

SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION
EXECUTIVE OFFICER'S REPORT

OUT-OF-AGENCY SERVICE AGREEMENT (OASA)

January 14, 2021 (Agenda)

LAFCO 18-04 City of Santa Maria to provide potable Water to the Pacific Petroleum Site.

PROPONENT: City of Santa Maria on behalf of Pacific Petroleum.

ACREAGE& LOCATION Approximately 7.6 acres located at 1615 East Betteravia Road, Santa Maria, CA 93456. (APN 128-093-013) (**Exhibit A**).

PURPOSE: Pacific Petroleum is requesting a domestic water connection from the City of Santa Maria since the existing well water source has been tested to have nitrate levels exceeding the State-mandated maximum contaminant level, and has been cited by Santa Barbara County Environmental Health Services (SBC EHS) for noncompliance. The existing site contains a packing facility, office and storage for a trucking and industrial labor company.

HISTORY:

According to the citation issued on July 7, 2020, Santa Barbara County Health Services determined that Pacific Petroleum's water system has violated or is violating the California Safe Drinking Water Act, due to surveys indicating nitrate levels exceeding the maximum contaminant level (**Exhibit B**).

Pacific Petroleum is currently served by one well, not equipped with nitrate treatment, which provides water for their operations and for daily use by approximately 40 employees that work on-site. The business has provided proper notification to the water system users, and has posted nitrate exceedance notifications at all sinks and fountains in the facility. Pacific Petroleum is required to submit a plan to EHS for approval.

The applicant is requesting a domestic water connection to best mitigate the violation, since there is an existing water main that runs adjacent in Betteravia Road. In addition, fire service is already provided to this facility by County Fire. The only improvements necessary for provision of domestic water is a service connection to the facility.

OUT-OF-AGENCY SERVICE AGREEMENTS:

Much of the following information was included in the City of Santa Maria's OASA Application to LAFCO (**Exhibit C**). It is repeated here as pertinent information for the Commission's consideration:

"LAFCO would typically consider out-of-agency service agreements for facilities located outside the City boundary, but within the Sphere-of-Influence. In this case, the facility is outside of both the City boundary and Sphere-of-Influence. However, the property is located within close proximity to the City and is adjacent to existing City water infrastructure. City staff points out that a domestic water connection would be the logical solution to Pacific Petroleum's water quality violation affecting public health and safety.

Government Code Section 56133 states that LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health and safety of the public or the residents of the affected territory, if the entity applying for approval has provided LAFCO with documentation of a threat to the health and safety of the public or the affected residents. SBC EHS's citation serves as the documentation of the threat, as well as the supporting technical surveys detailing excessive nitrate levels.

Annexation of the property into the sphere of influence and/or into the City's boundary is not possible at this time, since it would require a larger study of the area, and an evaluation of the City's future growth, in compliance with LAFCO objectives and policies. These efforts are part of the City's comprehensive General Plan update which is underway and includes significant public outreach, stakeholder input, regional coordination, data collection, and environmental analysis. This is a multi-year process that is not anticipated to be completed until 2022 or 2023. The request for domestic water service is an urgent need, and cannot wait until after the completion of a General Plan update effort.

The property is also currently within an area for " No Urban Development" as adopted by a City Council resolution (94-9). The City Council would have to vote to remove this " No Urban Development" policy by resolution, if the Council chooses to consider the area for possible urban expansion. The request for domestic water service is not intended for development or expansion purposes, but solely to address an emergency health and safety situation."

The pertinent section of LAFCO's Authorization to Approve Out of Agency Service Agreement is included in **Exhibit D**.

GENERAL ANALYSIS:

1. Description of Project

Since the parcel is in the unincorporated area, land use authority within the County of Santa Barbara is AG-II-40 (Agriculture, 40-acre minimum parcel size) The County' s Comprehensive Plan Designation is A-1-5.

The existing site is a trucking and industrial labor company with parked trucks and equipment, and offices that include 40 employees, on the 7.6-acre site, in compliance with Section 35.82.080 of the County Land Use and Development Code;

The property is currently served by a well that has a documented existing or impending threat to the public health and safety.

