# REPORT TO COUNCIL
# City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

**Consent**
**July 31, 2007**

**Honorable Mayor and**
**Members of the City Council**

**Title: Agreement: Water Service Outside City Limits for Building Trades Association and Electrical Workers Parcels**

**Location/Council District:** 2840 El Centro Road, Suite 115 / 0.15 miles northwest of Council District 1.

**Recommendation:** Adopt a **Resolution** authorizing the City Manager to execute a Water Service Agreement with the Building Trades Association and Electrical Workers to provide water service outside the City limits.

**Contact:** David L. Brent, Engineering Manager, (916) 808-1420
Robert Thaung, Supervising Engineer, (916) 808-8891

**Presenters:** Not Applicable

**Department:** Utilities

**Division:** Engineering Services

**Organization No:** 3334

**Description/Analysis**

**Issue:** The Department of Utilities has received an application from a representative of the Building Trades Association and Electrical Workers requesting City water service for their property located outside the City limits at 2840 El Centro Road (see attachments 1 and 2). The City has a 12-inch water main located in El Centro Road that provides water service to the adjacent 49'er Travel Plaza and could be used to provide water service to the subject parcels. The water main was constructed by the 49'er Travel Plaza and was funded by the Department of Utilities and the 49'er Travel Plaza, pursuant to a Council-approved agreement between the City and the 49'er Travel Plaza.

The proposed agreement with the Building Trades Association and the Electrical Workers requires payment of the applicable Main Extension Fee, in addition to all other applicable City fees and charges for City water service. The agreement also requires the property owners to consent to any future annexation of their property, and provides that water service may be terminated if the property is not annexed

into the City within two years, subject to a one-time extension of up to one year if approved by the City.

**Policy Considerations:** The proposed recommendation is consistent with City Code Chapter 13.04.290 that allows the City Council, on a case-by-case basis, to approve water service to individual properties outside the City limits. This report's recommendation also is consistent with the City's Strategic Plan Goals of supporting the economic vitality of the area.

**Environmental Considerations:** The water line extension constructed by 49'er Travel Plaza in El Centro Road was not subject to the California Environmental Quality Act (CEQA), under Public Resources Code section 21080.21 (excludes pipelines of less than 1 mile). The current action provides a hook up to this pipeline to provide water service for previously developed parcels and will not result in any new or increased effects on the environment. As such, the proposed action does not constitute a project to which CEQA applies. (CEQA Guidelines sections 15061(b)(3), 15378(b)(4).) Any future annexation proceedings including these parcels will be subject to separate environmental review.

**Commission/Committee Action:** None

**Rationale for Recommendation:** Approval of the proposed agreement is consistent with the prior City Council actions approving the 49'er Travel Plaza agreement and establishing the Main Extension Fee to be paid by other properties in the area, including the subject parcels owned by the Building Trades Association and Electrical Workers, as a condition of obtaining City water service from the City's El Centro water main. Approval by City Council will allow the 49'er Travel Plaza and the DOU to be partially reimbursed for costs incurred to design and construct the water main.

**Financial Considerations:** The City will collect all applicable capacity charges, connection fees and tap fees from the property owner. Collection of the Main Extension Fees established for these parcels will allow the City and 49'er Travel Plaza to be reimbursed for a portion of their "up front" costs associated with design and construction the 12-inch water main in El Centro Road.

**Emerging Small Business Development (ESBD):** Not Applicable.

Respectfully Submitted by: _____
David L. Brent
Engineering Manager

Approved by: _____
Gary A. Reents
Director of Utilities

Recommendation Approved:

