



**LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY**

701 Ocean Street, #318-D
Santa Cruz, CA 95060
Phone Number: (831) 454-2055
Website: www.santacruzlafco.org
Email: info@santacruzlafco.org

REGULAR MEETING AGENDA

Wednesday, November 2, 2022 at 9:00am

(Meeting will be conducted using Zoom Webinar)

Attend Meeting by Internet: <https://us02web.zoom.us/j/84733692745>
(Password 257512)

Attend Meeting by Conference Call: **Dial 1-669-900-6833 or 1-253-215-8782**
(Webinar ID: 847 3369 2745)

TELECONFERENCE MEETING PROCESS

Based on guidance from the California Department of Public Health, the California Governor's Office, and the State Legislature, in order to minimize the spread of the COVID-19 virus, Santa Cruz LAFCO has established a temporary meeting process:

- a) Commission Quorum: Assembly Bill 361 indicates that a quorum can consist of Commissioners in person or via teleconference during these unique circumstances. This regular LAFCO meeting will be conducted remotely. A roll call vote will occur on each agenda item that requires Commission action.
- b) Public Comments: For those wishing to make public comments remotely, please submit your comments by email to be read aloud at the meeting by LAFCO staff. Email comments must be submitted to LAFCO staff at info@santacruzlafco.org. Comments on matters not on the agenda may be submitted prior to the time the Chair calls for Oral Communications. Comments on agenda items may be submitted prior to the time the Chair closes public comments on the agenda item.

For those wishing to speak during the online meeting, you may inform LAFCO staff of this request prior to the start of the meeting. If that has occurred, and after being recognized by the Chair, the identified individual will be unmuted and given up to 3 minutes to speak. Following those 3 minutes, their microphone will be muted.

- c) Accommodations for Persons with Disabilities: Santa Cruz LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and wish to attend the meeting and you require special assistance in order to participate, please contact the staff at (831) 454-2055 at least 24 hours in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

1. ROLL CALL

2. EXECUTIVE OFFICER'S MESSAGE

The Executive Officer may make brief announcements in the form of a written report or verbal update, and may not require Commission action.

a. Virtual Meeting Process

The Commission will receive an update on the ongoing remote meeting process.

Recommended Action: No action required; Informational item only.

b. CALAFCO Annual Conference Recap

The Commission will receive an update on recent CALAFCO Annual Conference.

Recommended Action: No action required; Informational item only.

3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the September 7, 2022 Regular LAFCO Meeting.

Recommended Action: Approve the minutes as presented with any desired changes.

4. ORAL COMMUNICATIONS

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on an off-agenda item(s) unless authorized by law.

5. PUBLIC HEARINGS

Public hearing items require expanded public notification per provisions in State law, directives of the Commission, or are those voluntarily placed by the Executive Officer to facilitate broader discussion.

a. Countywide Service and Sphere Review for Road County Service Areas

The Commission will consider the adoption of a service and sphere of influence review for the 34 road-related county service areas in Santa Cruz County.

Recommended Actions:

- 1) Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
- 2) Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for the 34 affected agencies, and review and update, as necessary;

- 3) Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
- 4) Adopt a Resolution (LAFCO No. 2022-14) approving the 2022 Countywide Service and Sphere Review for the Road County Service Areas with the following terms and conditions:
 - a. Reaffirm the existing spheres of influence for the following County Service Areas: 13, 15, 16, 17, 18, 21, 22, 23, 24, 25, 30, 32, 33, 34, 35, 36, 40, 41, 42, 43, 44, 46, 47, 50, 51, 52, 55, 56, 58, and 59;
 - b. Amend the spheres of influence for County Service Areas 26, 28, and 37 to address split parcels;
 - c. Adopt a zero sphere of influence for County Service Area 39 as a precursor to dissolution;
 - d. Direct the Executive Officer to coordinate with the County of Santa Cruz and resident representatives to discuss LAFCO's findings, the current zone boundaries (if applicable), and the future of each County Service Area by October 31, 2023;
 - e. Direct the Executive Officer to provide an update on the County's website improvements by November 2023; and
 - f. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the County of Santa Cruz and any other interested agency or party, including but not limited to the community liaisons for the 34 CSAs.

6. OTHER BUSINESS

Other business items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

a. Virtual Meetings Update

The Commission will receive an update on the new guidelines towards virtual meetings for local agencies under Assembly Bill 2449.

Recommended Actions:

- 1) Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361 to the next regularly scheduled meeting; and
- 2) Direct staff to implement in-person meetings starting March 1, 2023.

b. Multi-Year Work Program Update

The Commission will review the scheduled projects, tasks, and service reviews for the 2023 calendar year.

Recommended Action: Approve the scheduled projects and reports for the 2023 calendar year.

c. LAFCO Meeting Schedule (2023 Calendar Year)

The Commission will consider the adoption of next year's meeting schedule.

Recommended Action: Adopt the meeting schedule for the 2023 calendar year.

d. Comprehensive Quarterly Report – First Quarter (FY 2022-23)

The Commission will receive an update on active proposals, scheduled service reviews, budgetary performance, and other LAFCO activities.

Recommended Action: No action required; Informational item only.

7. WRITTEN CORRESPONDENCE

LAFCO staff receives written correspondence and other materials on occasion that may or may not be related to a specific agenda item. Any correspondence presented to the Commission will also be made available to the general public. Any written correspondence distributed to the Commission less than 72 hours prior to the meeting will be made available for inspection at the hearing and posted on LAFCO's website.

a. October Correspondence

The Commission will receive an update on written correspondence from October.

Recommended Action: No action required; Informational item only.

8. PRESS ARTICLES

LAFCO staff monitors newspapers, publications, and other media outlets for any news affecting local cities, districts, and communities in Santa Cruz County. Articles are presented to the Commission on a periodic basis.

a. Press Articles during the Months of September and October

The Commission will receive an update on recent LAFCO-related news occurring around the county and throughout California.

Recommended Action: No action required; Informational item only.

9. COMMISSIONERS' BUSINESS

This is an opportunity for Commissioners to comment briefly on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken, except to place the item on a future agenda if approved by Commission majority. The public may address the Commission on these informational matters.

10. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, January 4, 2023 at 9:00 a.m.

ADDITIONAL NOTICES:

Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify themselves from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from an applicant, any financially interested person who actively supports or opposes an application, or an agency (such as an attorney, engineer, or planning consultant) representing an applicant or interested participant. The law also requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding.

The Commission prefers that the disclosure be made on a standard form that is filed with the Commission Clerk at least 24 hours before the LAFCO hearing begins. If this is not possible, a written or oral disclosure can be made at the beginning of the hearing. The law also prohibits an applicant or other participant from making a contribution of \$250 or more to a LAFCO Commissioner while a proceeding is pending or for 3 months afterward. Disclosure forms and further information can be obtained from the LAFCO office at Room 318-D, 701 Ocean Street, Santa Cruz CA 95060 (phone 831-454-2055).

Contributions and Expenditures Supporting and Opposing Proposals

Pursuant to Government Code Sections §56100.1, §56300(b), §56700.1, §59009, and §81000 et seq., and Santa Cruz LAFCO's Policies and Procedures for the Disclosures of Contributions and Expenditures in Support of and Opposition to proposals, any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more or expends a total of \$1,000 or more in support of or opposition to a LAFCO Proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Santa Cruz County Elections Department, 701 Ocean Street, Room 210, Santa Cruz CA 95060 (phone 831-454-2060).

More information on the scope of the required disclosures is available at the web site of the Fair Political Practices Commission: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

Accommodating People with Disabilities

The Local Agency Formation Commission of Santa Cruz County does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 72 hours in advance of the meeting to make arrangements. For TDD service the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

Late Agenda Materials

Pursuant to Government Code Section 54957.5 public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be available to the public at Santa Cruz LAFCO offices at 701 Ocean Street, #318D Santa Cruz CA 95060 during regular business hours. These records when possible will also be made available on the LAFCO website at www.santacruzlafco.org. To review written materials submitted after the agenda packet is published, contact staff at the LAFCO office or in the meeting room before or after the meeting.



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

DRAFT MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, September 7, 2022

Start Time - 9:00 a.m.

1. ROLL CALL

Chair Rachél Lather called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:00 a.m. and welcomed everyone in attendance. She asked staff to conduct roll call.

The following Commissioners were present:

- Chair Rachél Lather
- Vice-Chair Yvette Brooks
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Ryan Coonerty
- Commissioner Francisco Estrada
- Commissioner Zach Friend
- Alternate Commissioner Ed Banks
- Alternate Commissioner John Hunt

The following LAFCO staff members were present:

- Executive Officer Joe Serrano
- Legal Counsel, Joshua Nelson

2. EXECUTIVE OFFICER'S MESSAGE

2a. Virtual meeting Process

Executive Officer Joe Serrano announced that the Commission Meeting is being conducted virtually through the Zoom Webinar platform and participation by Commissioners and staff are from remote locations. Members of the public will have access to the meeting by phone or online. Mr. Serrano anticipates conducting the next LAFCO meetings remotely in accordance with the Governor's Executive Orders and the newly enacted law under Assembly Bill 361, which allows local agencies to conduct virtual meetings during a State of Emergency.

3. ADOPTION OF MINUTES

Chair Rachél Lather requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comments were received. **Chair Rachél Lather** closed public comments.

Chair Rachél Lather called for the approval of the draft minutes. **Commissioner Roger Anderson** motioned for approval of the August 3, 2022 Meeting Minutes and **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather called for a roll call vote on the approval of the draft minutes. **Executive Officer Joe Serrano** conducted a roll call vote on the item.

MOTION: Jim Anderson
SECOND: Roger Anderson
FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Ryan Coonerty, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

4. ORAL COMMUNICATIONS

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission.

Chair Rachél Lather moved to the next agenda item.

5. PUBLIC HEARINGS

Chair Rachél Lather noted that there were two public hearing items for Commission consideration today.

