

TO: James L. App, City Manager
FROM: Joseph M. Deakin, Public Works Director
SUBJECT: Water Service from TCSD in City Sphere of Influence
DATE: March 4, 2003

NEEDS: For the City Council to consider a request made by AJ Contractor Supply for fire-suppression water service from Templeton Community Services District within the City's Sphere of Influence.

- FACTS:**
1. The City and Templeton Community Services District (TCSD) have a 1998 agreement regarding utility services and boundary definitions. TCSD provides water and sewer (in the region of Ramada Drive, specifically) to the south side of Volpi-Ysabel Road, and developments south, and the City is to provide services to the north side of Volpi-Ysabel Road and developments north.
 2. The southern City Limit along Ramada Drive extends to Calle Propano, about 0.5 miles north of Volpi-Ysabel Road. The parcels between Calle Propano and Volpi-Ysabel along Ramada Drive are within the City's Sphere of Influence.
 3. Municipal Code Section 14.04.280 prohibits the City from providing water services outside the City (with certain exceptions).
 4. In 2000, Central Coast Record Storage, and in 2001, Dallaire, Inc., were granted permission by City Council to approach TCSD for fire suppression water service within the City's Sphere of Influence.

**ANALYSIS
AND**

CONCLUSION: On February 10, 2003, the City received a request from AJ Contractor Supply (the letter is attached) to allow them to request water service for fire protection purposes only from TCSD, at 2301 Ramada Drive. This address is in the City's Sphere of Influence, outside the City Limit, therefore the City will not serve them utilities, and TCSD is barred, by the agreement with the City, from offering services.

The City Attorney indicates that the prior decision to allow Central Coast Record Storage and Dallaire, Inc. to obtain fire suppression service from TCSD does not set a precedent that needs to be followed in the present case. Similarly, the present request does not set a precedent requiring the city to uniformly allow outside agencies to serve developments within the City or its Sphere of Influence.

The decision to provide fire suppression service from TCSD should not negatively influence the future review of annexation of this area, when the City moves ahead with the planned annexation. Since the area is within the Sphere of Influence of the City, having fire suppression service provided by another agency could be viewed as ambiguous, however, the agreement for the service is limited to fire suppression. Considering the City provisions for potable water and sewer, there would remain significant utility benefit to the properties by annexation. In addition, the agreements with both the developers and with TCSD will require the statement to "not oppose" annexation in the future.

Another issue to consider in this request is sewer use. Presently, the developments occurring in the Sphere of Influence along Ramada are utilizing septic tanks. For the same reasons discussed earlier herein on water, neither the City nor TCSD is in a position to provide sewer service to the Sphere of Influence area. The City faces a significant vulnerability, since the Thunderbird Wells are immediately downgradient of the Sphere of Influence. Septic tank discharge puts the viability of this major water resource for the City at risk. This risk is notional; a study to determine hydraulic connectivity in the region has not been done. However, it is clear that a water gradient in this area flows generally northeast, thus septic tanks discharges could impact the wellfield.

The Council could include a condition that TCSD provide sewer connection in addition to the fire suppression service connection (see option a, below). This would alleviate City concerns about septic discharge increases in the area south of the Thunderbird wellfield. However, this additional service may have a negative impact on future annexation (as discussed earlier, the more service provided by others, the more LAFCO may criticize an annexation request) and may not be TCSD's intent. The requester did not include a request for sewer service. Alternatively the Council could restrict the septic system proposed by AJ to assure a more demanding sewer service doesn't subsequently occupy the same parcel (option b, below), or turn down the request for the outside service request (option c, below).

POLICY

REFERENCE: Municipal Code; Agreement Between Templeton Community Services District and the City of El Paso De Robles (November 1997)

FISCAL

IMPACT: It is assumed all connection fees and service fees will go to TCSD, so the City will not fiscally participate in the project. In the long term, if annexation is jeopardized by the outside services being provided, this could negatively impact the City's reliance on the revenue from this area.

OPTIONS:

- a. Allow AJ Contractor Supply to apply to Templeton Community Services District for water service limited to fire suppression service at 2301 Ramada Drive, if the developers agree to:
 - also request and attain sewer service from the City of Paso Robles, and
 - not oppose future annexation to the City, and
 - connect to City water services when available in the immediate area.
- b. Allow AJ Contractor Supply to apply to Templeton Community Services District for water service limited to fire suppression service at 2301 Ramada Drive, if the developers agree to:
 - limit the septic tank holding capacity to that which is minimally required for current operation, and
 - not oppose future annexation to the City, and
 - connect to City water and/or sewer services when available in the immediate area.
- c. Deny AJ Contractor Supply's request to apply to Templeton Community Services District for water service limited to fire suppression service at 2301 Ramada Drive.
- d. Amend, modify or reject the above option.

Attachments: (1)

1) Letter