2. Requirement for LAFCO Approval

LAFCO regulates boundary changes and extensions of service without boundary changes. Government Code Section 56133 states that "A city or a district may provide new or extended services by contract or agreement outside its boundaries only if it first requests and receives written approval from the commission in the affected county."

It further provides that LAFCO "may authorize a city or district to provide new or extended services outside its jurisdictional boundaries but within its sphere of influence in anticipation of a later change of organization."

3. Sphere of Influence

The area proposed for the Out-of-Agency Agreement is outside the City of Santa Maria's sphere of influence (**Exhibit A**). The proposed service area is less than one mile from the City limits and the sphere of influence Section 56133(c) also allows service outside a sphere of influence to respond to an existing or impending threat to the public health and safety of residents of

the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

4. Plan for Services: The City of Santa Maria provided the following statement in response to LAFCO staffs Plan for Service request: The existing city water main runs adjacent to the site in Betteravia Road. In addition, fire service is already provided to the site. The only improvements necessary for the provision of domestic water is a service connection to the facility.

"The connection to the Pacific Petroleum site will be made prior to the previously installed Fire Service connection There is a Double-Detector-Check valve-Assembly (DDCA) installed for fire suppression water. The applicant would hot-tap that water line prior to the DDCA valve assembly. The City would install a meter and the applicant would route the water line to the office for domestic use.

Typical use volumes would be in line with an office staff in the 10-12-person range. The connection is intended/or domestic use, including drinking fountains, faucets, and bathroom fixtures. Pacific Petroleum does not have plans for significant water use or consumption, as all discharges will be routed to an on-site septic system. The water meter and line size would limit the facility's water consumption.

The City has two sources of water supply: local groundwater and imported State Water. There is sufficient availability to serve the proposed property".

5. Landowner Consent to Annex in Order to Receive Services

Commission policy states that when property may ultimately be annexed to a city or a district, approval of an Out-of-Agency Service Agreement should require the landowner to agree to annex the territory with a consent to annex

form. This is a condition of approval.

6. Environmental Impact of the Proposal

This development was originally approved within the jurisdiction of Santa Barbara County. In 2011, the County issued a land use permit for tenant improvements to the packing building, offices, and second floor storage. The proposed domestic water connection would not result in additional impacts since there will be no modification to the original development approval and no change in use. The domestic water connection would be provided solely to mitigate a threat to the health and safety of the public.

The purpose of the environmental review process is to provide information about the environmental effects of the actions and decisions made by LAFCO and to comply with the California Environmental Quality Act (CEQA). In this case it has been found to be exempt from CEQA under Section 15303(d) and Section 15061(b)(3) of the State Guidelines (**Exhibit F**). The activity is covered by the fact the proposed domestic water connection would not result in additional impacts since there will be no modification to the original development approval and no change in use. The Common-Sense rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. There are no land use changes or environmental impacts created because the outside user agreements are approved.

Conclusion:

The City of Santa Maria, on behalf of Pacific Petroleum, the property owner is requesting approval of an Out-of-Agency Service Agreement. The Commission has the authority to approve OASA's pursuant the Government Code Section 56133, within an agencies sphere of influence in anticipation of future annexation. The property is outside the City of Santa Maria's sphere of influence, however, Section 56133(c) allows service outside a sphere of influence to respond to an existing or impending threat to the public health and safety.

The tenant improvements were approved by the County in 2011 utilizing on site

wells. These wells have now been determined to be in violation of the California Safe Drinking Water Act, due to surveys indicating nitrate levels exceeding the maximum contaminant level. The City has an existing water main in the road bordering the site and is willing to connect the property for potable water for employees. This water main is also used for fire protection purposes by County Fire.

