

Posted: January 31, 2020



NOTICE AND CALL OF A MEETING OF THE
TRINIDAD PLANNING COMMISSION

The Trinidad Planning Commission will hold a specially scheduled meeting on
TUESDAY FEBRUARY 4TH, 2019, AT 4:00 P.M.
in Town Hall at 409 Trinity Street.

The following items will be discussed:

- I. ROLL CALL
- II. APPROVAL OF AGENDA
- III. ITEMS FROM THE FLOOR
- IV. AGENDA ITEMS

Discussion / Decision / Public Hearing / Action

1. Water Policies: Discussion of water policies and standards for evaluating requests for new water service. *Continued from the January 15, 2020 meeting.*

- V. STAFF REPORT
- VI. ADJOURNMENT

The meeting packets can be accessed at the following link:
<http://trinidad.ca.gov/document-library/pc-meeting-packets-2020>



MEMORANDUM

TO: Trinidad Planning Commission

FROM: Trever Parker, City Planner

DATE: January 29, 2020

RE: Water Policies

In December, the Planning Commission requested that staff evaluate the service area to determine potential priority areas for providing water service in order to best allocate the City's limited supply of water. At the January meeting, staff presented water connection policies for requests outside City limits that prioritized certain areas in order to ensure a more orderly provision of water service. Staff prioritized service areas A, B and C (as mapped in the water demand assessment) based on the ability to serve those areas, the location of priority uses, and the practicality and potential benefits of annexing those areas in the future.

The Planning Commission did not request major changes to the policies presented at the last meeting. Some minor changes were requested for clarification. In addition, some additional information was requested in order to justify both the approach taken and the provision of any additional water service connections outside City limits. To that end, a set of findings was added to the beginning of the water policy. And a more detailed statement of facts/findings has been included in this memo. In addition, further information regarding the legal basis and considerations for annexation have been provided in this memo, as well as information regarding growth rates and estimated time to build-out have been provided.

Policy/Regulation Summary

Development of this policy has been difficult, because we are essentially developing regulations without the finalized new general plan policies to guide it. But staff is still considering the bigger picture and how these regulations will eventually fit within future policy as well as the existing legal context. For example, bringing annexation into the discussion is part of that (see more below). But these regulations will likely need to be revisited once the general plan update is more complete.

The policy is set up so that additional policies and procedures for other types of water service connection requests, such as for those inside City limits, can be easily incorporated. Besides the findings and definitions, the policy starts out with application requirements

that would apply to any water connection request. Then it moves on to requests outside City limits, which has been divided into several tiers. The first tier is within priority service areas A and B, which already have water infrastructure and existing connections. Most connection requests within this area can be processed relatively simply with approval by the City Manager and review and recommendation by other staff. However, large water users would receive a higher degree of scrutiny. It is assumed that the City will potentially annex these areas in the future.

The next tier is for Area C. Area C has been deemed a priority because it contains Coastal Act priority uses and because it has high revenue-generating potential. However, it should be recognized that the City does not currently have the capacity to serve this entire area upon build-out (of the City and Area C), so the City should consider reducing the size of that area as part of the LCP update and/or investigate the potential for combining existing and City water sources in this area. In addition, this area currently has no water infrastructure (though an individual connection to the CAL FIRE station has been approved). Therefore, the extension of water service to this area needs to be more carefully assessed. Annexation is more strongly encouraged for this area, so the City does not miss out on the potential tax revenue and the opportunity for land use control.

The third tier is for health and safety-related water connection requests. These can come from outside the priority areas but are limited to existing development where the water supply has either become contaminated or otherwise unreliable. Health and safety connections are also considered a priority in order to protect public and environmental health.

Finally, there is a separate tier for requests outside of the above priorities. This is where the Rancheria's request for water would fall. This section allows the City Council to make an exception to the priority areas if certain findings can be made, including that the connection would be beneficial to the City. For example, if the Rancheria were to provide funding for water plant improvements or emergency water storage, that could be considered an overriding benefit to the City. This section also has a finding intended to avoid development that would induce undesirable growth. Note that the phrase "rural character" is not defined and is a subjective criterion. Staff would prefer more objective criteria to address this issue and is particularly interested in the Commission's input in this area. It is more difficult to objectively draft objective criteria when there is an existing proposal on the table.

