

SAN BENITO LOCAL AGENCY FORMATION COMMISSION  
EXECUTIVE OFFICER'S REPORT

July 24, 2014 (Agenda)

*Continued from May 22, 2014*

LAFCO No. 485: Expansion of Sunnyslope County Water District Sphere of Influence, and Southside Road Annexation to Sunnyslope County Water District

PROPONENT: Board of Directors of the Sunnyslope County Water District, by resolution adopted February 12, 2014.

ACREAGE & LOCATION Approximately 260 acres west of Airline Highway (State Hwy 25), along both sides of Southside Road, north of Hospital Road, Hollister area.

PURPOSE: To make municipal water service available to the annexing area.

PROJECT INFORMATION

Project Information

1. Land Use, Planning and Zoning - Present and Future:

Existing land uses on the 25 parcels within the 260 acre annexation area include 15 single family homes, a farm worker housing building, agricultural fields and orchards and open space. There are active walnut orchards within the annexation area.

The annexation area includes District Well #1, Well #2 and Well #11, and the site for a future Well #12.

Approximately 160 acres are included in the 2010 San Benito County Housing Element that identifies locations in the County with the potential to accommodate residential uses to achieve local and regional housing needs.

The County General Plan designates 133 acres as Rural Residential, 70 acres as Rural Residential/Urban and 57 acres as Agricultural Production.

Approximately 70 acres are zoned Single-Family Residential, 134 acres are zoned Rural Residential and 67 acres are zoned Agricultural. The District reports that current County zoning will allow approximately 260 single-family and 280 multi-family homes.

No changes in land uses are proposed in conjunction with this annexation. Availability of water resulting from the annexation may facilitate the implementation of future land uses requiring a supply of potable water.

Surrounding land uses are:

- Single-family homes to the north within the City of Hollister
- Single-family homes, commercial and open space to the east within the City of Hollister
- Elementary school, agriculture, grazing land and open space including the San Benito River to the west, and
- Single-family homes and open space including the San Benito River to the south.

The annexation area is not within the District Sphere of Influence and the District is requesting an expansion of its Sphere to include the annexation area.

3. Topography, Natural Features and Drainage Basins:

The proposed annexation and surrounding areas consist of relatively level lands with some areas of medium and gentle slopes. The southwest portion of the annexation area borders the San Benito River.

4. Population:

There are 15 existing homes within the proposal area. Annexation would make potable water available for the eventual construction of additional residential and other uses.

5. Governmental Services and Controls - Need, Cost, Adequacy and Availability:

The District's "Plan for Providing Services Within the Affected Territory" as required by the Government Code is attached.

The District reports it has adequate water supplies to serve the proposed annexation area.

6. Assessed Value, Tax Rates and Indebtedness:

The annexation area is included within Tax Rate Area 067-003. The 2013-2014 assessed value of the annexation area is \$12,333,481.



District water rates are set to collect adequate revenue to operate and maintain the water system. It reports it will collect capacity fees from new water service connections to ensure new customers pay their share of facilities constructed to serve them.

The District collects water capacity fees from new water connections and funds operation and maintenance of facilities through monthly charges for water usage. Properties within the annexation area that connect to the District system will be subject to these fees and charges.

In 2013 the District adopted new water capacity fees and water rates to ensure adequate funding is available to construct needed improvements to water treatment, production and distribution facilities.

The District has outstanding revenue bonds that will be retired in 2032. It has begun to construct, in partnership with the City of Hollister and San Benito County Water District, an upgrade to the Lessat Water Treatment Plant. These improvements are being financed by these agencies through a long-term obligation that will be retired in 2043.

7. Environmental Impact of the Proposal:

The Sunnyslope County Water District, as lead agency, has found no significant adverse environmental impacts will result from the proposal and on November 12, 2013 adopted a Negative Declaration. A copy of this report is enclosed.

8. Boundaries, Lines of Assessment and Registered Voters:

The boundaries of the proposed annexation appear to be definite and certain and there do not appear to be conflicts with lines of assessment or ownership.

The map and legal description are being reviewed by the County Surveyor for sufficiency in filing with the State Board of Equalization.

It appears the territory is inhabited, with 12 or more resident registered voters.

GENERAL ANALYSIS

• Is this a Timely Annexation?

This is a somewhat unique application. The District proposes to annex territory for which there are no pending development projects or firm proposals to modify the existing land uses.

Annexations are expensive. Each includes the cost to professionally draw a map and legal description, pay the County Surveyor to review the map and legal, prepare the application, pay the LAFCO processing fee and State Board of Equalization filing fee.

