

LAFCO MEMORANDUM

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION

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October 5, 2023 (Agenda)

TO: Each Member of the Commission

FROM: Mike Prater
Executive Officer

SUBJECT: REPORT ON OUT-OF-AGENCY SERVICE AGREEMENTS STATUS

This is an Informational Report. No Action is Necessary

DISCUSSION

This status report is to bring the Commission and public up-to-date on the number, type, and location of various Out-of-Agency service agreements either documented as prior approval or approved by the Commission over the last 22-years. The Executive Officer will provide a verbal presentation of these agreements. At the May 4, 2023 meeting, the Commission requested that staff return with an informational item that documents the past actions regarding Out-of-Agency service agreements. The purpose of which is to better understand how many and under what circumstances these agreements were issued.

As part of the Municipal Service Review Program, all existing service agreements are being documented for each agency. The Cortese-Knox-Hertzberg Act expanded the responsibility to evaluate and approved all Out-of-Agency service agreements under Government Code section 56133.

Government Code Section 56133 regulates under what circumstances cities and special districts are allowed to provide services outside of their boundaries. Since they were created in 1963, LAFCOs have been charged with discouraging urban sprawl and encouraging the orderly formation and development of local agencies. To implement these goals, they have authority to approve or deny changes in the boundaries of cities and special districts.

Due to situations where local agencies extended services to properties outside their boundaries -after LAFCO had denied the annexation of that property to the agency - the law was amended in 1993 to restrict cities and special districts from providing services outside their jurisdictional boundaries until they first request and receive written approval from LAFCO.

This restriction does not apply to certain situations such as (a) contracts or agreements involving two or more public agencies where the service to be provided is an alternative to public services already being provided, (b) contracts for the transfer of non-potable or nontreated water, (c) contracts, solely

involving, providing surplus water to agricultural lands and facilities or (d) services that a city or district was providing before January 1, 2001.

Section 56133 limits the circumstances, in which, LAFCO may allow a city or district to provide or extend extra-territorial services. With only one exception, any services provided outside the local agency boundaries must be within that agency's sphere of influence and be in anticipation of a later change of organization.

The only exception to that rule authorizes LAFCO to allow a city or district to provide services outside its sphere of influence if in response to a threat to public health or safety of the residents of the affected area. In that instance there must be documentation of the threat provided by the affected agency and LAFCO must notify any alternate service provider that has filed a map and statement of its service capabilities with the Commission.

The authority to allow cities and special districts to provide services outside their boundaries has been exercised from time to time by the Santa Barbara LAFCO. The list of these service extensions is outlined below grouped by agency that provides a service.

City of Buellton

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA – Zaca Creek (099-600-042)	2.86	water	1	0

City of Lompoc

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA – Beattie	40	sewer	1	TBD
OASA – GTE	TBD	electrical	1	TBD
OASA – Campbell	120.85	sewer	1	0
OASA – Bodger 093-111-007	TBD	sewer	1	TBD
OASA – Perry	0.27	water	1	TBD
16 connections – 12 active, 4 inactive Frick Springs	TBD	water	52	TBD

City of Santa Barbara

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA – 013-210-049	1	water & sewer	1	2
OASA – 013-070-022	0.78	sewer	1	0
OASA – 051-253-018, 051-261-002, 051-262-009, 051-263-007	0.72	sewer	4	TBD
OASA – 013-170-014	1.01	sewer	1	TBD
OASA – 013-170-021	1	sewer	1	TBD
OASA – 013-170-023	1	sewer	1	TBD

OASA – 051-262-013	0.16	sewer	1	TBD
OASA – 013-164-012	1	sewer	1	TBD
OASA – 055-221-005	0.23	sewer	1	TBD
OASA – 013-123-008 015	0.76	TBD	2	TBD
OASA - MacIntyre	TBD	TBD	TBD	TBD
OASA – Sunset Rd area	TBD	water & sewer	TBD	TBD
OASA - Rockhar	TBD	sewer	TBD	TBD
Served by City within CSA 12: All APN's	1,050	sewer	1,134	612
Served by City within Montecito Water: 013-170-026, 027, 028, 029, 030, & (formerly 013-210-027, 013-070- 022 & 032 and 013- 050-003	12.56	water	9	TBD
Served by City within Montecito Sanitary: 013-170-006, 007, 008, 009, 010, 011, 013, 017, 048, 049, & 052, 013- 165-009, 010, & 011	14	water	14	TBD