5a. “El Alamein Road Annexation” to the San Lorenzo Valley Water District

Chair Rachél Lather requested staff to provide a presentation on the proposed annexation into the subject water district.

Executive Officer Joe Serrano indicated that the proposal was submitted by landowner petition. The purpose of the annexation is to connect two parcels into a more reliable water infrastructure. Mr. Serrano noted that the water district is willing and capable of providing water service to the subject area. He also stated that the proposal fulfilled the requirements identified in LAFCO law and outlined in the Commission’s adopted policies. He is recommending that the Commission approve the annexation by adopting the proposed resolution.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner Jim Anderson asked what is the current water supply for the subject parcels. **Executive Officer Joe Serrano** indicated that the subject area receives water from a private well.

Chair Rachél Lather noted no further comments and asked for a motion. **Commissioner Zach Friend** motioned to approve staff's recommendations and **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation: **Adopt the draft resolution (LAFCO No. 2022-12) approving the two-parcel annexation to the San Lorenzo Valley Water District.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Zach Friend
SECOND: Jim Anderson
FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Ryan Coonerty, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6b. Proposal Evaluation Policy Update

Chair Rachél Lather requested staff to provide a presentation on the suggested modifications to the Proposal Evaluation Policy.

Executive Officer Joe Serrano indicated that LAFCO has received various boundary change requests from local agencies based on LAFCO's recently adopted service reviews. Mr. Serrano noted that since these applications are directly connected to recommendations found in the adopted service reviews, the Commission should consider waiving the filing fees associated with the applications. He also pointed out that the current policy does not have guidelines on how to process fee waivers, which is why staff has written proposed language for the Commission's consideration.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Several Commissioners expressed concerns on the suggested language to the proposal due to the lack of clarify on who can request fee waivers. The Commission requested that staff provide more information before taking action. **Executive Officer Joe Serrano** indicated that staff would bring back a revised version at a later date for Commission consideration.

Chair Rachél Lather noted no further comments and asked for a motion. **Commissioner Roger Anderson** motioned to continue this item for a later discussion and **Commissioner Zach Friend** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion: **Continue the Proposed Evaluation Policy Update to a later date with more information from staff.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Roger Anderson

SECOND: Zach Friend

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Ryan Coonerty, Francisco Estrada, Zach Friend, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0

6. OTHER BUSINESS

Chair Rachél Lather indicated that there were three business items for Commission consideration.

6a. Continuation of Remote Meetings

Chair Rachél Lather requested staff to provide a presentation on the requirements to continue remote meetings under Assembly Bill 361.

Executive Officer Joe Serrano noted that the Commission adopted a resolution in November 2021 to continue remote meetings in accordance with the guidelines under AB 361, which acts as a temporary waiver of the Brown Act's in-person attendance requirements. Mr. Serrano explained that to continue to qualify for AB 361's waiver of in-person meeting requirements, the Commission is required to renew the findings outlined in the resolution adopted back in November 2021. It is staff's recommendation that the Commission continue conducting remote meetings under AB 361. Mr. Serrano also recommended that the Commission cancel the October 5th Regular LAFCO Meeting to allow staff more time to complete the Countywide Service and Sphere Review for the 34 road-related county service areas and prepare for the upcoming CALAFCO Annual Conference, which is scheduled for October 19 to 21.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner Zach Friend motioned to approve staff's recommendations. **Commissioner Yvette Brooks** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation: **Cancel the October 5, 2022 Regular LAFCO Meeting and Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Zach Friend
SECOND: Yvette Brooks
FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Ryan Coonerty, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6b. Soquel Creek Water District Sphere Update – Continued Item

Chair Rachél Lather requested staff to provide a presentation on the proposed sphere update for the Soquel Creek Water District.

Executive Officer Joe Serrano noted that the Commission adopted the Countywide Water Service and Sphere Review on August 3, which included the adoption of sphere determinations for the six water agencies excluding the sphere boundary for the Soquel Creek Water District (“SqCWD”). Mr. Serrano reminded the Commission that the SqCWD’s sphere consideration was continued for additional discussion. He explained how the proposed sphere amendment was based on the collaborative effort between LAFCO and District staff and better reflects the District’s service area. Staff recommended that the Commission approve the sphere amendment for the Soquel Creek Water District.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there were two requests to address the Commission.

Michael Shorenstein asked how the sphere amendment would affect the District’s existing water supply. **Executive Officer Joe Serrano** clarified that no change would occur to the District’s current water supply or service provisions because a sphere amendment is only a planning purposes. If annexation is considered in the future, that would require an extensive analysis by LAFCO and the District to determine whether SqCWD is willing and capable of providing water service based on its current and future water supply.

Ashley Winn expressed concerns that the inclusion of the agricultural lands would move closer to development. **Executive Officer Joe Serrano** clarified that a sphere boundary does not promote or encourage development but rather identify the most logical service provider. In addition, LAFCO is prohibited by law to make any action regarding land use and any potential development would be under the authority of Santa Cruz County.

Chair Rachél Lather noted no further requests, closed public comments and called for Commission comments.

Commissioners John Hunt and Roger Anderson expressed concerns about the proposed sphere amendment, which would include an area designated as open space and agriculture. They were concerned that including the area into the sphere would encourage and/or promote future development. **Executive Officer Joe Serrano** indicated that a sphere boundary identifies the most logical service provider to an area. The area in question is substantially surrounded by the District and SqCWD would be the logical provider in the event that the two existing wells are no longer in service regardless of the land use. Mr. Serrano clarified that if the landowners of the agricultural lands wanted to receive services from SqCWD, it must receive approval from LAFCO as well as the

District. An extensive analysis would determine whether LAFCO would support such annexation based on state law and the Commission's adopted policies. He also reminded the Commission that LAFCO is prohibited from dealing with land use designations and the authorizing body for land use is the County of Santa Cruz.

Commissioner Zach Friend clarified the County's role in land use for the area in question as well as other unincorporated county territory and motioned to approve staff's recommendations. **Commissioner Yvette Brooks** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation: **Adopt the draft resolution (No. 2022-11a) approving the sphere determinations and boundary update for the Soquel Creek Water District.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Zach Friend
SECOND: Yvette Brooks
FOR: Jim Anderson, Yvette Brooks, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: Roger Anderson

MOTION PASSED: 5-0-1

6c. Fire District Spheres – Annexation Plans

Chair Rachél Lather requested staff to provide an update on the requested annexation plans from the fire agencies in Santa Cruz County.

Executive Officer Joe Serrano noted that the Commission adopted the Countywide Fire Protection Service and Sphere Review in October 2021. As part of the countywide report, LAFCO requested that the fire agencies develop an annexation plan based on their existing sphere boundaries. Mr. Serrano indicated that the request would determine if the sphere boundaries reflected the agencies' future and help LAFCO's hired consulting firm calculate the existing revenue and costs within the sphere boundaries as part of the upcoming feasibility study. He noted that all the affected fire agencies either submitted a response or an actual application initiating a boundary change based on LAFCO's findings in the countywide report.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner Zach Friend expressed his appreciation to the fire agencies for their efforts and asked for clarification on some of the agencies' responses about a countywide analysis. **Executive Officer Joe Serrano** explained that some of the fire agencies want to see how the potential sphere annexations would affect CSA 48's funding and operations. The fire agencies want to see the complete countywide analysis before taking any action.

Chair Rachél Lather moved to the next item since no Commission action was required.

7. WRITTEN CORRESPONDENCE

Chair Rachél Lather inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that there were none. **Chair Rachél Lather** moved to the next item since no Commission action was required.

8. PRESS ARTICLES

Chair Rachél Lather requested staff to provide a presentation on the press articles. **Executive Officer Joe Serrano** indicated that this item highlights LAFCO-related articles recently circulated in local newspapers.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather moved to the next item since no Commission action was required.

9. COMMISSIONERS' BUSINESS

Chair Rachél Lather inquired whether any Commissioner would like to share any information. There were no comments.

Chair Rachél Lather moved to the next item since no Commission action was required.

10. ADJOURNMENT

Chair Rachél Lather adjourned the Regular Commission Meeting at 10:29 a.m. to the next regular LAFCO meeting scheduled for Wednesday, November 2, 2022 at 9:00 a.m.

RACHÉL LATHER, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Santa Cruz Local Agency Formation Commission

Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Countywide Service & Sphere Review for Road County Service Areas**

SUMMARY OF RECOMMENDATION

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO's boundary regulations. As part of the Commission's Multi-Year Work Program, LAFCO staff has drafted a service and sphere review for the 34 road-related county service areas ("CSAs") and scheduled a public hearing.

It is recommended that the Commission take the following actions:

1. Find, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, that LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for the 34 affected agencies, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt LAFCO Resolution (No. 2022-14) approving the 2022 Countywide Service and Sphere Review for the Road County Service Areas with the following conditions:
 - a. Reaffirm the existing spheres of influence for the following County Service Areas: 13, 15, 16, 17, 18, 21, 22, 23, 24, 25, 30, 32, 33, 34, 35, 36, 40, 41, 43, 44, 46, 47, 50, 51, 52, 55, 56, 58, and 59;
 - b. Amend the spheres of influence for County Service Areas 26, 28, 37, and 42 to address split parcels;
 - c. Adopt a zero sphere of influence for County Service Area 39 as a precursor to dissolution;
 - d. Direct the Executive Officer to coordinate with the County of Santa Cruz and resident representatives to discuss LAFCO's findings, the current zone boundaries (if applicable), and the future of each County Service Area by October 31, 2023;
 - e. Direct the Executive Officer to provide an update on the County's website improvements by November 2023; and
 - f. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the County of Santa Cruz and any other interested agency or party, including but not limited to the community liaisons for the 34 CSAs.

