

CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT
September 14, 2022

September 14, 2022
Agenda Item 8

LAFCO 22-05 City of Martinez - Out of Agency Service Request – 2567 Reliez Valley Road

SYNOPSIS

This is a request by the City of Martinez to provide municipal water service outside its jurisdictional boundary to one parcel (APN 365-150-015) located at 2567 Reliez Valley Road in unincorporated Martinez (Exhibit A). The lot is approximately 20,000 square feet and is currently vacant. The landowner proposes to construct one single-family home on the parcel.

The County's General Plan designation for the parcel is Single Family Residential – Low density and the County's zoning is R-20 (20,000 sq. ft. minimum). The City of Martinez current General Plan designation for the subject property is *Conservation Use Land* (CUL), and the proposed 2035 General Plan designation is *Alhambra Valley Estate Residential – Low* (AV-ERL). The property currently does not have a City zoning designation. The subject property is located within the City's sphere of influence (SOI) and within the Urban Limit Line. Surrounding land uses include single family residential – low density to the south, northwest and west, and open space to the east (City of Martinez). The City is currently providing water service to existing homes in proximity to the subject property. The subject property is adjacent to the City boundary with Alhambra Valley Road separating the City boundary from the subject parcel. The City indicates that annexing a single parcel is not practical at this time. The subject parcel is also within the Central Contra Costa Sanitary District (CCCSD) service boundary.

DISCUSSION

Statutory Framework – Out of Agency Service (OAS) – The Government Code (GC) and local LAFCO policies regulate the extension of out of agency service. GC §56133 states that “*A city or district may provide new or extended services by contract or agreement outside of its jurisdictional boundary only if it first requests and receives written approval from the Commission.*” LAFCO may authorize a city or district to provide new or extended services under specific circumstances: a) outside the agency's jurisdictional boundary but within its SOI in anticipation of a future annexation; or b) outside its jurisdictional boundary and outside its SOI in response to an existing or impending threat to the public health or safety.

LAFCO's Policy - The Commission's current policies regarding OAS are consistent with State law in that annexations to cities and special districts are generally preferred for providing municipal services. However, there may be situations where health and safety, emergency service, or other concerns warrant OAS. Historically, OAS is considered a temporary measure, typically in response to an existing or impending public health and safety threat (e.g., failing septic system, contaminated well); or in anticipation of a future annexation.

City's Prior and Future Commitment to Annexations – As noted in LAFCO's previous Municipal Service Reviews (MSRs), the City is providing water services beyond its corporate limits to over 1,500 water connections. Since 2012, the City has submitted 22 OAS applications to LAFCO, most of which have been in the Alhambra Valley, Mt. View, and Pacheco areas. The LAFCO MSRs recommend that the City of Martinez annex areas receiving city services, as appropriate.

In response to LAFCO's concerns regarding the use of OAS, the Martinez City Council has taken various actions demonstrating its commitment to annexation of these areas a summarized below.

- In 2012, the City successfully annexed a portion of the Alhambra Valley, and attempted to annex North Pacheco; however, the annexation was rejected by the voters.

- The City Council adopted resolutions stating the City's intent to pursue annexation of the Alhambra Valley area by 2020, and annexation of the Pacheco Boulevard corridor including the Mt. View area by the year 2030.
- In June 2019, the City provided LAFCO with an update indicating that the City Council identified annexations as one of its top five goals over the next two years, and within the next year will explore an annexation study for the Mt. View/Pacheco Corridor and the Alhambra Valley areas.
- On October 23, 2019, the Martinez City Council hosted a community workshop to discuss annexation of the Alhambra Valley, Mountain View, North Pacheco and Vine Hill areas. The City Council agreed to move forward with an annexation study.

Further, the City requires property owners to sign and record a deferred annexation agreement (DAA) when applying for OAS. The City of Martinez delivered to LAFCO and recorded and executed pre-annexation agreement.