The main CEQA issue for this project is whether the provision of potable water services to Pacific Petroleum would cause growth inducing impacts. This extension of services can be found to NOT be growth inducing for the following reasons:

- There is an existing City water line already located within the street right of way adjacent to the facility;
- The only new infrastructure needed for the project would be a tie-in from the Pacific Petroleum facility into the water line located adjacent to the property.
- Provision of services to the Pacific Petroleum facility would be limited to this one property in this agricultural area due to the unique threat to health and safety caused by the failure of the onsite well that previously provided potable water to the Pacific Petroleum office.
- Provision of potable water services to the agricultural sources under an out of agency service agreement must meet the findings of Government Code section 65133(b), which is that services may be extended outside of a city's or district's boundaries only if the property is within the sphere of influence in anticipation of a later change of organization. This is almost certain to require significant planning studies, including general plan amendments and associated CEQA review, for the City to consider expanding its sphere of influence in anticipation of annexation of the agricultural area surrounding the Pacific Petroleum property.

EXHIBITS

- Exhibit A - Map of the Proposed Out-of-Agency Service Area
- Exhibit B - Documentation of Existing Threat to Public Health and Safety
- Exhibit C - City of Santa Maria Resolution of Application
- Exhibit D - LAFCO Authorization to Provide Out-of-Agency Services
- Exhibit E - City of Santa Maria Environmental Determination
- Exhibit F - LAFCO Notice of Categorical Exemption
- Exhibit G - LAFCO Out of Agency Service Agreement

ALTERNATIVES FOR COMMISSION ACTION

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

OPTION 1 - APPROVE the request for an Out-of-Agency Service Agreement (**Exhibit G**), subject to the following terms and conditions:

- a) The City's provision of water services shall be limited to the 7.6 acres located at 1615 East Betteravia Road, Santa Maria, CA 93456. (APN 128-093-013).
- b) The landowner shall execute and record an agreement approved by the Executive Officer that consents to any future annexation of the territory, which agreement shall insure to and bind all successors in interest to the property.
- c) Said out-of-agency service agreement is for water service only shall remain in effect until such time as an annexation is approved by the Commission.

OPTION 2 - Deny the request.

OPTION 3 - Continue the item to obtain additional information.

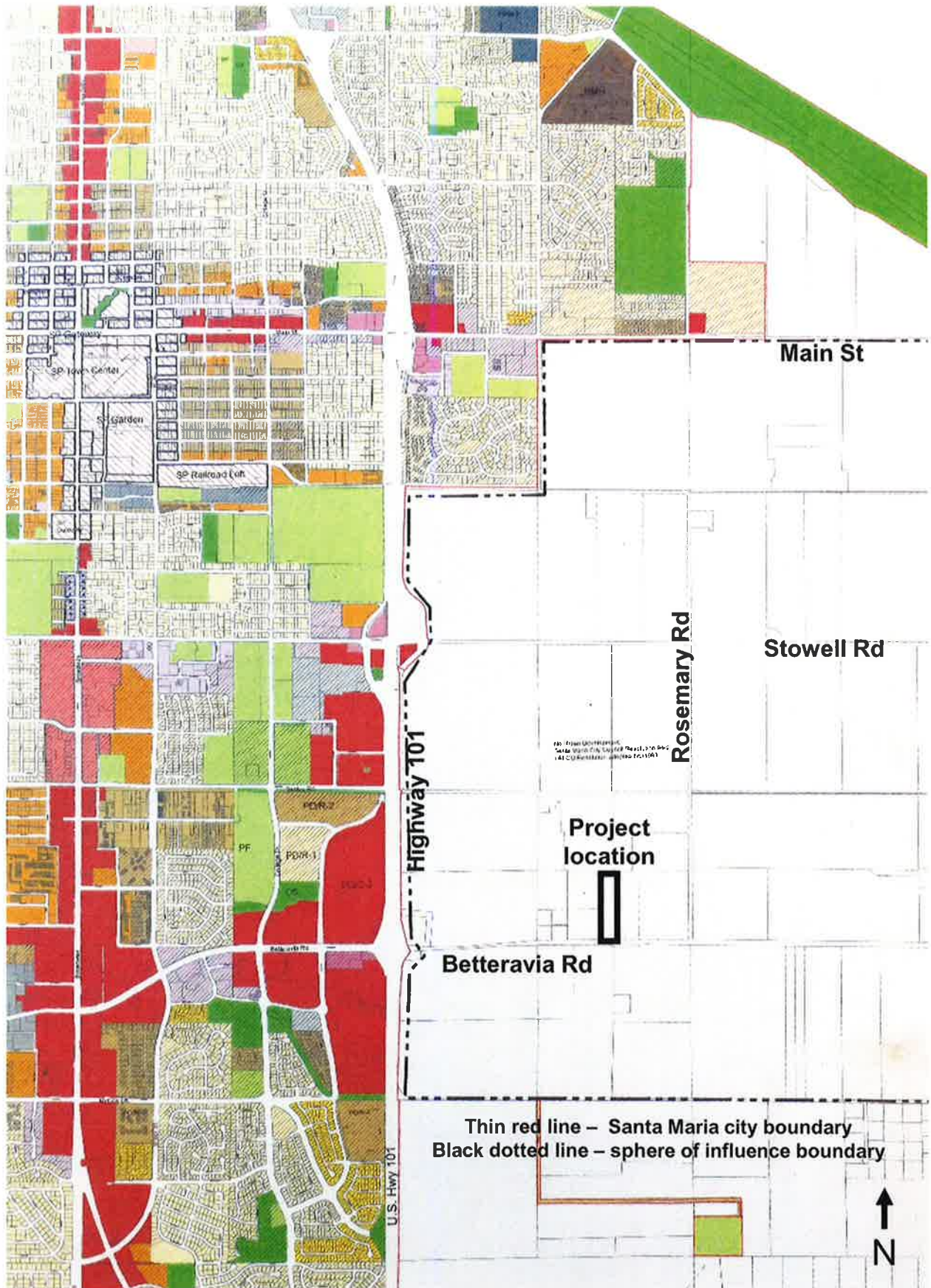
RECOMMENDED ACTION:

Approve OPTION 1.

A handwritten signature in blue ink, appearing to read "M. Prater".

Mike Prater
Executive Officer

LOCAL AGENCY FORMATION COMMISSION



VICINITY MAP

EXHIBIT A

Santa Barbara County
PUBLIC Health
DEPARTMENT



Walt Do-Roywood, MPH, PhD Director
Suzanne Jacobson, CPA Chief Financial Officer
Paige Barton, MA, PHN, RN Deputy Director
Douglas Metz, DPH, MPH Deputy Director
Polly Barkdale, MD, MPH Medical Director
Hansing Ansong, M.D. Health Officer
Darin Eisenhart Deputy Director

Environmental Health Services

225 Camino del Remedio • Santa Barbara, CA 93110
805/681-4900 • FAX 805/681-4901

2125 S. Centerpointe Pkwy. #333 • Santa Maria, CA 93455-1340
805/346-8460 • FAX 805/346-8485

Lawrence Fey Director of Environmental Health

July 7, 2020

Josh Hochleutner
Pacific Petroleum CA, Inc.
P.O. Box 2646
Orcutt, CA 93457

**SUBJECT: NOTIFICATION OF PUBLIC WATER SYSTEM CLASSIFICATION AND
NITRATE EXCEEDANCE**

Dear Mr. Hochleutner:

This letter is to inform you that based on the number of service connections and the population served, the Pacific Petroleum CA, Inc. (hereinafter "Facility") located at 1615 East Betteravia Road in Santa Maria, CA, meets the definition of a non-transient non-community public water system pursuant to the California Health and Safety Code, Section 116275(k). Included in this letter as Appendix 1, Santa Barbara County, Environmental Health Services (EHS) received the Application for Out-of Agency Service Agreement submitted to the City of Santa Maria. Should there be an issue with the Facility connecting to the City of Santa Maria, the Facility shall be required to begin the permitting process of the water system with EHS, which will require treatment so as to provide safe drinking water.

The most recent nitrate analysis (included in this letter as part of the Application for Out-of Agency Service Agreement) conducted on 03/03/20, had a concentration of 42

milligrams per liter (mg/L), which exceeds the maximum contaminant level (MCL) for nitrate of 10 mg/L.

Until the connection to the City of Santa Maria is established, the Facility is hereby directed to take the following actions:

1. **On or before July 31, 2020**, complete and return to EHS the **Notification of Receipt** form attached to this letter as Appendix 2. Completion of this form confirms that the Facility has received this letter and understands that it contains legally enforceable directives with due dates.
2. **Within 24 hours**, notify all persons served by the Facility of the nitrate exceedance. Appendix 3: Public Notification Template shall be used to fulfill this directive unless otherwise approved by EHS.