_____
for Ray Kerridge
City Manager

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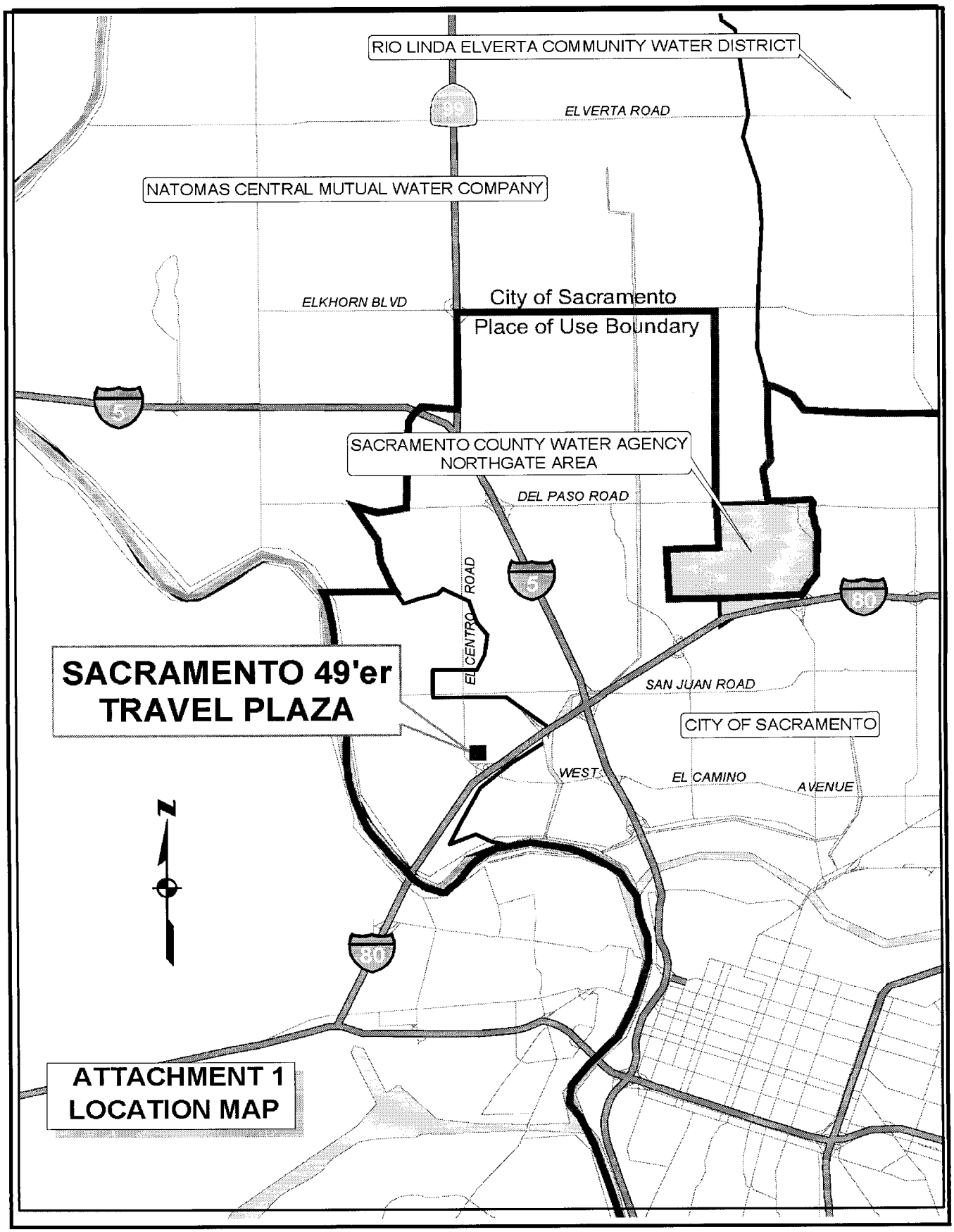
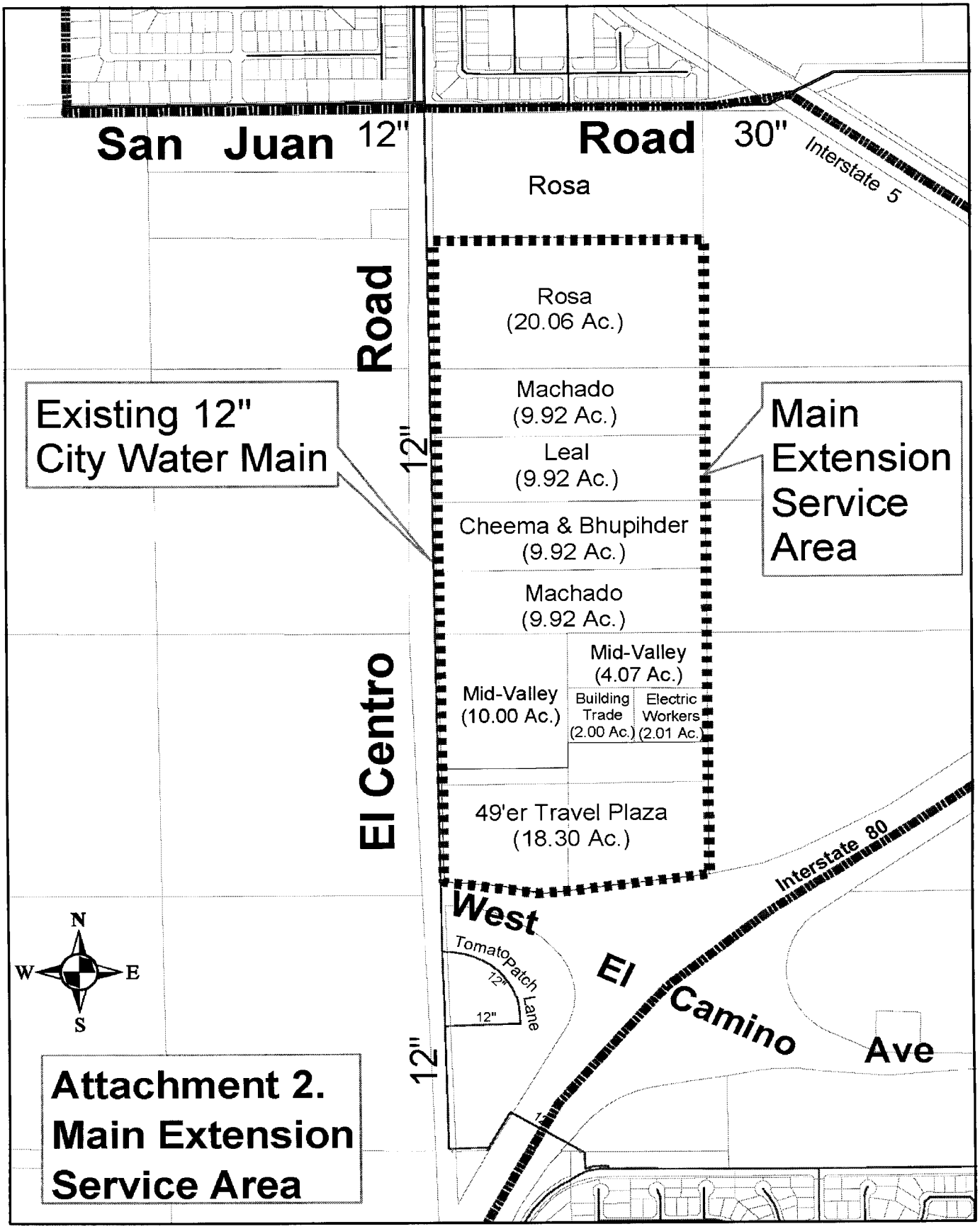

