

2011 SANTA CRUZ COUNTY SANITATION DISTRICT SPHERE OF INFLUENCE REVIEW

Prepared by the Staff of the Santa Cruz Local Agency Formation Commission in May 2011

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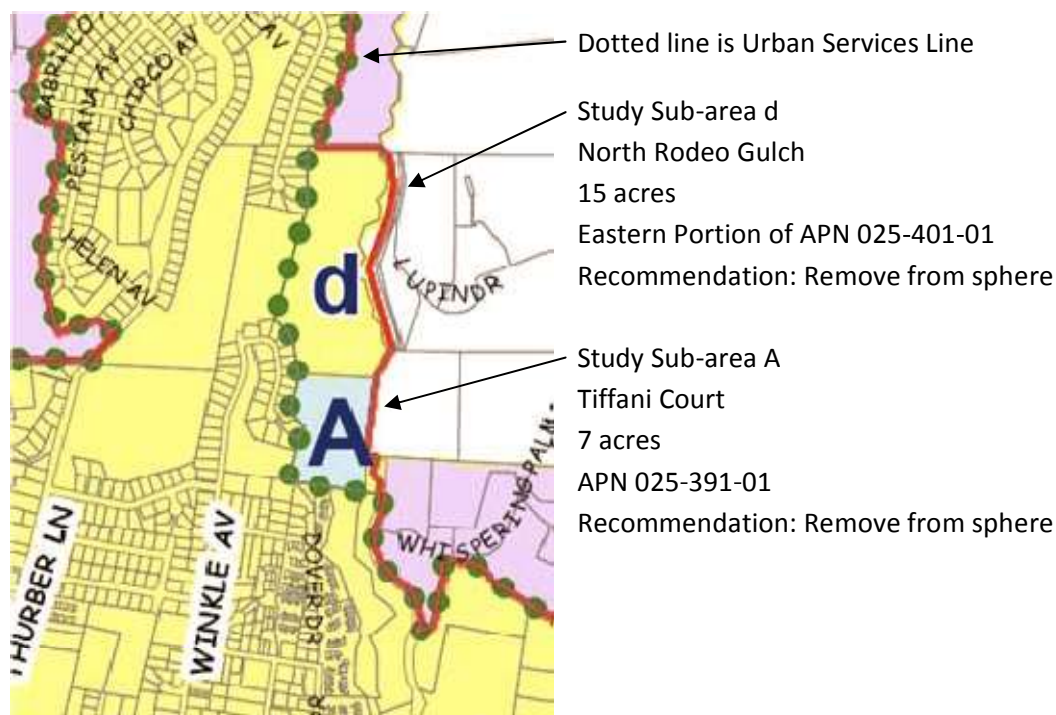
6.1 Draft Resolution and Determinations

1.0 Executive Summary

State law requires LAFCO to review the sphere of influence of each city and district every five years. This report has been prepared to evaluate the Santa Cruz County Sanitation District and to form the basis for either continuing the current sphere of influence or considering possible changes to the sphere of influence.

The report concludes that the Santa Cruz County Sanitation District has adequate capacity to serve the area within the current Sphere of Influence. The district's main challenge is to repair and replace old sewer lines and pump stations. The district has a capital improvement program to address these infrastructure needs and is currently constructing the Aptos Transmission Main Relocation Project.

In this study, the LAFCO staff reviewed the district's boundaries and sphere of influence in light of the planned land uses in the Santa Cruz County and City of Capitola General Plans. Particular attention was paid to 1202 parcels around the perimeter of the district. The staff found that the current sphere of influence line is located in a manner consistent with LAFCO's policies, with the exception of 2 parcels containing approximately 22 acres located outside the County's Urban Services Line between residential subdivisions in Santa Cruz Gardens and North Rodeo Gulch Road. Those 22 acres are currently inside the Santa Cruz County Sanitation District Sphere of Influence. With steep topography and rural zoning in the 1-5 acres per dwelling range, this area does not need the urban service of sanitary sewers. For LAFCO's public hearing scheduled for June 1, 2011, the staff is recommending that LAFCO maintain the district's current sphere of influence with the exception that the 22 acres between Santa Cruz Gardens and North Rodeo Gulch be removed the sphere.



2.0 Introduction

2.1 Definition

Government Code section 56076 defines “Sphere of Influence” to be a plan for the probable physical boundaries and service area of a local agency, as determined by the Local Agency Formation Commission in the subject county.

2.2 Authority

2.2.1 State Law

The authority for Santa Cruz LAFCO to adopt, review, and amend the Sphere of Influence for the Santa Cruz County Sanitation District is contained in various sections of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Specifically, Government Code Section 54625 (a) states that:

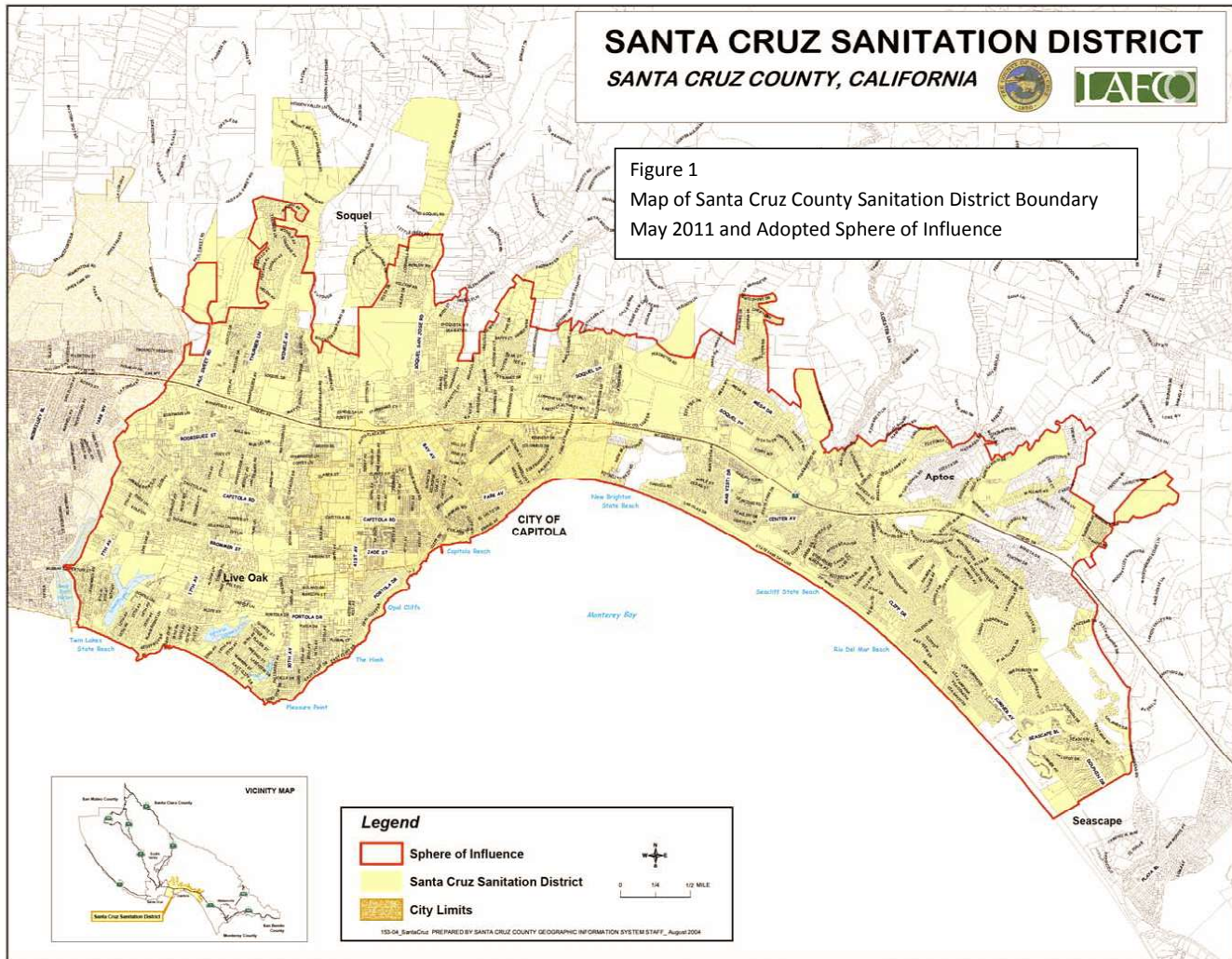
“In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local government agencies to advantageously provide for the present and future needs of the county and its communities, the [LAFCO] commission shall develop and determine the sphere of influence of each local governmental agency with the county and enact policies designed to promote the logical and orderly development of areas within the sphere.”