City of Santa Maria

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA – 128-093-023	0.7	water	1	0
OASA – 128-096-018	35.8	water	1	0
OASA – 128-093-013	7.6	water	1	0
OASA – Terra Cotta I 111-630-010	0.6	water & sewer	1	TBD
OASA – 111-110-016	0.8	water	1	0
OASA – Terra Cotta II 111-630-004	1.5	water & sewer	1	TBD
OASA – Orcutt Apts 111-110-042	5.8	water	1	TBD
OASA – St Marie MHP 117-200-028	5.13	water	1	TBD
Prior Agreement 128-094-025	38.58	water	1	0
Prior Agreement 128-094-027	38.57	water	1	0
Prior Agreement 128-094-067	162.51	water	1	0
Prior Agreement 128-094-069	106.99	water	1	0
Prior Agreement	154.56	water	1	0

128-064-007				
OASA – Ray Water 111-030-005, 111-030-006, 111-030-007, 111-030-008, 111-030-009, 111-030-011, 111-30-012, 111-030-013, 111-040-010	6.6	water	9	TBD

City of Solvang

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA – Seltzer	5	sewer	1	0
OASA – Skytt	8	sewer	1	0
OASA – Wilkins	5.3	sewer	1	0

Casmalia Community Services District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
Casmite Water Corp	N/A	water	1	N/A

Cuyama Community Services

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA- 1220 Perkins Rd	100	water	1	0

Santa Ynez Community Services

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA - Pace	1.0	sewer	1	0

Mission Hills Community Services District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
City of Lompoc	158	water & sewer	58	TBD

Vandenberg Village Community Services District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
097-371-013 Fire Training Center	4	water	1	0
097-371-049 Well Sites portion	15.5	water	1	0

Carpinteria Sanitary District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
004-004-031 High Sch	37.64	sewer	1	0
002-047-040, 041, &	10.17	sewer	3	0

003-280-001 Middle School & City Pool				
004-004-031 Canalino Elementary School	11.6	sewer	1	0
003-101-026 CVWD Office 1301 Santa Ynez	2.53	sewer	1	0
OASA - 005-430-061 Jacobs 3504 Via Real	2.5	sewer	1	0
OASA - 005-430-056 Wudl 3700 Via Real	8.88	sewer	1	0
OASA - 004-004-037 Van Wingerden 5134 Foothill Rd.	13.03	sewer	1	2
OASA - 004-003-008 Everbloom 4701 Foothill Rd	18.49	sewer	1	0
OASA - 005-430-035 Armand 3501 Via Real	1.0	sewer	1	0

Goleta Sanitary District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
OASA - 059-440-008	0.88	sewer	1	2

Goleta West Sanitary District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
EMID	177	sewer	155	449
Sandpiper Golf Course Maintenance Building	0.15	sewer	1	0
UCSB Faculty Housing	11.5	sewer	1	TBD

Laguna County Sanitation District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
City of Santa Maria	2,271	sewer	259	89

Montecito Sanitary District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
Flow Exchange Agreement w/ SSD	365	sewer	300	2
Flow Exchange Agreement w/ SB City	TBD	sewer	TBD	TBD

Summerland Sanitary District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
Other unincorporated	202.9	sewer	238	TBD
Summerland Heights Tract	18.37	sewer	29	TBD

Carpinteria Valley Water District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
005-390-080 and 005-390-078	1.01	water	2	TBD
Casitas Customers	2	water	4	TBD

Montecito Water District

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
City of Santa Barbara	103.5	1.1%	223	TBD
Barker Pass Agreement	5.61	water	6	TBD
Coyote Road Agreement	78.5	water	21	TBD

CSA 12 (Mission Canyon)

Service Area	Total Assessor Parcel Acres	Type of Service	Total Assessor Parcels	Number of Registered Voters
APN list Served by CSA 12 within City Limits: 023-250-052; 023-080-001; 023-080-002; 023-080-003; 023-080-004; 023-080-005; 023-080-006; 023-080-009; 023-080-010; 023-080-011; 023-080-012; 023-080-013; 023-080-014; 023-080-015; 023-080-016; 023-080-017; 023-080-018; 023-080-019; 023-080-020	7.13	sewer	19	N/A

LOCAL POLICY

The Commission in 2011, considered and adopted policies regarding the approval of Out-of-Agency Services. The following is the Commission’s adopted policy Section 7 (IX):

"Considerations for Approving Agreements"

"Annexations to cities and special districts are generally preferred for providing public services, however, out-of-agency service agreements can be an appropriate alternative.

"While each proposal must be decided on its own merits, the Commission may favorably consider such agreements in the following situations:

1. Services will be provided to a small portion of a larger parcel and annexation of the entire parcel would be inappropriate in terms of orderly boundaries, adopted land use plans, open space/greenbelt agreements or other relevant factors.
2. Lack of contiguity makes annexation infeasible given current boundaries and the requested public service is justified based on adopted land use plans or other entitlements for use.
3. Where public agencies have a formal agreement defining service areas, provided LAFCO has formally recognized the boundaries of the agreement area
4. Emergency or health related conditions mitigate against waiting for annexation.
5. Other circumstances which are consistent with the statutory purposes and the policies and standards of the Santa Barbara LAFCO.

