

ADMINISTRATIVE REPORT

Date: January 5, 2012

Agenda Item No.: 13

Council Action Date: January 23, 2012

To: RICK COLE, CITY MANAGER

From: SHANA EPSTEIN, VENTURA WATER GENERAL MANAGER

Subject: COMPREHENSIVE REVIEW OF WATER SERVICE/OUTSIDE AREA UPDATE

RECOMMENDATION

In line with previous Council direction, staff is providing a review of the existing Uniform Policy for Water Connections Outside the City, which outlines the policy and process for serving water to customers outside the City limits. No changes are recommended by staff, but the Council may give additional direction for further review or modification of current policy.

PREVIOUS COUNCIL ACTION

October 17, 2011:

Staff was directed to amend the municipal code to allow the City Manager the authority to exempt property owned by the County from being required to enter into an Extraterritorial Water Service Agreement if it is determined by City staff that modifications to the water system required to serve the County property would not have a significant impact on the City's water system. In addition, staff was asked to return to Council with a comprehensive review of how service/extensions of water service outside of the City's area is applied.

SUMMARY

The basic thrust of the current policy is to discourage extending new or expanded water service outside City limits. This policy is consistent with the Guidelines for Orderly Development adopted by the Board of Supervisors, all City Councils within Ventura County and the Local Agency Formation Commission (LAFCO) in 1969, revised in 1996. Pursuant to City Ordinance No. 22.110.055 a water service agreement is required between the City and a property owner prior to the City providing water service to parcels located outside city

limits. The ordinance was approved by the City Council in 2001 and is a compilation of policies from a series of resolutions (Resolution Nos. 76-151, 78-197 and 82-153). These resolutions were developed into the Uniform Policy for Water Connections Outside the City prior to preparation of the ordinance. The uniform policy and subsequent ordinance were developed to provide clarification to applicants and prevent inconsistencies in the interpretation of policy by staff. The following is a discussion on why the ordinance was developed.

DISCUSSION

The City operates a Water utility to serve the business and residential taxpayers with reliable, affordable and safe supply of a vital resource. Although Ventura Water customers have an exemplary record of conservation, Ventura's ability to maintain self-sufficiency reliable, affordable and safe water supplies can never be taken for granted. Since the City does not receive property tax from those properties receiving City water service outside the City limits, the City does not receive monies that would go towards other City services. Since the annexation of these properties is preferred to the expansion of municipal services within the County per the County of Ventura's Guidelines for Orderly Development, the City's water service agreement addresses the need for developed property within the City's Sphere of Influence to be annexed at the City's request (see Attachment A).

Prior to 2001, when the City Council approved the Uniform Policy for Water Connections Outside the City, the policy for serving water outside the City limits was addressed in a series of resolutions (Resolution Nos. 76-151, 78-197 and 82-153). Initially, the policy was established to assure that unreasonable demands on the City's water supply were avoided by creating parameters for providing city water to outside customers. The first policy resolution was adopted in August 1976; Resolution No. 76-151; it required annexation before providing future water service. The policy was formed due to a desire to maintain consistency with the City's policy on providing sewer service only upon annexation; awareness of water conservation programs; the County Guidelines for Orderly Development; and support of the City's Open Space Plan. The policy was not meant to apply to current water users and there were two exemptions to the policy, Cabrillo Village and the Saticoy Country Club Area.

In response to a number of exemptions to the resolution, Resolution No. 78-197 was approved two years later replacing the original policy. Providing clarification and strengthening the intent of the original policy, this resolution set forth specific criteria by which future requests for specific exemptions may be granted. This resolution allowed the City Manager to grant water service to those that met the criteria set forth in the resolution.

Exemptions to Resolution No. 78-197 include a single-family dwelling unit on an existing lot of record, fire protection sprinkler systems, low water consuming users meeting a number of criteria, Cabrillo Village and Saticoy Country Club Area. The resolution required that all

approved requests be issued a written and recorded water service agreement that includes their waiver of protest for future annexation of their property. Properties located in the Ventura Avenue Community south of Gosnell Bend, which were within the City's General Plan Area, were required to be annexed in order to receive City water service.

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In the 1980's the City and County completed the Ventura County General Plan for the North Ventura Avenue Area. As a result, Resolution No. 82-153 was adopted outlining the criteria that needed to be met by properties located in the North Ventura Avenue Community to receive water service.

In 2001, the City Council approved the Uniform Policy for Water Connections Outside the City, which incorporated these three resolutions (Nos. 76-151, 78-197 and 82-153) and subsequently the uniform policy was developed into City Ordinance No. 22.110.055 and Administrative Policy and Procedure No. 30.1.

The primary argument for taking a new look at these long-standing policies is to take into account the value of job-rich businesses adjacent to the city that not only provide job opportunities for Ventura residents but contribute to the overall economy of our community. To the extent that we can continue to provide adequate supplies, a more flexible policy to promote economic development may be worthy of consideration. On the other hand, in many cases, the same objective can be served by continuing the current policy and thus encouraging business development and expansion within our City's borders, either existing or through annexation of adjacent commercial properties.