EXECUTIVE OFFICER'S REPORT:

State law requires LAFCO to periodically review and update the services and spheres of all cities and special districts. In accordance with the Commission's adopted Multi-Year Work Program, LAFCO staff has prepared a service and sphere review for the 34 road-related county service areas (refer to **Attachment 1**). Key findings and recommendations are presented in the *Executive Summary* of the attached report. The service and sphere review also includes an analysis of the agencies' ongoing operations, current financial performance, existing governance structure, ability to provide services, and its importance within its jurisdictional area. The attached report concludes with determinations required by State law. This staff report summarizes the service and sphere review's findings.

Purpose & Key Findings

The goal of this analysis is to accomplish the Commission's direction to complete a service and sphere review for the 34 CSAs under the Multi-Year Work Program and fulfill the service and sphere determinations under the Cortese-Knox-Hertzberg Act. The following are the main conclusions of the report:

1. The County governs all road county service areas.

The 34 CSAs provide enhanced road services to specific locations as dependent special districts. These districts are fully managed and operated by the County of Santa Cruz. The majority of these road CSAs were formed between 1974 and 1989 (29 out of 34), while the last five were created in the early 1990s and 2000s. The last road CSA was formed back in September 2002.

2. The county service areas lack transparency.

State law now requires independent special districts to maintain a robust website to ensure that constituents are aware of the local agencies' operations and finances. While the law does not apply to dependent special districts, LAFCO is concerned with the lack of transparency for the 34 CSAs. The County does have a webpage dedicated to all the CSAs under the County's purview; however, the webpage does not disclose financial information, board meeting agendas and minutes, vicinity maps, or scheduled capital improvement projects. Additionally, the webpage has outdated information and has numerous broken links. LAFCO is recommending that the County update its website by October 31, 2023.

3. The majority of the county service areas' financial health lacks stability.

LAFCO has determined that seven CSAs (21%) have ended with a deficit at least three times in the last six fiscal years and 19 CSAs (56%) have ended with a deficit at least twice in the last six fiscal years. Only three CSAs (8%) have ended a fiscal year without a deficit between 2016 to 2022.

4. Certain county service areas have funding zones.

The 34 CSAs are primarily funded through service charges, specifically annual benefit assessments. These assessments are reviewed by the County on a yearly basis. Any increase in those assessments require resident approval. Half of the 34 CSAs are funded by a flat rate paid by the residents, while the other half are funded through zones. The number of zones within a CSA range from two (CSAs 28 and 47) to 20 (CSA 46), each with different assigned rates. Pursuant to state law, LAFCOs have no jurisdiction over zone boundaries. These boundaries are created and modified by the County of Santa Cruz. However, it is important that the formation, purpose, and distinction of each zone be available as public information. At present, this information is not available on the County's website.

5. The majority of the county service areas' spheres are coterminous.

The original sphere boundaries for the CSAs were primarily adopted between 1983 to 1989, while the last five were concurrently adopted when the CSAs were formed in the early 1990s and 2000s. Only eight of the current spheres go beyond a CSAs' jurisdictional boundary, the rest are coterminous with the designated service area. With the exception of CSAs 26, 28, 37, and 39, LAFCO is recommending that the sphere boundaries be reaffirmed.

Environmental Review

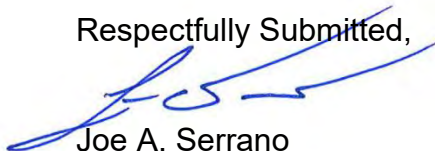
LAFCO staff has conducted an environmental review for the draft service and sphere review in accordance with the California Environmental Quality Act (CEQA). Staff has determined that the service and sphere review is exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA (Section 15061[b][3]). A Notice of Exemption, as shown in **Attachment 2**, was recorded on October 11.

Agency Coordination and Public Notice

A hearing notice for this draft service review was published in the October 11th issue of the Santa Cruz Sentinel (**Attachment 3**). The draft service and sphere review is attached to this staff report. Due to the size of the report, the appendices were not attached but are available on LAFCO's website under the "Service & Sphere Review Webpage."

An administrative draft of the report was also shared with the County Public Works Department. This allowed the County an opportunity to review LAFCO's findings and provide corrections and/or feedback before the report was finalized. The assistance of Public Works Director Matt Machado and his staff in completing this service review was greatly appreciated. In conclusion, staff is recommending that the Commission adopt the attached resolution (refer to **Attachment 4**) approving the service and sphere review.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Service and Sphere Review – Administrative Draft
2. Environmental Determination – Categorical Exemption
3. Public Hearing Notice
4. Draft Resolution No. 2022-14

cc: Matt Machado, County Public Works Director

Countywide Road CSAs Service and Sphere Review (34 in total)



Administrative Version (November 2, 2022)

Local Agency Formation Commission of Santa Cruz County

701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Website: www.santacruzlafco.org

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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries involving the 34 road-related county service areas in Santa Cruz County. The report will be used by the Local Agency Formation Commission (LAFCO) to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that LAFCO conduct periodic reviews and updates of spheres of influence for all cities and special districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code Section 56430). The last service and sphere review conducted for the 34 road-related county service areas was in August 2017. In order to analyze how enhanced road services are provided throughout Santa Cruz County, all 34 road county service areas will be evaluated in this comprehensive report.

Findings and Determinations

The service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance with the provisions of Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes in service delivery, government organization, or spheres of influence.

CEQA Determination

Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the Districts' existing spheres of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such exemption is due to the fact that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (Section 15061[b][3]).

Structure of Report

This **Executive Summary** presents a brief overview of the service review, key findings, and recommended actions. The **Agency Profile** chapters contain individual evaluations for each of the CSAs - highlighting specific characteristics, ongoing operations, current fiscal health, and its importance within its jurisdictional area. The profiles conclude with statutory determinations required for all service and sphere of influence reviews pursuant to the Cortese-Knox-Hertzberg Act. These chapters are followed by **Appendices** with sources used to conduct the service review.

Dependent Special Districts

Road maintenance and services in unincorporated territory are provided by Santa Cruz County. Enhanced or extended services provided to specific county roads are managed by 34 separate dependent special districts known as county service areas ("CSAs"). These CSAs are operated by the Santa Cruz County's Public Works Department. In accordance with the Commission's Multi-Year Work Program, these 34 CSAs will be

analyzed in this report. **Figure 1** on page 11 provides an overview map depicting the subject CSAs. **Figure 2** on page 12 also indicates where the CSAs are located within the five supervisorial districts. At present, Supervisorial District No. 5 has the most road CSAs with approximately 53% (18 out of 34). **Table 1** provides an overview for each CSA.

Table 1: List of Affected County Service Areas (In Numerical Order)

CSA (34 in total)	Formation Date	Sphere Adoption	Estimated Population	Total Acres	No. of Lane Miles	No. of Parcels	No. of Zones
CSA 13	10/9/1974	11/2/1988	555	1,141	12.26	195	3
CSA 15	4/4/1979	9/7/1988	73	93	Unavailable	84	-
CSA 16	4/4/1979	9/7/1988	105	113	0.97	78	-
CSA 17	4/4/1979	9/7/1988	19	209	1.52	67	-
CSA 18	4/4/1979	10/5/1983	8	2,029	3.67	54	-
CSA 21	5/7/1980	9/7/1988	69	51	0.88	39	-
CSA 22	2/4/1981	9/7/1988	10	58	0.88	20	4
CSA 23	1/7/1981	11/2/1988	179	250	2.99	44	4
CSA 24	1/7/1981	9/7/1988	50	174	2.34	100	-
CSA 25	6/3/1981	9/7/1988	29	32	0.54	57	-
CSA 26	8/4/1982	9/7/1988	46	355	2.82	91	17
CSA 28	8/7/1982	9/7/1988	349	143	2.77	94	2
CSA 30	12/1/1982	9/7/1988	13	116	0.89	26	-
CSA 32	3/2/1983	11/2/1988	16	18	0.55	11	-
CSA 33	3/2/1983	3/2/1983	60	371	6.31	286	11
CSA 34	3/2/1983	3/2/1983	29	409	2.31	57	3
CSA 35	3/2/1983	3/2/1983	61	49	1.18	33	-
CSA 36	3/2/1983	3/2/1983	393	208	2.23	77	6
CSA 37	4/6/1983	4/6/1983	79	256	2.05	94	4
CSA 39	6/1/1983	6/1/1983	30	6	0.07	14	-
CSA 40	6/1/1983	6/1/1983	9	58	0.65	18	4
CSA 41	8/3/1983	8/3/1983	56	27	1.06	111	-
CSA 42	9/7/1983	9/7/1983	323	172	1.28	46	3
CSA 43	9/7/1983	9/7/1983	47	28	1.04	93	-
CSA 44	10/2/1983	10/2/1983	76	20	0.75	63	-
CSA 46	10/2/1983	12/19/1983	30	379	1.67	60	20
CSA 47	1/9/1985	1/9/1985	84	755	1.29	58	2
CSA 50	10/7/1987	10/7/1987	27	61	1.65	57	-
CSA 51	9/6/1989	9/6/1989	34	716	4.07	68	15
CSA 52	11/7/1990	11/7/1990	27	388	1.58	54	18
CSA 55	8/7/1996	8/7/1996	35	35	0.91	69	9
CSA 56	2/4/1998	2/4/1998	165	11	0.57	56	-
CSA 58	12/5/2001	12/5/2001	356	61	0.30	25	4
CSA 59	9/4/2002	9/4/2002	7	53	0.42	70	-