Government Code section 56425(g) specifies that, beginning in 2008, LAFCO shall, as necessary, review and update each sphere of influence every five years. When reviewing a sphere of influence, LAFCO staff prepares a report, such as this one, which forms the basis for the Commission’s review at a noticed public hearing. The public hearing is scheduled for June 1, 2011.

A Sphere of Influence is adopted or amended by a LAFCO resolution that contains a map showing the adopted sphere, includes a set of determinations evaluating the service agency’s capabilities and the planned land uses (Government Code section 56425(e)), and may contain written policies specific to the agency’s sphere. Once adopted, a sphere of influence is one of the key documents that controls the reorganization of city and special district boundaries. During LAFCO’s review of a boundary change application, Government Code section 56375.5 requires that any boundary change approval LAFCO grants must be consistent with the adopted spheres of influence of the affected agencies.

2.2.2 Local Policies

Santa Cruz LAFCO has adopted a set of local policies that explain the sphere review process as well as the substantive policies that LAFCO will use in reviewing all spheres of influence. The Santa Cruz Local Agency Formation Commission Spheres of Influence Policies and Guidelines can be accessed at: <http://santacruzlafco.org/pages/policies2009.html> . The local policies and guidelines both recognize the lead role of the County and the four Cities in preparing General Plans, as well as LAFCO’s role to encourage staged, cost-effective development patterns and the efficient provision of services. The substantive local policies will be addressed later in the recommendations section of this report.



2.3 History of Reviews

LAFCO adopted the first Sphere of Influence for the Santa Cruz County Sanitation District by Resolution No. 648 on October 5, 1983. The main theme of that first sphere was utilizing the County's Urban Service Line as the primary tool to locate the sphere line. Sanitary sewer is perhaps the clearest example of an "urban service." The adopted sphere of influence line, virtually matching the County's Urban Services Line, included the sewered areas of the district in Live Oak, Capitola, Soquel, and Aptos and many developed and undeveloped areas of Live Oak (Santa Cruz Gardens), Soquel, and Aptos that were inside the Urban Services Line, but not yet annexed or sewered. The 1983 sphere excluded a series of unsewered rural areas in the lower Santa Cruz Mountains above Live Oak, Soquel, and Aptos that were outside the Urban Services Line, but had annexed to the Sanitation District, or its predecessor district during the 1950's, 1960's, and 1970's.

The City of Capitola General Planning Area was totally included in the original 1983 sphere line.

2.4 Relation to Countywide Service Review

Government Code 56430 requires LAFCOs to periodically perform municipal service reviews, also known as service reviews, in order to prepare for sphere of influence adoptions or reviews. The purpose of service reviews is to get a "big picture" of the public service needs in a county and to look for opportunities for improved service efficiencies. Santa Cruz LAFCO's "Countywide Service Review" was adopted by Resolution No. 2007-9 on December 5, 2007. It can be reviewed on LAFCO's website at: <http://santacruzlafco.org/CSR.html>. The wastewater chapter of that service review addressed all sanitary sewer systems in Santa Cruz County, including the system of the Santa Cruz County Sanitation District. In general, the Countywide Service Review found that the Santa Cruz County Sanitation District was an efficient provider of sewer services. One specific determination of that report was directed to the sphere review:

"In its next sphere of influence review, the District and LAFCO should review the northern boundary of the district in the foothills of the Santa Cruz Mountains to assure that the sphere is consistent with the current service area and the County's Urban Services Line. Following that sphere review, the District and LAFCO may then consider whether to pursue a reorganization that annexes and detaches properties to bring the District's northern boundary into the maximum conformity with the County's Urban Services Line."

3.0 District Operations

3.1 District History

The Santa Cruz County Sanitation District was formed in 1973 by the consolidation of three sanitation districts: East Cliff, Capitola, and Aptos. At that time each district had a primary treatment plant and ocean outfall into Monterey Bay. The discharges did not meet either the Federal or State clean water standards. During the 1970's the district participated in regional sewer studies and ultimately acted to abandon its treatment plants and outfall, build a transmission line in to the City of Santa Cruz, and

contract with the city to treat and dispose of the district's sewage. The city built a new outfall in 1989 and added secondary treatment in 1998.

3.2 Services Provided

The Santa Cruz County Sanitation District directly provides sanitary sewer collection and transmission to a regional sewage treatment plant operated by the City of Santa Cruz. The Santa Cruz County Sanitation District contracts with the City of Santa Cruz to treat the district's sewage at the City's Treatment Plant adjacent to Neary Lagoon and to dispose of the treated effluent in the ocean off West Cliff Drive.

3.3 Service Area

The Santa Cruz County Sanitation District provides sanitary sewer services to 31,674 connections in Live Oak, Soquel, Capitola, and Aptos. The service area population is approximately 83,000. The district's boundaries are Monterey Bay on the south, Arana Gulch (City of Santa Cruz) on the west, rural areas east of Aptos High School and Aptos Seascapes on the east, and the urban/rural transition at the base of the Santa Cruz Mountains on the north.

The district's boundaries, including the unsewered areas in the mountains, contain 13.2 square miles. The district's boundaries and sphere of influence are shown on page 4 and may be accessed via the Internet. Go to LAFCO's home page www.santacruzlafco.org, select "Maps" from the left menu, and scroll down to "Santa Cruz County Sanitation District."

3.4 Facilities

3.4.1 Collection System

The collection system contains 201.41 miles of sanitary sewer pipeline. 187.66 miles of pipeline are gravity mains, and 13.75 miles are force mains. The district operates 34 sanitary sewer pump stations. The main pump station along the transmission main is located at the D. A. Porath Wastewater Facility at 2750 Lode Street off 27th Avenue in Live Oak. That facility pretreats sewage from the entire district before it is pumped to the City of Santa Cruz for treatment. The pump stations are listed below.

Table 1 Pump Stations

14 th Avenue	Courtside	Schwann Lake
15 th Avenue	D. A. Porath	Seacliff
16 th Avenue	Dolphin Drive	Sears Circle
A-1	Esplanade	Soquel (at Nob Hill)
A-3	Grove	Uplands 1
Arana	Harbor View	Uplands 2
Brommer	Hidden Beach	Uplands 3
Capitola	Mar Vista	Via Palo Alto
Carl Avenue	Moran	Waugh
Chaminade	New Brighton*	Wilshire
Cheryl	Pine Knoll	
Cory	Rodeo	

*As part of the Aptos Transmission Main Relocation Project, the district is planning to demolish the New Brighton Pump Station, and construct pump stations at Potbelly Beach and Tannery Gulch.

The district uses a Supervisory Control and Data Acquisition (SCADA) system to remotely monitor its pumping stations.

3.4.2 Treatment Contract

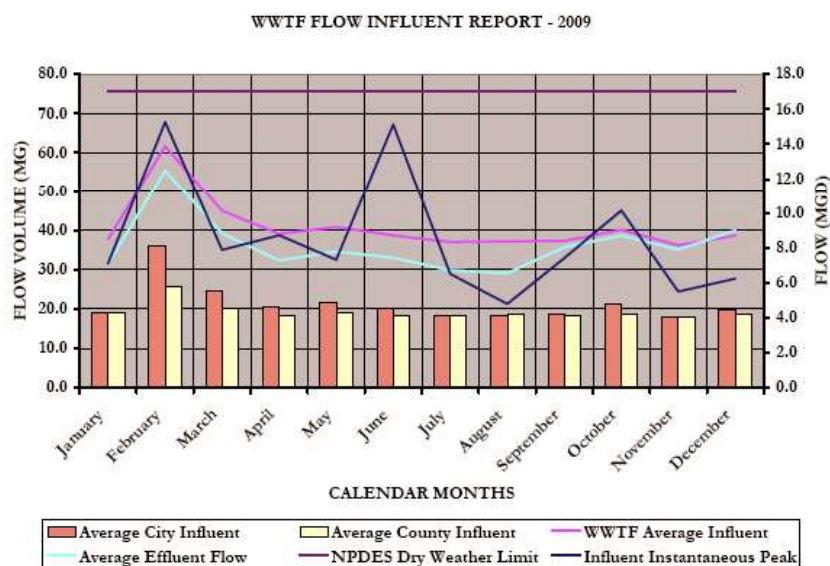
The Santa Cruz County Sanitation District pretreats and transmits all sewage to the City of Santa Cruz for treatment and disposal. The District has treatment capacity rights for 8 million gallons of treatment per day out of the plant's dry weather treatment capacity of 17 million gallons per day.

