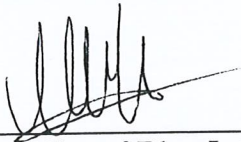
INTRODUCED, PASSED, AND ADOPTED this 10th day of May, 2016 by the following roll call vote:

AYES: McCall-Wallace, Sawatzky, Kullmann, Lynch, Jones

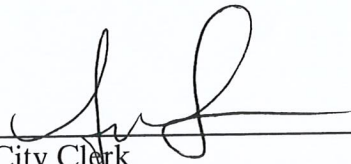
NAYS: none

ABSENT: none

ABSTAIN: none



Mayor, City of Blue Lake



City Clerk

CLERK'S CERTIFICATES

I hereby certify that the foregoing is true and correct copy of Resolution No. 1071, passed and adopted at a regular meeting of the City Council of the City of Blue Lake held on the 10th day of May 2016, by the following roll call vote:

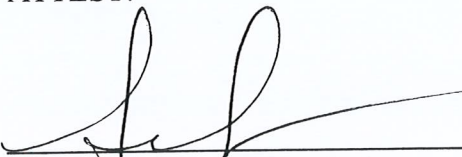
AYES: McCall-Wallace, Sawatzky, Kullmann, Lynch, Jones

NAYS: none

ABSENT: none

ABSTAIN: none

ATTEST:



City Clerk, City of Blue Lake





NOTICE OF FILING

Date: April 29, 2016

To: County Administrative Office County Public Works
 County Auditor-Controller County Environmental Health
 County Assessor Blue Lake Fire Protection District
 County Elections Humboldt Bay Municipal Water District
 County Planning and Building

Cc: Garry Rees, City of Blue Lake
 Gloria Montgomery, Property Owner
 Jolene Hayes, Representative

From: Colette Metz, Administrator

SUBJECT: APPLICATION RECEIVED – Out of Agency Water and Sewer Service Extension

APPLICATION INFORMATION

Project: Out of Agency Water and Sewer Service Extension
Location: 271 Davis Street, Blue Lake, CA 95525
APN: 312-121-013
Notice: The above referenced proposal has been submitted to LAFCo and this notice of filing is being issued in accordance with Government Code Section 56133. Agency comments are requested by **May 11, 2016**.

Pursuant to Government Code Section 56133, LAFCo has received an application filed by the City of Blue Lake for the extension of water and sewer services to a parcel located outside of Blue Lake city limits. The parcel is currently vacant and the services would allow the development of a single-family residence. According to City records, the property owner previously paid connection fees to the City for these services on 06/01/1995.

Government Code Section 56133 authorizes a city to provide new or extended services by contract or agreement outside its jurisdictional boundaries if the city requests and receives approval from the Commission. The Commission may authorize a city to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization. It is Humboldt LAFCo's policy that the inclusion of an area to be served within the sphere of influence of the serving agency shall be sufficient to comply with this provision.

According to the City's Public Works Department, the City currently has more than sufficient water capacity to serve the property including storage capacity. In September 2013, it was determined that the City had unallocated sewer capacity equal to one hundred (100) residential equivalent units (REU's). At that time, the City Council adopted an interim policy pertaining to the release of sewer capacity which reserved sixty (60) residential equivalent units for residential development which includes both single and multi-family uses. Since that time the City has allocated approximately 26 REU's, leaving approximately 34 remaining.

Currently, the City has approximately 106 utility accounts for water and sewer connections outside of City limits. Several of these connections are for properties directly adjacent to parcel 312-121-013 including parcels 312-121-001, -003, -004, -007, -008, -009 and 312-131-002, -003, -004, -005, -014, -035. Existing water and sewer lines occur within the Blue Lake Boulevard right-of-way adjacent to parcel 312-121-013 and could be extended a short distance to serve the property.

Since the property owner has already paid the connection fees for water and sewer service and the existing utility lines occur directly adjacent to parcel 312-121-013, the City supports providing water and sewer service to the property to allow the development of a single-family residence.

Please review the enclosed application and provide us with your comments and any recommended conditions of approval. If no response or request for an extension of the commenting period is received by **May 11, 2016**, it will be assumed that the project meets your requirements. LAFCo intends to issue a Certificate of Filing no less than 20 days after this notice.

If you have any questions concerning the proposal, please contact Colette Metz at (707) 445-7508 or administrator@humboldtlafrco.org. Thank you for your assistance in reviewing this application.

Enclosed: Application and supporting materials

RESOLUTION NO. 16-03**AUTHORIZING THE CITY OF BLUE LAKE TO PROVIDE WATER AND WASTEWATER SERVICES OUTSIDE THE CITY BOUNDARY TO 271 DAVIS STREET (APN 312-121-013)**

WHEREAS, the Humboldt Local Agency Formation Commission (hereinafter referred to as "Commission") is responsible for authorizing cities and special districts to provide new or extended services by contract or agreement outside its jurisdictional boundaries in accordance with California Government Code Section 56133; and

WHEREAS, the Commission received an application from the City of Blue Lake requesting to extend water and wastewater services outside its jurisdictional boundary to 271 Davis Street (APN 312-121-013); and

WHEREAS, the subject property is located within the City of Blue Lake's Sphere of Influence; and

WHEREAS, the current property owner has requested water and wastewater service connections from the City of Blue Lake to facilitate the sale and development of a single-family residence at the subject property; and

WHEREAS, the Commission reviewed and considered the Executive Officer's report and recommendation; and

WHEREAS, the Commission heard and fully considered all the evidence presented on the proposed services extension at a public meeting held on May 25, 2016.

NOW, THEREFORE, BE IT RESOLVED by the Commission as follows:

1. The Commission, as responsible agency, finds that the proposal is categorically exempt from further review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 (Class 1) and 15303(d), New Construction or Conversion of Small Structures, which exempts the construction and location of water mains and other utility extensions of reasonable length to serve such construction.
2. The Commission has considered the factors determined to be relevant to this proposal, including, but not limited to, the sphere of influence, available infrastructure and services capacity, and other factors specified in Government Code Section 56133, and as described in the staff report.
3. The Commission authorizes the City of Blue Lake to provide water services outside its jurisdictional boundary to APN 312-121-013, subject to the following conditions:

- a. The City of Blue Lake and property owners of the subject parcel shall enter into a recorded Covenant and Agreement Regarding Water and Wastewater Services to include a provision that limits the extension of services to one (1) single-family residence permitted on the subject parcel, and not to any other properties. Any expansion or intensification of water or wastewater services on said property shall be considered a new request, subject to LAFCo review. This Covenant and Agreement shall automatically terminate at such time as the property is annexed to the City of Blue Lake.
- b. All LAFCo fees must be paid in full prior to the extension of service authorization becoming effective.

PASSED AND ADOPTED at a meeting of the Humboldt Local Agency Formation Commission on the 25th of May, 2016, by the following roll call vote:

AYES:	Commissioners:
NOES:	Commissioners:
ABSENT:	Commissioners:
ABSTAIN:	Commissioners:

Virginia Bass, Chair
Humboldt LAFCo

Attest:

George Williamson, Executive Officer
Humboldt LAFCo