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Special District Member



Larry Russell
Public Member

Kevin Crye
County Member

Fred Ryness
Special District Alternate

Patricia Ann Campbell
Public Member Alternate

George Williamson
Executive Officer

James M. Underwood
General Counsel

Agenda Item: 7.d

Meeting Date: December 7, 2023

From: George Williamson AICP, Executive Officer

Subject: **Proposed City of Anderson Water Services Extension to Sierra Pacific Industries**
The Commission will consider a proposal submitted by City of Anderson Resolution of Application for proposed out of area water service extension. The City, on behalf of SPI, is requesting water services be extended to Riverside Drive, outside the Anderson city boundary and within their adopted sphere of influence.

Background

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 proposed changes of organization, such as boundary changes, consistent with adopted policies and procedures pursuant to California Government Code § 56375. LAFCOs are authorized with broad discretion in amending and conditioning changes of organization as long as they do not directly regulate land use, property development, or subdivision requirements.

The SPI property is located in unincorporated Shasta County along Riverside Avenue and adjacent to the City of Anderson boundary. SPI wishes to connect to the City's water supply to receive adequate fire flow so SPI can remove their existing fire retention pond and free up space for development. This extension of services will be for water services only. The properties being considered include APNs 050-530-072, 050-110-038, and 050-110-039 on Riverside Avenue.

DISCUSSION

Plan for Services

- The City has submitted a plan for services that details how they intend to provide water service to SPI properties. Area will be served from the Northern Pressure Zone with additional water available from the Southern Pressure Zone through an emergency intertie. Additional infrastructure including a lateral, booster pump, and possible storage tank will be funded and constructed by SPI as necessary.

Application

- The City of Anderson is applying to LAFCo for an out of area services extension. The proposal area falls within the County's unincorporated area and within the City of Anderson's SOI. The affected area is currently uninhabited and is developed with industrial uses. The proposed area is approximately 148 acres over three parcels. The land use and zoning for the proposed extension is currently Industrial and is developed with a wood products mill and SPI administrative operations. The extension of services does not include a boundary change for the City of Anderson.

Resolution

- The resolution for the out of area extension application by the City of Anderson's Council was passed unanimously on July 26, 2023 (City Resolution No. 23-39).

Staff Report

- City staff presented a staff report describing the proposed out of area extension to the City of Anderson's Council at their July 26, 2023, meeting. The staff report included a brief description of the properties, necessary infrastructure improvements, and City capacity to provide services. The council also discussed the resolution they later passed discussing applying to LAFCo for the service extension.

Reasons for Proposal

The reasons for the services extension as set forth in application to LAFCo are as follows:

The Request for Extension of Anderson City Water letter from the Sierra Pacific Industries Anderson Division Manager states that there are several factors that necessitate the need for secure water supply from the City of Anderson, including compliance with state water board regulations, aging infrastructure, need for back-up generators due to Public Safety Power Shutoffs by PG&E, and plans to repurpose the space currently used for water retentions ponds. Another factor is the increasing number of state and federal regulations for drinking water.

The City water systems flows and capacity would satisfy fire flow requirements for the existing sawmill and administrative buildings so that the existing fire retention pond may be removed.

Provision of Public Services

There is an existing 10-inch water main along Ox Yoke Road that has sufficient capacity to serve the SPI properties. However, additional pressure by way of an onsite storage tank or use of the existing emergency intertie will be needed to meet fire flow requirements.

Fire services for the subject properties are provided by Anderson FPD and CSA #1 Shasta County Fire. Shasta County Fire Station 47 is located in front of the SPI administrative offices (19850 Riverside Ave, Anderson, CA 96007) and there are existing fire hydrants along Riverside Avenue. Law enforcement services are under Shasta County Sherrif jurisdiction with aid from the City of Anderson Police Department.

Land Use Designations

Land uses are currently subject to the Shasta County General Plan and Zoning Ordinance. The County General Plan land use designation of the subject properties is Industrial (I) and zoning is General Industrial (M); it is not necessary for land uses to be changed. *Source: Shasta County General Plan*

Authority

California Government Code Section 56133 enables LAFCo to authorize a city to provide new or extended services by contract or agreement outside its jurisdictional boundaries under specified circumstances. In this proposal, the services would be extended to three parcels, within the City's adopted Sphere of Influence; APNs 050-530-072, 050-110-038, and 050-110-039.