With a single annexation, costs are shared among property owners and are less than having multiple annexations. Nevertheless, questions are raised of whether (a) this annexation is a logical extension of the District boundary and (b) should it be held in abeyance until there are actual proposals being processed by the County or City to further urbanize the area.

- Relation to General Plan Designations

As noted, this proposed 260 acre annexation consists of 25 parcels with 15 single family homes, a farm worker housing building, agricultural fields and orchards and open space.

The proposal is within the *Hollister Urban Area Water and Wastewater Master Plan*. Much of the area is designated *Single-Family Residential* and *Rural Residential* although six parcels are designated *Agricultural Production (5 acre minimum lot size)*.

Approximately 160 acres are within the 2010 *San Benito County Housing Element* with the potential to accommodate residential uses to achieve local and regional housing needs. Current zoning will allow approximately 260 single-family and 280 multi-family homes.

In terms of scale, the annexation represents an approximate 11 percent increase in the 3.5 square mile size of the District.

Although providing water service to the annexing area would support increased residential development, other constraints such as flood hazard zones, unstable soils, proximity to the San Benito River and other factors could limit the number of units that could be built.

- Relation to the City of Hollister

A portion of the proposed annexation north of Enterprise Road is within the City of Hollister Planning Area. The City General Plan land use designations are Low Density Residential, Mixed-Use and Public Use.

The Negative Declaration prepared by the District states the City will provide wastewater services to most of the annexation area in the future. New residential and commercial development would connect to the City's wastewater treatment system.



- Environmental Review and Documentation

The District has adopted a Negative Declaration to describe the environmental impacts that may result from the annexation.

As specific development projects are proposed in the future it may appropriate and timely for the lead agency, either County or City of Hollister, to conduct further environmental review based on the specific development projects that are proposed.

- Commission Options Regarding the Proposed Annexation

This meeting is noticed to allow the Commission to approve the Southside Road Annexation as submitted by the District.

The Commission may choose to indicate it does not wish to annex this territory to the District until specific development projects are being considered.

The Commission may withhold approval of this annexation until there is a concurrent proposal to annex that portion of the annexation area to the City of Hollister where the City will be providing wastewater collection and treatment services.

#### ALTERNATIVES FOR COMMISSION CONSIDERATION

After reviewing this report and any testimony or materials that are presented, the Commission can take one of the following actions:

##### OPTION 1 – APPROVE the proposal as submitted.

- A. Certify that it has reviewed and considered the Negative Declaration.
- B. Adopt this report and expand the Sphere of Influence of the Sunnyslope County Water District to include the territory shown on the attached map.
- C. Approve the proposal known as Southside Road Annexation to Sunnyslope County Water District with the condition territory being annexed shall be liable for any existing bonded indebtedness of the annexing agency.

- D. Direct the staff to initiate and conduct subsequent proceedings in compliance with the findings of the Local Agency Formation Commission only upon the signing of the resolution by the Chair.
- E. Direct the staff not to record the annexation until the map and legal description are found by the County Surveyor to be acceptable.

OPTION 2 – CONTINUE this proposal and direct the staff to institute discussions with the District and City of Hollister.

OPTION 3 - CONTINUE this proposal to a future meeting for additional information.

OPTION 4 - Adopt this report and DENY this proposal.

RECOMMENDED ACTION:

Approve OPTION 1.

A handwritten signature in dark ink, appearing to read "Bob Braitman", is written over a horizontal line.

BOB BRAITMAN  
Executive Officer  
LOCAL AGENCY FORMATION COMMISSION

14. Government Services and Controls – Plan for Providing Services (per §56653)

A. Describe the services to be extended to the affected territory by this proposal.

No services are proposed to be extended to the proposed annexation area. Properties wishing to connect to SSCWD may extend water mains if they do not front an existing water main. Existing properties within the proposed annexation area are not required to connect to SSCWD for water service. Future subdivisions and/or developments will be required to extend water mains and connect to the SSCWD water system.

B. Describe the level and range of the proposed services.

SSCWD can provide adequate water service for domestic purposes and fire protection to the proposed annexation area. No other services are proposed as part of this annexation.

C. Indicate when the services can feasibly be provided to the proposal area.

Water service can be provided immediately upon request to properties in the proposed annexation area provided the property fronts an existing water main. Properties not fronting water mains will have to extend water mains to their property to obtain service and the timing of this could be several months depending on environmental review and permitting requirements of other agencies.

