

2018 SERVICE AND SPHERE OF INFLUENCE REVIEW

COUNTY SERVICE AREA 12, SEPTIC MAINTENANCE

Agency Name: County Service Area 12, Septic Maintenance

Date: July 19, 2018

Agency Contact

Name: John Ricker

Title: Water Resources Division Director

Address: 701 Ocean Street, Room 312

City, Zip: Santa Cruz, CA 95060

Phone: 454-2022

Email: John.Ricker@santacruzcounty.us

Website:

<http://scceh.com/Home/Programs/LandUse,SewageDisposalWasteWaterManagement/PropertyTaxChargesforSepticSystemMaintenance.aspx>

How many directors are on your agency's board?

5 County Supervisors

Director Info:

Board of Supervisors Names	Title	First Year of Service on Board	Term Expiration Date
John Leopold	Supervisor	2008	2020
Zach Friend	Supervisor, Chair	2012	2020
Greg Caput	Supervisor	2010	2018
Ryan Coonerty	Supervisor, Vice Chair	2014	2018
Bruce McPherson	Supervisor	2012	2020

Description of Services:

County Service Area 12 was originally authorized by LAFCO Resolution No. 324 and was formed in 1972 by resolution of the Santa Cruz County Board of Supervisors. Its original purpose was to assure maintenance of onsite wastewater disposal systems in two subdivisions in the San Lorenzo Valley (Hidden Glen and Galleon Heights). In 1988, LAFCO adopted the first Sphere of Influence for CSA 12 (Resolution 727-12) greatly restructuring the geographical area and the scope of services to be provided by CSA 12. In 1990, LAFCO passed Resolution No. 754-A, expanding the authorized services to include operating small sewage treatment plants in the San Lorenzo Valley. That was never implemented. Other services, such as financing septic inspection programs countywide, and paying for septic tank sludge receiving stations at the Santa Cruz and Watsonville wastewater treatments plants, have been implemented.

There are approximately 24,000 septic systems in the rural areas of Santa Cruz County. County Service Area 12 provides funding to support the septic system inspection and maintenance programs operated by the Environmental Health Division of the Santa Cruz County Health Services Agency.

County Service Area 12 (CSA 12) comprises three separate enterprise funds that perform a variety of services designed to promote improved wastewater disposal in the unincorporated areas of the County not served by public sewer systems. CSA #12, CSA #12A, and CSA #12 - Capital Improvements.

Basic CSA #12

CSA 12 provides services to support and promote effective septic system pumping, maintenance, and management in all un-sewered areas of the County by providing capacity at the Watsonville and Santa Cruz Wastewater Treatment Plants for disposal of septic tank sludge, collection of disposal fees for operation and maintenance of the Santa Cruz Septage Disposal Facility, annual inspections and monitoring of nonstandard systems, investigation of septic system problem areas, water quality monitoring, promotion of septic system repairs, abatement of problem systems where the property owner doesn't correct the problem, ordinance and policy update, and computerized tracking and reporting of septic system performance, pumping and maintenance. This budget supports the delivery of services provided by Environmental Health. Revenues come from an annual service charge assessed to all developed parcels in County Service Area #12 for standard disposal systems, a special service charge for permitted nonstandard sewage disposal systems to cover the costs of County oversight of those systems, and payment of disposal fees by septic tank pumpers.

Revenues of \$930,000 result from collection of an annual service charge of \$6.90 from 23,400 septic systems in CSA 12, an annual service charge of \$101-\$501 from 780 parcels with nonstandard on-site sewage disposal systems, and collections of \$640,000 from septic tank pumpers for septage disposal.

County Service Area 12, Zone A

County Service Area 12, Zone A (CSA 12A) provides financing for implementation of the San Lorenzo Wastewater Management Plan. Implementation of this plan is required by the State as a condition for allowing continued use of septic systems in the San Lorenzo Watershed. Services include regular inspection of septic systems, promotion of septic system upgrade and maintenance, property owner education, water quality monitoring, and support of alternative wastewater disposal methods where conventional septic systems are not suitable. Services are primarily provided by Environmental Health.

Revenues of \$243,600 result from collection of an annual service charge of \$18.54 from 13,276 developed parcels served by septic systems developed parcels within the San Lorenzo Watershed

County Service Area 12 – Capital Improvements

CSA 12 – Capital Improvements provided financing for a low-interest loan program that assisted property owners in the upgrade of onsite sewage treatment systems in the San Lorenzo Watershed. This program was implemented pursuant to a contract with the State Water Resources Control Board. Eleven loans were made from this fund with reimbursement by the State. Payments are deposited in this fund with repayment to the State over the period of the loans. The first loans were established in FY 2006-07 and the last loans were completed in FY 2008-09. Repayment of those funds will take place over a 20-year period, with final payment to the State made 20 years after the date of the last loan. Seven of the loans have now been fully paid off by the property owners.