Figure 1: Countywide Map

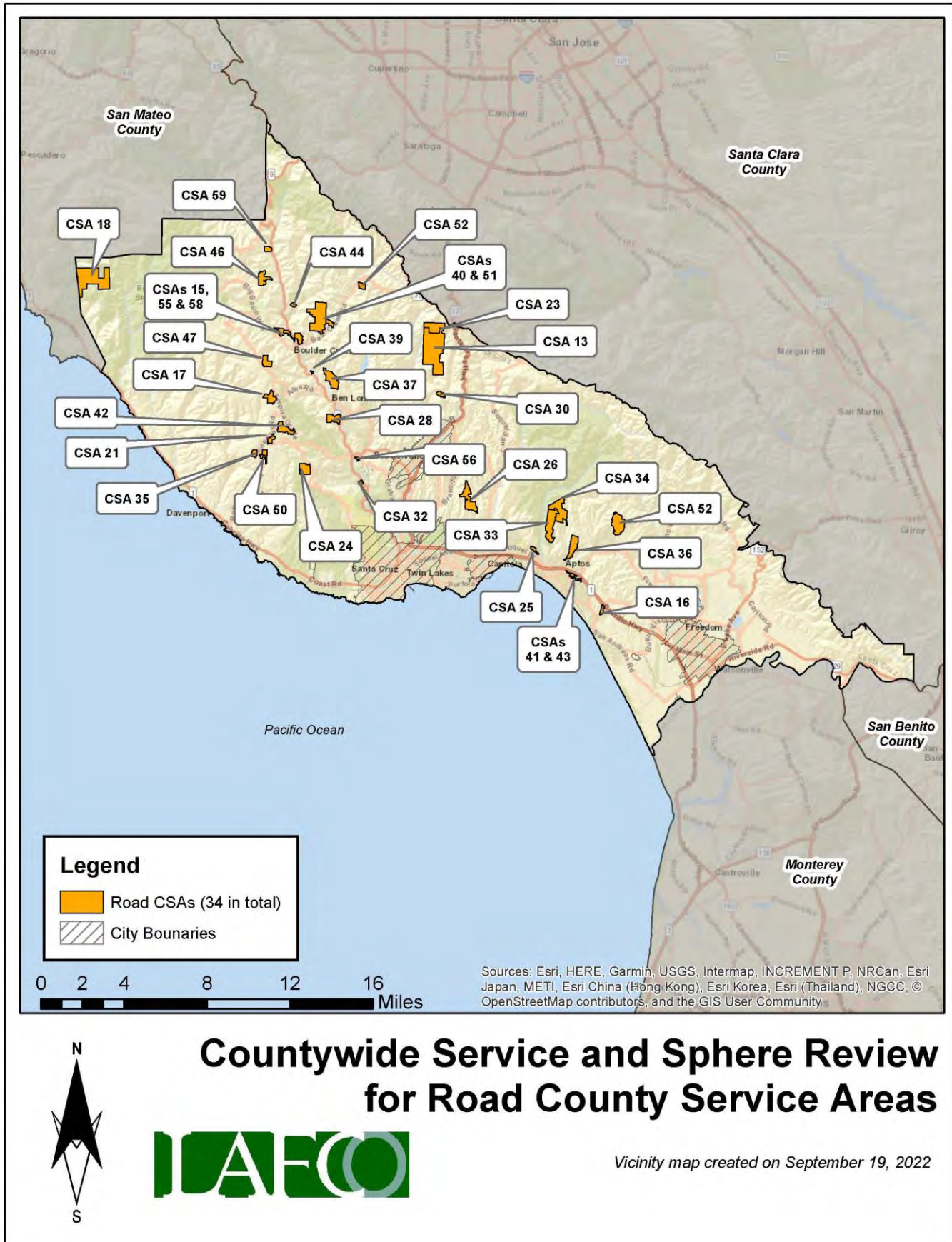
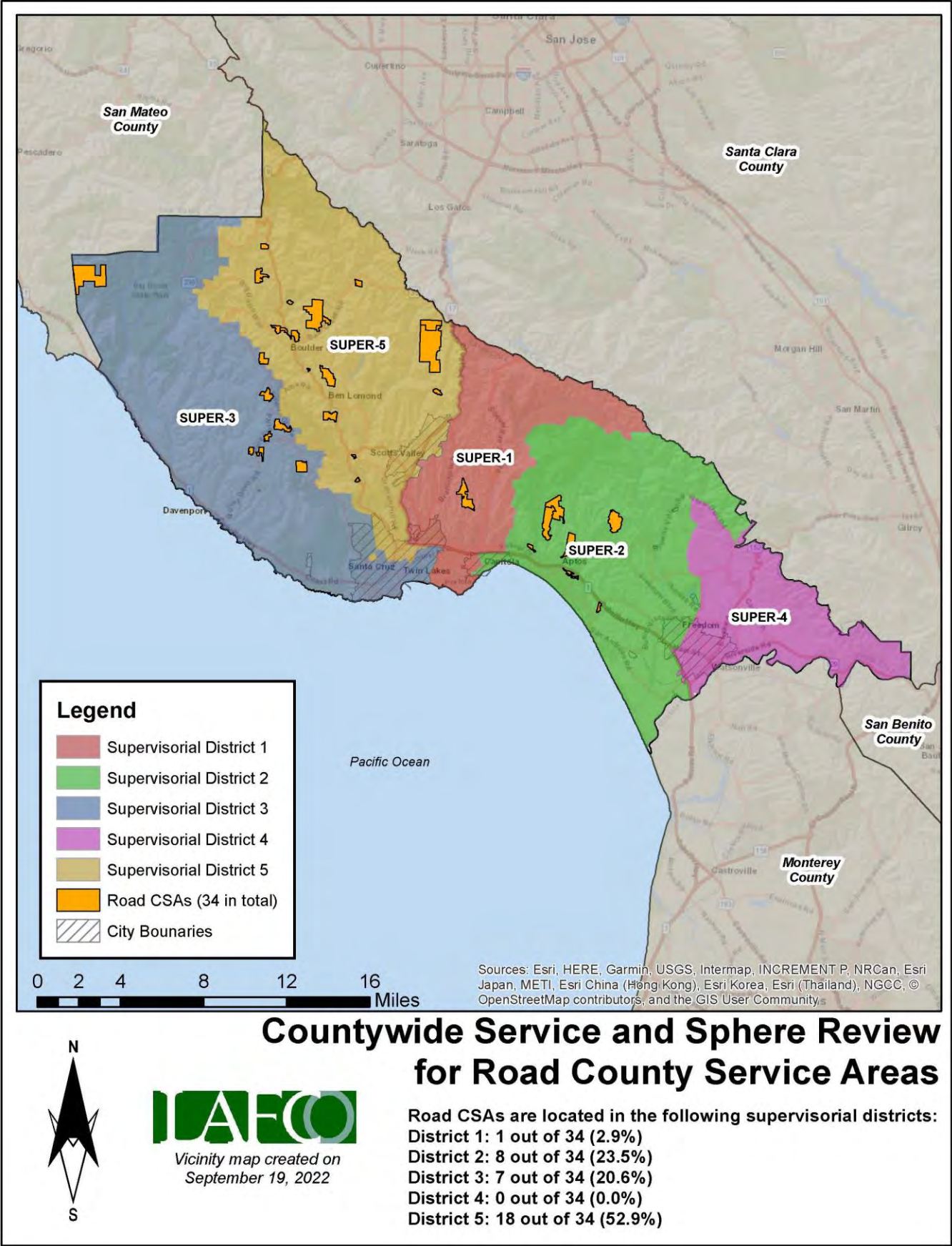


Figure 2: Supervisorial District Map



Other Organizations (Under LAFCO's Purview)

CSA 3 was formed on December 14, 1965 to provide a series of services, including road maintenance, to the Seascapes community. CSA 9 was formed on October 16, 1968 to provide public works services to the unincorporated county territory and the City of Scotts Valley. CSA 9 currently provides road maintenance within Zones D and E. Separate standalone service and sphere reviews for CSAs 3 and 9 were adopted on June 7, 2019¹ and August 5, 2020² respectively. Therefore, CSAs 3 and 9 will not be analyzed in this report.

Governance

The affected CSAs are dependent special district governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.). County Supervisors receive no additional compensation for their CSA responsibilities. Santa Cruz County staff from the Public Works Department manages the services related to the 34 CSAs.

Local Accountability & Structure

The current Board is as follows:

Table 2: Board of Directors

Board Member	Supervisory District	Term of Office
Manu Koenig	First District (Live Oak, Soquel, Summit, Santa Cruz Gardens, Carbonera, and parts of Scotts Valley & Capitola)	First Elected: 2020 Next Election: Primary 2024
Zach Friend	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2012 Next Election: Primary 2024
Ryan Coonerty	Third District (Santa Cruz, Bonny Doon, North Coast)	First Elected: 2014 Next Election: Primary 2022
Greg Caput	Fourth District (Pajaro Valley, Watsonville)	First Elected: 2010 Next Election: Primary 2022
Bruce McPherson	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2012 Next Election: Primary 2024

The Board of Directors meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. However, LAFCO was not able to determine if and when board meetings related to the 34 CSAs were conducted. This may be addressed as part of the proposed website update recommended by LAFCO on page 16 on this report.

¹ CSA 3 Service & Sphere Review: <https://santacruzlafco.org/wp-content/uploads/2019/06/CSA-3-Aptos-Seascapes-Review-Final-6-7-19.pdf>

² CSA 9 Service & Sphere Review: <https://santacruzlafco.org/wp-content/uploads/2020/08/CSA-9-Service-Review-Adopted-Version-8-5-20.pdf>

Financial Health

County Service Areas are primarily funded through service charges. **Table 3** highlights whether each district had enough revenue to cover annual expenses during FY 2021-22. A full review of all revenue funds for CSA during the past six years is discussed in the **Agency Profile Chapters** within this report.