Analysis

The proposal analysis considers the capacity of the agency providing the services, City of Anderson has existing water service in an existing 10-inch water line in Ox Yoke Road. Approximately 1,100 feet of new 8-inch water main would be installed in Riverside Avenue to serve the subject parcels. The City operates six wells in the Northern Pressure Zone and has adequate volume to serve the properties. However, the system operates at a static pressure of 56psi. A higher pressure will be needed for fire flow requirements. This can be achieved by opening the emergency intertie between the Northern and Southern Pressure Zones or by constructing an onsite water storage tank. *Source: City of Anderson Plan for Services and Resolution of Application staff report.*

Other Considerations

Environmental Review

In accordance with the California Environmental Quality Act (CEQA), the City of Anderson served as Lead Agency for the resolution of application and proposed service provider. Pursuant to CEQA Guidelines: 14 CCR § 15303(d) Class 3: New Construction or Conversion of Small Structures, the project would not have a significant effect on the environment and is therefore exempt from the CEQA provisions. A CEQA Notice of Exemption will be filed with the County Clerk.

Conducting Authority Proceedings

Cortese Knox Herzberg (CKH) Act Section 56133 permits extension of water service in anticipation of future annexation. Section 56133, for extension of service outside city or district boundaries recognizes that there may be unique local conditions among individual service providers and unincorporated communities. LAFCO policies favor annexation, especially for lands proposed for development. According to the City of Anderson, annexation is not feasible at this time, as sewer service is not available to the area. This application did receive 100% landowner consent, and approval is conditioned on providing consent to annex in the future. Commission action is subject to a 30-day reconsideration period.

Indemnification

The applicant has not voluntarily indemnified Shasta LAFCO for actions related to this application. Should this action be challenged, Shasta LAFCO shall promptly notify the applicant of any such claim, action, or proceeding. The City and/or SPI may voluntarily defend LAFCO in litigation. If defense is declined, Shasta LAFCO may rescind the water extension approval.

RECOMMENDATION

Approve Subject to Conditions:

It is recommended the following conditions of approval be applied with delegation to the Executive Officer to determine when the requested actions have been sufficiently satisfied before proceeding with a recordation.

- Completion of the 30-day reconsideration period provided under G.C. § 56895.
- Payment of any outstanding fees as identified in the Commission’s adopted fee schedule.
- Property owner Consent to Annexation Form.

Attachment 1: City of Anderson Resolution of Application

Attachment 2: Plan for Services

Attachment 3: Shasta LAFCO Resolution 2023-13

Resolution No. 23-39

A RESOLUTION OF APPLICATION BY THE CITY COUNCIL OF THE CITY OF ANDERSON REQUESTING THE SHASTA LOCAL AGENCY FORMATION COMMISSION INITIATE PROCEEDINGS FOR A SERVICE EXTENSION

WHEREAS, the City of Anderson (herein referred to as "City") is authorized to provide municipal services pursuant to Title 13 - "Water and Sewer" of the Anderson Municipal Code; and

WHEREAS, the City of Anderson has received a request from Sierra Pacific Industries, to extend water services to provide adequate water for fire protection and domestic use for the property located on Shasta County Assessor Parcel Number 050-530-072 and 050-110-038, in Anderson, CA; as reflected on the attached Exhibit A; and

WHEREAS, the City has studied options for providing municipal services and concluded that a limited services extension outside City boundaries and inside the General Plan Sphere of Influence is feasible and appropriate at this time; and

WHEREAS, the services would be limited to water service only; and

WHEREAS, per Section 56133 of the Cortese Knox Herzberg Local Government Reorganization Act of 2000, a City may propose a services extension outside City boundaries and inside the Sphere of Influence to the LAFCO Commission; and

WHEREAS, per Section 56133 (b) of the Cortese Knox Herzberg Local Government Reorganization Act of 2000), LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its Sphere of Influence in anticipation of a later change of organization; and

WHEREAS, the City Council has considered the specific facts associated with the request for service extension, and subject to the required execution of an agreement for services and future annexation, finds that such extension would serve in protecting the health, safety and general welfare of the residents of the City of Anderson.