The district's contract with the City requires the district to pay for 8/17 (47%) for treatment modifications. Operational and maintenance costs are split based upon a formula that includes flow, biological oxygen demand, and suspended solids.

As shown on the following chart from the City's 2009 Wastewater Treatment Report, the district is utilizing approximately 4 million gallons per day of treatment, or half of its dry weather capacity. The City reported no incidence of treatment plant performance failure in 2009.

Under the National Pollutant Discharge Elimination System (NPDES) permit, the maximum peak wet weather flow for the plant is 81 million gallons per day.

Figure 2 Treatment Plant Flow



3.5 Governance and Staffing

Operating under the authority of the County Sanitation District Act (Health and Safety Code Sections 4700-4858), the Santa Cruz County Sanitation District is governed by a three-person board—two county supervisors and one Capitola City council member. In 2011, the Board members are:

- Stephanie Harlan, Capitola City Council Member, SCCSD Chairperson
- John Leopold, First District Supervisor (Live Oak, Soquel)
- Ellen Pirie, Second District Supervisor (Capitola, Live Oak).

The City of Capitola designates another city council member to be the City's alternate on the SCCSD Board of Directors. In 2011, the city alternate is Sam Storey.

Board members receive \$100 compensation per meeting. The Board's meeting room is located at 2750 Lode Street, Santa Cruz. The Board's regular meeting dates are the first and third Thursday of the month at 4:45 p.m.

The District has designated the County Public Works Director, John Presleigh, to be its District Engineer. The District utilizes the County Public Works Department staff to operate the district. There are approximately 52 staff members.

The contact information for the district follows:

Mailing address: 701 Ocean Street, Room 410, Santa Cruz, CA 95060

Phone: (831) 454-2160

Emergency Phone: (831) 477-3907 (24 hours)

Fax: (831) 454-2835

Website: <http://www.dpw.co.santa-cruz.ca.us/sanitation.htm>

The website contains a range of helpful information regarding the district's operations, fees, and the Aptos Transmission Main Replacement project. It does not contain board meeting agendas.

3.6 Audit

The most recent audit for the Santa Cruz County Sanitation District was completed by Caporicci & Larsen Inc. for the year ending June 30, 2010. The financial highlights of that audit follow.

--The assets of the District exceeded liabilities at the close of the 2009/2010 fiscal year by \$109,943,251 (net assets). Of this amount, \$24,267,407 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors; \$1,524,139 is restricted for specific purpose (restricted for debt service); and \$84,151,705 is invested in capital assets, net of related debt.

--The District's total net assets increased by \$4,579,965. This increase is primarily due to an increase of \$870,818 in revenues from customers, and \$1,868,296 received by the District pursuant to the American Recovery and Reinvestment Act of 2009. The District's total long-term debt decreased by \$2,103,429 in comparison with the prior year. The decrease resulted primarily from scheduled principal retirements of bonds and loans payable.

3.6.1 Budget

The Board of Directors of the Santa Cruz County Sanitation District adopts an annual budget. The final budget for fiscal year 2010-2011, as adopted on September 16, 2010 is summarized in the following tables and the detailed budget is attached to this report. The district's financial system utilizes seven funds.

Operating Fund

General Operations

Wastewater Capital Improvement Fund

As required by the provision of the Clean Water Grants, this fund repairs the Aptos and East Cliff Transmission Mains that were funded by the grants.

Construction Improvement Fund

This fund repairs and improves all district facilities other than the large transmission mains. These facilities are principally the collection mains and pumps.

Treatment Plant Fund

This fund pays off the bonds used to finance the district's share of the 2001-2 secondary treatment upgrade to the City of Santa Cruz Treatment Plant.

2005 Wastewater Revenue Refunding Bond Debt Service Fund

This fund pays off the 2005 bonds that refinanced previous debt from 1977 and 1994.

Rate Stabilization Fund

This fund was established in 1992-3 to stabilize the sewer service charges related to the upgrade to secondary treatment.

Revenue Trust Fund

This fund receives the district's general revenue and distributes payments to the other funds.

Table 2 Operating Fund				
FUND/EXP OR REV	ITEM	2008-9 ACTUAL	2009-10 ACTUAL	2010-11 ADOPTED
----Expenditures	City of S.C. Treatment	3,392,028	4,476,487	5,500,000
	Maintenance	7,344,065	6,915,408	8,585,763
	Engineering	929,816	822,469	1,078,447
	Salaries	129,364	136,545	146,000
	Miscellaneous	119,390	126,951	208,500
	Computers	46,743	41,520	50,442
	Equipment Repair	97,989	129,694	250,000
	Fixed Assets	419,614	504,034	1,107,538
	Contingencies	0	0	150,000
Exp. Total		12,479,009	13,153,108	17,076,692
----Source of Funds	Fund Balance	2,814,352	3,871,875	2,713,405
	Contr from Agencies	3,600	15,054	0
	Plan Checking Fees	14,994	10,359	5,000
	Service Charges	0	1,305	0
	Other Charges	13,125	20,897	0
	Sale of Assets	14,042	0	0
	Transfer from Revenue Trust	13,490,771	11,947,023	14,358,287
Total Avail. Funds		16,350,884	15,866,513	17,076,692

Table 3 Capital Improvement—Transmission Lines				
FUND/EXP OR REV	ITEM	2008-9 ACTUAL	2009-10 ACTUAL	2010-11 ADOPTED
----Expenditures	Transfer to Revenue Trust Funds	0	0	847,212
	Various Projects	329,251	339,253	1,500,954
	Aptos Transmission Line Replacement	646,915	2,820,153	16,695,318
	Capital Reserves	0	0	8,410,613
Total Expenditures		976,166	3,159,406	27,454,097
----Source of Funds	Fund Balance	13,456,792	12,691,907	11,688,384
	Proposition 50	0	265,793	0
	SRF Loan and Grants	211,281	118,940	15,765,713
	Fed-ARRA	0	1,771,160	0
	Transfer from Revenue Trust Fund	0	0	0
	Other Revenue	0	0	0
Total Avail. Funds		13,668,073	14,847,790	27,454,097

Table 4 Construction Improvement Fund (collection system not transmission lines)				
FUND/EXP OR REV	ITEM	2008-9 ACTUAL	2009-10 ACTUAL	2010-11 ADOPTED
----Expenditures				
	Various Projects	3,093,708	5,335,201	11,094,802
	Contingencies	0	0	100,000
Total Expenditures		3,093,708	5,335,201	11,194,802
----Source of Funds	Fund Balance	10,344,368	7,262,123	9,250,601
	Transfer from Revenue Trust	0	7,233,442	1,944,201
	State Loan and Grants	11,463	(6,910)	0
	Fed-ARRA	0	97,146	0
Total Avail. Funds		10,355,831	14,585,801	11,194,802

Table 5 Treatment Plant Fund				
FUND/EXP OR REV	ITEM		2009-10 ACTUAL	2010-11 ADOPTED
	Loan Balance = \$15,008,578	Debt Retirement in 2019		
----Expenditures				
	State Loan Principal		1,217,082	1,251,161
	State Loan Interest		387,091	353,012
Total Expenditures			1,604,173	1,604,173
----Source of Funds	Fund Balance		6,310	0
	Transfer from Revenue Trust		1,597,898	1,604,173
	Interest		(35)	0
Total Avail. Funds			1,604,173	1,604,173

Table 6 Wastewater Revenue Refunding Bond				
FUND/EXP OR REV	ITEM		2009-10 ACTUAL	2010-11 ADOPTED
	Loan Balance = \$7,960,000	Debt Retirement in 2019		
----Expenditures				
	Principal		535,000	705,000
	Interest		252,295	280,733
	Paying Agent Fees		3,418	3,150
Total Expenditures			790,713	988,883
----Source of Funds	Fund Balance		53,232	56,635
	Interest		1,884	0
	Transfer from Revenue Trust		792,232	932,248
Total Avail. Funds			847,348	988,883

Table 7 Rate Stabilization Fund (for District's share in treatment plant upgrade to secondary)				
FUND/EXP OR REV	ITEM	2008-9 ACTUAL	2009-10 ACTUAL	2010-11 ADOPTED
----Expenditures				
	Reserves		0	6,028
Total Expenditures			0	6,028
----Source of Funds	Fund Balance		6,028	6,028
Total Avail. Funds			6,028	6,028

Table 8 Revenue Trust				
FUND/EXP OR REV	ITEM		2009-10 ACTUAL	2010-11 ADOPTED
----Expenditures	Transfers to:			
	Operating Fund		11,947,023	14,358,287
	Construction Improvement		7,233,442	1,944,201
	Treatment Plant Fund		1,597,897	1,604,173
	2005 Debt Service		792,232	932,248
	Arbitrage Rebate		32,858	0
Total Exp.			21,603,452	18,838,909
---Source of Funds				
	Beginning Fund Balance		3,462,058	1,377,697
	Interest		217,069	225,000
	Connection Fees		279,854	150,000
	Sewer Service Charges		18,981,303	19,739,000
	Other Revenues		5,061	0
	Transfer from Waste. Capital		35,804	847,212
Subtotal			22,981,149	22,338,909
Reserves			(3,500,000)	(3,500,000)
Avail. Funds			19,481,149	18,838,909

3.6.2 Capital Improvement Program

The District has a five-year Capital Improvement Program covering the years 2010-2015 in detail and has a list of projects to consider after 2015.

