



COUNTY OF LAKE
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April 9, 2019

Mr. Tim Barnes, Mayor
City of Lakeport
225 Park Street
Lakeport, CA. 95453

Dear Tim,

The County of Lake is grateful for this opportunity to respond to your Community Development Director's Request for Review of your planned application to the Local Agency Formation Commission (LAFCO) for the annexation of the South Main Street area. As you are aware, the businesses and residents of the area are our constituents and we want to ensure all their interests and needs are met, now and in the future, in the best ways possible. The County offers the following comments specific to the City's stated purposes for the project:

City Purpose # 1: *The City of Lakeport currently provides sewer services to the County Lakeport annexation area in accordance with an agreement with the Lake County Sanitation District (LACOSAN). The agreement expires in 2026. Annexation would incorporate properties that are currently receiving City wastewater collection and treatment services from Lakeport into the City.*

County Response: The County provides sewer services in the proposed annexation area as well as beyond the area proposed for annexation. Per our agreement with the City, we exchange flows and compensate each other for treatment of the sewage.

City Purpose #2: *The City of Lakeport will construct a water main in South Main Street in conjunction with the upcoming South Main Street and Soda Bay Widening and Bike Lanes Project. The new water main will extend from the city limits to State Route 175 and will connect to the City's water system on Parallel Drive. The water main is necessary to create a closed loop in the City's water system that will increase reliability and resilience and reduce overall maintenance costs. Annexation will make it possible for properties along South Main Street to connect to the City's water system. Property owners may choose whether or not to connect to the City's water system.*

County Response to City's Application to Annex South Main Street (continued):

County Response: At the end of the last round of talks last year, the County advised the City of its intention to reinvigorate its own plans for providing water to the area and thus, retaining South Main Street in the County. Lake County Special Districts has since obtained an updated Project Design Report and has had preliminary discussions with USDA about possible grant funding for a water system there. For many years, the County has carried forward a partial funding set aside for completion of a water system for South Main Street/Soda Bay Road area, intended to support the development of the area. The District Supervisor has proposed the concept to his constituents, for connecting South Main Street/Soda Bay Road to Kelseyville/Finley, and the response has been favorable. Adding the South Main Street/Soda Bay Road area to the County water system will require only a very small portion of system capacity.

The City's proposed annexation area will leave a small and vulnerable section of properties without any services. The County is proposing a water system that will extend beyond Highway 175 and provide fire suppression capabilities as well as safe, potable water to numerous businesses that the proposed annexation would not include. These businesses provide needed services to the public, including food and beverage services and excluding them from fire suppression, public water and sewer would actually be detrimental to the entire area thus creating further risk to public health and safety.

Although the proposed annexation may be of benefit to the City, in terms of looping its system, it would not benefit all property owners in the South Main Street/Soda Bay Road area. To include a few and exclude the rest, would be an extreme disservice to the business owners that have struggled to survive in the area. The County desires to bring water service to the annexation area and beyond.

Should the City's plan for annexation go through, any work funded with County Road Department funds on the portion of road that is now within City Limits will need to be reimbursed by the City. The County can continue with managing the road project, and will continue to seek reimbursement through the various grants being used on the project, but the local share will be the issue. The County is using Highway User Tax Account funds for this project, which are subject to annual reporting and audit by the State, and can only be used on roads within the County-maintained system or unless reimbursed by the outside agency receiving the work.

City Purpose #3: *Annexation and extension of the water main on South Main Street will make it possible for fire hydrants to be installed along the South Main Street corridor thereby improving fire suppression capabilities in the area.*

County Response to City's Application to Annex South Main Street (continued):

County Response:

As noted above, the water system being proposed by the County will include fire hydrants and 1 inch meters that will allow for fire suppression and the ability to meet current building codes for the South Main Street/Soda Bay Road area, covering a larger area than the annexation proposal. The additional coverage provided by the County will provide much more protection for public health and safety, as well as enable the businesses in the area to upgrade and expand.

***City Purpose #4:** Once annexed, properties within the South Lakeport Annexation Area will be able to use City of Lakeport services and residents will be eligible to vote in City elections. Services currently performed by Lake County Public Works, Planning and Building, and the Sheriff's office will be replaced with services provided by the City of Lakeport.*

County Response: As stated herein, the needs and interests of the South Main Street/Soda Bay Road area are paramount and the County is interested in hearing from the City as to the advantages those constituents will receive being served by the City as opposed to the County. As we are all aware, the concept of annexation is not new. In fact, some years ago, such plans were met with considerable opposition from those who live in and/or operate businesses in the area. Given the past history, the County proposes the preparation of a new survey, to be developed collaboratively, to assess the will of the business owners and residents of South Main Street. Survey results should be a powerful indicator as to the future of annexation.

In summary, the County negotiating committee would welcome the opportunity to meet again with the City's team. The County values building strong relationships with its local government partners and again, appreciates this opportunity to be a part of the City's process, as a first step in restarting local discussions. Most importantly, the County is committed to best meeting the needs and interests of the stakeholders who reside and/or operate their businesses in the South Main Street/Soda Bay Road area, and would very much appreciate working cooperatively with the City to that end.

Respectfully submitted,

LAKE COUNTY BOARD OF SUPERVISORS

Tina Scott, Chair
District 4