Table 3: Total Revenue vs. Total Expense (FY 2021-22: In Numerical Order)

CSA (34 in total)	Total Revenue	Total Expense	Surplus/(Deficit)
CSA 13	\$151,367	\$123,430	\$27,937
CSA 15	\$44,583	\$1,759	\$42,824
CSA 16	\$12,392	\$52,182	\$(39,790)
CSA 17	\$11,394	\$290	\$11,105
CSA 18	\$18,966	\$18,040	\$926
CSA 21	\$4,689	\$6,037	\$(1,348)
CSA 22	\$271	\$162	\$109
CSA 23	\$169,075	\$10,992	\$158,083
CSA 24	\$23,858	\$287	\$23,571
CSA 25	\$11,151	\$716	\$10,435
CSA 26	\$67,853	\$27,345	\$40,507
CSA 28	\$54,655	\$52,106	\$2,549
CSA 30	\$7,708	\$1,153	\$6,555
CSA 32	\$2,851	\$200	\$2,651
CSA 33	\$44,189	\$1,321	\$42,868
CSA 34	\$1,013	\$192	\$821
CSA 35	\$19,518	\$247	\$19,272
CSA 36	\$23,654	\$24,743	\$(1,089)
CSA 37	\$17,096	\$678	\$16,417
CSA 39	<i>Fiscally inactive since FY 2020-21</i>		
CSA 40	\$3,656	\$234	\$3,423
CSA 41	\$29,724	\$356	\$29,368
CSA 42	\$6,655	\$494	\$6,161
CSA 43	\$21,647	\$1,805	\$19,843
CSA 44	\$15,631	\$415	\$15,216
CSA 46	\$37,811	\$1,029	\$36,782
CSA 47	\$13,945	\$459	\$13,486
CSA 50	\$23,399	\$345	\$23,054
CSA 51	\$309,264	\$42,968	\$266,296
CSA 52	\$6,262	\$223	\$6,038
CSA 55	\$54,852	\$23,197	\$31,655
CSA 56	\$12,802	\$2,807	\$9,994
CSA 58	\$8,192	\$22,031	\$(13,840)
CSA 59	\$16,795	\$14,112	\$2,683

Growth and Population

The Association of Monterey Bay Area Governments (AMBAG) produces population projections for cities and counties. However, projections for special districts are not included in their estimate. AMBAG's reporting does indicate that the unincorporated areas within Santa Cruz County will experience a slow growth over the next fifteen years. The 2018 AMBAG Regional Growth Forecast Report states that the population in unincorporated territory will grow at a rate of less than 1% every five years. Based on this anticipated growth rate, LAFCO staff calculated the estimated population for each subject agency from 2020 to 2040, as shown in **Table 4**:

Table 4: Population Estimates (Listed in Numerical Order)

CSA (34 in total)	2020	2025	2030	2035	2040
CSA 13	555	560	565	569	574
CSA 15	73	74	74	75	76
CSA 16	105	106	107	108	109
CSA 17	19	19	19	19	20
CSA 18	8	8	8	8	8
CSA 21	69	70	70	71	71
CSA 22	10	10	10	10	10
CSA 23	179	181	182	184	185
CSA 24	50	50	51	51	52
CSA 25	29	29	29	29	29
CSA 26	46	46	46	47	47
CSA 28	349	352	355	358	361
CSA 30	13	13	13	13	13
CSA 32	16	16	16	16	17
CSA 33	60	61	61	62	62
CSA 34	29	29	29	29	29
CSA 35	61	62	62	63	63
CSA 36	393	396	400	403	407
CSA 37	79	80	80	81	82
CSA 39	30	30	31	31	31
CSA 40	9	9	9	9	9
CSA 41	56	56	56	57	57
CSA 42	323	326	329	331	334
CSA 43	47	47	47	48	48
CSA 44	76	77	77	78	79
CSA 46	3	30	31	31	31
CSA 47	84	85	85	86	87
CSA 50	27	27	27	28	28
CSA 51	34	34	35	35	35
CSA 52	27	27	27	28	28
CSA 55	35	35	35	35	36
CSA 56	165	166	168	169	171
CSA 58	356	359	362	365	368
CSA 59	7	7	7	7	7

Footnote: Population projections calculated by LAFCO using ArcGIS and 2020 census data. Estimated data may not reflect actual population within the area.

Transparency (Website Requirements)

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 states that the Internet Web Site, maintained by the independent special district, shall conform with various laws in Government Code Sections 6270.5, 53893, 53908, 54954.2, and Section 32139 of the Health and Safety Code. In summary, a District's Internet Website must contain the following:

- Access to past and current, agendas, staff reports, and minutes
- Adopted budgets;
- Contact information and list of current board members;
- Information regarding public meetings (Brown Act);
- Service Reviews adopted by LAFCO;
- Recipients of grant funding or assistance provided by the district, if any;
- Audits (pursuant to GCS 26909) and adopted annual policies; and
- Any other information the board deems relevant

While dependent special districts, such as CSAs, are not statutorily required to fulfill the requirements under Senate Bill 929, LAFCO staff is encouraging the County to revamp their website in regards to the webpage dedicated to the CSAs. The current webpage has numerous broken links, outdated information, and lacks transparency. LAFCO staff was not able to find adopted budgets and other financial documents, scheduled capital improvement projects, standalone board meeting agendas and minutes, or information about the CSAs' operational structure. Residents should have access to these basic documentations, similar to constituents under independent special districts.

LAFCO Recommendation: *The County must revamp its county service area webpage to comply with the requirements under Senate Bill 929 to ensure adequate transparency. The deadline to complete the webpage update will be October 31, 2023.*

Community Outreach

Based on LAFCO's analysis, there seems to be a lack of transparency regarding the 34 CSAs. It may be beneficial if LAFCO and the County coordinated with community representatives from each CSA to discuss the report's findings, determine the CSAs' future, and build a better working relationship between the residents, the County, and LAFCO. As a result, LAFCO staff would like to establish a clear community liaison for each CSA for better communication going forward.

LAFCO Recommendation: *Coordination between the County and LAFCO with community representatives from each of the 34 CSAs to identify a "community liaison." Meetings with the identified liaison should be conducted by October 31, 2023.*

Spheres of Influence

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years, either concurrently or subsequently to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, including:

- The present and planned uses in the area, including agricultural & open-space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- An update on a sphere of influence for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

Sphere Determinations

The spheres of influence boundaries were originally adopted between 1983 to 2002. **Table 1** on page 10 shows when the original sphere boundaries were adopted for each CSA. LAFCO staff is recommending that the sphere be reaffirmed for most of the CSAs, with the exception of CSAs 26, 28, 37, and 39.

The County has requested that CSA 39 be dissolved due to inactivity. Based on LAFCO staff's analysis, CSA 39 has been inactive for two consecutive years (FYs 2020-21 and 2021-22) and was previously operating in a deficit on an annual basis from FY 2016-17 to FY 2019-20. Therefore, LAFCO staff is recommending that a zero sphere be adopted for CSA 39. A zero sphere adoption would be a precursor to a dissolution in the near future. The dissolution may be initiated by the affected residents or the County.

The remaining three CSAs have spheres with parcels that are currently split, meaning that a portion of one parcel is within the CSA while the other portion is outside the CSA. This discrepancy may cause confusion to the County and landowners when considering road repairs or other road-related projects. Staff is recommending that the sphere boundaries for CSAs 26, 28, and 37 be amended to address the split parcels. The County should consider annexing the remaining portions of these split parcels in the near future.

Key Findings

The following are key findings of the 2022 Countywide Road CSA Service and Sphere of Influence Review:

1. The County governs all road county service areas.

The 34 CSAs provide enhanced road services to specific locations as dependent special districts. These districts are fully managed and operated by the County of Santa Cruz. The majority of these road CSAs were formed between 1974 and 1989 (29 out of 34), while the last five were created in the early 1990s and 2000s. The last road CSA was formed back in September 2002.

2. The county service areas lack transparency.

State law now requires independent special districts to maintain a robust website to ensure that constituents are aware of the local agencies' operations and finances. While the law does not apply to dependent special districts, LAFCO is concerned with the lack of transparency for the 34 CSAs. The County does have a webpage dedicated to all the CSAs under the County's purview; however, the webpage does not disclose financial information, board meeting agendas and minutes, vicinity maps, or scheduled capital improvement projects. Additionally, the webpage has outdated information and has numerous broken links. LAFCO is recommending that the County update its website by October 31, 2023.

3. The majority of the county service areas' financial health lacks stability.

LAFCO has determined that seven CSAs (21%) have ended with a deficit at least three times in the last six fiscal years and 19 CSAs (56%) have ended with a deficit at least twice in the last six fiscal years. Only three CSAs (8%) have ended a fiscal year without a deficit between 2016 to 2022.

4. Certain county service areas have funding zones.

The 34 CSAs are primarily funded through service charges, specifically annual benefit assessments. These assessments are reviewed by the County on a yearly basis. Any increase in those assessments require resident approval. Half of the 34 CSAs are funded by a flat rate paid by the residents, while the other half are funded through zones. The number of zones within a CSA range from two (CSAs 28 and 47) to 20 (CSA 46), each with different assigned rates. Pursuant to state law, LAFCOs have no jurisdiction over zone boundaries. These boundaries are created and modified by the County of Santa Cruz. However, it is important that the formation, purpose, and distinction of each zone be available as public information. At present, this information is not available on the County's website.

5. The majority of the county service areas' spheres are coterminous.

The original sphere boundaries for the CSAs were primarily adopted between 1983 to 1989, while the last five were concurrently adopted when the CSAs were formed in the early 1990s and 2000s. Only eight of the current spheres go beyond a CSAs' jurisdictional boundary, the rest are coterminous with the designated service area. With the exception of CSAs 26, 28, 37, and 39, LAFCO is recommending that the sphere boundaries be reaffirmed.

Recommended Actions

Based on the analysis and findings in the 2022 Countywide Road CSAs Service and Sphere of Influence Review, the Executive Officer recommends that the Commission:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for the 34 affected agencies, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt a Resolution (LAFCO No. 2022-14) approving the 2022 Countywide Service and Sphere Review for Road County Service Areas with the following terms and conditions:
 - a. Reaffirm the existing spheres of influence for the following County Service Areas: 13, 15, 16, 17, 18, 21, 22, 23, 24, 25, 30, 32, 33, 34, 35, 36, 40, 41, 42, 43, 44, 46, 47, 50, 51, 52, 55, 56, 58, and 59;
 - b. Amend the spheres of influence for County Service Areas 26, 28, and 37 to address split parcels;
 - c. Adopt a zero sphere of influence for County Service Area 39 as a precursor to dissolution;
 - d. Direct the Executive Officer to coordinate with the County of Santa Cruz and resident representatives to discuss LAFCO's findings, the current zone boundaries (if applicable), and the future of each County Service Area by October 31, 2023;
 - e. Direct the Executive Officer to provide an update on the County's website improvements by November 2023; and
 - f. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the County of Santa Cruz and any other interested agency or party, including but not limited to the community liaisons for the 34 CSAs.