The Facility must edit the wording of the sample notification as necessary. The notification shall be completed in accordance with the following:

- Posting of the Public Notice in conspicuous places within the area served by the Facility and;
- By one of the following secondary methods to reach persons not likely to be reached by posting:
 - i. By publication in a local newspaper or newsletter distributed to customers
 - ii. By internet posting of the notice
 - iii. By direct delivery to each customer served by the Facility

The Public Notification shall remain posted and delivered by a secondary method to reach persons not likely to be reached by posting on a quarterly basis until the connection to the City of Santa Maria is established.

3. To verify that the Public Notification was posted and delivered by a secondary method to reach persons not likely to be reached by posting, complete Appendix 4: Compliance Certification form by the tenth day of the following calendar month the Public Notification was posted and delivered.

4. **On or before August 21, 2020**, provide a written proposal for a timeline for resolving the nitrate issue and connecting to the City of Santa Maria. Include the intent for the future use of the existing well once the Facility is connected to the City of Santa Maria.

For questions regarding this letter, please contact me at Belinda.Huy@sbcphd.org or at 805-896-4280.

Sincerely,

Belinda Huy
Senior Environmental Health Specialist
Environmental Health Services Division
Santa Barbara County, Public Health Department

cc: Jeff Densmore, P.E., District Engineer, Division of Drinking Water by email at Jeff.Densmore@waterboards.ca.gov

Appendices 4:

1. Application for Out-of Agency Service Agreement
2. Notification of Receipt
3. Public Notification Template
4. Compliance Certification Form



PrimusLabs
2010 Industrial Parkway
Santa Maria, CA 93455

Direct 805.922.0055
Fax 805.922.2462

Primus@PrimusLabs.com

Pacific Petroleum California, Inc. PrimusLabs.com

Date: March 3, 2020
Re: Water for Nitrates, Nitrites
Grower: Pacific Petroleum California, Inc
Ranch: 1615 Betteravia Rd, Santa Maria, Ca
Sample ID: Well Water
Location: Santa Maria, California, United States

Analysis Report

Authorization Number: R20.00734.001

Analyte	Results (mg/L)	Reporting Limit (mg/L)	Method
Nitrate/ Nitrite as N	42	0.40	Calculation
Nitrate as N	42	4.0	EPA 300.0
Nitrite as N	ND	0.40	EPA 300.0

ND = None Detected

*Note: Analysis subcontracted to an outside laboratory.

"PrimusLabs makes no representation or warranties of the results provided by the subcontracted laboratory."

Joe Matasci
Chemist

3-3-2020
Date

ATTACHMENT C

EXHIBIT B



1615 EAST BETTERAVIA SANTA MARIA CA 93457 (805) 925-1947 FAX: (805) 925-0884 INFO@PPCINC.BIZ

July 22, 2020

Belinda Huy
Senior Environmental Health Specialist
Environmental Health Services Division
Santa Barbara County Public Health

Re: Written Timeframe for Connecting to the City of Santa Maria

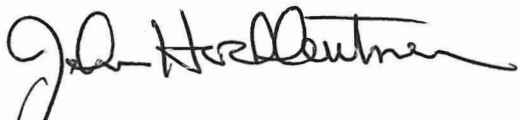
Dear Ms. Huy:

Per your letter dated July 7, 2020, Pacific Petroleum California, Inc. (PPC) is submitting this written timeframe on our proposed water connection to the City of Santa Maria. As you are aware, we are in the process of project approval with both the City of Santa Maria and County of Santa Barbara. It is our intention to install the new water connection pipeline within 30 days of approval by the agencies.

The existing well will be used for irrigation at our facility.

Should you have any questions, please contact me at john@ppcinc.biz or at 805-260-5000.