NOW, THEREFORE, BE IT RESOLVED by the City Council as follows:

1. The City Council hereby requests that the Shasta LAFCO initiate proceedings to consider a services extension outside City of Anderson jurisdictional boundaries and inside the Sphere of Influence to provide fire-flow and domestic water service to the property as requested by the Property Owner.
2. The City Council is serving as Lead Agency for this proposal pursuant to the California Environmental Quality Act (CEQA). LAFCO is a Responsible Agency. The City Council finds that the proposal is Categorically Exempt from CEQA pursuant to CEQA Guidelines §15303

Class 3 (d) "New Construction Or Conversion Of Small Structures", which exempts construction and location of limited numbers of new, small facilities or structures including water main, sewage, electrical, gas, and other utility extensions.

3. The City staff is authorized and directed to prepare a plan for services in consultation with the property owner, to demonstrate that the proposed services can be extended without diminished services within the City boundary.
4. The City staff is authorized and directed to take all actions consistent with this resolution to assist in processing the services extension request with Shasta LAFCO.
5. The City Manager is authorized and directed to take all actions consistent with this resolution to negotiate and approve an agreement for the services extension with the County of Shasta.
6. That such extension of services is limited in scope, and any revision to the nature and purpose of the Property Owners request or use of the property or of City services shall require the separate approval of the City Council.


The foregoing resolution was introduced at a special meeting of the City Council of the City of Anderson held on July 26, 2023, and was adopted by the City Council of the City of Anderson by the following vote:

AYES: Councilmember Baugh, Gallier, Hunt, Neutze and Mayor Gallagher.
NOES: None.
ABSENT: None.
ABSTAIN: None.



Michael Gallagher, Mayor of the City of Anderson

ATTEST:



Christy White, City Clerk

Sierra Pacific Industries Water Services Extension – Plan for Service (GC § 56653 a-b)

The plan for providing services shall include all of the following information and any additional information required by the commission or the executive officer:

- (1) An enumeration and description of the services to be extended to the affected territory.

The City of Anderson has received an inquiry about extending the City of Anderson water main Northerly on Riverside Avenue to service Sierra Pacific Industries at APN: 050-530-072 and APN: 050-110-039. To help Sierra Pacific Industries through the LAFCO process, the City of Anderson has been in contact to assist with permitting and design questions. The parcels in the attached exhibit are not within the City of Anderson city limits but are within the City's sphere of influence (SOI). Information provided by City of Anderson staff shows that the parcels in question are substantially served by water from the City of Anderson Northern Pressure Zone. The pressure zone and jurisdictional boundaries are shown on the attached map.

- (2) The level and range of those services.

The City of Anderson water service operates the Diamond Street Well, Balls Ferry Well, Stingy Lane Well, North Street Well, Auto Mall Drive Well, and Ox Yoke Well in the Northern Pressure Zone. The system has adequate volume but operates at a static pressure of 56 psi, a higher pressure will be needed for fire flow requirements. The City of Anderson has an intertie between the Northern and Southern Pressure Zone. The intertie is opened for emergency fire flow.

- (3) An indication of when services can be feasibly extended to the affected territory.

The City of Anderson doesn't see that there will be any adverse effect by adding additional customers to the existing pressure zone. The timeframe depends on construction, as Sierra Pacific Industries will install the infrastructure.

- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.

The additional connections will not require an engineering analysis to determine how the other water demand can be met. For example, the City of Anderson's 2006 Water Master Plan shows a 10" main continuing down Riverside Avenue to loop existing infrastructure. Sierra Pacific Industries will likely need a booster pump and storage tank to provide the minimum water pressure required to meet current fire flow requirements. This requirement will be on the private side.

- (5) Information with respect to how those services will be financed.

The infrastructure required for this extension will be funded directly by Sierra Pacific Industries. The water accounts for Sierra Pacific Industries will bear the cost of each service connection.