RIO LINDA ELVERTA COMMUNITY WATER DISTRICT
99
ELVERTA ROAD
NATOMAS CENTRAL MUTUAL WATER COMPANY
ELKHORN BLVD
City of Sacramento
Place of Use Boundary
5
SACRAMENTO COUNTY WATER AGENCY
NORTHGATE AREA
DEL PASO ROAD
EL CENTRO ROAD
5
80
SACRAMENTO 49'er
TRAVEL PLAZA
SAN JUAN ROAD
CITY OF SACRAMENTO
WEST
EL CAMINO
AVENUE
N
80
ATTACHMENT 1
LOCATION MAP


San Juan Road
12"
30"
Interstate 5
Rosa
Road
Rosa
(20.06 Ac.)
Machado
(9.92 Ac.)
Leal
(9.92 Ac.)
Cheema & Bhupihder
(9.92 Ac.)
Machado
(9.92 Ac.)
Mid-Valley
(4.07 Ac.)
Mid-Valley
(10.00 Ac.)
Building Trade
(2.00 Ac.)
Electric Workers
(2.01 Ac.)
49'er Travel Plaza
(18.30 Ac.)
Existing 12"
City Water Main
12"
Main Extension Service Area
El Centro
Interstate 80
West
Tomatopatch Lane
12"
12"
El Camino Ave
12"
N
W
E
S
Attachment 2.
Main Extension
Service Area

**Attachment 3**

**Background**

Commercial water service to the Building Trades Association and the Electrical Workers could be provided by a City water main located in El Centro Road. This water main was constructed by the 49'er Travel Plaza and was funded by the Department of Utilities and the 49'er Travel Plaza.

In the fall of 2002, the Sacramento 49'er Travel Plaza applied for commercial water service outside the City limits. The City and 49'er Travel Plaza subsequently entered into an Agreement for Water Service (the "Agreement"), that was approved by City Council on October 15, 2002. Providing water service to 49'er Travel Plaza required the construction of approximately 4300 feet of 12" water line in El Centro Road from San Juan Road to Tomato Patch Lane. The total cost for the project was $366,489.00. The Department of Utilities fronted $99,999.00 of this cost and 49'er Travel Plaza contributed the balance of $266,490.00.