Sincerely,



John Hochleutner
President

EXHIBIT B

RESOLUTION 2020-77

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AND APPROVING AN APPLICATION TO SANTA BARBARA LOCAL AGENCY FORMATION COMMISSION (LAFCO) FOR AN OUT-OF-AGENCY DOMESTIC WATER SERVICE AGREEMENT WITH PACIFIC PETROLEUM CA, INC.

WHEREAS, the applicant, John Hochleutner for Pacific Petroleum CA, Inc. (Pacific Petroleum), in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and Santa Barbara County LAFCO Policies and Procedures, requested an out-of-agency service agreement with the City of Santa Maria for domestic water on property located at 1615 East Betteravia Road, Assessor Parcel Number 128-093-013 as shown in Exhibit A; and

WHEREAS, Pacific Petroleum, located at 1615 East Betteravia Road, is located outside the city boundary of Santa Maria, and outside the Sphere of Influence of Santa Maria, as last reaffirmed on January 7, 2016, by LAFCO Resolution 15-12; and

WHEREAS, Pacific Petroleum is currently served by ground well water; and

WHEREAS, the water quality has been determined by the County of Santa Barbara Department of Public Health Environmental Health Services to be in excess of maximum nitrate contaminant levels and in violation of the California Safe Drinking Water Act, as stated in a citation of noncompliance to Pacific Petroleum, dated July 7, 2020; and

WHEREAS, Government Code Section 56133 states that LAFCO may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health and safety of the public or the residents of the affected territory, if the entity applying for approval has provided LAFCO with documentation of a threat to the health and safety of the public or the affected residents; and

WHEREAS, provision of domestic water from the City of Santa Maria to Pacific Petroleum would mitigate the identified health and safety threat to the public; and

WHEREAS, the City Council considered the proposed request for an application to the Santa Barbara LAFCO on August 4, 2020; and

WHEREAS, the proposed domestic water connection would not result in additional impacts since there will be no modification to the original development approval and no change in use, and would be provided solely to mitigate a threat to the health and safety of the public.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Santa Maria, California, as follows:

1. That the Director of Community Development is authorized to apply and submit an application to the Santa Barbara Local Agency Formation Commission for an out-of-agency domestic water service agreement with Pacific Petroleum; and
2. The Chief Deputy City Clerk is hereby authorized to make minor changes herein to address clerical errors, so long as substantial conformance of the intent of this document is maintained. In doing so, the Chief Deputy City Clerk shall consult with the City Manager and City Attorney concerning any changes deemed necessary.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Santa Maria held this 4th day of August, 2020.

/s/ ALICE M. PATINO

Mayor

ATTEST:

/s/ RHONDA M. WHITE, CMC

Chief Deputy City Clerk

Exhibit A – Vicinity Map



APPROVED AS TO FORM:

BY: [Signature]
CITY ATTORNEY

CONTENTS:

BY: [Signature]
DEPARTMENT DIRECTOR

BY: [Signature]
CITY MANAGER

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF SANTA MARIA)

I, **M. Beth Cleary**, Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council **DO HEREBY CERTIFY** that the foregoing is a full, true and correct copy of **Resolution No. 2020-77** which was duly and regularly introduced and adopted by said City Council at a regular meeting held **August 4, 2020**, and carried on the following vote:

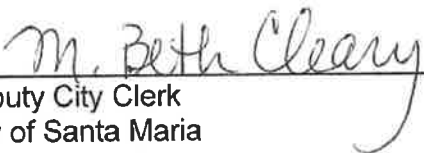
AYES: Councilmembers Cordero Moats, Soto, Waterfield,
 and Mayor Patino.

NOES: None.

ABSENT: None

ABSTAIN: None.





Deputy City Clerk
City of Santa Maria

LAFCO Authorization for Approval of Out of Agency Service Agreements

Government Code Section 56133 (a) A city or district 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.

(b) The commission 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.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the health and safety of the public or the affected residents.