Regulatory and Annexation Overview

When considering whether the city should provide water connections outside its jurisdictional boundary, discussion of future growth and annexation naturally come into play. Current general plan policy #27 states "*Applications for water service for property outside the City should be reviewed to determine whether annexation would be advantageous to the City...*" (refer to my memo from the previous meeting for further discussion of existing general plan policies). From a planning and legal perspective, matching jurisdictional

boundaries to where services are provided by the City is preferred over providing municipal services beyond City limits. Bringing property to be served inside the City limits allows for simplified jurisdictional boundaries, better development planning, and makes it easier to provide services in an efficient affordable manner. The proposed policy is intended to address when and where future water service connections may be appropriate and when annexation should potentially occur in conjunction to the connection request. Whether or not Trinidad ultimately chooses to annex the territory would require additional cost-benefit analysis and public process separate from this initial connection policy discussion.

Annexation prior to extending a water connection helps ensure that development on the fringes of the City occurs in line with City goals, policies, and land uses. Trinidad can apply its own laws and permitting processes, whereas proposed projects outside its jurisdiction are subject to County land use decisions and processes. In general, taxes help pay for City services, and if a property is receiving municipal services, but not within City limits, the property owner is not paying the same share of taxes to the City as a resident within City limits. When the City annexes territory, an established Master Tax Sharing Agreement between Trinidad and the County governs how property taxes are allocated in the annexed area. Under the agreement, Trinidad receives only a small share of the existing property taxes but would benefit more from increased property taxes due to improvements and additional development. In addition, the City would receive the entirety of any sales and/or TOT tax that is generated.

While from a planning perspective annexation is generally preferred when extending services, there are local considerations that may make immediate or future annexation impracticable or undesirable for the City including, timing, overall water availability, lack of enough property owner support to create a logical annexation boundary area, and costs/benefits to Trinidad and its residents. In this case, an out of agency service extension may be more appropriate.

However, when considering the viability of a City water connection to a property beyond City limits, other factors besides City willingness and ability to serve also come into play. While the policies discussed herein define the City process and stance on water service outside City limits, other agencies also have decision-making authority over such a project. A water connection outside of the City's jurisdiction will be subject to approval by the Humboldt LAFCo unless the service falls under an exception defined in [Government Code section 56133\(e\)](#). LAFCo policy has evolved over time and currently, the agency generally prefers annexation (for many of the same reasons outlined above) over an out of agency connection, however, the Commission will consider the circumstances around the request and may approve an out of agency connection prior to annexation using the below guidelines:

- If the reason for the connection is in anticipation of future annexation, or is in response to an existing or impending threat to public health and safety, or if annexation of the property would not be practicable; and

- the City can provide the service without adversely affecting current service levels within its jurisdictional boundaries; and
- the property to be served is within Trinidad's sphere of influence (SOI).

The LAFCo approval process also comes with additional costs to the applicant. Anticipated costs for a LAFCo out of agency service connection application are at a minimum, \$2,000, however, if the connection is development-related or otherwise complex, applicant costs for CEQA, consultant fees, and LAFCo fees can range upwards of \$10,000. In some instances, a service extension may also require approval from the Coastal Commission which would significantly increase costs and extend the connection timeline. Neither annexation, nor extension of water service without annexation is a simple process. Further information on the annexation process can be found in the annexation process overview included in the packet.

Build Out Scenarios and Timing

There was a request at the last meeting for some data regarding the length of time to achieve build-out and estimates for water demand over the next several decades. So far, our discussions have focused on total water demand after full build-out of the City and the Service Area outside City limits. However, based on current growth rates, build-out would not be expected to occur for several decades. On the other hand, policies and regulations can and should be reviewed periodically and revised as needed based on changing conditions. For example, a general plan planning horizon is generally 20 years, and it is supposed to be updated every five years. Planning for things like droughts and climate change should have longer planning horizons but should still be revisited periodically. The function and capacity of the water plant is likely to change over the next 20 to 30 years, as is our understanding of the capacity of Luffenholtz Creek and the effects of climate change on it. The tables below provide a better understanding of expected water demand over that time frame (and longer) rather than just talking about full build-out.

General

- The actual annual growth rate over the past 8-10 years in Trinidad, the City's Service Area, and Humboldt County has been around 0.15% annually. For Humboldt County, that is based on population estimates. For Trinidad and the Service Area, this number is based on the number of new homes built, because the population estimates for such small areas are unreliable and have shown a decrease in population since 2010.
- For each of the tables below, I included the existing water demand across the top data line as a baseline for all of the growth rates.
- For the City, I added a factor to that baseline for ADUs (2nd data line), assuming there would be a small boom of ADU development should the City pass an ADU ordinance.
- For Service Areas A and B, I added existing development not already served by City water to the baseline as the second data line in the table. That unserved existing development may already be experiencing problems with their water supply. And if the City were to annex these areas, that development would be an immediate additional water demand.