Table 9 Capital Improvement Program			
Title	Description	Cost	Year
Aptos Transmission Main Relocation	Relocate 4.13 miles of sewer line, replace 2 pump stations	\$16,783,311	2010-2011 2011-2012
Aptos Village Sewer Rehabilitation	Replace 3,480 feet of sewer	\$1,500,097	2010-2011
Arana Pump Station Sidewalk	Construct a sidewalk next to pump station	\$155,100	2010-2011
Brommer/Hidden Beach Pump Stations	Rehabilitate 2 pump stations	\$650,000	2010-2011
Cory Lift Station	Relocate lift station, replace 912 feet of sewer line	\$400,000	2010-2011
Searidge Drive Sewer	Replace 2,000 feet of sewer	\$660,000	2011-2012
Concrete Repairs at Various Pump Stations	Repair concrete structures at Soquel and Hidden Beach pump stations	\$400,000	2011-2012
East Cliff Drive Force Main	Remove 1,500 feet of sewer line, replace with 2,000 of sewer line, install liner in 2,150 of sewer.	\$1,346,475	2011-2012
Felt Street/17 th Avenue Sewer	Replace 5,630 of sewer line.	\$4,000,000	2011-2012
Moran Pump Station Upgrade	Upgrade pumps.	\$300,000	2011-2012
New Brighton Beach Pipe Removal	Remove 2,610 feet of sewer main from beach.	\$800,000	2011-2012
Park Avenue/Wesley Sewer	Replace 2,220 feet of sewer line	\$1,000,000	2011-2012
Spreckles Dr/Aptos Creek Crossing	Install new siphon under Aptos Creek.	\$250,000	2011-2012
Valencia Creek Sewer	Replace 1,030 feet of sewer	\$500,000	2011-2012
14 th and 16 th Ave. Pump Station Abandon	Construct 1,580 of sewer and abandon two pump stations	\$500,000	2012-2013
Chaminade Sewer Relocation/Pump Station Demolition	Abandon pump station and construct 1,680 feet of sewer line	\$1,000,000	2012-2013
East Cliff & Schwann Lake Sewer	Replace 410 feet of sewer line	\$600,000	2012-2013
Schwann Wetwell	Add hatch to wetwell	\$50,000	2012-2013

Borregas Gulch	Replace 3,000 feet of sewer line	\$1,200,000	2013-2014
Coastview Drive	Replace 2,030 of sewer line	\$500,000	2013-2014
E. Cliff Drive-12 th to 17th	Replace 1,940 feet of sewer line	\$1,000,000	2013-2014
41 st Avenue Sewer Brommer to Portola	Replace 2,260 feet of sewer line	\$700,000	2014-2015
Arana Trunkline	Replace 3,480 feet of sewer line	\$2,000,000	2014-2015
Beach Drive	Replace pump station and 5,520 of sewer line	\$1,000,000	2014-2015
Soquel Drive 41 st to Porter	Replace 3,100 feet of sewer line	\$1,000,000	2014-2015
Upper Harbor	Replace 3,110 feet of sewer line	\$1,000,000	2014-2015

The first project in the list, the Aptos Transmission Main Relocation, is a major project for the District. The District's transmission main currently runs along the base of the cliff at New Brighton State Beach. The main is deforming under the beach and a main failure could result in a massive spill of raw on the beach. The alignment for the relocation runs along McGregor Drive, the Highway 1 frontage road.

3.6.3 Fees

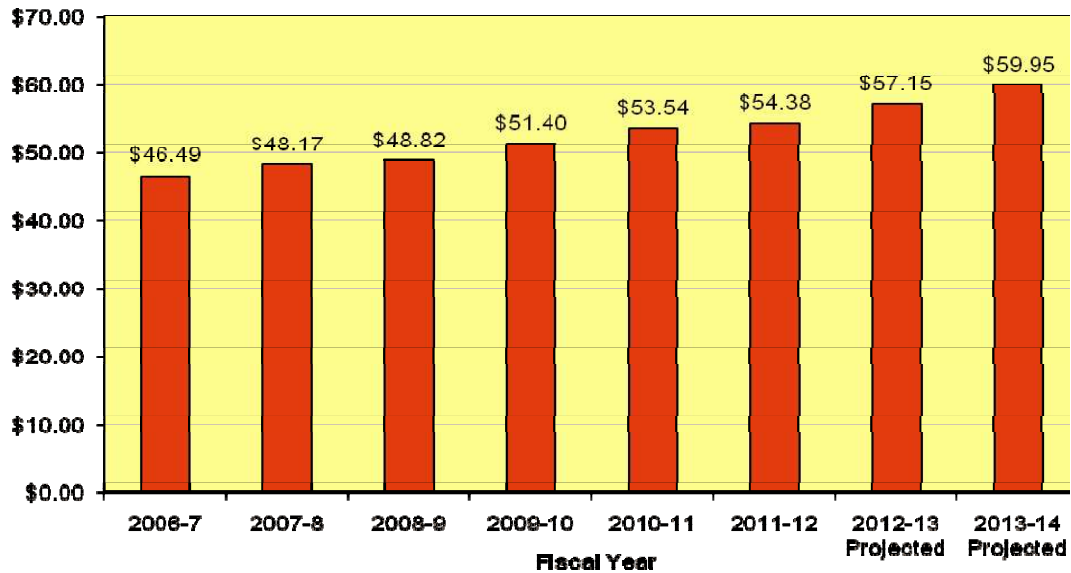
In February 2011, the District prepared a revenue study that addressed operating costs, capital improvements, and debt service costs. The projected revenue requirements for the next 3 years are listed in the following table

Table 10 Projected Revenue Requirement FY 2011-12 through 2013-14			
	Annual Revenue Requirement		
Item	2011-12 (\$/year)	2012-13 (\$/year)	2013-14 (\$/year)
Capital Improvements	\$1,975,000	\$1,975,000	\$1,975,000
Debt Service	\$2,565,000	\$3,344,000	\$3,344,000
Rate Stabilization	\$250,000	(\$250,000)	\$0
Operation & Maintenance	\$15,551,000	\$16,301,000	\$17,087,000
Revenue Collection Expense	\$204,000	\$215,000	\$225,000
Interest Earnings	(\$125,000)	(\$125,000)	(\$125,000)
TOTAL REVENUE REQUIREMENT	\$20,420,000	\$21,460,000	\$22,506,000

The district has a flat fee structure for residential users, and charges commercial and institutional users a combination of a flat fee and a volume fee. The single-family monthly sewer rate trend is listed on the following table and figure.

Table 11 Projected Single-Family Monthly Rates			
2010-11	2011-12	2012-13	2013-14
\$53.54	\$54.38	\$57.15	\$59.95
Actual	Up 1.6% adopted	Up 5.1% projected	Up 4.9% projected

**SANTA CRUZ COUNTY SANITATION DISTRICT
Sewer Rates for Single Family Dwelling**



3.7 Spills

The sanitation district reports sewage spills through the State reporting system.

Table 12 Sewage Spills SCCSD 1991-2004		
Year	Number	Volume (gallons)
1991	4	850
1992	10	10,386
1992	26	18,790
1994	47	88,855
1995	67	199,093
1996	5	6,435
1997		
1998	17	166,244
1999	11	167,570
2000	5	391,830
2001	7	3,065
2002	21	20,280
2003	13	170,160
2004	17	9,765
Average	19	96,409

Source: Assessment of Sources of Bacterial Contamination at Santa Cruz County Beaches, County of Santa Cruz Health Services Agency, 2006

The district has implemented a program to upgrade sewer lines to reduce wet weather infiltrations, upgrade pump stations, and provide emergency power sources at the major pump stations.