CSA 13 (HUTCHINSON ROAD/OAK FLAT)

Overview

County Service Area 13 was formed on October 9, 1974 with the purpose of providing extended maintenance to 12.26 road miles. **Appendix 1** provides a copy of the formation resolution. There is a total of 195 parcels within the CSA (totaling approximately 1,100 acres). **Figure 3**, on page 21, is a vicinity map depicting CSA 13's current jurisdictional boundary. Only one boundary change has occurred since its inception, in which 16 parcels were annexed into CSA 13 back in 2005. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 5** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 13 has three funding zones (Oak Flat and Zones A-B). Oak Flat and Zone A have maintained the same service charge since FY 2017-18 but Zone B has seen an increase over the years. **Figure 4** on page 22 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 13.

Table 5: Benefit Assessment Rates (2017 to 2021)

CSA 13	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Oak Flat	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
Change (%)		0%	0%	0%	0%
Zone A	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Change (%)		0%	0%	0%	0%
Zone B	\$300.00	\$800.00	\$800.00	\$826.40	\$840.44
Change (%)		167%	0%	3%	2%

Population and Growth

Based on staff's analysis, the population of CSA 13 as of 2020 is estimated to be 555. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 6** shows the anticipated population within CSA 13. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 13. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 13 will be approximately 574 by 2040.

Table 6: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 13	555	560	565	569	574

Figure 3: CSA 13's Vicinity Map

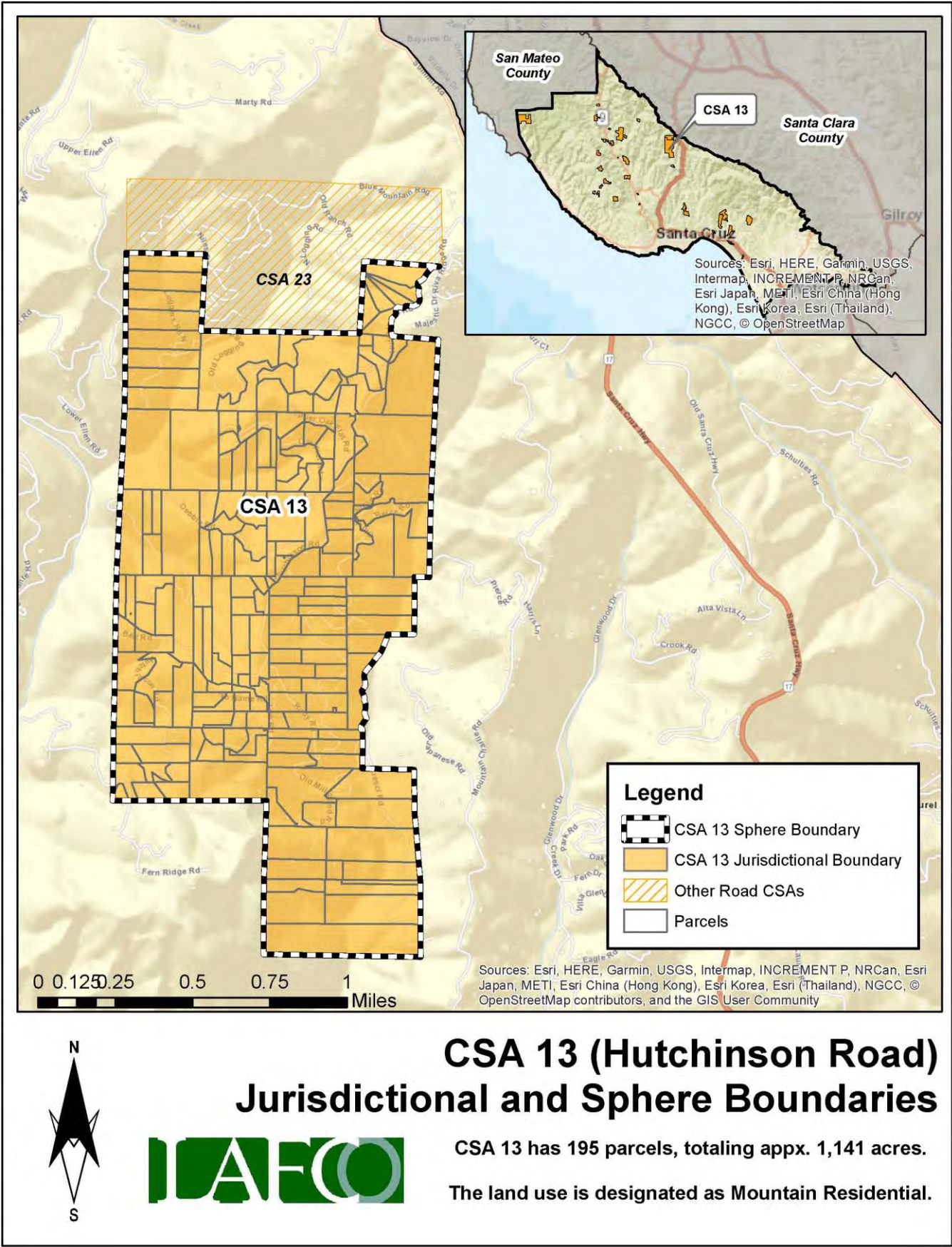
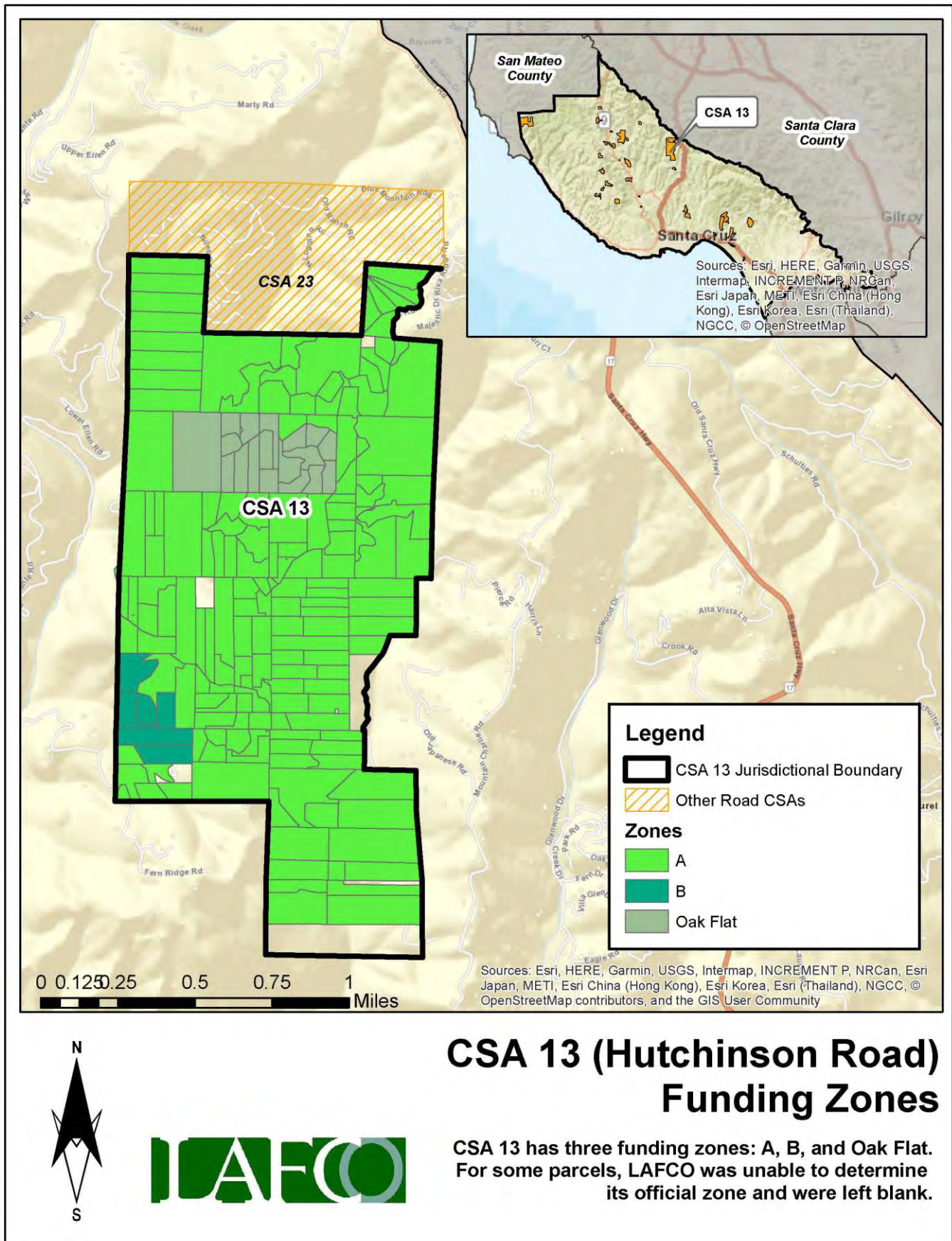