CITIZEN ADVISORY GROUP REVIEW

Not applicable.

PUBLIC COMMUNICATIONS / PUBLIC ENGAGEMENT

Not applicable.

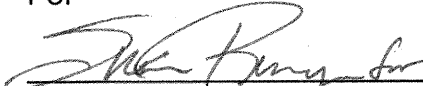
FISCAL IMPACTS

There is no fiscal impact associated with council receiving the information presented in this report. The fees associated with the preparation of an Extraterritorial Water Service Agreement and the installation of water service are paid by the applicant.

ALTERNATIVES


The City Council, as an alternative, may request staff to consider changes to how service/extensions of water service outside of the City's area are applied.

Prepared by Susan Rungren, Principal Engineer,
For



Shana Epstein, General Manager
Ventura Water

Reviewed as to fiscal impacts



Jay Panzica
Chief Financial Officer

FORWARDED TO THE CITY COUNCIL



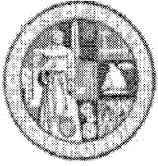
Office of the City Manager

Attachment A: County of Ventura's Guidelines for Orderly Development

ATTACHMENT A

**COUNTY OF VENTURA'S GUIDELINES
FOR ORDERLY DEVELOPMENT**

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Public Information

County of Ventura • Resource Management Agency • Planning Division

Guidelines for Orderly Development

The "Guidelines for Orderly Development" have been adopted by the Board of Supervisors, all City Councils within Ventura County and the Local Agency Formation Commission (LAFCO). They refine the guidelines originally adopted in 1969 and maintain the consistent theme that urban development should be located within incorporated cities whenever or wherever practical.

The revision of these Guidelines in December 1996 culminated an effort during the year by the County, Cities and LAFCO to improve the clarity of relationships between local agencies with respect to urban development projects.

Policies Within Areas of Interest Where a City Exists

(outside that City's Sphere of Influence)

- Applications for discretionary land use permits or entitlements shall be referred to the City for review and comment. The County shall respond to all comments received from the City.
- The County is primarily responsible for local land use planning, consistent with the general land use goals and objectives of the City.
- Urban development should be allowed only within Existing Communities as designated on the County General Plan.
- Existing Communities as designated on the County General Plan should financially support County-administered urban services which are comparable to those urban services provided by the Cities.

Policies Within Areas of Interest Where No City Exists

- The County is responsible for land use planning and for providing municipal services.
- Urban development should only be allowed in Unincorporated Urban Centers or Existing Communities as designated in the County General Plan.
- Urban development in Unincorporated Urban Centers should only be allowed when an Area Plan has been adopted by the County, to ensure the proposed development is consistent with the intent of the Guidelines.

Intent of Guidelines

- Clarify the relationship between the Cities and the County with respect to urban planning
- Facilitate a better understanding regarding development standards and fees
- Identify the appropriate governmental agency responsible for making determinations on land use requests

Jurisdictional Framework

The Guidelines are a unique effort to encourage urban development to occur within Cities; enhance the regional responsibility of County government; and facilitate the orderly planning and development of Ventura County by:

- Providing a framework for cooperative intergovernmental relations.
- Allowing for urbanization in a manner that will accommodate the development goals of the individual communities while conserving the resources of the County.
- Promoting efficient and effective delivery of community services for existing and future residents.
- Identifying in a manner understandable to the general public the planning and service responsibilities of local governments providing urban services.