LAFCO RESOLUTION 2023-13

RESOLUTION OF THE SHASTA LOCAL AGENCY FORMATION COMMISSION ADOPTING THE CITY OF ANDERSON – OUT OF AREA WATER SERVICE EXTENSION TO SIERRA PACIFIC INDUSTRIES PROPERTIES

WHEREAS, the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 governs the organization and reorganization of cities and special districts by Local Agency Formation Commissions established in each county, as defined and specified in Government Code Sections 56000 et seq.; and

WHEREAS, the City of Anderson provides municipal water service to areas within its jurisdictional boundary, and to additional areas outside the City boundary and within the City Sphere of Influence as approved by LAFCO; and

WHEREAS, Water services have already been extended to an adjacent property on Riverside Avenue for CSA #1 Fire Station 47, and

WHEREAS, SPI, as property owner has requested water service be provided from the City of Anderson to APNs 050-530-072, 050-110-038, and 050-110-039; and

WHEREAS, SPI listed factors for switching from onsite private water system, including compliance with state water board regulations, aging infrastructure, need for back-up generators due to Public Safety Power Shutoffs, improved fire flows, increasing number of state and federal drinking water regulations, including testing and reporting requirements, as basis for services extension; and

WHEREAS, the City of Anderson passed Resolution No. 23-39, Requesting the Shasta Local Agency Formation Commission Initiate Proceedings for a Service Extension, on July 26, 2023 and submitted a Resolution of Application to Shasta LAFCO requesting water services be extended to these properties; and

WHEREAS, per Section 56133(a) of the Cortese Knox Herzberg Local Government Reorganization Act of 2000, a City may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located; and

WHEREAS, per Cortese Knox Herzberg Local Government Reorganization Act of 2000 Section 56133(b), LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization; and

WHEREAS, a water services extension to these properties would require a new eight (8) inch water line in Riverside Avenue, connected to the City's existing ten (10) inch water main located in Ox Yoke Road; and

WHEREAS, in the accordance with California Government Code Section 56661, the Executive Officer has given sufficient notice of the public hearing by the Commission on the proposal; and

WHEREAS, Shasta LAFCO prepared, distributed to affected agencies and posted a Notice of Filing and distributed a Certificate of Filing, for the proposed action, pursuant to California Government Code §56658(f). authority and requirements, with time requirements and limitations for processing and consideration; and

WHEREAS, the Commission heard and fully considered all testimony and evidence presented at a public hearing held on December 7, 2023.

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

1. The Commission finds the service extension is exempt from further review under the California Environmental Quality Act pursuant to CEQA Guidelines: 14 CCR § 15303(c) Class 3: New Construction or Conversion of Small Structures, the project would not have a significant effect on the environment and is therefore exempt from the CEQA provisions.
2. The Commission hereby determines the extension of water services to the subject properties inside the City's Sphere of Influence is approved for health and safety reasons subject to the following conditions:
 - a. Completion of a 30-day reconsideration period provided under Government Code Section 56895.
 - b. Payment of any outstanding fees as identified in the Commission's adopted fee schedule.
 - c. The extended water line must meet fire standards which have recently been changed to require 1,000 gallons per minute (gpm) fire flows, from new hydrants. Construction plans suitable for an encroachment permit from the County are also needed.
 - d. The additional connections will require an engineering analysis to determine how the additional water demand can be met to provide the minimum amount of water pressure and volume needed to meet current fire flow requirements.
 - e. An encroachment permit for work in county roadways is required and provided by Shasta County Public Works Department.
 - f. Water line, laterals, hydrants shall be installed by City to current engineering standards.
 - g. Final inspection and encroachment permit signoff to be obtained by Shasta County Public Works Department.
 - h. The City is responsible for preparing easements to be conveyed for the Riverside Avenue water line to be obtained from Shasta County to the City of Anderson.
 - i. The City of Anderson to receive water system (i.e., pipes, valves, meters) easement dedications within the County ROW.
 - j. It is the City of Anderson responsibility to set individual water meters/collect connection fees and to ensure water service is activated for affected parcels.
 - k. As part of an Out of Agency Water Service Agreement, an Annexation Agreement is to be filed with the Shasta County Recorder, whereby the property owner (SPI) and their successors shall irrevocably consent to annexation of the subject properties within 5 years or request extension.

3. The Executive Officer is hereby directed to transmit a certified copy of this resolution to each affected agency, as provided in G.C. § 56882.
4. The Executive Officer is directed to record a Certificate of Completion for this proposal upon completion of all proceedings and conditions met.
5. Completion of proceedings shall be concluded within one year after adoption of this resolution. If the proceedings are not concluded within one year after passage of this resolution, all proceedings shall be terminated unless an extension is approved.

BE IT FURTHER RESOLVED The City of Anderson - Water Service Extension is hereby approved and incorporated herein by reference as presented on the attached map noted as Exhibit A.