Consistency with LAFCO Policies – Contra Costa LAFCO's policies are consistent with GC §56133, in that OAS can be extended either in response to a threat to the health and safety of the public (e.g., failed septic system, contaminated or dry well, etc.), or in anticipation of annexation. The LAFCO policies contain the following provisions which are relevant to this proposal:

3) *Objective – Out of agency service is generally not intended to support new development.*

The OAS request is intended to serve development of a single-family residential unit.

4) *Out of Agency Service Policies: General Statements*

- a) *Annexation to cities and special districts involving territory located within the affected agency's SOI is generally preferred to out of agency service.*

The subject parcel is not immediately contiguous to the City boundary due to a roadway and cannot be annexed at this time. Properties to the east and southeast are within the City boundary.

- b) *LAFCO will consider applicable MSRs and discourage out of agency service extensions that conflict with adopted MSR determinations or recommendations.*

The previous LAFCO MSRs recommended annexing properties that are receiving, or will require, City water service, as appropriate. The City has committed to the future annexation of the Alhambra Valley by 2020.

- c) *If immediate annexation (i.e., within 12 months) is not a feasible alternative, then the extension of services may be approved in anticipation of a later annexation if the agency provides LAFCO with a resolution of intent to annex, as well as appropriate assurances (e.g., rezoning, plan for annexation, deferred annexation agreement, etc.) which demonstrate that out of agency service is an intermediate step toward eventual annexation.*

The City indicated its commitment to the future study and annexation of the Alhambra Valley. The City has also obtained and recorded a DAA on the subject parcel.

Water Supply to the Subject Property – The subject property is in the Alhambra Valley, which is characterized by low density single family residential use including the Stonehurst subdivision and open space. The Alhambra Valley area is within both the City's and Contra Costa Water District's (CCWD) water service areas.

The City receives untreated imported water from CCWD via the Contra Costa Canal, which is part of the Central Valley Project developed by the U.S. Bureau of Reclamation. The water is sold to Martinez based on CCWD's rate structure per unit of water delivered. This represents 100 percent of the water supply for the City's water service area.

The City indicates it has adequate water to serve the subject property. Water service will be provided from the existing 6-inch main on Reliez Valley Road and a 16-inch water transmission line parallel to the 6-inch water main. The City indicates that the existing 6-inch water main has adequate capacity and pressure to serve the property. The water service lateral will consist of approximately 45 linear feet of one-inch diameter pipe, a water meter, and a backflow prevention device. The service will include a combined domestic and fire service for the proposed new home. The City estimates the water demand for one single family home will be approximately 365-380 gallons per day and will not have an adverse impact on the City's capacity. All required construction costs will be borne by the property owner.

Environmental Review – The City of Martinez found the extension of water service to the subject parcel exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines section 15303(d) and prepared a Notice of Exemption. The LAFCO Environmental Coordinator has reviewed the City's CEQA documentation and finds it adequate for LAFCO purposes.

ALTERNATIVES FOR COMMISSION ACTION

LAFCOs were formed for the primary purpose of promoting orderly development through the logical formation of local agency boundaries and facilitating the efficient provision of public services. The CKH provides that LAFCO can approve with or without amendments, wholly, partially, or conditionally, or deny a proposal. The statute also provides LAFCO with broad discretion in terms of imposing terms and conditions. The following options and recommended terms and conditions are presented for the Commission's consideration.

Option 1 **Approve** the OAS request as proposed and approve Resolution No. 22-05 (Attachment 1).

- A. Find that the project is exempt from the California Environmental Quality Act pursuant to CEQA Guidelines section 15303(d).
- B. Authorize the City of Martinez to extend water service outside its jurisdictional boundary to APN 365-150-015 located at 2567 Reliez Valley Road in unincorporated Martinez subject to the following terms and conditions:
 - 1. Water infrastructure and service is limited to one single family dwelling unit, and
 - 2. The City of Martinez must provide LAFCO with an update by December 31, 2022 regarding the City's future plans to annex the Alhambra Valley.