Financial Summary—County Service Area 12

<u>Requirements</u>	<u>Actual 2016-17</u>	<u>Appropriated 2017-18</u>	<u>Estimated 2017-18</u>	<u>Requested 2018-19</u>	<u>Recommended 2018-19</u>	<u>Change From 2017-18</u>
Appropriations						
Services & Supplies	\$823,032	\$996,500	\$892,006	\$1,042,006	\$1,042,006	\$45,506
Other Charges	(\$2,079)	(\$4,215)	(\$7,431)	\$0	\$0	\$4,215
Total	\$820,953	\$992,285	\$884,575	\$1,042,006	\$1,042,006	\$49,721
Increase Reserve	\$0	\$0	\$0	\$0	\$0	\$0
Total Requirements	\$820,953	\$992,285	\$884,575	\$1,042,006	\$1,042,006	\$49,721
Available Funds						
Fund Balance Avail.	\$179,747	\$143,219	\$143,219	\$191,644	\$191,644	\$48,425
Cancel Reserve	\$0	\$0	\$0	\$0	\$0	\$0
Revenue	\$809,543	\$909,000	\$933,000	\$933,000	\$933,000	\$24,000
Total	\$989,290	\$1,052,219	\$1,076,219	\$1,124,644	\$1,124,644	\$72,425

GL Key:133607

SERVICE REVIEW:

SCREENING OF POTENTIALLY SIGNIFICANT SERVICE REVIEW DETERMINATIONS

The detailed questions address a range of subjects that State law requires LAFCO to address in service reviews.

1. GROWTH & POPULATION

There is no specific regional population projection for CSA12. CSA 12 is part of the Santa Cruz County unincorporated area in the following draft 2018 AMBAG projection.

Regional Population Forecast							
Public Agency	2010	2015	2020	2025	2030	2035	2040
City of Capitola	9,918	10,087	10,194	10,312	10,451	10,622	10,809
City of Santa Cruz	59,946	63,830	68,381	72,091	75,571	79,027	82,266
City of Scotts Valley	11,580	12,073	12,145	12,214	12,282	12,348	12,418
City of Watsonville	51,199	52,562	53,536	55,187	56,829	58,332	59,743
Santa Cruz County unincorporated	129,739	135,042	136,891	137,896	139,105	140,356	141,645
Santa Cruz County Total	262,382	273,594	281,147	287,700	294,238	300,685	306,881
AMBAG Region Total	732,708	762,676	791,600	816,900	840,100	862,200	883,300

a) Is the agency's territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?

NO

b) Will population changes have an impact on your agency's service needs and demands?

NO

c) Will projected growth require a change in your agency's sphere of influence boundary?

NO

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to your agency's sphere of influence.

a) Does your agency provide water or sanitary sewer service?

NO. CSA does not provide sanitary sewer services. CSA 12 does provide for inspection of septic systems, thereby assuring that septic systems are functioning correctly. CSA 12 services are provided to all unincorporated, unsewered areas of the county, including all disadvantaged areas.

b) Is your agency aware of any area(s) within or adjacent to your agency's sphere of influence that is considered "disadvantaged" (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service?

NO

c) Is it is feasible for your agency to extend service to the disadvantaged unincorporated community?

NOT APPLICABLE. CSA 12 is already providing septic inspection services to all disadvantaged areas.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?

NO

b) Are there any issues regarding your agency's capacity to meet the service demand of reasonably foreseeable future growth?

NO

c) Are there any concerns regarding public services provided by the agency being considered adequate?

NO

d) Are there any significant infrastructure needs or deficiencies to be addressed?

NO

e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?

NO

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

a) In the last five years, has your agency failed to obtain an independent audit, or adopted its budget late?

NO

b) Is your agency lacking adequate reserves to protect against unexpected events or upcoming significant costs?

MAYBE. CSA 12 relies on annual fees collected within the basic CSA and Zone A, and from septage haulers. On June 30, 2018, its fund balance was 18% of its annual costs.

c) Is your agency's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?

NO

d) Is your agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?

NO

e) Is improvement needed in the organization's financial policies to ensure its continued financial accountability and stability?