4.0 Land Use Plans and Service Needs

4.1 Land Use Plans

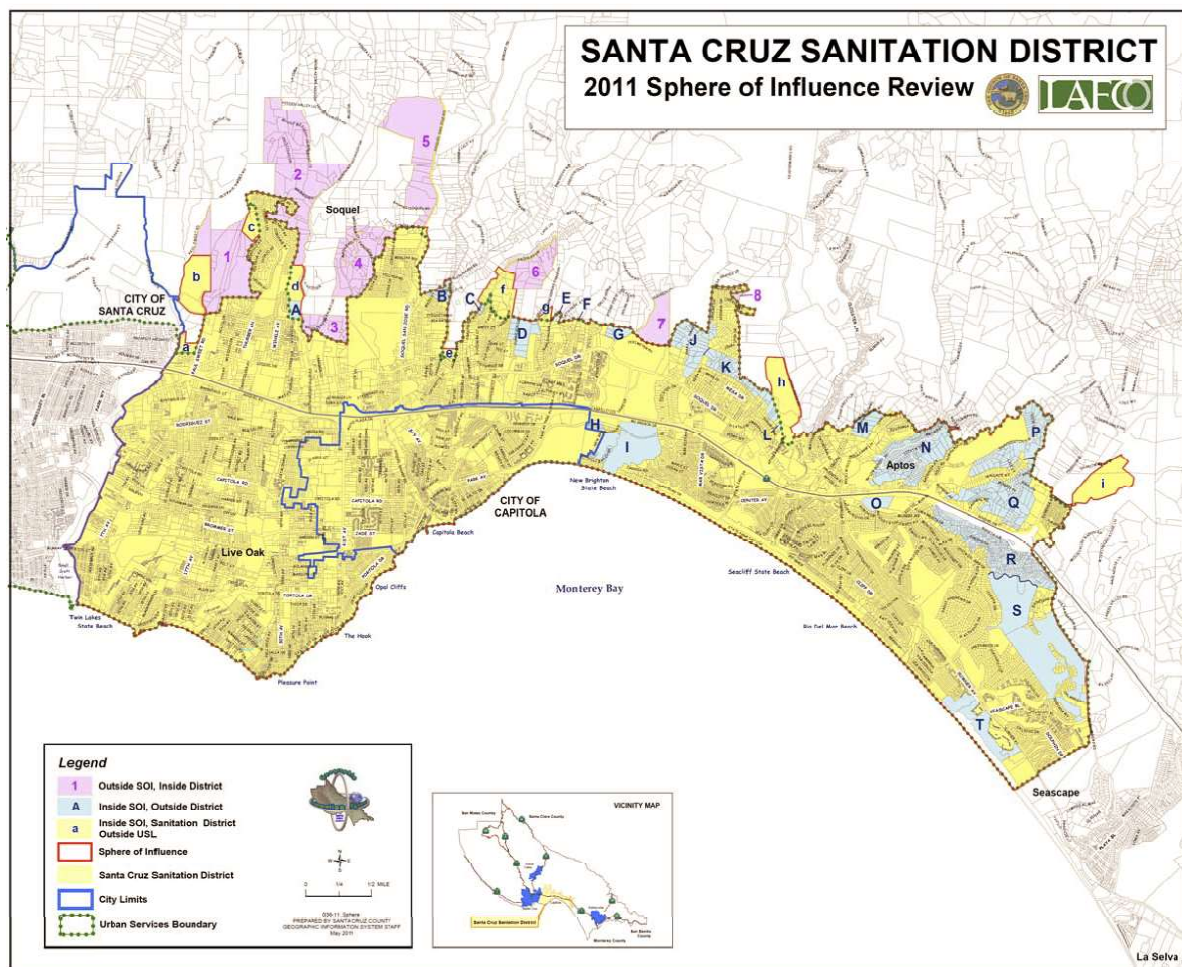
The two general plans that are in effect in the service area of the Santa Cruz County Sanitation District are the General Plans of the City of Capitola and the County of Santa Cruz. The City of Capitola's general plan update process is expected to be completed in 2013. The City's current general plan and anticipated update focus on re-use opportunities within this nearly built-out city. The County's general plan covers the communities of Live Oak, Soquel, and Aptos. The County's general plan contains some urban infill opportunities within the Urban Services Line. As discussed in Sections 3.4.1 and 3.4.2, the Santa Cruz County Sanitation District has significant transmission and treatment capacity above what is currently being used.

4.2 Evaluation of Geographic Sub-areas

Santa Cruz LAFCO's Spheres of Influence Policies and Guidelines, available on the internet at (<http://santacruzlafco.org/pages/policies2009.html>), support the general planning efforts of the cities and county, as well as cost-effective development patterns. Specifically, Sphere Policy 2 states:

"2. The Local Agency Formation Commission recognizes the planning accomplishments of local agencies in the County. In developing spheres of influence, the Local Agency Formation Commission will support those adopted plans, and policies of local governments which encourage staged, cost-effective development patterns and the efficient provision of services."

The LAFCO staff has evaluated the Santa Cruz County Sanitation District boundaries, the district's sphere of influence, and the County General Plan designations and Urban Services Line (USL). The guiding principle is that the Sphere of Influence of the Santa Cruz County Sanitation District should follow the County's Urban Service Line, except where the sanitation district is providing sanitary sewer service to areas beyond the USL. Staff evaluated 1202 parcels around the perimeter of the district in three categories. An overview map is located on the next page and more detailed maps are located at the end of this section of the report. The map is also available online linked from LAFCO's home webpage: www.santacruzlafco.org .



INSIDE DISTRICT BOUNDARIES, OUTSIDE SPHERE, OUTSIDE URBAN SERVICE AREA
(SEE TABLE 13) (PINK AREA ON FIGURES 4-9—COLORED MAP) (NUMBERED SUB-AREAS)

These 163 parcels were annexed to the Santa Cruz County Sanitation District or one of its predecessor districts in the 1950's, 1960's, or 1970's in advance of urbanization of the lower, southern areas of the Santa Cruz Mountains above Live Oak and Soquel. The district's sewers have not been extended to these parcels. Following the passage of Measure J in 1978, the County implemented a series of growth management measures, including drawing the Urban Services Line to concentrate urban growth and infrastructure investments inside the line, and to avoid the need for infrastructure investments in the areas beyond the Urban Services Line. The Urban Services Line has been stable since the last sphere review in 1983. LAFCO staff is not recommending any changes to the district's sphere.

So, what does it mean that parcels are inside the boundary of the Santa Cruz County Sanitation District boundary, but outside its adopted sphere of influence? It means that it is likely that LAFCO would vote to authorize a detachment if a detachment application were filed with LAFCO. LAFCO does not have the authority to initiate a boundary change proposal. Under state law, the parties with authority to initiate a district detachment are the district board of directors, registered voters residing with the proposed detachment area, and owners of property within the detachment area. A determination of LAFCO's Countywide Service Review was that the District and LAFCO should review these potential detachment areas during the next (2011) sphere review, and that the District should then consider whether to pursue a boundary change application.