"Agreements Consenting to Annex"

"Whenever the affected property may ultimately be annexed to the agency, a standard condition for approval of an out-of-agency service agreement is recordation of an agreement by the landowner consenting to annex the territory, which agreement shall inure to future owners of the property.

"Approval by Chair"

"The Chair may authorize cities and special districts to provide services outside of their boundaries as specified herein.

1. A request and application is received from the affected local agency, including the requisite processing fee.
2. The situation involves public health, safety or welfare to such a degree that delaying the approval of the service agreement until the next LAFCO meeting is deemed by the Chair to represent an intolerable delay or risk to the public health, safety or welfare.
3. The property to which the out-of-agency services will be extended or provided is within the sphere of influence of the affected agency.
4. If the affected property may ultimately be annexed to the service agency, the landowner shall execute and record an agreement consenting to annex the territory to the affected district and shall deposit with LAFCO or the service agency funds sufficient to process said future annexation.
5. In the absence of the Chair or if the Chair is not available to act, the Vice Chair is authorized to exercise the authorities set forth in this resolution.
6. The Executive Officer shall provide a report to the Commission at the next LAFCO meeting of any out-of-agency service agreements that were approved.

"It is intended that the authority delegated to the Chair or Vice-Chair to approve out-of-agency service agreements be exercised in a manner consistent with the Commission's adopted standards."

History of Out-of-Agency Service Agreements

Since the law was enacted requiring LAFCO approval of out-of-agency service extensions, there have been 52 such extensions approved by the Commission or by the Chair. Nine have been annexed into the respective district or city, while three have been deemed voided and the service is not being provided. These are not listed above. In addition, LAFCO has recognized 31 agreements that were in place prior to LAFCO requirements (included in the list above). One exemption was recognized between two public agencies. A total of 7 extensions were issued under impending Health & Safety concerns.

The majority are related to failed on-site septic systems and the need to connect to a community sewer system without the delay of waiting for the completion of an annexation or failed water well. As a general rule these property owners are required to record a consent to annex to the agency that provides the service and follow-up with annexations, when appropriate.

COMPARISON TO OTHER COUNTY'S

In order to understand if Santa Barbara County's use of OASA is similar to other County's, the Executive Officer reached out to the Coastal Region LAFCO's asking how many and under what terms have service agreements been authorized. As with many of these kinds of comparison questions, a large array of results that run the gambit came back. In some cases, limited use of out-of-agency service agreements are exercised in favor of annexations, with the exception of impending Health & Safety concerns under Government Code Section 56133(c). In other cases, similar to Santa Barbara, multiple agreements have been issued with requirements to deferred annexation with a longstanding practice to condition approval on the property owner's agreement not to protest a future annexation. What was found somewhat unique to Santa Barbara's policy is the use of allowing a smaller portion of a larger parcel be granted the service extension, generally the whole parcel is included in the OASA. All other LAFCO's also condition OASAs for existing use and development only – services cannot be extended to ADUs or lot splits, or other new uses (a new approval for these additional service connections are required). Majority of OASA approvals involve water and/or wastewater services, with a few for fire service. Below are some of the varied responses from comparable County's:

- Condition the OASA to require that the applicant apply for the change/reorganization within six (6) months, and process it to completion within two (2) years.
- If the subject property is contiguous to a City or District, condition the OASA to a future annexation within a specified period of time.
- On rare occasions, approved OASAs to an agricultural area due to a public health/safety emergency.
- For emergency OASAs, required that the property owner submit an annexation application prior to approval of the emergency OASA. In other County's a one-year timeframe is conditioned to go through the formal annexation process.

- Allow for parcels that are not in proximity of the city to serve them, with no timeframe for annexation, but property owners entered into a recordable agreement to future annexation, waving their right to protest if annexation occurs in the future.

Government Code Section 56133 is one of the most challenging sections in CKH Act, with 58 County's having different ways of looking at the issue, and what works best in one County may not work best for every County. Hence, the need and allowance for local policies to be adopted. Of those LAFCOs surveyed responses ranged from a total of 8 OASA, 13 OASA, 4 to 6 OASA a year, to more than 52 OASA, to 48 OASA since when OASA came into LAFCO law.

CONCLUSION

The report is intended to provide a status update regarding Out-of-Agency service agreements, so that, the Commission can consider if the appropriate policies and practices are adequate and the desired intent is being achieved.

Please contact the LAFCO office if you have any questions.