NO

f) Is the organization's debt at an unmanageable level?

NO

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

a) Are there any opportunities for your agency to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?

NO

b) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?

NO

c) Are there governance options to allow facilities and/or resources to be shared, or to make excess capacity available to others, to avoid construction of extra or unnecessary infrastructure, or to eliminate duplicative resources?

NO

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

Accountability for community service needs, including governmental structure and operational efficiencies.

a) Are there any issues with your agency's meetings being accessible and well publicized? Are there any issues with your agency failing to comply with financial disclosure laws and the Brown Act?

NO

b) Are there any issues with filling board vacancies and maintaining board members?

NO

c) Are there any issues with staff turnover or operational efficiencies?

NO

d) Is your agency's budget unavailable to the public via the internet?

NO

e) Are there any recommended changes to your agency's structure that will increase accountability and efficiency?

NO

f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?

NO

g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?

YES. There are a few small areas scattered around the unincorporated area that have septic systems, but have not been annexed to CSA 12. These are mostly areas that were included in sewer agencies many years ago, but have not received sewer service and are not planned for urban or suburban development. The areas are within the adopted Sphere of Influence CSA 12. The CSA may wish to evaluate annexing these areas.

7. OTHER ISSUES

Any other matters related to effective or efficient service delivery, as required by commission policy.

a) Your agency's mission statement. Though not specifically adopted as a formal mission statement, CSA 12's mission is to promote proper septic tank function and maintenance.

b) Your agency's meeting rules. The CSA's business is conducted on Board of Supervisors Agendas. The CSA follows the Board of Supervisors' meeting rules.

c) Are there any other service delivery issues that the agency wants addressed in the service and sphere review process?

NO

2018 SERVICE AND SPHERE OF INFLUENCE REVIEW COUNTY SERVICE AREA 12, SEPTIC MAINTENANCE

SPHERE OF INFLUENCE STUDY:

Check the situation which is applicable to your agency:

Your agency is not proposing any changes in the currently adopted Sphere of Influence Map.

Your agency is proposing changes in the adopted sphere of influence map, please attach a map and justification, complete the following sections of the questionnaire, and forward the questionnaire and attachments, either on paper or electronically to the LAFCO staff.

Currently Adopted Sphere of Influence Map

Link: http://gis.co.santa-cruz.ca.us/map_gallery/pdfs/Map%20Gallery/County%20Service%20Areas/CSA12_SepticMaintenance_SD.pdf



SCREENING OF POTENTIALLY SIGNIFICANT SPHERE DETERMINATIONS

1. PRESENT AND PLANNED LAND USES

The present and planned land uses in the area, including agricultural and open-space lands.

a) Are there any present or planned land uses in the area that would create the need for an expanded service area?

NO

b) Would the amended sphere conflict with planned, orderly and efficient patterns of urban development?

NO

c) Would the amended sphere result in the loss of prime agricultural land or open space?

NO

d) Would the amended sphere impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water census, fire, parks and recreation boundaries?

NO

e) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical sphere boundary?

NO

2. NEED FOR PUBLIC FACILITIES AND SERVICES

The present and probable need for public facilities and services in the area.

a) Would the amended sphere conflict with the Commission's goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth?

NO

b) Would the amended sphere expand services that could be better provided by a city or another agency?

NO

c) Would the amended sphere represent premature inducement of growth or facilitate conversion of agriculture or open space lands?

NO

d) Would the amended sphere conflict with the Regional Housing Needs Allocation Plan adopted by the Association of Monterey Bay Governments (RHNA)?

NO

e) Are there any areas that should be removed from the sphere because existing circumstances make development unlikely, there is not sufficient demand to support it, or important open space/prime agricultural land should be removed from urbanization?

NO

f) Have any agency commitments been predicated on expanding the agency's sphere such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space?

NO

3. CAPACITY AND ADEQUACY OF PROVIDED SERVICES

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

a) Are there any issues regarding the agency's capacity to provide services in the proposed sphere territory?

NO

b) Are there any issues regarding the agency's willingness and ability to extend services?

NO

4. SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST

The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

a) Are there particular neighborhoods or areas that should be added or excluded from your agency's sphere because those areas function as part of your community or another community socially or economically?

NO

5. DISADVANTAGED UNINCORPORATED COMMUNITIES

For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

a) Does the subject agency provide public services related to water, sanitary sewers, or structural fire protection?

NO

b) If yes, does the proposed sphere exclude any nearby disadvantaged unincorporated community (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service?

NOT APPLICABLE