Notice of Exemption

To: Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95814

From: City of Santa Maria
Community Development Dept.
110 South Pine Street, #101
Santa Maria, CA 93458

Clerk of the Board
County of Santa Barbara
105 East Anapamu Street
Room 407
Santa Barbara, CA 93101

Out-Of-Agency Domestic Water Service Connection – Pacific Petroleum

Project Title

1615 East Betteravia Road

Project Location (City and County)

An out-of-agency domestic water service connection for Pacific Petroleum. The existing site is a trucking and industrial labor company with parked trucks and equipment, and offices that include 40 employees. The applicant is requesting an out-of-agency domestic water service connection to City water service to mitigate a violation of the California Safe Drinking Water Act, and a threat to the health and safety of the public, originating with the well water on-site. Since there is an existing water main that run in the City street abutting the business, the only improvement necessary is a water service connection from existing City water main to the facility.

Project Description

City of Santa Maria

Public Agency Approving Project

City of Santa Maria

Entity Carrying Out Project

Exempt Status (Check One):

- Ministerial (Sec. 15073)
- Declared Emergency (Sec. 15071(a))
- Emergency Project (Sec. 15071(b) and (c))
- X** Categorical Exemption

Class: 3 **Sec.:** 15303 (d)

Reason why project is exempt:

The only physical improvement is a water service connection from the water main abutting the property to serve an existing trucking and industrial labor company. Therefore, this project qualifies for the new construction or conversion of small structures exemption under CEQA (15303 (d)).

Contact Person

Chuen Ng

Phone Number

805-925-0951, x2240

Date Received for Filing:

Signature: _____

Title: _____

NOTICE OF EXEMPTION

Filing of Notice of Exemption in Compliance with Section 21108 of the Public Resources Code

TO: County Clerk
County of Santa Barbara
105 East Anapamu Street
Santa Barbara CA 93101

FROM: Local Agency Formation Commission 105
East Anapamu Street, Room 407 Santa
Barbara CA 93101
805/568-3391

PROJECT TITLE: **LAFCO 20-02** Out-of-Agency-Service Agreement between City of Santa Maria & Pacific Petroleum

PROJECT LOCATION AND DESCRIPTION:

Project Location:

7.6 acres located at 1615 East Betteravia Road, Santa Maria, CA 93456. (APN 128-093-013)

Description of Nature, Purpose, and Beneficiaries of Project:

The Pacific Petroleum is requesting a domestic water connection from the City of Santa Maria. The property is currently served by a well that has a documented existing or impending threat to the public health and safety.

The activity is covered by the fact the proposed domestic water connection would not result in additional impacts since there will be no modification to the original development approval and no change in use. The construction or conversion of small structures CEQA §15303(d) or Common-Sense rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

Name of Person or Agency Carrying Out the Project:

Santa Barbara Local Agency Formation Commission

Reasons for Exemption. LAFCO approval of the proposed Out-of-Agency Service Agreement does not involve, authorize or permit any type of development or construction activity associated with the subject property. The proposed agreement only provides potable water services from the City to the Pacific Petroleum facility located at 1615 East Betteravia Road. This Facility was granted land use permits for tenant improvements approved by Santa Barbara County in 2011. The City adopted a Categorical Exemption Class 3, indicating the connection would not result in additional impacts since there will be no modification to the original development approval and no change in land use. The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. LAFCO's approval is strictly limited to the agreement.

Mike Prater, Executive Officer

Date

EXHIBIT F

The "project" is to provide potable water services from the City to the Pacific Petroleum facility located at 1615 East Betteravia Road, in the unincorporated area of the County east of the City of Santa Maria. This Facility was granted land use permits for tenant improvements approved by Santa Barbara County in 2011. The City adopted a Categorical Exemption Class 3, indicating the connection would not result in additional impacts since there will be no modification to the original development approval and no change in land use.

The LAFCO approval is also exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), the "common sense" exemption, where it can be seen with certainty that the approval will have no impact on the environment. There is no evidence in the record suggesting allowing a water connection to an existing building that is served for fire services involves any commitment to a project or action that will have any impact on the environment.

The Santa Barbara Local Agency Formation Commission approved the above-referenced project on January 14, 2021 and has determined it to be exempt from further environmental review under the requirements of California Environmental Quality Act (CEQA) of 1970, as defined in the State and local Guidelines for the implementation of CEQA.