- The last line in the tables show the estimated total increased peak water demand after full build out of each area, which is independent of the growth rate. Because we have mostly been discussing increased demand and comparing that to the excess water plant capacity of 48,000, I continued to use the increased demand rather than total demand for easier comparison to earlier discussions and documents.
- I used the total of the first two data lines as the baseline for calculating increased demand for each growth rate over each span of years. I used the following website to do those calculations: <http://www.metamorphosisalpha.com/ias/population.php>. I then subtracted the initial baseline amount to get the increased demand shown in the tables. Once the total exceeded the estimated build-out demand (last line), I noted that the area was “built out,” meaning it had reached its full development potential.

City of Trinidad

- The existing peak use (July) in the City is 57,759 gpd.
- The estimated additional full build-out demand is 25,237 gpd, including ADUs.
- Additional ADU demand after passage of an ADU ordinance is estimated at 1,932 gpd (based on 10% of the 143 parcels that meet minimum lot size and allow residential uses immediately developing an ADU).
- Because extension of water service outside City limits would not be expected to spur growth in the City, the 0.15% current annual growth rate was included, and a 5% annual growth rate was not included.
- For inside City limits, I used 0.15%, 0.25%, 1% and 2.5% annual growth rates.

City of Trinidad	Annual Growth Rate			
	0.15%	0.25%	1%	2.5%
Water Demand (gpd)				
Existing Peak Demand	57,759	57,759	57,759	57,759
Estimated Increased Peak Demand After Adoption of ADU Ordinance	1,932	1,932	1,932	1,932
Estimated 10-year Increased Peak Demand	2,833	3,441	8,176	18,650
Estimated 20-year Increased Peak Demand	3,748	4,988	15,075	Built out
Estimated 30-year Increased Peak Demand	4,677	6,574	22,695	
Estimated 50-year Increased Peak Demand	6,577	9,869	Built out	
Estimated 100-year Increased Peak Demand	11,584	18,861		
Estimated Increased Full Build Out Peak Demand	25,237	25,237	25,237	25,237

Area A

- The existing estimated peak use is 1,449 gpd.
- There are two developed parcels that do not currently have City water, equating to an estimated increased peak demand of 322 gpd.
- Upon servicing all existing development parcels (or after annexation), the peak demand would be expected to be 1,771 gpd.
- Expected total increased demand after full build-out is 3,382 gpd

- Because a 0.15% annual growth rate is quite small, I started with the assumption that provision of water service combined with state housing goals/requirements, and potential annexation, could spur growth outside City limits to 0.25% per year.
- I also included projections for 1%, 2.5% and 5% annual growth rates.

Area A	Annual Growth Rate			
	0.25%	1%	2.5%	5%
Water Demand (gpd)				
Existing Peak Demand	1,449	1,449	1,449	1,449
Increased Peak Demand After Connection of All Unserved Existing Development	322	322	322	322
Estimated 10-year Increased Peak Demand	366	507	818	1,435
Estimated 20-year Increased Peak Demand	412	711	1,452	3,249
Estimated 30-year Increased Peak Demand	459	938	2,265	Built out
Estimated 50-year Increased Peak Demand	557	1,463	Built out	
Estimated 100-year Increased Peak Demand	2,237	3,341		
Estimated Increased Full Build Out Peak Demand	3,382	3,382	3,382	3,382

Area B

- The existing estimated peak use is 3,542 gpd.
- There are eight developed parcels that do not currently have City water, equating to an estimated increased peak demand of 1,288 gpd.
- Upon servicing all existing development parcels (or after annexation), the peak demand would be expected to be 4,830 gpd
- Expected total increased demand after full build-out is 10,224 gpd
- Because a 0.15% growth rate is quite small, I started with the assumption that provision of water service combined with state housing goals/requirements, and potential annexation, could spur growth outside City limits to 0.25% per year.
- I also included projections for 1%, 2.5% and 5% annual growth rates

