

COUNCIL AGENDA: OCTOBER 15, 2013



SUBJECT: REQUEST FOR DIRECTION RELATED TO PROVISION OF WATER TO AKIN WATER COMPANY

SOURCE: PUBLIC WORKS DEPARTMENT - ENGINEERING DIVISION AND COMMUNITY DEVELOPMENT DEPARTMENT - PLANNING DIVISION

COMMENT: The Akin Water Company is a small, privately owned water company located south of Porterville College. The area served by the water company encompasses 22 parcels, and according to the applicant, twenty homes are within the water company service boundary. The properties served by Akin Water Company are generally located south of Lincoln Avenue between Fourth Street and Plano Street (Attachment 1). The water district boundaries are within the City's Urban Development Boundary (UDB) and approximately 810 feet from the nearest City boundary. The water well owned and operated by the Akin Water Company, which serves the area, has tested above the recently revised maximum contaminant level allowed for nitrates by the California Department of Public Health. As such, the water company is proactively seeking alternative water sources.

In December 2011, Akin Water Company met with the Project Review Committee to consider annexation in order to obtain water service from the City of Porterville's municipal water system. In September 2012, the Akin Water Company submitted an application for annexation in order to receive water. In processing the application, staff met with the Tulare County Local Agency Formation Commission (LAFCo) to discuss the unique boundary issues associated with the water system location. Consistent with their policies, LAFCo staff noted that the water district is considered an island, and as such an annexation of that area would require annexation of adjacent properties to create a logical boundary. Many years ago, it was possible to follow the alignment of a roadway to connect to the proposed annexation area; however, this is no longer permitted under LAFCo's regulation. As such, three alternative annexation boundaries were drafted which would meet LAFCo's regulations (Attachment 2).

After meeting with LAFCo, City staff met with members of the public in the proposed annexation area. A public information meeting was held May 29, 2013, at Vandalia Elementary School, and all property owners within the area considered for annexation were invited to discuss the requested annexation. Of those property owners and residents who attended, very few represented interest in having their properties annexed into the City. A survey was presented, both by mail and at the meeting, to ask whether property owners would like to be annexed. Of the 121 parcels considered for annexation, 22 are within the Akin Water Company Service Area. Twenty-three responses were in favor of annexation; all but two of those were from properties within the Akin Water Company. Thirty-three responses were not in favor of annexation; 65 parcels did not respond to the survey.

DD  Appropriated/Funded MP CM 

Item No. 14

Based on the limited number of survey ballots in favor of annexation, staff has determined that any attempt at annexation would likely fail in the public hearing or protest hearing phases. As a result, staff has evaluated the potential for provision of water through an extra territorial services agreement. A provision exists in LAFCo's regulations to allow a city to provide new or extended services by contract or agreement outside its jurisdictional boundaries under certain circumstances (Section 56133 of the California Government Code). The City Council has made use of this provision in the past, where water was needed to supply a school outside of City limits. While the preferred situation is that the City would provide water to City residents and businesses, the City has an adopted policy (Attachment 3) that addresses the provision of water outside the City limits under specific circumstances. Essentially, the policy requires the applicant to install a water system built to City standards, and to provide a source or pay a fee to achieve the provision of at least 120% of the applicant's demand.

Staff has evaluated the potential use of this provision to accommodate water delivery to the Akin Water Company. As the Council is aware, water quality and supply is a statewide concern, and a regional concern for water purveyors relying heavily on groundwater, including the City of Porterville. Staff is concerned that provision of water to uses outside of the City will detract from the City's ability to keep pace with the water demand of City residents and businesses. The 2001 Water System Master Plan identifies water system improvement milestones and identifies geographical areas of the City anticipated to experience growth within 5-year increments between 2000 and 2015. It is important to note that due to the downturn in the economy resulting in lower impact fees being collected, lack of adequate impact fee increases over the prior 17 years, and the recently acquired debt service on a CIEDB loan obtained to install significant water system improvements, the City is challenged with providing additional water service to new developments or existing areas that are within the City that are otherwise unserved. The City is in the process of developing a new well and will continue to look for opportunities to construct new improvements, but additional funds are required to achieve this objective.

Staff is prepared to update this and other utility system master plans, but the updates are tied to the UDB amendment that has been tied up with the City-County litigation. Funding has been set aside to update the master plans once the boundary amendment process is complete.

As a Charter Law city, the City of Porterville currently operates by awarding locally funded water projects at local wage levels and not at a "prevailing wage". This is an advantage when bidding out contracts and funding new improvements. The Council has recently been advised that, consistent with recent determinations by the Department of Industrial Relations, the extension of City water services to users outside of City Limits could expose all future water projects to prevailing wage requirements. This factor alone should be heavily considered prior to extending service to extraterritorial areas around Porterville.

RECOMMENDATION: That the City Council Provide direction to staff regarding the provision of water to Akin Water Company.

ATTACHMENTS:

1. Map of Akin Water Company
2. Map of proposed annexation boundaries, including survey responses.
3. Extraterritorial Water Service Administrative Policy



Akin Water Company

Roche

Yates Ave

Fourth St

Gibbons Ave

ATTACHMENT
ITEM NO. 1

County Parcels

Possible Annexation Parcels

Akin Water Company

Alternative 1

Alternative 2

Alternative 3

VOTE

● Y (23)

● N (33)

○ (No Vote Received) (65)



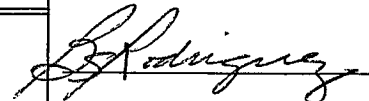
Akin Water Company

ATTACHMENT
ITEM NO. 2

PUBLIC WORKS DEPARTMENT
ADMINISTRATIVE POLICY

Number 2004-1
Date January 20, 2004
Authority MO #14-012004

SUBJECT:
WHOLESALE WATER POLICY


Public Works Director

I. PURPOSE:

To provide water to requesting private water purveyors outside the City Limits, and to administer those requests for City water once the City has met its water producing responsibilities as established in the 2001 Water Master Plan.

II. POLICY:

1. The City can only sell water if water system production goals are met or if a source of supply is established which meets 120% of the requesting system's requirements.
2. Requesting system shall pay design and construction costs for all piping and related appurtenances such as, but not limited to, piping, gate valves, pressure reducing valves, bends and master meter. Piping, as defined herein, includes all pipes needed to connect the new well to the system grid and to connect the system grid to a "point of connection" within City right of way at a location determined by the City.
3. Requesting system shall pay, if shown to be needed, for the design and construction of water reservoirs, booster pumps and incidental items of work. Incidental items of work include, but are not limited to, environmental, property appraisal, negotiation and acquisition of same to situate the reservoir and/or booster pump.
4. Requesting system must adhere to the City water conservation policies including any reduction in supply as warranted during summer months and/or during emergencies.
5. Requesting system cannot sell water to anyone other than to their "normal" customers.
6. Prior to receiving City water, requesting system shall apply for and receive LAFCO approval to enter into and receive City water.