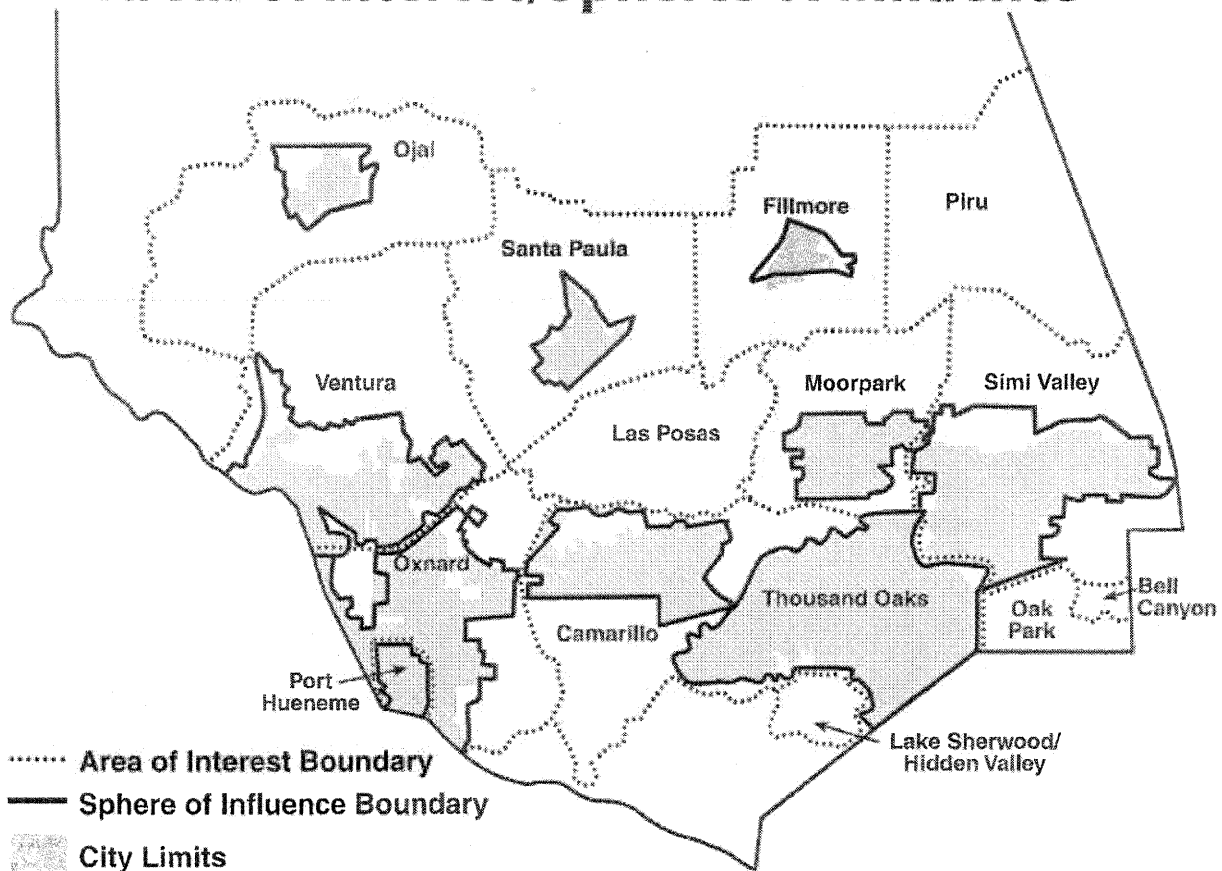
General Policies

- Urban development should occur, whenever and wherever practical, within incorporated cities which exist to provide a full range of municipal services and are responsible for urban land use planning.
- The Cities and the County should strive to produce general plans, ordinances and policies which will fulfill these Guidelines.

Policies Within Spheres of Influence

- Applicants for land use permits or entitlements for urban uses shall be encouraged to apply to the City to achieve their development goals and discouraged from applying to the County.
- The City is primarily responsible for local land use planning and providing municipal services.
- Prior to being developed for urban purposes or to receiving municipal services, land should be annexed to the City.
- Annexation to the City is preferable to the formation of new or expansion of existing County service areas.
- Land uses allowed by the County without annexation should be equal to or more restrictive than land uses allowed by the City.
- Development standards and capital improvement requirements imposed by the County for new or expanding developments should not be less than those imposed by the City.

Areas of Interest/Spheres of Influence



Definitions

AREAS OF INTEREST- A plan adopted by LAFCO which divides the County into major geographic areas reflective of community and planning identity. Within each Area of Interest, there is to be no more than one city (but there will not necessarily be a city in each Area). Areas of Interest also serve as planning referral boundaries of the County Planning Division.

DEVELOPMENT STANDARDS - Local regulations which determine the provision of essential services and infrastructure within designated land use districts or jurisdictions and which control the architectural and engineering design of buildings, structures and roadways.

EXISTING COMMUNITY- A land use designation of the County General Plan which identifies existing urban residential, commercial or industrial enclaves located outside Urban designated areas (i.e., cities or Unincorporated Urban Centers).

An Existing Community may include uses, densities, building intensities and zoning designations which are normally limited to Urban designated areas but do not qualify as Unincorporated Urban Centers.

This designation has been established to recognize existing land uses; to contain these enclaves within specific areas so as to prevent further expansion; and to limit the building intensity and land use to previously established levels.

LOCAL AGENCY FORMATION COMMISSION (LAFCO)- A regulatory commission empowered by State law to coordinate logical and timely changes in local government boundaries; conduct special studies which review way to reorganize, simplify and streamline government structure; and prepare Spheres of Influence for each city and special district.

SPHERES OF INFLUENCE - Plans adopted by LAFCO which designate the probable boundaries of each city and special district. The adoption of Spheres of Influence is required by Section 56425 of the Government Code.

UNINCORPORATED URBAN CENTER - A term of the County General Plan which refers to an existing or planned urban community which is located in an Area of Interest where no city exists. The Unincorporated Urban Center represents the focal center for community and planning activities within the Area of Interest, and may be a candidate for future incorporation.

URBAN DEVELOPMENT- Development shall be considered urban if it meets any of the following criteria:

1. It would require the establishment of new community sewer systems or the significant expansion of existing community sewer systems
2. It would result in the creation of residential lots less than two (2) acres in area; or
3. It would result in the establishment of commercial or industrial uses which are neither agriculturally-related nor related to the production of mineral resources.