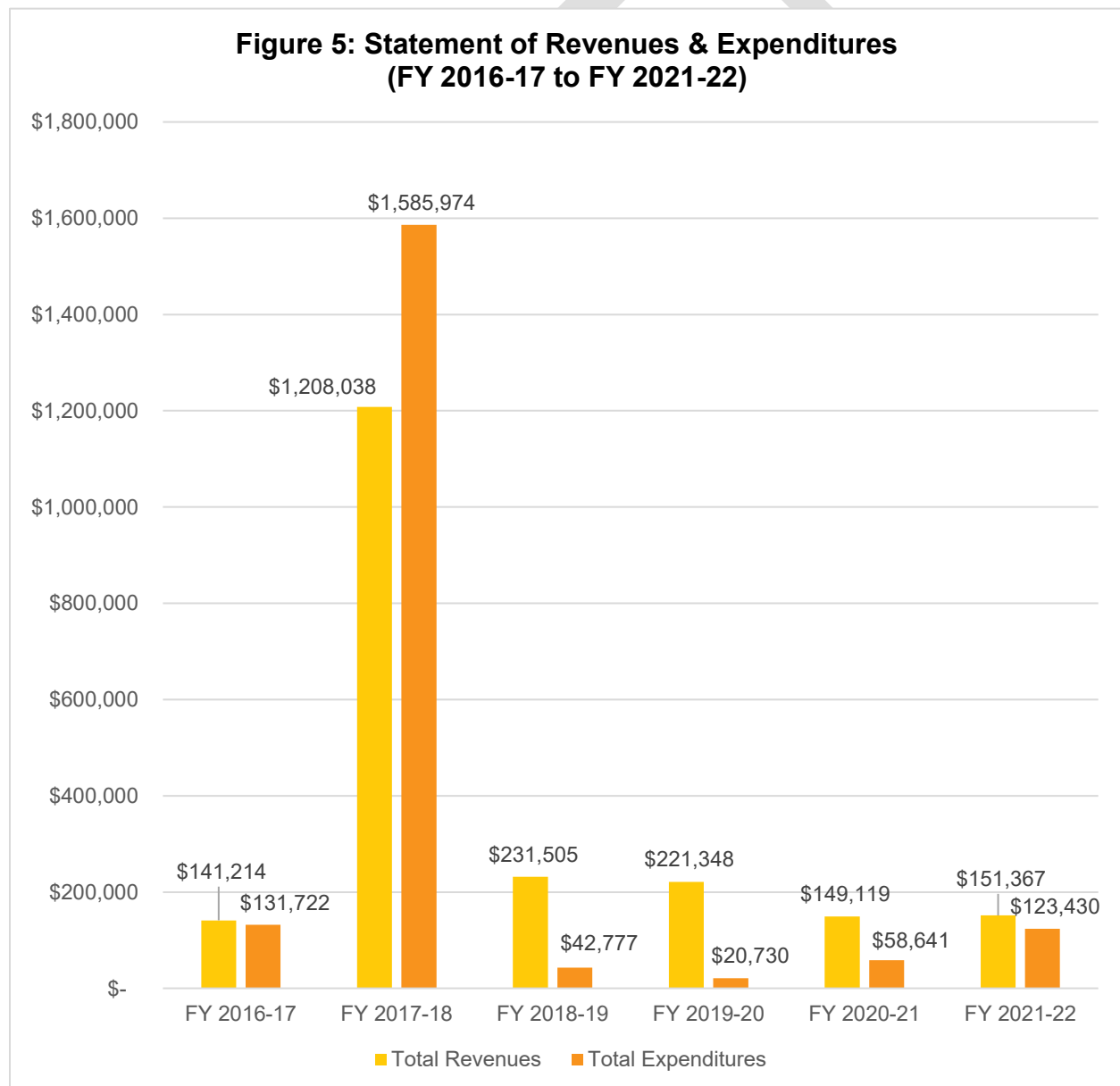
Figure 4: CSA 13's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 13's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 8** on page 25.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$151,000, representing a 2% increase from the previous year (\$149,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$123,000, which increased by 110% from the previous year (\$59,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 17-18, as shown in **Figure 5**. The deficit was due to a scheduled road improvement project that cost approximately \$1.6 million to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$894,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 7** and **Figure 6**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$385,000. Based on this historical trend, LAFCO staff believes the positive balance may continue. This healthy amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 7: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$764,196	\$386,260	\$574,988	\$775,606	\$866,084
Ending Balance	\$764,196	\$386,260	\$574,988	\$775,606	\$866,084	\$894,021
Change (\$)	-	\$(377,936)	\$188,728	\$200,618	\$90,478	\$27,937

**Figure 6: Net Position from 2016 to 2022
(Ending Balance)**

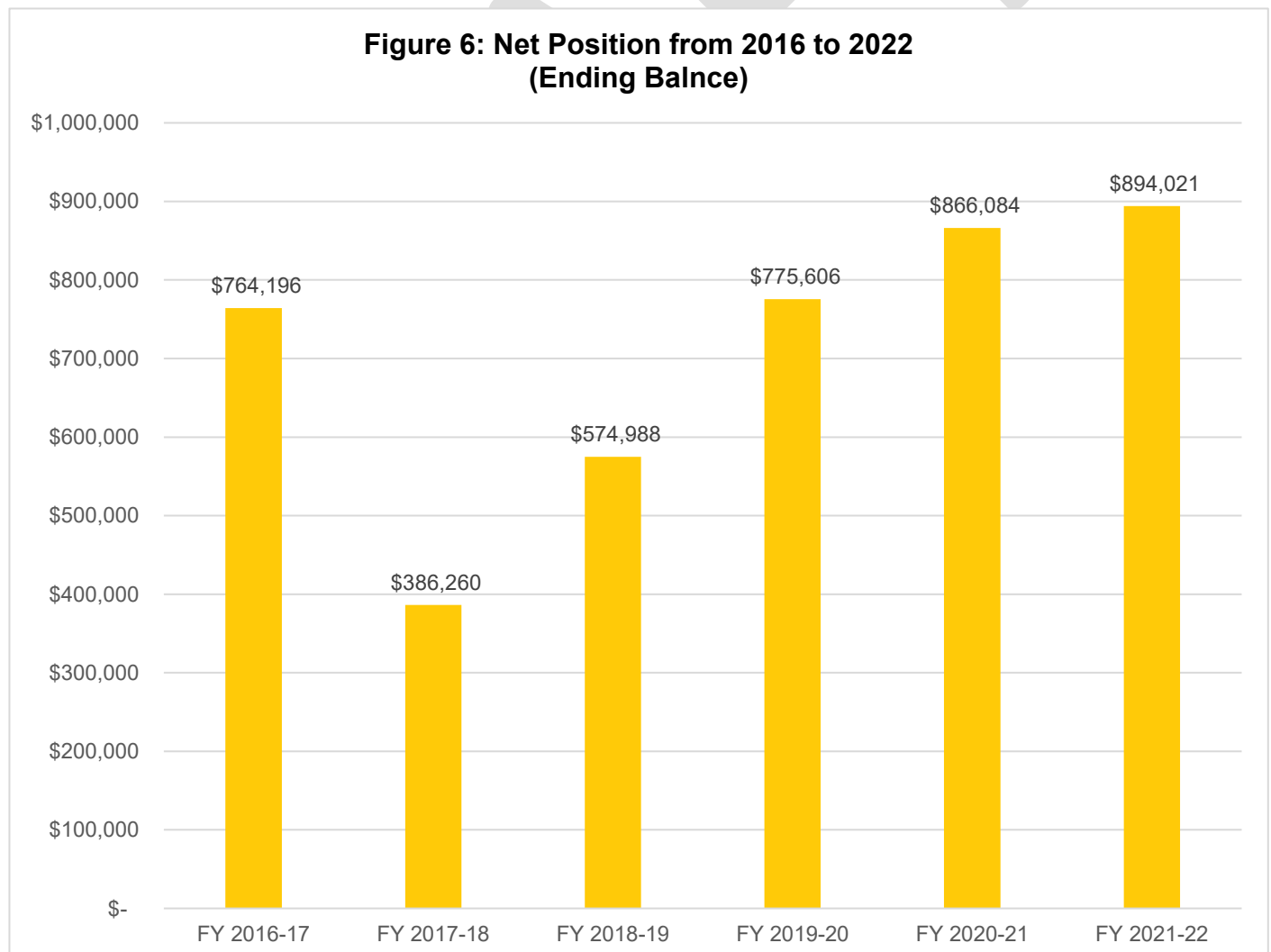


Table 8: Total Revenues & Expenditures

CSA 13	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ 42,291.89	\$ 44,331.24	\$ 46,367.17	\$ 49,549.45	\$ 144,115.77	\$ 54,967.49
Interest	\$ 6,771.35	\$ 3,378.94	\$ (5,970.59)	\$ 11,109.24	\$ 4,732.99	\$ 3,526.49
St-Natural Disaster Assistance	\$ -	\$ 213,637.13	\$ 37,141.00	\$ 13,709.00	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ 278.30	\$ 270.34	\$ 264.00	\$ 271.00	\$ 270.00	\$ 266.00
FED-FEMA	\$ -	\$ 854,548.50	\$ 61,831.00	\$ 54,837.00	\$ -	\$ -
Other Road & Street Services	\$ 91,872.00	\$ 91,872.00	\$ 91,872.00	\$ 91,872.00	\$ -	\$ 92,607.22
Total Revenues	\$141,213.54	\$1,208,038.15	\$ 231,504.58	\$ 221,347.69	\$ 149,118.76	\$ 151,367.20
EXPENDITURES						
DPW Services - Hutchinson Road	\$ 126,262.13	\$ 1,580,891.50	\$ 24,149.82	\$ 5,961.16	\$ 45,318.37	\$ 33,095.89
Other Insurance	\$ 4,904.65	\$ 5,082.62	\$ 4,588.40	\$ 4,156.75	\$ 4,280.75	\$ 3,133.00
Acct & Audit Fees	\$ 555.00	\$ -	\$ 1,000.00	\$ 500.00	\$ 500.00	\$ 500.00
Division Overhead - Admin	\$ -	\$ -	\$ 8,523.73	\$ 1,933.73	\$ 329.73	\$ 1,195.49
Depart Overhead Costs	\$ -	\$ -	\$ 4,514.98	\$ 2,445.03	\$ 6,735.78	\$ 13,128.78
Labor FEMA	\$ -	\$ -	\$ -	\$ 5,733.02	\$ 1,476.06	\$ 72,376.95
Total Expenditures	\$131,721.78	\$1,585,974.12	\$ 42,776.93	\$ 20,729.69	\$ 58,640.69	\$ 123,430.11
Surplus/(Deficit)	\$ 9,491.76	\$ (377,935.97)	\$ 188,727.65	\$ 200,618.00	\$ 90,478.07	\$ 27,937.09
FUND BALANCE						
Beginning of Year	\$ -	\$ 764,196.00	\$ 386,260.03	\$ 574,987.68	\$ 775,605.68	\$ 866,083.75
End of Year	\$764,196.00	\$ 386,260.03	\$ 574,987.68	\$ 775,605.68	\$ 866,083.75	\$ 894,020.84

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 13's first sphere of influence on November 2, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 7** on page 26 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 195 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 8** on page 27 shows the proposed sphere boundary.