The Agreement recognized that construction of the water main also would benefit other properties located in the County, if those properties were to obtain City water service in the future from the main. The other properties include parcels on the east side of El Centro Road from San Juan Road to West El Camino Avenue and parcels in the Tomato Patch development located to the south of 49'er Travel Plaza. The Building Trades Association and the Electrical Workers parcels are adjacent to and north of the 49'er Travel Plaza. The approximate location of the 49'er Travel Plaza is shown in Attachment 2.

The Tomato Patch development has already paid its cost share ($33,243.00) for constructing the water line and on May 11, 2004, City Council established a Main Extension Fee (Resolution No. 2004-357) to collect a fair share of the costs incurred to design and construct the water main from the other property owners capable of being serviced by the main, as a condition of providing City water service to these properties (the "Main Extension Service Area" shown in Attachment 2). The Building Trades Association and the Electrical Workers are within the Main Extension Service Area. This area is located outside the City limits, but is within the authorized place of use for the City's American River water rights, is within the City of Sacramento contract area for fire protection, and is within the proposed "City Urban Reserve" for the Natomas Joint Vision General Plan Amendment. None of these properties, with the exception of the 49'er Travel Plaza property, currently receive City water service.

The 49'er Travel Plaza Agreement contained provisions for the reimbursement from these capacity charges of the City's "up front" cost ($99,999) as well as reimbursement of a portion of the costs incurred by 49'er Travel Plaza to design and construct the water line. The Agreement also required total reimbursement of the City's costs before any fee revenues would be used to reimburse the 49'er Travel Plaza. Subsequent to the establishment of the capacity charges, the 49'er Travel Plaza requested a change to allow a 50/50 split of the capacity charges collected until the City's cost have been repaid, when 100 percent of any additional fees collected would be paid to 49'er

Travel Plaza. This request was approved by Council.

The City Code requires City Council approval for any water service outside the City limits. The City Manager-approved policy for water service outside City limits also requires annexation or the execution of an agreement consenting to future annexation as a prerequisite for retail water service, and requires the property receiving water service to be located adjacent to existing City limits and within the City's sphere of influence (SOI) in an area slated for urbanization. This policy was adopted in January, 2005.

The Building Trades Association and Electrical Workers are willing to annex to the City as a condition of receiving water service; however, this is not feasible at the present time, as their property currently is not immediately adjacent to the City limits and is not located in the City's sphere of influence. As noted above, this property is located in an area proposed for future annexation into the City. Given these circumstances, as well as the fact that the City Council's approval of the 49'er Travel Plaza Agreement and establishment of the Main Extension Service Area that includes the Building Trades Association and the Electrical Workers parcels predated the City's current policy regarding water service outside the City limits, staff is recommending approval of an agreement to provide water service to the subject parcels.

The proposed agreement requires the property owners' consent to future annexation, and provides that water service may be terminated if the property is not annexed into the City within two years, subject to a one-time extension of up to one year if approved by the City. If annexation does not occur within this time period, the City could terminate the water service and the property owners would be required to utilize an alternate water supply for the property.

**Attachment 5**

# RESOLUTION NO.

Adopted by the Sacramento City Council

**Water Service Outside City Limits for Building Trades Association and Electrical Workers Parcels**

## BACKGROUND

A. The Department of Utilities has received an application from the Building Trades Association and Electrical Workers requesting City water service for their property located outside the City limits at 2840 El Centro Road. The City has a 12-inch water main in El Centro Road that provides water service to the 49'er Travel Plaza and could be used to provide water service to the subject parcels. Pursuant to an agreement approved by the City Council in October, 2002, the water main was constructed by the 49'er Travel Plaza and was funded by the Department of Utilities and the 49'er Travel Plaza.

B. In May 2004, the City Council adopted Resolution No. 2004-357, that established a Main Extension Fee to collect a fair share of the costs incurred to design and construct the water main from other property owners within a designated "Main Extension Service Area" located outside the City limits in the vicinity of the water main, as a condition of providing City water service to these properties. The Building Trades Association and Electrical Workers parcels are within this Main Extension Service Area.

C. The Building Trades Association and Electrical Workers have agreed to pay the applicable Main Extension Fee and consent to future annexation to the City as a condition of receiving City water service.

D. The Main Extension Service Area is located within the authorized place of use for the City's American River Rights, is within the City of Sacramento contract area for fire protection, and is within the proposed "City Urban Reserve" for the Natomas Joint Vision General Plan Amendment.

## BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to sign and execute a Water Service Agreement with the Building Trades Association and Electrical Workers to provide water service outside the City limits.