Area B	Annual Growth Rate			
	0.25%	1%	2.5%	5%
Water Demand (gpd)				
Existing Peak Demand	3,542	3,542	3,542	3,542
Increased Peak Demand After Connection of All Unserved Existing Development	1,288	1,288	1,288	1,288
Estimated 10-year Increased Peak Demand	1,410	1,793	2,640	4,325
Estimated 20-year Increased Peak Demand	1,535	2,351	4,372	Built out
Estimated 30-year Increased Peak Demand	1,663	2,968	6,589	
Estimated 50-year Increased Peak Demand	1,930	4,392	Built out	
Estimated 100-year Increased Peak Demand	2,657	Built out		
Estimated Increased Full Build Out Demand	6,682	6,682	6,682	6,682

Other Areas

I did not include growth estimates for Area C, because it is much more complicated to estimate both demand and growth rates in that area. Growth would tend to happen episodically as each of the few remaining large parcels are developed. One of the reasons staff is recommending that the City not serve this area with water unless it is annexed, is so the City can exert land use control over the area in order to better control growth. However, this area needs significantly more study and consideration before the City decides to serve it. It has been included as priority area primarily because the Coastal Commission has essentially required it to be so. I did not include areas beyond A, B and C, because the City does not currently have the water capacity to serve those areas at full build-out.

Findings/Statement of Facts

The following findings and facts form much of the basis for the draft policies. The City commissioned several water-related studies in 2019 in order to better inform water-related policy and decision-making. Many of the following facts are based on those studies, which are available for review, and include more details and methodology for anyone interested in additional information.

Studies

- Water Treatment Plant Production Rate Test and Analysis (GHD, May 2019)
- Water Demand Assessment (SHN, August 2019)
- Conceptual Hydrological Assessment of the Luffenholtz Creek Watershed (GHD, October 2019)
- Water Demand and Loss Analysis (GHD, October 2019)
- Alternative Raw Water Source Evaluation (GHD, October 2019)

Watershed

- The City has ample excess water rights, but there are limitations in the production capacity of the water plant and supply in Luffenholtz Creek.
- Climate change increases uncertainty for the future, particularly droughts. The current predictions generally agree that the Trinidad area will receive similar levels of rainfall to what has historically occurred, but that rainfall will come in fewer, more intense storms, potentially reducing groundwater storage. Summers may also be hotter and less foggy, increasing water use during peak months.
- There is currently a slim potential for water levels in Luffenholtz Creek to drop to levels that would require production at the water plant to be curtailed.

Water System

- There are limitations in the wet well/infiltration gallery of the water plant during very low flows, but these critical flow levels are not well understood.

- Further testing of the wet well/infiltration gallery is recommended; improvements may be possible but may also be limited by permitting and environmental considerations.
- The City has a high percentage of water loss (~26%), which can be improved by replacing water lines and other aging infrastructure.
- Water storage and fire flows are minimally adequate.
- The City's water plant currently has a reliable excess capacity of 48,000 gpd during peak usage (July and August) in normal to dry years.

Water Demand

- Per capita water use has decreased nationally and locally over the last 20 to 30 years. Peak daily water production/demand at the City's water plant has decreased from 150,000 gpd in 2009 to 85,000 gpd in 2018 (and only 75,000 gpd in 2019).
- A conservative approach to the water demand assessment was taken, likely overestimating future water use.
- Full build-out is not expected to occur for decades, even with increased growth rates.

Service Area & Annexation

- The City does not currently have the production capacity to serve the entire Service Area at full build-out; therefore, certain areas and uses should be prioritized.
- Sound planning principles and practice dictate that provision of services outside a jurisdiction does not promote orderly growth and is generally undesirable.
- Annexation should be a component of any decision to provide additional water service connections outside City limits.
- Annexation may provide several benefits to the City, including additional revenue, land use control, additional housing opportunities and increased population base.
- The City has prioritized service to (1) build-out within City limits, (2) an allowance for ADUs, (3) areas outside the City that the City has the capacity to serve and that would be appropriate for future annexation, (4) health and safety.

Staff Recommendation

Review and discuss draft water policies and make a recommendation to the City Council to direct staff to make changes as needed. Note that the policies/regulations do not have to be perfect before passing them along to the Council.

Attachments

- Draft Policies and Procedures for Processing Water Hook-up Requests Outside City Limits
- Annexation Process Overview

City of Trinidad

Draft Water Connection Policies for Outside City Limits

Intent

The City of Trinidad has a limited water supply and must carefully allocate this important limited resource. In addition, the provision of water can encourage development. The City desires to limit and regulate water service connections outside City limits in order to ensure continued sufficient capacity to serve city needs and to encourage orderly development and growth of the Trinidad community.

