



## Legislation Details (With Text)

<b>File #:</b>	19-364	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Consent Item	<b>Status:</b>		Passed	
<b>File created:</b>	6/24/2019	<b>In control:</b>	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency		
<b>On agenda:</b>	7/15/2019	<b>Final action:</b>	7/15/2019		

**Title:** SUBJECT: Approval of Second Amendment to the Amended and Restated Contract for Water, Sewer, and Other Services Between the City of Merced and the Regents of the University of California and the First Amendment to the Agreement Affecting Real Property and Covenant to Annex and Authorization to Submit an Application to the Local Agency Formation Commission (LAFCO) to Reflect the Revised Boundary Area

### REPORT IN BRIEF

Considers two amendments to contracts with the University of California from 2016 regarding services and annexation to reflect a minor boundary change in the UC Merced Campus site and will also consider authorizing City staff to prepare an application to the Merced County Local Agency Formation Commission (LAFCO) to reflect the revised boundary in the previously-approved Out of Boundary Service Request.

### RECOMMENDATION

City Council - Adopt a motion:

A. Approving the Second Amendment to the Amended and Restated Contract for Water, Sewer, and Other Services between the City of Merced and the Regents of the University of California; and,

B. Approving the First Amendment to the Agreement Affecting Real Property and Covenant to Annex; and,

C. Authorizing City staff to submit an application to the Merced County Local Agency Formation Commission to amend the previous Out of Boundary Service Request to reflect the revised boundary; and,

D. Authorizing the Mayor, the City Manager, or the Assistant City Manager to execute the final documents.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. Att1-2ndAmendServices.pdf, 2. Att2-1stAmendAnnex.pdf, 3. Att3-OriginalAgmt.pdf

Date	Ver.	Action By	Action	Result
7/15/2019	1	City Council/Public Finance and Economic Development Authority/Parking Authority/Successor Agency to the Redevelopment Agency	approved	Pass

*Report Prepared by: Kim Espinosa, Planning Manager, Development Services Department*

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- B. Approving the First Amendment to the Agreement Affecting Real Property and Covenant to Annex; and,
- C. Authorizing City staff to submit an application to the Merced County Local Agency Formation Commission to amend the previous Out of Boundary Service Request to reflect the revised boundary; and,
- D. Authorizing the Mayor, the City Manager, or the Assistant City Manager to execute the final documents.

## ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than recommended by staff; or,
- 3. Deny; or,
- 4. Refer to the City Manager for reconsideration of specific items (specific items to be addressed in the motion); or,
- 5. Continue to a future meeting (date and time to be specified in the motion).

## AUTHORITY

Merced City Charter, Section 200

## CITY COUNCIL PRIORITIES

In 2015-16, approval of the Service Agreement with UC Merced were listed as City Council Priorities.

## DISCUSSION

In 2003, the City and University of California Merced ("UC Merced") entered into an out of area urban

services agreement (“Original Services Agreement”) to provide water and sewer services to Phase 1 of the UC Merced campus. In 2016, the City and UC Merced entered into the “Amended and Restated Contract for Water, Sewer and Other Services” (“Updated Urban Services Agreement”) in order to provide services to the UC Merced 2020 Project. On June 14, 2016, the Annexation Agreement (Attachment 5 of the Updated Urban Services Agreement) was executed and recorded. On October 17, 2016, the City Council approved the First Amendment to the Amended and Restated Contract for Water, Sewer and Other Services to allow UC Merced to pay sewer facilities charges over a 4-year period, instead of as a lump sum. These documents can be seen at Attachment 3.

Staff has prepared a Second Amendment to the Amended and Restated Contract for Water, Sewer, and Other Services (Attachment 1) and a First Amendment to the Annexation Agreement (Attachment 2). If adopted, these amendments would only adjust the boundary of the campus maps and revise the language of the corresponding legal description to reflect the boundary adjustment to the service area; they would not increase the acreage within the service area. The current service area is 219 acres and it would remain 219 acres after the boundary adjustment. The proposed amendments would make no other changes to the Amended Contract for Water, Sewer, and Other Services or the Annexation Agreement; all other provisions and obligations of the agreements would remain the same.

If the City Council approves the amendments to the maps and legal descriptions for the updated Urban Services Agreement, the Second Amendment would then be presented to the Merced County Local Agency Formation Commission (LAFCO) for review and approval with the application costs paid for by the University. The First Amendment to Annexation Agreement would also be recorded.

## **IMPACT ON CITY RESOURCES**

The proposed amendments to the maps and legal descriptions for the Updated Urban Services Agreement (i.e. Second Amendment) and Annexation Agreement are non-substantive and would have no impact on existing and future revenue streams to the City’s sewer and water enterprise funds.

## **ATTACHMENTS**

1. Second Amendment to the Amended and Restated Contract for Water, Sewer, and Other Services between the City of Merced and the Regents of the University of California
2. First Amendment to the Agreement Affecting Real Property and Covenant to Annex
3. 2016 Amended and Restated Contract for Water, Sewer and Other Services, including First Amendment