Option 2 **Deny** the request, thereby prohibiting the City of Martinez from providing water service to the subject property.

Option 3 **Continue** this matter to a future meeting to obtain more information.

RECOMMENDATION: Option 1

LOU ANN TEXEIRA, EXECUTIVE OFFICER
CONTRA COSTA LAFCO

Exhibit

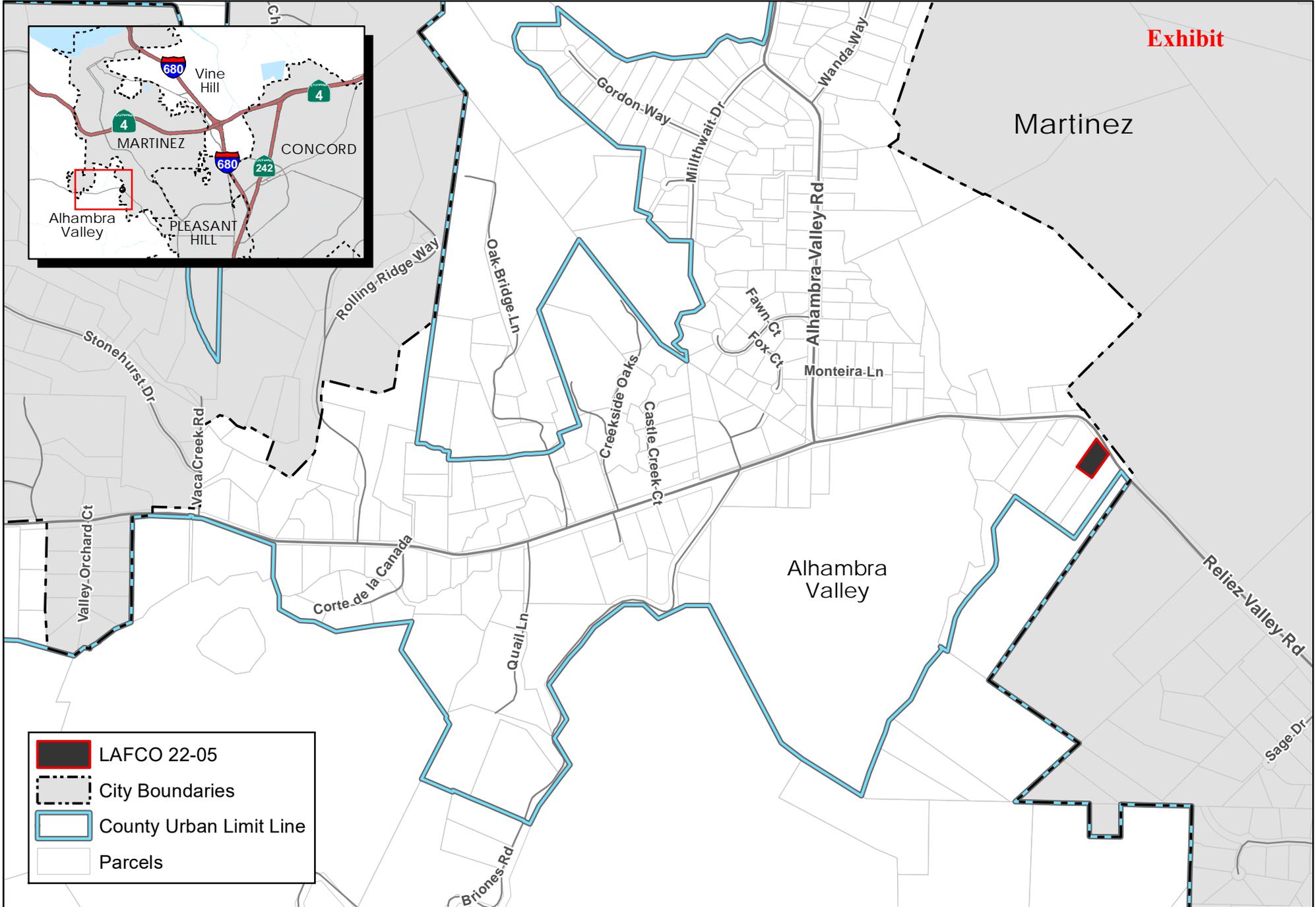
- A. Map of Property APN 365-150-015 (2567 Reliez Valley Road)