D. Indicate any improvements or upgrading of structures, roads, sewers or water facilities, or other conditions that will be required as a result of the proposal.

No improvements or upgrades are required as part of the proposed annexation. SSCWD does not propose any development or improvements as part of this application.

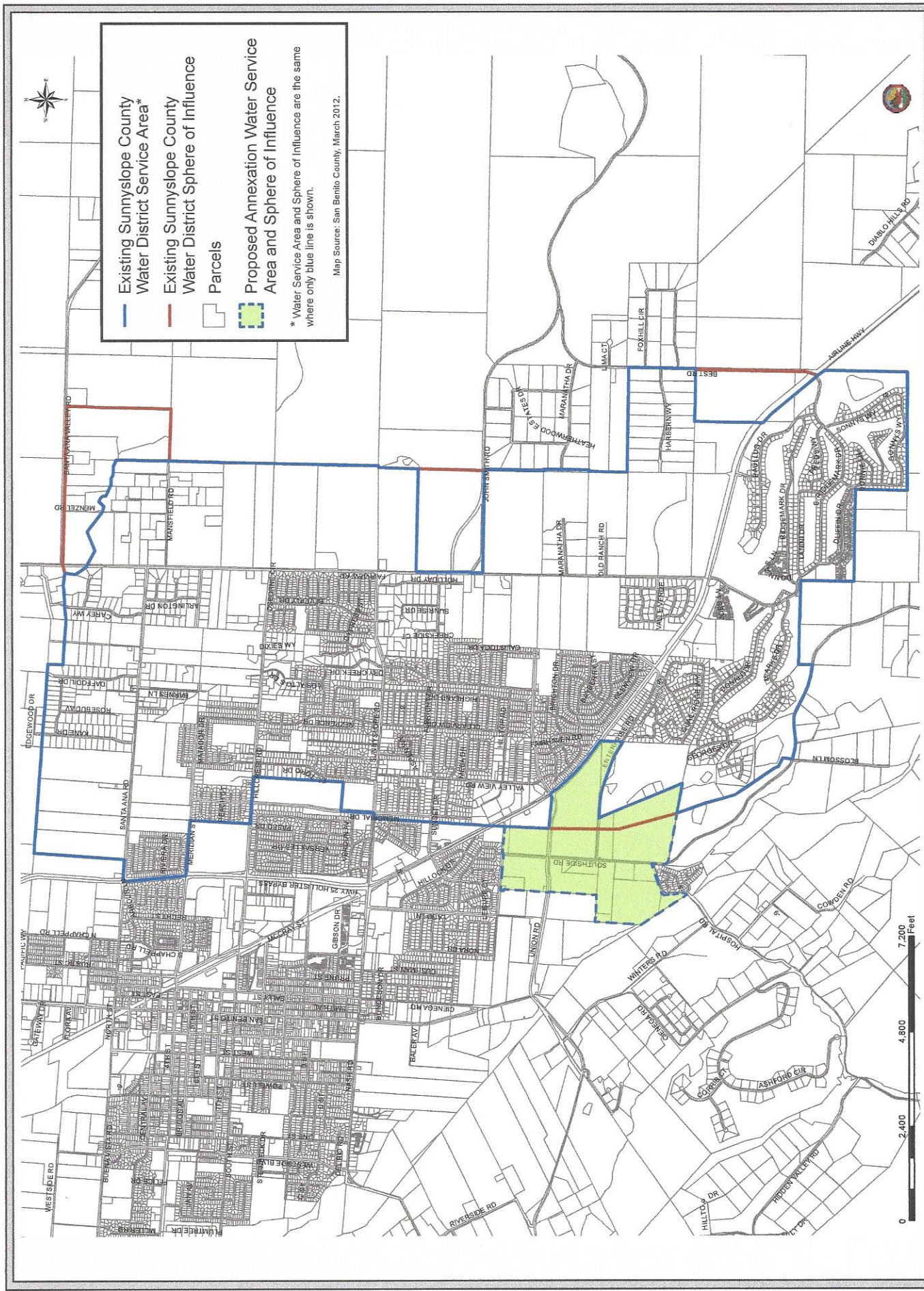
E. Identify how these services will be financed. Include both capital improvements and ongoing maintenance and operation.

Any capital improvements necessary to provide water service to parcels within the annexation area will be paid for by those properties requesting water service. Ongoing maintenance and operation costs for providing water service to the proposed annexation area will be paid for through monthly water service charges by SSCWD.