Limitations

If the City determines that a water extension is warranted, such service will be permitted only on an individual contractual basis for a specific property, which contract or agreement will specify the terms and conditions of such service in detail, including any exceptions allowed and any conditions imposed which may be different from the statement of policy of this chapter. The City shall not have an express or implied obligation to provide water service to any property outside the City limits, regardless of that property's location within a preferred service area, the health and safety concerns of the property's current water supply, the property's proximity to services, or the location in an area that is otherwise served by the City.

Findings and Statements of Facts

- The City's water plant currently has a reliable excess capacity of 48,000 gpd during peak usage (July and August) in normal to dry years.
- Droughts and climate change may impact the City's water supply and available capacity in the future.
- The City does not currently have the production capacity to serve the entire Service Area at estimated build-out; therefore, certain areas and uses should be prioritized.
- Build out is not expected to occur for several decades, even if growth rates increase.
- Sound planning principles and practice dictate that provision of services outside a jurisdiction does not promote orderly growth and is generally undesirable.
- Annexation should be a component of any decision to provide additional water service connections outside City limits.

- The City has prioritized service to (1) build-out within City limits, (2) an allowance for ADUs, (3) areas outside the City that the City has the capacity to serve and that would be appropriate for future annexation, (4) health and safety.

Requests for City Water

Definitions

City: *City* shall mean the City of Trinidad

Connection: Water service *connection* shall mean an individual service connection (lateral) to an existing main water line.

Extension: Water service *extension* includes a water *connection*, but also entails construction of additional main water line(s) in order to accommodate a connection.

Intensification of an Existing Use: The *intensification of an existing use* means an expansion or other change to the existing use(s) that will increase projected water demand (based on DEH expected daily wastewater flows or other methodology deemed appropriate by the City) by more than 50 gpd.

New Use: A *new use* shall mean an additional or modified use(s) that alters the project water demand of an existing connection.

Priority Service Area. *Priority Service Area* means a portion of the Service Area, as mapped on Figure # of the Trinidad General Plan, that the City has determined to be a good candidate for possible annexation into the City, and where the City has determined that it has adequate water capacity to serve that area. Parcels with health and safety concerns are also a priority.

Application Requirements

All requests for water service outside city limits shall be subject to the following conditions and processes:

- A. *Application from persons of interest in property.* The applicant and any other persons with an interest in the property to be connected to the water distribution system shall execute an application for conditional water use and connection permit formulated by the City; and
- B. *Responsibility for costs.* The proponent of the connection is responsible for all costs of the connection, including physical infrastructure, application review costs, connection fees, capacity expansion, and annexation (as applicable); and
- C. *Fees paid.* The applicant has paid all fees required to be paid; and
- D. *Comply with Trinidad Municipal Code.* The applicant agrees in a form suitable for recordation to comply with all water service-related provisions of the Trinidad Municipal Code and requirements of the Public Works Department; and

- E. *Prohibition to transfer water.* No applicant or person with an interest in the premises connected to the water distribution system shall sell, transfer, assign or otherwise separate the water use and connection permit from the premises for which it was originally granted, for the use of any other premises, without the express written consent of the City Council or its designee.
- F. *Valid building permit.* The applicant shall provide evidence of one of the following:
 - 1. A valid building permit that authorizes the erection or construction of a residential or nonresidential structure upon the property, or
 - 2. An existing legal structure and use on the property, or
 - 3. A valid permit for a change of use; and
- G. *Waive right to protest annexation.* If not already within City limits, the owner of the property applying for water service shall execute the “waiver of the right to protest annexation” formulated by the city in a form suitable for recordation. To facilitate the waiver’s preparation, the applicant shall provide the City with all documents the public works department requires to ascertain the identity of all persons having an interest in the property and to ascertain the identity of the authorized representatives of any business entity having an interest in the property; and
- H. *Environmental Review.* The City shall determine the appropriate level of environmental review, subject to the requirements of CEQA, for each proposed connection. If needed, the applicant shall be required to complete such review prior to the appropriate decision-making body considering the application.
- I. *City Discretion.* Nothing in this section shall be construed to require the provision of water service outside of the City limits and the City’s decision to provide such service shall remain a discretionary authority of the City.

Outside City Limits, within Priority Service Areas.