Attachment

- 1. Draft LAFCO Resolution 22-05
- c: Hector Rojas, City of Martinez, Planning Manager
Khalil Yowakim, City of Martinez, Senior Civil Engineer
Armando & Marcela Sanchez, Landowners

LAFCO 22-05 – City of Martinez - Out of Agency Service (2567 Reliez Valley Road - Martinez)

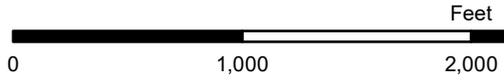
Exhibit



-  LAFCO 22-05
-  City Boundaries
-  County Urban Limit Line
-  Parcels

Map created 08/30/2022
 by Contra Costa County Department of
 Conservation and Development, GIS Group
 30 Muir Road, Martinez, CA 94553
 37:59:41.791N 122:07:03.756W

This map or dataset was created by the Contra Costa County Department of Conservation and Development with data from the Contra Costa County GIS Program. Some base data, primarily City Limits, is derived from the CA State Board of Equalization's tax rate areas. While obligated to use this data the County assumes no responsibility for its accuracy. This map contains copyrighted information and may not be altered. It may be reproduced in its current state if the source is cited. Users of this map agree to read and accept the County of Contra Costa disclaimer of liability for geographic information.



RESOLUTION NO. 22-05

**RESOLUTION OF THE CONTRA COSTA LOCAL AGENCY FORMATION COMMISSION
AUTHORIZING THE CITY OF MARTINEZ TO PROVIDE
OUT-OF-AGENCY WATER SERVICE TO APN 365-150-015 (2567 RELIEZ VALLEY ROAD)**

WHEREAS, the above-referenced request was filed with the Executive Officer of the Contra Costa Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (California Government Code Section 56000 et seq.); and

WHEREAS, at the time and in the manner required by law the Executive Officer gave notice of the Commission’s consideration of this request; and

WHEREAS, the Commission heard, discussed, and considered all oral and written testimony related to this request including, but not limited to, the Executive Officer's report and recommendation; and

WHEREAS, out of agency service approval is needed in order to provide water services to the property to facilitate construction of one single-family home; and

WHEREAS, the City of Martinez and the property owner have entered into a Deferred Annexation Agreement (DAA) in support of a future annexation of the property to the City of Martinez.

WHEREAS, the City of Martinez has delivered to LAFCO an executed indemnification agreement providing for the City to indemnify LAFCO against any expenses arising from any legal actions challenging the out of agency service.

NOW, THEREFORE, BE IT RESOLVED DETERMINED, AND ORDERED by the Contra Costa Local Agency Formation Commission as follows:

- A. Find that the project is exempt from CEQA pursuant to section 15303(d) of the CEQA Guidelines, consistent with the determination of the City of Martinez, as Lead Agency.
- B. Authorize the City of Martinez to extend water service outside its jurisdictional boundary to APN 365-150-015 located at 2567 Reliez Valley Road in unincorporated Contra Costa County (Martinez area) subject to the following terms and conditions:
 - 1. Water infrastructure and service is limited to one single-family residential unit on the subject parcel, and
 - 2. The City of Martinez must provide LAFCO with an update by December 31, 2022, regarding the City’s future plans to annex the Alhambra Valley.
- C. Approval to extend City of Martinez services beyond those specifically noted herein is withheld and is subject to future LAFCO review.

* * * * *

PASSED AND ADOPTED THIS 14th day of September 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

ROB SCHRODER, CHAIR, CONTRA COSTA LAFCO

I hereby certify that this is a correct copy of a resolution passed and adopted by this Commission on the date stated above.

Dated: September 14, 2022

Lou Ann Texeira, Executive Officer