Table 13 Sub-areas Inside District and Outside Sphere

**Sub-areas Currently Inside the Boundary of Santa Cruz County Sanitation District, Outside County Urban Services Line, and Outside Adopted Sphere of Influence of Santa Cruz County Sanitation District
“Eligible for Detachment”**

	TITLE	PARCELS	ACRES	GENERAL PLAN	ZONING	COMMENTS	2011 SPHERE RECOMMENDATION
1	Rural Paul Sweet	26	170	Suburban Residential, Open Space, Parks	Residential Agriculture, Public Facility	Properties between Chaminade Conference Facility and Santa Cruz Gardens Subdivision, north of Dominican Oaks Residential Care	No change, keep outside sphere
2	Rodeo Gulch/Amigo	43	208	Suburban Residential	Residential Agriculture	Westside of North Rodeo Gulch Road, Amigo Road, Bronco Road, Mt. Messiah Road, Felicidad Drive	No change, keep outside sphere
3	Whispering Palms	11	35	Rural Residential	Residential Agriculture	Whispering Palms Drive east of North Rodeo Gulch Road	No change, keep outside sphere
4	Panorama Dr.	50	97	Rural Residential and Mountain Residential	Residential Agriculture	Panorama Drive, Mainsail Place, Yardarm Ct. west of Hilltop Road in Soquel	No change, keep outside sphere
5	Old San Jose Rd.	14	141	Rural Residential, Mountain Residential, and Agricultural	Residential Agriculture, Commercial Agriculture	Westside of Old San Jose Road out to Seventh Day Adventist Conference Grounds,, Rancho Soquel Road	No change, keep outside sphere
6	Fairway Drive	17	49	Rural Residential and Mountain Residential	Residential Agricultural	Southeast side of higher elevation area of Fairway Drive	No change, keep outside sphere
7	Upper Cabrillo	1	82	Public Facility	Public Facility	Cabrillo Horticultural Center	No change, keep outside sphere
8	Wilshire Dr.	1	2	Rural Open Space	Public Recreation	Canyon next to Vienna Woods Subdivision	No change, keep outside sphere
	TOTAL	163	784				

OUTSIDE DISTRICT BOUNDARIES, INSIDE SPHERE

(SEE TABLE 14) (GREEN AREA ON FIGURES 4-9) (UPPER CASE SUB-AREAS)

These 1001 parcels are located outside the district's boundaries and inside the sanitation district's adopted sphere of influence. These are the properties that are currently eligible to annex to the sanitation district, subject to conformance with LAFCO's annexation policies and the State law's protest provisions. All sub-areas, except for Sub-area A (Tiffani Court), are located within the County's Urban Services Line. Sub-area A, Assessor's Parcel Number 025-391-01, is a 7.2-acre hillside that drops down to Rodeo Gulch from the residential subdivision on Tiffani Court (off the north end of Winkle Avenue, north of Soquel Drive in Santa Cruz Gardens). In 1983, the mid-elevation of Winkle Avenue was undeveloped and owned by a residential builder. LAFCO included the builder's entire ownership within the sanitation district's initial sphere of influence even though that was not consistent with the County's Urban Services Line. Due to steep slopes in the sub-area, only two parts of the property ended up receiving parcel map approvals for residential subdivisions. The remainder of the property is steep, is outside the Urban Services Line, and is zoned for suburban residential uses (1-5 acres per dwelling) that can utilize septic systems. The 1986 staff report from the public hearing that annexed the approved subdivision to the sanitation district is attached at the end of this report. LAFCO staff is recommending that Sub-area A (the hillside that slopes from Tiffany Court to Rodeo Gulch) be excluded from the 2011 sphere approval, and that no other sphere changes occur from the parcel list on Table 14.

Table 14 Sub-Areas Outside District and Inside Sphere

**Sub-areas Currently Outside the Boundary of Santa Cruz County Sanitation District, and Inside the Adopted Sphere of Influence of Santa Cruz County Sanitation District
“Eligible for Annexation”**

All parcels are inside the County’s Urban Service Line except as noted in the Comments column.

	TITLE	PARCEL COUNT	ACRES	GENERAL PLAN	ZONING	COMMENTS	2011 SPHERE RECOMMENDATION
A	Tiffani Court	1	7	Suburban Residential	Residential Agriculture	Outside County’s Urban Services Line, remainder parcel after mid-1980’s subdivision by Hal Porter Homes	Remove from SCCSD sphere
B	Main Street	21	10	Urban Residential	R-1-10	North End of Main Street, Soquel	No change, keep inside sphere
C	Crestline	4	2	Urban Residential	R-1-20	Northwest side of Crestline Way, Soquel.	No change, keep inside sphere
D	Cunnison Lane	11	42	Urban Residential	Various R-1 and Multiple- Family Res.	Cunnison Lane, Soquel, including Erlach property designated for housing project	No change, keep inside sphere
E	Maplethorpe Lane	2	2	Urban Residential	R-1-15	House and well site at end of Maplethorpe Lane, Soquel	No change, keep inside sphere
F	Viking Court	1	2	Urban Residential	R-1-15	Well site at end of Viking Court, Aptos	No change, keep inside sphere
G	Porter Gulch	4	10	Urban Residential	R-1-1 acre	West side of Porter Gulch Road, Aptos, north of Temple Beth El	No change, keep inside sphere
H	Pine Tree Lane	21	7	Urban Residential	R-1-6	West end of Pine Tree Lane, Aptos (annexation application on 6/1/11 agenda)	No change, keep inside sphere
I	New Brighton	15	86	Urban Open Space, Public Facility, and Urban Residential	Public Recreation, Public Facility, and R-1-6	Properties on both sides of New Brighton Road, Aptos, including undeveloped upland portion of New Brighton State Beach and some private residential parcels.	No change, keep inside sphere

TABLE 13 (cont'd.)	TITLE	PARCEL COUNT	ACRES	GENERAL PLAN	ZONING	COMMENTS	2011 SPHERE RECOMMENDATION
J	Hass Drive	50	48	Urban Residential	R-1-1 acre	This is the Thousand Oak Subdivision at the top end of Haas Drive, Aptos	No change, keep inside sphere
K	Viewpoint Road	47	40	Urban Residential and Urban Open Space	R-1-10	Viewpoint Road and Sunset Way in Aptos.	No change, keep inside sphere
L	Sunset Way	2	1	Urban Residential and Urban Open Space	R-1-10	Sunset Way, Aptos	No change, keep inside sphere
M	Quail Run	9	19	Urban Residential	R-1-1 acre	East side of Quail Run Road, including Hawks Peak Road.	No change, keep inside sphere
N	Rolling Green Estates	243	94	Urban Residential and Urban Open Space	Various R-1 and Public Facility	Valencia Road, Hayward Drive, Aptos School Road, Siesta Drive, and other roads in Rolling Green Estates Subdivision	No change, keep inside sphere
O	Deer Park Agriculture	1	12	Agriculture	Agriculture	Agricultural land next to Deer Park Shopping Center, Aptos	No change, keep inside sphere
P	Huntington Drive	70	66	Urban Residential	R-1-20 and R-1 acre	Huntington Drive, View Court, Lyle Court in Aptos.	No change, keep inside sphere
Q	Monroe Avenue	134	88	Urban Residential and Public Facility	Various R-1 and Public Facility	Monroe Avenue, Bowen Avenue, Jaunell Road, Carol Way, and Beryl Lane in Aptos	No change, keep inside sphere
R	Bonita/Encino	356	93	Urban Residential and Open Space	R-1-10 SP (salamander protection) and Parks	Bonita Drive, Encino Drive, Loma Prieta Drive, and other roads in the Valencia Lagoon area of Aptos.	No change, keep inside sphere
S	Seascape Uplands Open Space	6	199	Urban Residential	Special Use-Salamander Protection	This is the open space in Seascape Uplands in Aptos.	No change, keep inside sphere
T	Seascape Benchlands Open Space	3	45	Open Space, Parks and Recreation	Parks and Recreation	This is the open space in the Seascape Benchlands in Aptos.	No change, keep inside sphere
	TOTAL	1001	873				

INSIDE DISTRICT, INSIDE SPHERE, OUTSIDE URBAN SERVICE LINE
(SEE TABLE 15) (YELLOW SUB-AREAS WITH LOWER CASE LETTERS)

These 38 parcels are inside the sanitation district's boundary and sphere, but outside the County's Urban Services Line. The review criterion that LAFCO staff applied was:

"Is this parcel receiving sewer service now, or is it likely to need sanitary sewer service in the future based upon current adopted plans?"

Most of the sub-areas are already connected to the district's sewer system. These connections occurred either before the Urban Services Line was adopted, or as a special case such as when Aptos High School changed from an on-site disposal system to using the district's sanitary sewer. Sub-areas d (North Rodeo Gulch) and h (Entrance to Nisene Marks) are not connected to the district's system. Sub-area d, which is approximately 15 acres on the eastern portion of APN 025-401-01 is located adjacent to the Tiffani Court Sub-area A (Sub-area A on Table 14). LAFCO staff is recommending that Sub-area d be taken out of the district's sphere for the same reasons as Sub-area A on Table 14—it is a remainder piece following the County's approval of residential subdivisions on less steep areas of the same developer's ownership. Sub-area d (North Rodeo Gulch) is outside the County Urban Services Line, is designated Suburban Residential (1-5 acres per dwelling) on the County General Plan, and is zoned Residential Agriculture.