Adopted on December 7, 2023, by the following votes:

AYES:

NOES:

ABSTAINS:

ABSENT:

Dated: _____

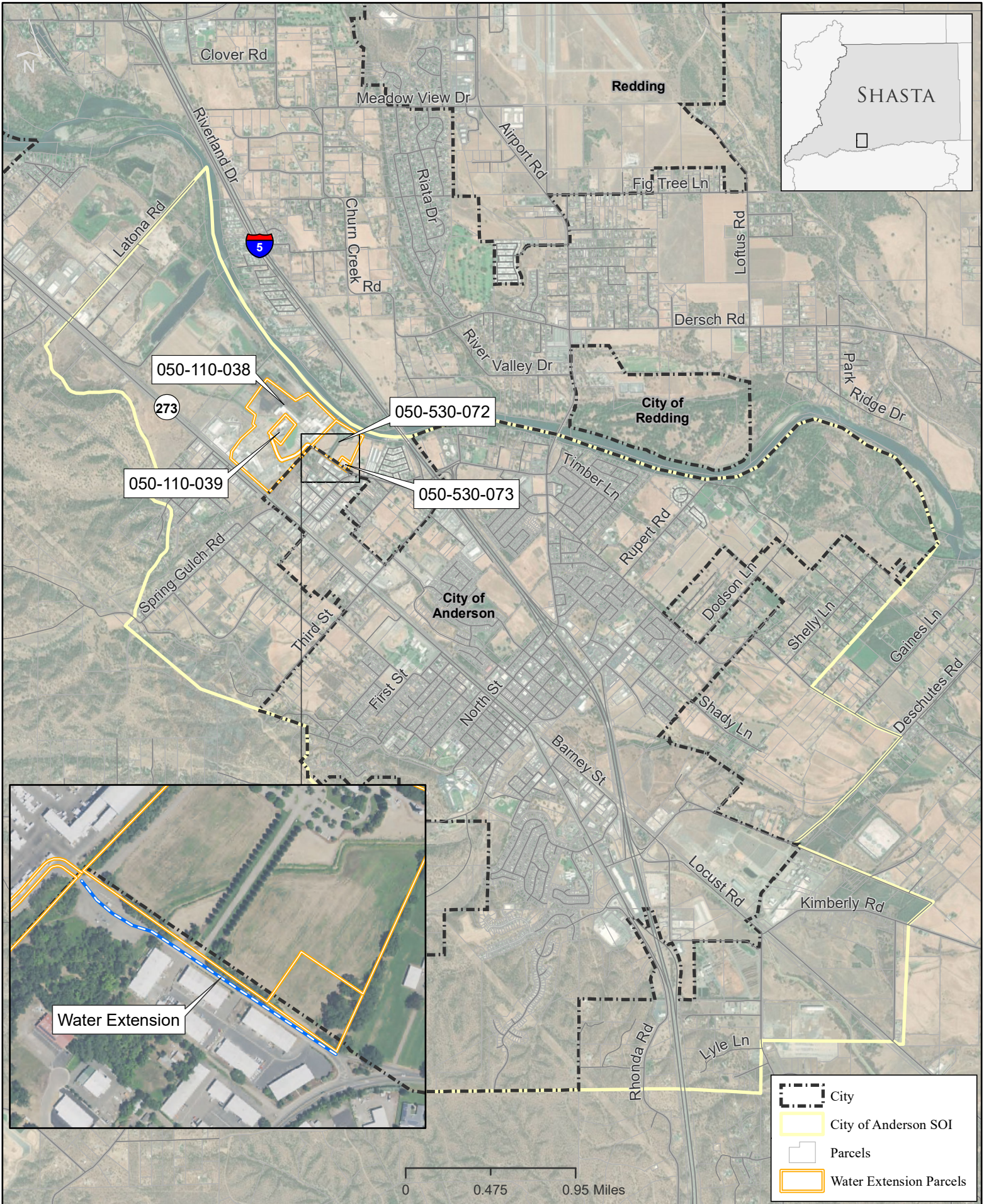
Stan Neutze, Chairman
Shasta Local Agency Formation Commission

Attest:

Dated: _____

George Williamson, Executive Officer
Shasta Local Agency Formation Commission

Exhibit A – Location Map



City of Anderson Riverside Avenue Water Extension

Figure

Date: 9/26/2023

Sources: Boundaries, Roads, Parcels: Shasta County GIS.