F. Identify any alternatives for providing the services listed in Section (A) and how these alternatives would affect the cost and adequacy of services.

Property owners within the proposed annexation area are not required to connect or receive water service from SSCWD. Properties within the annexation may continue to use private wells for providing water to their existing properties.





# PROPOSED WATER DISTRICT SERVICE AREA

FIGURE 4



RESOLUTION OF THE  
SAN BENITO LOCAL AGENCY FORMATION COMMISSION  
MAKING WRITTEN DETERMINATIONS AND CEQA FINDINGS  
AND MODIFYING THE SPHERE OF INFLUENCE  
OF THE SUNNYSLOPE COUNTY WATER DISTRICT  
(LAFCO No. 585 Southside Road Annexation)

WHEREAS, the Sunnyslope County Water District has filed with the Executive Officer of the San Benito Local Agency Formation Commission a request to modify its sphere of influence pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act of 2000 (Section 56425 et seq. of the Government Code); and

WHEREAS, in the manner required by law, the Executive Officer has given notice of the public hearing by the Commission on the proposal; and

WHEREAS, the Commission heard, discussed and considered all evidence concerning the proposal, including but not limited to, the Executive Officer's report and recommendation, the environmental document, applicable general and specific plans and all testimony, correspondence and exhibits received during the public hearing, all of which are included herein by reference.

NOW THEREFORE, IT IS RESOLVED, DETERMINED AND ORDERED as follows:

1. The project before the Commission is a proposed amendment of the Sunnyslope County Water District Sphere of Influence.
2. The Commission is a responsible agency under CEQA and in accordance with CEQA Guideline 15319 has reviewed and considered the information in the Negative Declaration thereof prepared and certified by the Sunnyslope County Water District.
3. The Sunnyslope County Water District sphere of influence is hereby modified to include the area shown on the attached map labeled "Exhibit A."
4. The expanded sphere will allow the Sunnyslope County Water District to provide water service to the affected territory.
5. The need for public services and facilities in the sphere expansion area is to provide community water services for existing and future uses within the area.
6. The Sunnyslope County Water District has sufficient present capacity and facilities to provide services to benefit the sphere expansion area.

7. The area being included in the sphere is socially and economically interdependent with the remainder of the Sunnyslope County Water District community.

8. This resolution was adopted on July 24, 2014 and is effective on the date signed by the Chair.

AYES:

NOES:

ABSTAINS:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Chair  
San Benito Local Agency Formation Commission

ATTEST

\_\_\_\_\_  
Bob Braitman, Executive Officer  
San Benito Local Agency Formation Commission





Expansion of Sunnyslope County Water District Sphere of Influence and  
Southside Road Annexation to Sunnyslope County Water District LAFCO No. 485

LAFCO No. 485

RESOLUTION OF THE SAN BENITO LOCAL AGENCY FORMATION COMMISSION  
MAKING DETERMINATIONS AND APPROVING THE SOUTHSIDE ROAD  
ANNEXATION TO THE SUNNYSLOPE COUNTY WATER DISTRICT

WHEREAS, the above-referenced proposal has been filed with the Executive Officer of the San Benito Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act and the County Service Area Law (Sections 56000 et seq. and Section 25210 et seq. of the Government Code) ; and

WHEREAS, at the times and in the manner required by law the Executive Officer has given notice of the Commission's consideration of the proposal; and

WHEREAS, the Commission heard, discussed and considered all oral and written testimony related to the proposal including, but not limited to, the Executive Officer's report and recommendation, the environmental document or determination, Spheres of Influence and applicable General and Specific Plans; and

WHEREAS, the Local Agency Formation Commission finds the proposal to be in the best interests of the affected area and the total organization of local governmental agencies within San Benito County.

NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED by the Local Agency Formation Commission of San Benito County as follows:

(1) The Commission has reviewed and considered the Negative Declaration prepared by the Sunnyslope County Water District.

(2) The subject proposal is assigned the distinctive short-form designation:

SOUTHSIDE ROAD ANNEXATION TO SUNNYSLOPE COUNTY WATER  
DISTRICT

(3) Said territory is found to be inhabited.

(4) The boundaries of the affected territory are found to be definite and certain as approved and set forth in the legal descriptions, attached hereto and made a part hereof.



(5) All proceedings in connection with this formation shall be conducted only in compliance with the approved boundaries set forth in the attachments and any terms and conditions specified in this resolution.

(6) Staff is directed not to record the annexation until the map and legal description are found by the County Surveyor to be acceptable.