All persons or entities requesting a water service connection outside City limits may be granted a new water connection permit or a permit for a new use or the intensification of an existing use under the following standards:

- A. *Service Charge for Connections Outside the City.* Service charges for connection and service shall be as provided under the current rate ordinances of the City, plus a 50 percent surcharge.
- B. *Service Priorities.* To ensure orderly outward extension of public services, the City has prioritized water service to those properties that may be appropriate for future incorporation or may otherwise benefit the city and its residents. Trinidad may grant water connections outside City limits under the following circumstances:
 - 1. *Priority Service Areas A & B.* The City Manager, with recommendations from the Public Works Director, City Engineer, and City Clerk, shall have the discretion to

execute a contract for, and issue a water connection to those premises located within Priority Service Areas A or B under the following circumstances:

- a. *Minor water user.* If the location of service is within Priority Service Area A or B, and the requested connection is for use(s) requiring less than 1,000¹ gpd or less than 5% of the City's remaining service capacity (whichever is less), and the City Manager issues a written determination that:
 - I. The connection's primary use will support one or more of the following uses:
 - i. Visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation, or
 - ii. Coastal-dependent industry per [California Coastal Act Section 30101](#), or
 - iii. Private residential development, or
 - iv. Essential public services (i.e. Fire Dept., Schools, etc.), and;
 - II. Water service provision is consistent with the water service policies of the City and other applicable jurisdictional agencies.
- b. *Major water user.* If the location of service is within Priority Service Area A or B, and the requested connection is for use(s) requiring more than 1,000 gpd or more than 5% of the city's remaining service capacity (whichever is less), and the City Manager issues a written determination that:
 - I. The connection's primary use will support one or more of the following uses:
 - i. Visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation, or
 - ii. Coastal-dependent industry per [California Coastal Act Section 30101](#), or
 - iii. Private residential development, or
 - iv. Essential public services (i.e. Fire Dept., Schools, etc.), and;
 - II. Water service provision is consistent with the water service policies of the City and other applicable jurisdictional agencies, and;
 - III. The City has the excess capacity, beyond what is needed to serve existing customers and all anticipated development within the City, sufficient to serve to applicant connection.
 - IV. The new water service connection will not negatively impact other users or components of the City's water system as determined by the City

¹ As averaged over any month

Engineer, or that improvements will be required as part of the connection, at the expense of the applicant, that will eliminate or minimize those negative impacts to the satisfaction of the City Engineer.

- c. *Annexation required.* Annexation to the City shall be required for all water service connections in Priority Service Areas A & B.
 - I. The applicant shall be responsible for all costs associated with the annexation application, or a share of those costs. The applicant's share of annexation costs, as determined by the City Manager, shall be due at the time of the water service connection, regardless of timing of the annexation application.
 - II. Timing of annexation proposals will be determined based on what is most beneficial to the citizens of the community. The annexation may be required prior to, concurrent with, or subsequent to the service connection.
 - III. The City Council may waive the annexation requirement and issue a written finding that annexation of the affected property is infeasible.

2. *Priority Service Area C.*

- a. *Annexation Required.* Annexation to the City shall be required for all water service extensions in Priority Service Area C.
 - I. The applicant shall be responsible for all costs associated with the annexation application, or a share of those costs. The applicant's share of annexation costs, as determined by the City Manager, shall be due at the time of the water service extension, regardless of timing of the annexation application.
 - II. Timing of annexation proposals will be determined based on what is most beneficial to the citizens of the community. The annexation may be required prior to, concurrent with, or subsequent to the service extension.
 - III. The City Council may waive the annexation requirement and issue a written finding that annexation of the affected property is infeasible.
- b. In order to extend a water service connection prior to, or concurrent with an annexation application, the City Manager shall issue a written determination that:
 - I. The connection's primary use will support one or more of the following uses:
 - i. Visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation, or
 - ii. Coastal-dependent industry per [California Coastal Act Section 30101](#), or