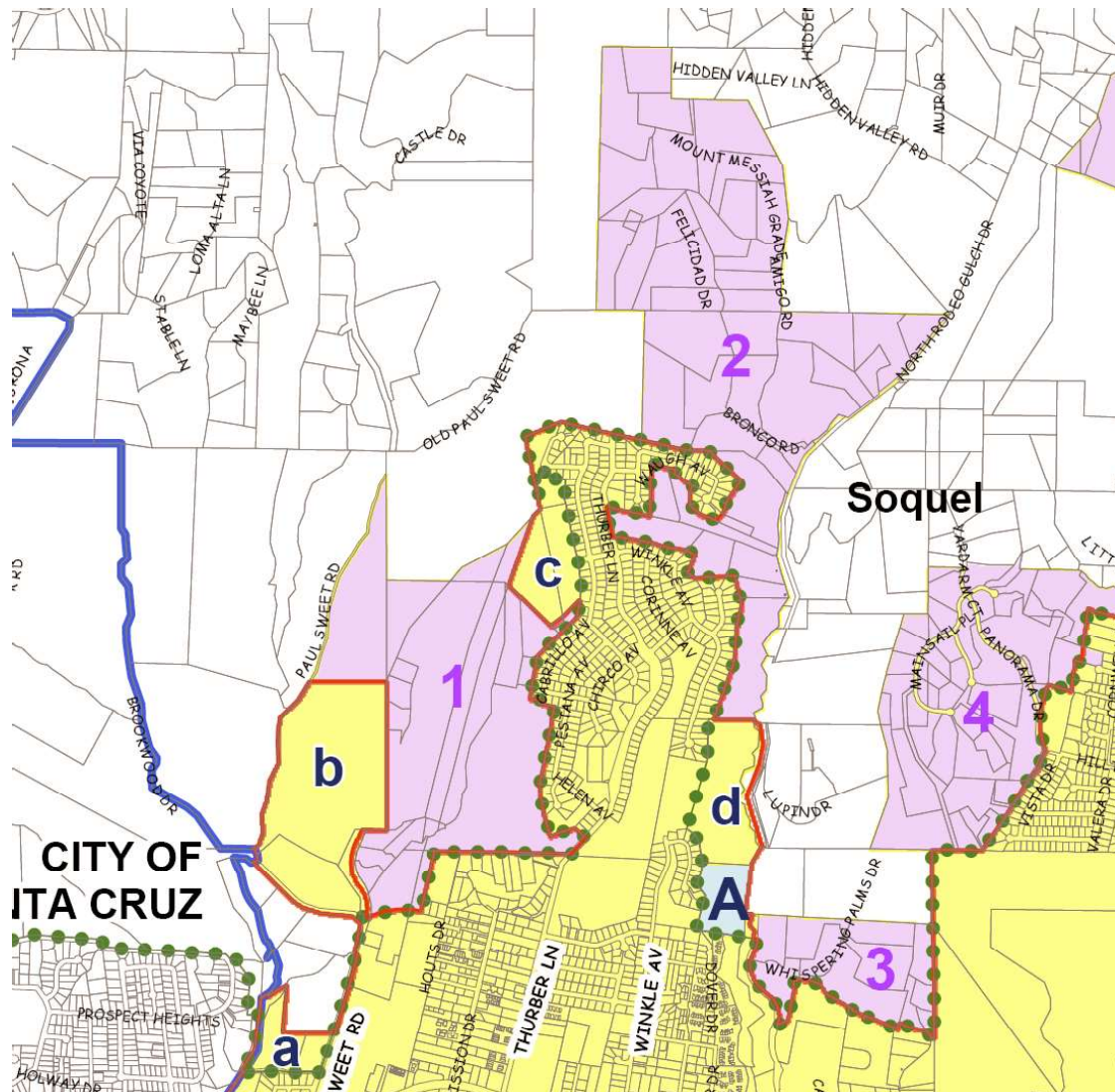
Sub-area h (Entrance to Nisene Marks) is three parcels, owned by State Parks, along the entrance road to the Forest of Nisene Marks State Park. The master plan for the state park talks about concentrating parking and visitor services on these parcels. The master plan is vague about whether sanitation will occur via septic systems, alternative systems, or a conventional hook-up to the district's sanitation sewer. The LAFCO staff is recommending that these three parcels remain in the Sphere of Influence of the Santa Cruz County Sanitation District.

Table 15 Inside District, Inside Sphere, Outside County Urban Service Line

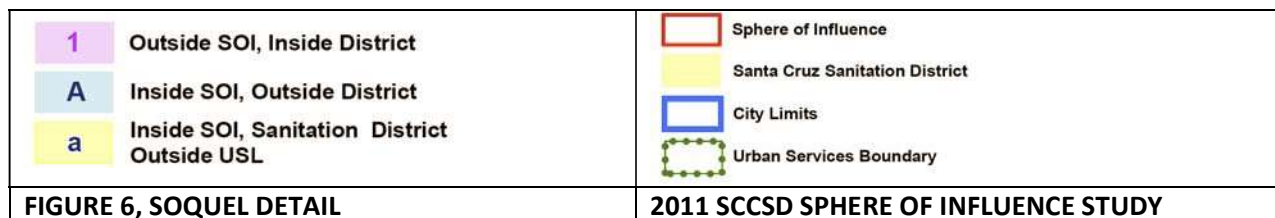
Sub-areas Currently Inside the Boundary of Santa Cruz County Sanitation District, Inside the Adopted Sphere of Influence of Santa Cruz County Sanitation District, and Outside the County's Urban Services Line.

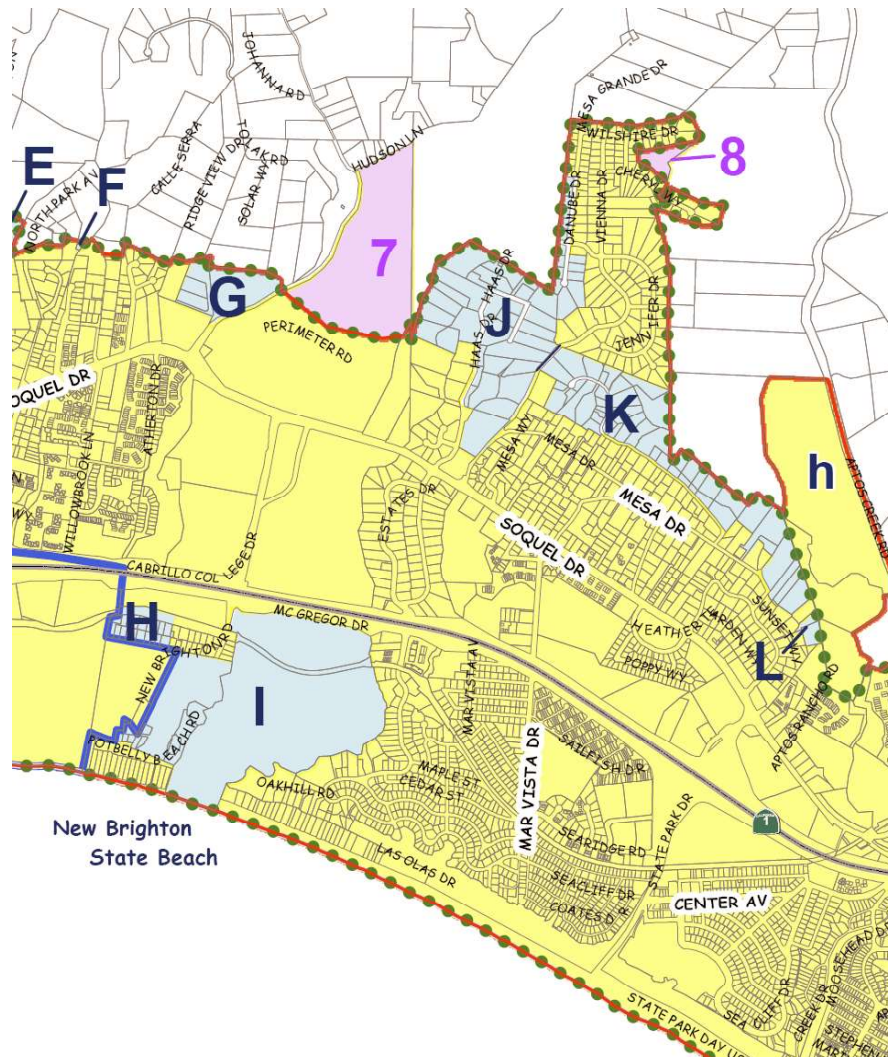
"Are there parcels receiving sewer service or likely to need sanitary sewer? If not, they are candidates to be removed from the Sphere of Influence of the Santa Cruz County Sanitation District."