This resolution was adopted on July 24, 2014 and is effective on the date signed by the Chair.

AYES:

NOES:

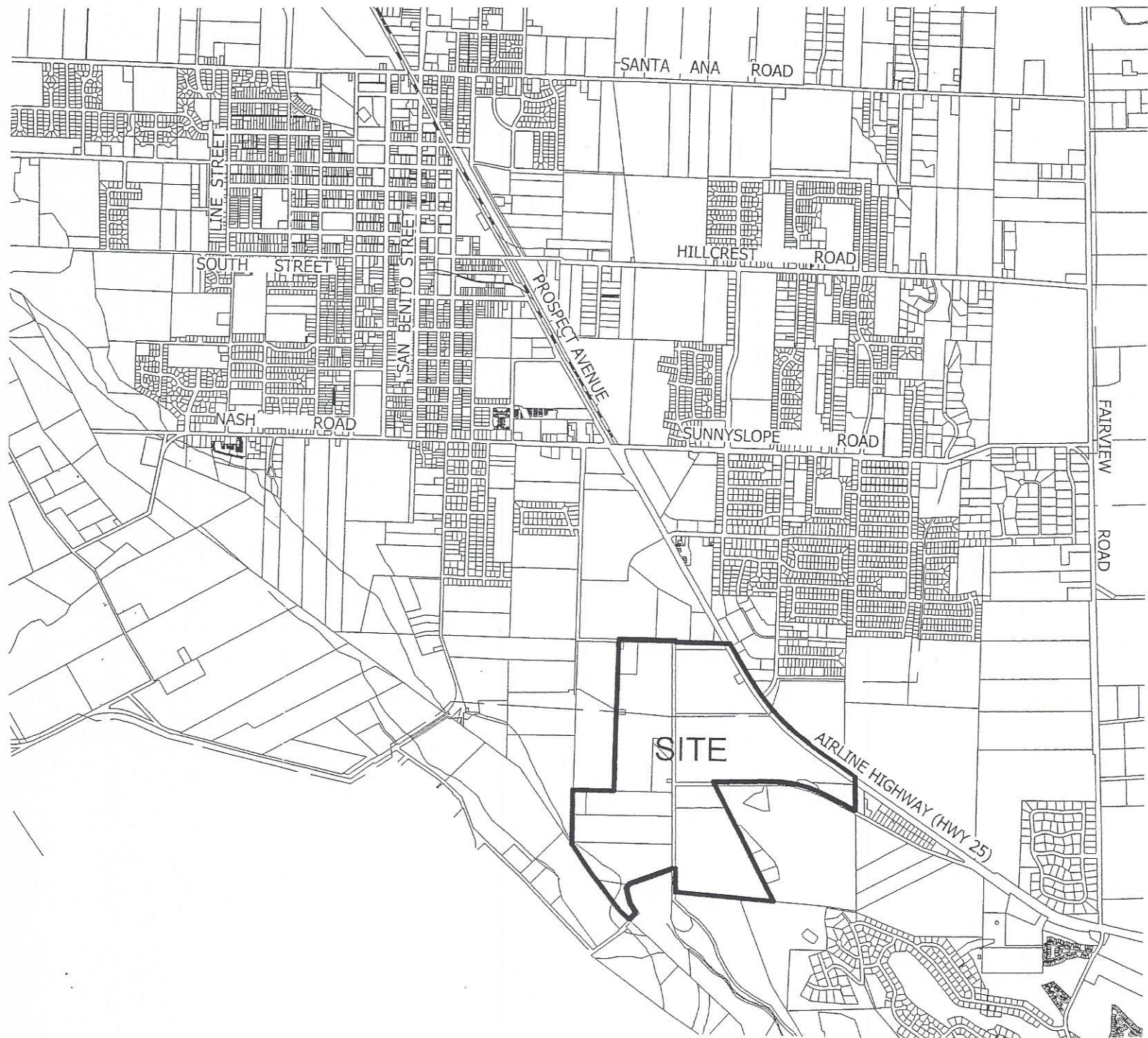
ABSTAINS:

Dated: \_\_\_\_\_

\_\_\_\_\_  
Chair  
San Benito Local Agency Formation Commission

ATTEST

\_\_\_\_\_  
Bob Braitman, Executive Officer  
San Benito Local Agency Formation Commission



Expansion of Sunnyslope County Water District Sphere of Influence and  
Southside Road Annexation to Sunnyslope County Water District LAFCO No. 485