- iii. Private residential development, or
 - iv. Essential public services (i.e. Fire Dept., Schools, etc.), and;
- II. Water service provision is consistent with the water service policies of the City and other applicable jurisdictional agencies, and;
- III. The City has the excess capacity beyond what is needed to serve existing customers and all anticipated development within the city sufficient to serve to applicant connection.
- IV. The new water service connection will not negatively impact other users or components of the City's water system as determined by the City Engineer, or that improvements will be required as part of the connection, at the expense of the applicant, that will eliminate or minimize those negative impacts to the satisfaction of the City Engineer.
3. *Health and Safety Concern.* The City Manager may authorize a water service connection to any premises located outside the City jurisdictional boundary to respond to an existing or impending threat to health or safety, if the following requirements are met:
- a. The premises are presently being served by a well that has been verified as being rendered unsafe from contamination. The applicant shall be responsible for providing documentation of a health and safety threat to the satisfaction of the City Manager;
- OR
- b. The premises was intended to be served by a water well that has an insufficient water flow to serve its needs that meets the following criteria:
 - I. The provision of municipal water to the premises shall not promote the creation of a subdivision of the parcel proposed to receive water service, and
 - II. There is no other feasible alternative water source to the premises, and
 - III. The need for municipal water service is the result of unintentional and exceptional circumstances that are not the product of a non-permitted use of the property, or improper well design and maintenance or any failure to undertake diligent efforts to pursue the development of a well consistent with the state of the then-present technology. The applicant shall provide such evidence to the city as the public work's director requests, and
 - c. If the connection requires more than 1,000 GPD, the City Manager shall make a written determination of excess capacity, beyond what is needed to serve existing customers and all anticipated development within the City, sufficient to serve to applicant connection.

- d. The provision of municipal water service must not conflict with any California or Humboldt County adopted laws, regulations, policies or standards for the provision of municipal water services, and
- e. The new water service connection shall not negatively impact other users or components of the City's water system as determined by the City Engineer, or improvements shall be required as part of the connection, at the expense of the applicant, that will eliminate or minimize those negative impacts to the satisfaction of the City Engineer.
- f. The service lateral shall not exceed the length of five hundred feet;

Outside City Limits, not in Priority Service Areas.

- A. When City water service is sought for a connection that is not within a Priority Service Area, or that does not meet the criteria set forth above, then the request shall be denied, unless authorized by an exception from the City Council, per "City Council Exception".
- B. *City Council Exception.* Upon approval by motion of the City Council, the City may, but is in no way obligated to, approve the connection to City water services outside of the City limits. The City Council may only approve such connections upon making the following findings:
 1. When it is demonstrated that the connection would benefit the City, including
 - a. There is a demonstrated equal or near equal return to the City based on the cost of such service, and
 - b. That the provision of such service outside the City benefits directly the health and safety of residents or municipal services of the City; and
 2. The City has capacity to serve the proposed connection as well as all existing connections and future build-out within the City; and
 3. The new water service connection will not negatively impact other users or components of the City's water system as determined by the City Engineer, or improvements will be required as part of the connection, at the expense of the applicant, that will eliminate or minimize those negative impacts to the satisfaction of the City Engineer.
 4. That the provision of such service will not induce additional growth and urban development outside the City that will negatively impact the City or the rural character of the Trinidad area.

Appeals

- A. Any person affected by an approval or denial of a water service connection outside city limits as authorized under this section by the City Manager may appeal to the City Council by filing a notice of appeal with the Clerk of the City within 30 working days of the action of the City Manager. The notice of appeal shall be accompanied by a filing fee set by resolution of the City Council of the City in an amount sufficient to cover costs. The appeal shall stay the effect of the action of the City Manager.
- B. The appeal shall be in writing and addressed to the City Council. The applicant shall file the appeal with the City Clerk. The City Clerk shall forward copies of the appeal to the City Council, City Manager, and Public Works Director. In the notice of appeal the appellant shall state in full the facts and circumstances which make the action of the service connection authorization unreasonable. It shall also state the date of the claimed unreasonable action of the City Manager.
- C. The City Council shall cause the matter to be set for hearing not earlier than 20 days after the appeal has been filed with the Clerk of the City. The Clerk of the City shall cause notice to be mailed to all affected persons (within 300 feet of the property boundaries) at least 10 days prior to the hearing.
- D. At the time and place set for the hearing, the City Council shall proceed to hear the testimony of the City Manager, the testimony of the owner or their representatives, and the testimony of other competent persons concerning conditions upon which the action of the City Manager is based and other matters which the City Council may deem pertinent. Any person affected may be present at such hearing, may be represented by counsel, may present testimony, and other witnesses. The hearing may be continued from time to time. The City Manager may be represented by counsel. At the request of the City Manager, the City Attorney shall represent the City Manager.
- E. The City Council may upon the appeal either affirm the action of City Manager or modify the City Manager's action in whole or in part. The decision of the City Council upon an appeal shall be based upon the facts presented to it.