	TITLE	PARCEL COUNT	ACRES	GENERAL PLAN	ZONING	COMMENTS	2011 SPHERE RECOMMENDATION
a	Oakwood Memorial Chapel	2	7	Public Facility	Public Facility	Chapel at Oakwood Cemetery on west side of Paul Sweet Road, Santa Cruz. Has sewer service.	No change, keep inside sphere
b	Chaminade	2	67	Parks and Recreation	Parks and Recreation	This is the Chaminade Resort and Conference Center. Has sewer service.	No change, keep inside sphere
c	Santa Cruz Gardens School	2	13	Public Facility	Public Facility	This is the Santa Cruz Gardens Elementary School operated by the Soquel Union Elementary School District. Has sewer.	No change, keep inside sphere
d	North Rodeo Gulch	1	22	Suburban Residential	Residential Agriculture	This is the hillside dropping from the Winkle Avenue subdivisions down to Rodeo Gulch. It is adjacent to Sub-area A, which is being recommended for deletion from SCCSD sphere.	Delete from SCCSD sphere
e	Hazel Court	2	4	Rural Residential	Residential Agriculture	This is the Hazel Court area located off Aquazul Drive in Soquel. Has sewer.	No change, keep inside sphere
f	Fairway Drive	21	42	Suburban Residential	Residential Agriculture	This is a section of Fairway Drive beyond Crestline Way, and Falconer Drive in Soquel. Has sewer service.	No change, keep inside sphere
g	Maplethorpe	3	5	Rural Residential	Residential Agriculture	This is the northwest end of Maplethorpe Lane, Soquel. Has sewer service.	No change, keep inside sphere
h	Entrance to Nisene Marks	3	58	Parks and Recreation	Parks and Recreation	These are the three state park parcels along the entrance road to the Forest of Nisene Marks State Park.	No change, keep inside sphere
i	Aptos High	2	56	Public Facility	Public Facility	This is Aptos High School. Has sewer service.	No change, keep inside sphere
	TOTAL	38	274				

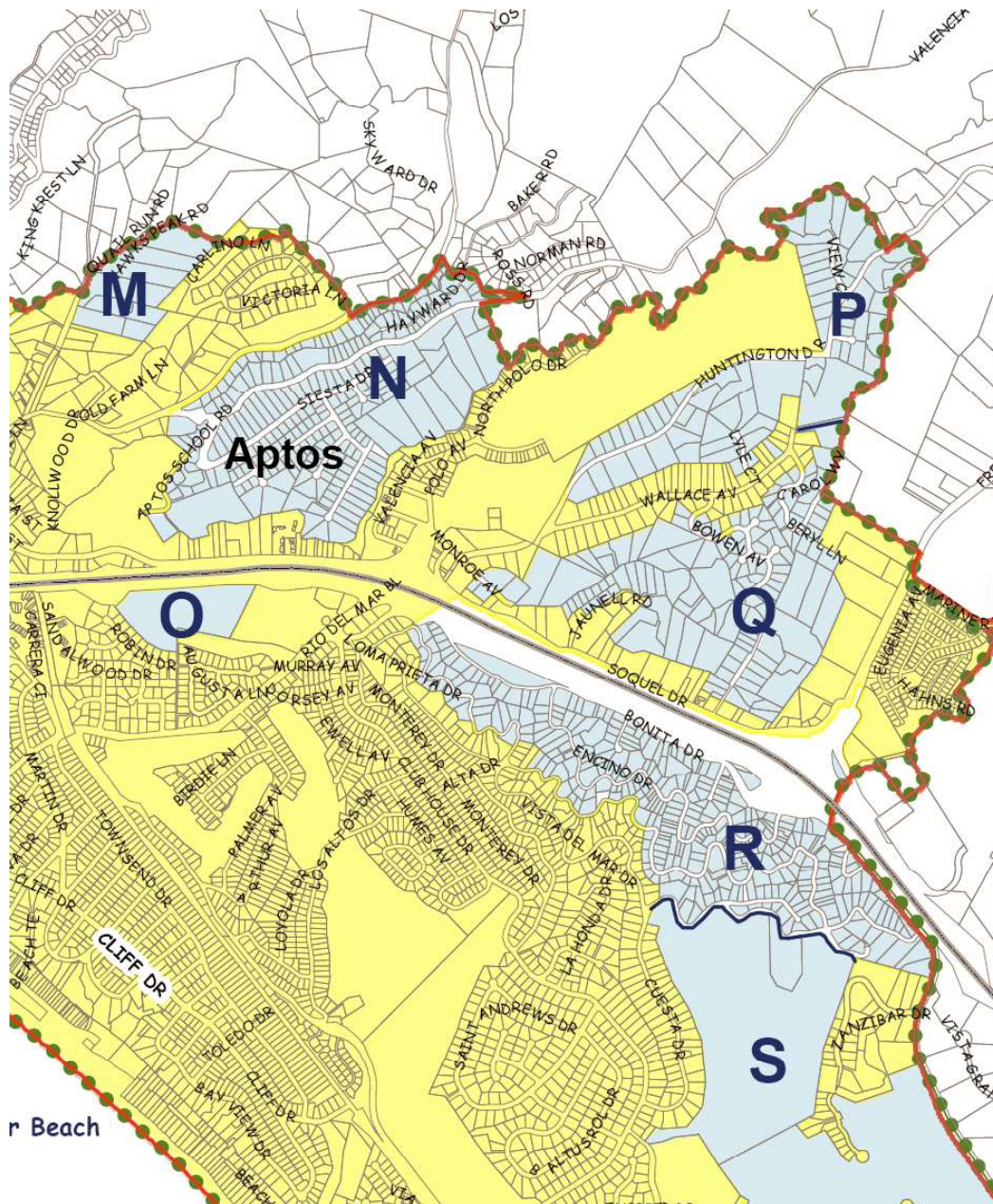


<p>1 Outside SOI, Inside District</p> <p>A Inside SOI, Outside District</p> <p>a Inside SOI, Sanitation District Outside USL</p>	<p> Sphere of Influence</p> <p> Santa Cruz Sanitation District</p> <p> City Limits</p> <p> Urban Services Boundary</p>
FIGURE 5, SANTA CRUZ GARDENS DETAIL	2011 SCCSD SPHERE OF INFLUENCE STUDY





<p>1 Outside SOI, Inside District</p> <p>A Inside SOI, Outside District</p> <p>a Inside SOI, Sanitation District Outside USL</p>	<p>Sphere of Influence</p> <p>Santa Cruz Sanitation District</p> <p>City Limits</p> <p>Urban Services Boundary</p>
FIGURE 7, APTOS/CABRILLO DETAIL	2011 SCCSD SPHERE OF INFLUENCE STUDY







1	Outside SOI, Inside District		Sphere of Influence
A	Inside SOI, Outside District		Santa Cruz Sanitation District
a	Inside SOI, Sanitation District Outside USL		City Limits
			Urban Services Boundary

FIGURE 8, APTOS/VALECIA LAGOON DETAIL

2011 SCCSD SPHERE OF INFLUENCE STUDY

5.0 Environmental Review

The LAFCO staff has prepared an initial study and a notice a negative declaration for its 2011 review of the Santa Cruz County Sanitation District Sphere of Influence. A negative declaration is a document determining that the project under consideration will not have a significant effect of the environment, and therefore that an Environmental Impact Report does not need to be prepared for LAFCO's consideration of the 2011 sphere review. The initial study and negative declaration are attached to this report.

6.0 Recommendations

The staff recommends that the Commission conduct the public hearing noticed for June 1, 2011, and:

- 1) Approve draft Resolution No. 2011-7 which
 - a. accepts the negative declaration,
 - b. adopts a series of sphere determinations,
 - c. amends the Santa Cruz County Sanitation District Sphere of Influence to exclude approximately 22 acres (APN 025-391-01 and the eastern part of APN 025-401-01) outside the County's Urban Services Line between Tiffani Court and North Rodeo Gulch Road, and
 - d. confirms the 2011 Sphere of Influence Review for the Santa Cruz County Sanitation District.
- 2) Direct that the Executive Officer, in transmitting the 2011 Sphere of Influence to the Santa Cruz County Sanitation District, suggest that the Sanitation District consider submitting an application to detach the unserved parcels now located within the district's boundaries and outside the County's Urban Services Line.

ATTACHMENTS

- Draft Resolution to Adopt 2011 Sphere Review for Santa Cruz County Sanitation District
- Environmental Initial Study and Negative Declaration
- LAFCO Staff Report from LAFCO No. 710, Winkle Avenue Annexation to the Santa Cruz County Sanitation District, 1986

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