Exempt Status:

- Ministerial
- Statutory
- Categorical Exemption:
Project is a water connection is exempt from CEQA pursuant to CEQA
Guidelines Section 153303(d).
- Emergency Project
- No Possibility of Significant Effect [Sec. 15061 (b,3)]

By: _____
Commission Clerk

Date: _____

LAFCO 20-02 OUT-OF AGENCY SERVICE AGREEMENT (OASA)

AUTHORIZATION BY THE LOCAL AGENCY FORMATION COMISSION FOR THE
CITY OF SANTA MARIA TO PROVIDE OUT-OF-AGENCY SERVICES TO THE
PACIFIC PETROLEUM PROPERTY
(1615 East Betteravia Road, Santa Maria, CA 93456)

WHEREAS, the City of Santa Maria and property owners of Pacific Petroleum have filed a proposal with the Executive Officer of the Santa Barbara Local Agency Formation Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act (Section 56000 et seq. of the Government Code) for the City to provide services outside of its boundaries at 1615 East Betteravia Road, Santa Maria; and

WHEREAS, Government Code Section 56133(c) authorizes the Commission to approve such out of agency service agreements provided the subject area outside the sphere of influence if the City has provided the commission with documentation of a threat to the health and safety of the public or the affected residents and is in anticipation of a later change of organization; and

WHEREAS, for purposes of the California Environmental Quality Act (“CEQA”), the Santa Barbara Local Agency Formation Commission is the lead agency for this project. The “project” is to provide potable water services from the City to the Pacific Petroleum facility located at 1615 East Betteravia Road, in the unincorporated area of the County east of the City of Santa Maria. This Facility was granted land use permits for tenant improvements approved by Santa Barbara County in 2011. The City adopted a Categorical Exemption Class 3, indicating the connection would not result in additional impacts since there will be no modification to the original development approval and no change in land use.

WHEREAS, Santa Barbara County Environmental Health Services (“EHS”) has determined that Pacific Petroleum’s water system has violated or is violating the California Safe Drinking Water Act because surveys indicate nitrate levels are exceeding the maximum allowable contaminant level. Pursuant to an EHS citation, Pacific Petroleum was required to submit a plan for correction to EHS. Pacific Petroleum plan of correction is to obtain potable drinking water from the City of Santa Maria.

WHEREAS, the proposed domestic water connection would not result in additional impacts since there will be no modification to the original development approval and no change in use. The domestic water connection would be provided solely to mitigate a threat to the health and safety of the public. Additionally, there is an existing City water main

adjacent on Betteravia Road. Therefore, approval of this project will not result in an extension of water infrastructure services outside of the City, other than to allow Pacific Petroleum to hookup to an existing water main line for domestic water service. The facility already receives fire service from County Fire, the only provision for domestic water is a service connection.

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

(1) The Commission is acting as the lead agency for purposes of compliance with CEQA. The Commission finds pursuant to CEQA Guidelines Section 15303(d) and CEQA Regulation Section 15061(b)(3), no additional impacts would occur since the project is for a water connection to an existing water main abutting the property, there are no modification to the development approvals and no change in use. Domestic water service would be provided solely to mitigate a threat to the health and safety of the public.

(2) The Commission finds the out-of agency service request to be in the best interests of the affected area. The Commission finds that the new potable water service being provided responds to an existing threat to the health or safety of the public or residents of the affected territory. The City has provided documentation of the threat to public health by providing the documentation from EHS.

(3) The extension of services shall be subject to the following conditions:

a) The City's provision of water services shall be limited to the Pacific Petroleum site at 1615 East Betteravia Road, Santa Maria, CA 93456.

b) The property owner shall execute and record an agreement approved by the Executive Officer that consents to annexation of the territory, which agreement shall inure to and bind all successors in interest to the property.

c) Said out-of-agency service agreement is for potable water service only shall remain in effect until such time as an annexation is approved by the Commission.

(4) Said out-of-agency service agreement is hereby approved.

PASSED AND ADOPTED this day of January, 2021, in Santa Barbara, California by the following vote.

AYES:

NOES:

ABSTAINS:

Dated: _____

Chair
Santa Barbara Local Agency
Formation Commission

ATTEST

Jacquelyne Alexander, Clerk
Santa Barbara Local Agency Formation Commission