ANNEXATION PROCESS OVERVIEW

Timeline. The overall annexation process timeline ranges from 6 months to several years, depending on the complexity of the project. Once the City passes a Resolution of Application and submits to LAFCo, it generally takes four to eight months to complete the LAFCo process and issue a Certificate of Completion.

Costs. Costs for the annexation process also vary depending on the complexity of the project. Anticipated direct costs to the City include the analysis, public outreach, CEQA, and development of application materials. LAFCo fees would likely be \$5,000 to \$10,000. Board of Equalization fees (handled by LAFCo but separate from LAFCo fees) are based upon acreage and may range from \$300 for less than one acre to \$3,500 for 2,000 acres. Costs may be born partially or entirely by the landowner(s) if they are initiating the annexation request. If the City were to initiate the annexation, recouping the costs of annexation could be included in the cost-benefit analysis step (outlined below) to identify if there would still be a net benefit to the City.

OUTLINE OF TYPICAL ANNEXATION PROCESS

1. *City conducts annexation analysis.* Based upon resident request or City interest, staff is directed to conduct an in-depth analysis of annexation.
 - a. Identify potential annex area(s). Look at logical area(s) adjacent to City that may be appropriate to annex.
 - b. Identify anticipated costs to serve potential annexation area(s). Account for anticipated costs to provide municipal services to potential annex areas.
 - c. Analyze anticipated revenue from identified area(s). City and County have a Master Tax Sharing Agreement established in the 1980s which establishes what percentage of the existing real property taxes the City can anticipate receiving. Other assessments and taxes such as sales tax and TOT are not a part of the agreement and would not have to be shared with the County. LAFCO is not directly involved in the exchange of property taxes between a City and the county.
 - d. Analyze City capability and plan for providing services to potential annex areas.
 - e. Identify property owner interest in annexation. Conduct outreach to understand property owner interest in annexation.
 - f. Confirm the proposed annexation boundary. Based on services and economic analyses and property owner support, modify proposed

annexation boundaries as needed to the most appropriate and desirable option.

- g. Identify the project's requirements under CEQA. Depending upon the project, an existing CEQA document may already cover the annexation, or an additional CEQA process may need to be conducted prior to applying to LAFCo.
2. *City public hearing and resolution.* City Council holds as a public hearing where it passes a Resolution of Application and files the application with the Local Agency Formation Commission. The City could conduct additional public outreach meetings as a part of this process if desired.
3. *File Annexation Application with LAFCo.* The Local Agency Formation Commission's Executive Officer reviews the City's application documents and the resolutions affecting the property tax exchange and, within 30 days, accepts the application as complete or identifies it as incomplete.
4. *Notice of Filing.* If all of the documents are in order, the Executive Officer 1) issues a Notice of Filing which announces the project to interested and affected agencies and provides them a period in which to comment of the project, and 2) Sets a date no later than 90 days after finding the application complete for a public hearing of the Humboldt Commission where the annexation proposal will be considered.
5. *Notice to Residents.* Depending upon the size of the annexation, either a mailed notice will be sent to residents within the proposed annexation area, or a public newspaper notice will be posted communicating to all registered voters and landowners within the proposed annexation area the proposed project and the upcoming hearing.
6. *Public Hearing.* The Local Agency Formation Commission conducts the first public hearing, the "Notice of Application hearing." Written and oral testimony is received at the hearing. The Commission adopts a Resolution Making Determinations either approving, denying, or modifying the annexation proposal. If the application is approved, LAFCo establishes the date for the second public hearing, the "protest hearing".
7. *Protest Hearing.* The LAFCo Executive Officer conducts a second public hearing, the "protest hearing." Written and oral testimony is received at the hearing. This is the only hearing where written protests are received. LAFCo will mail a notice of the public hearing to all registered voters and landowners within the proposed annexation area. Depending on the number of written protests received from

registered voters and/or landowners, the Commission orders the annexation, orders the annexation subject to an election, or terminates the annexation.

8. *Certificate of Completion.* If the Commission orders the annexation, the Executive Officer issues a Certificate of Completion after receipt and review of the required documents. The filing Certificate of Completion finalizes the annexation and notifies the County and State Board of Equalization to change their City boundary and tax assessment records.

LAFCO PROTEST PROCEEDINGS -- §57075

(FOR ANNEXATIONS, DETACHMENTS, OR COUNTY SERVICE FORMATIONS IN REGISTERED-VOTER DISTRICTS OR CITIES)