Figure 7: CSA 13's Current Sphere Map

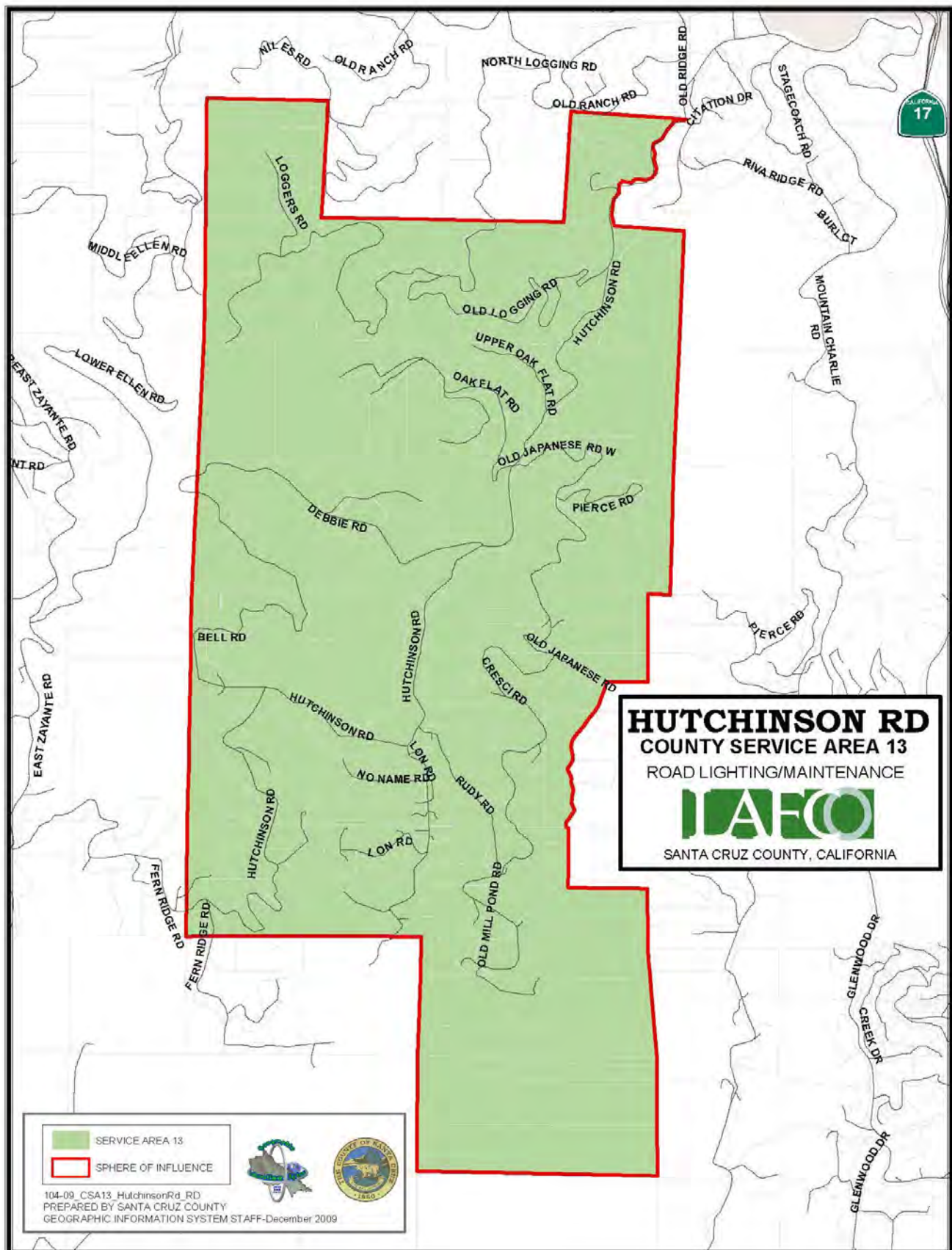
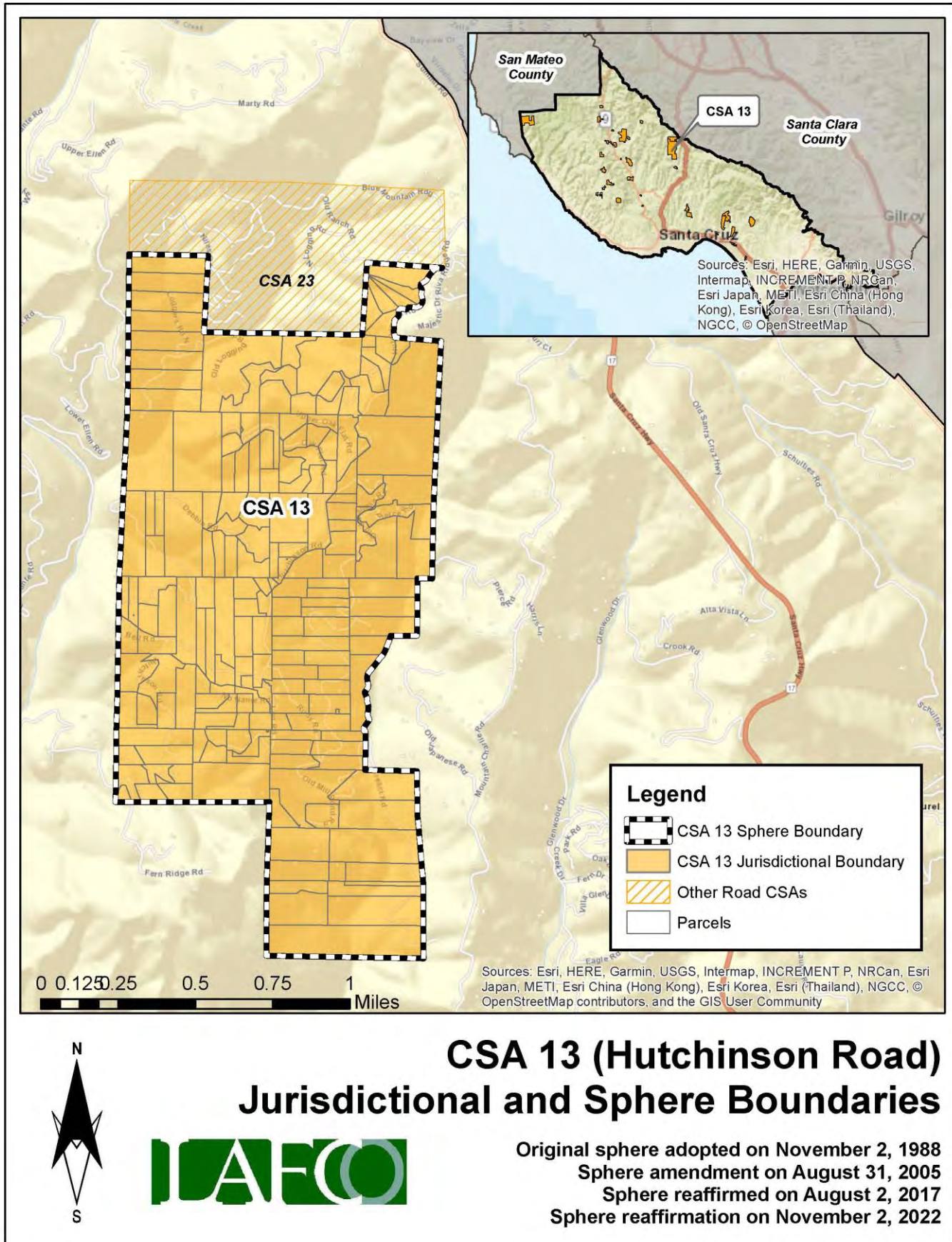


Figure 8: CSA 13's Proposed Sphere Map



District Summary

County Service Area 13	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	12.26 road miles
District Area	1.64 square miles (appx. 1,050 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$151,367</p> <p>Total Expenditure = \$123,430</p> <p>Net Position (Ending Balance) = \$894,021</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 13 in 2020 was estimated to be 555. Based on LAFCO's analysis, the population within the CSA will be approximately 574 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 13 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 13 is financially sound. The CSA ended with a surplus in five of the last six fiscal years during 2016 to 2022. As of June 30, 2022, the total net position balance ended with approximately \$894,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 13 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 13 has 195 parcels within its jurisdictional boundary and provides extended services to approximately 12 miles of road for the residents.

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

CSA 13 has a population of approximately 555. The constituents fund the CSA through three zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 15 (HUCKLEBERRY WOODS)

Overview

County Service Area 15 was formed on April 4, 1979 with the purpose of providing extended road maintenance. **Appendix 2** provides a copy of the formation resolution. There is a total of 84 parcels within the CSA (totaling approximately 90 acres). **Figure 9**, on page 32, is a vicinity map depicting CSA 15's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential and Rural Residential. **Table 9** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 15 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 15.

Table 9: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 15	\$264.18	\$600.00	\$600.00	\$600.00	\$600.00
Change (%)		127%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 15 was 2020 is estimated to be 73. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 10** shows the anticipated population within CSA 15. The average rate of change is 0.86%.

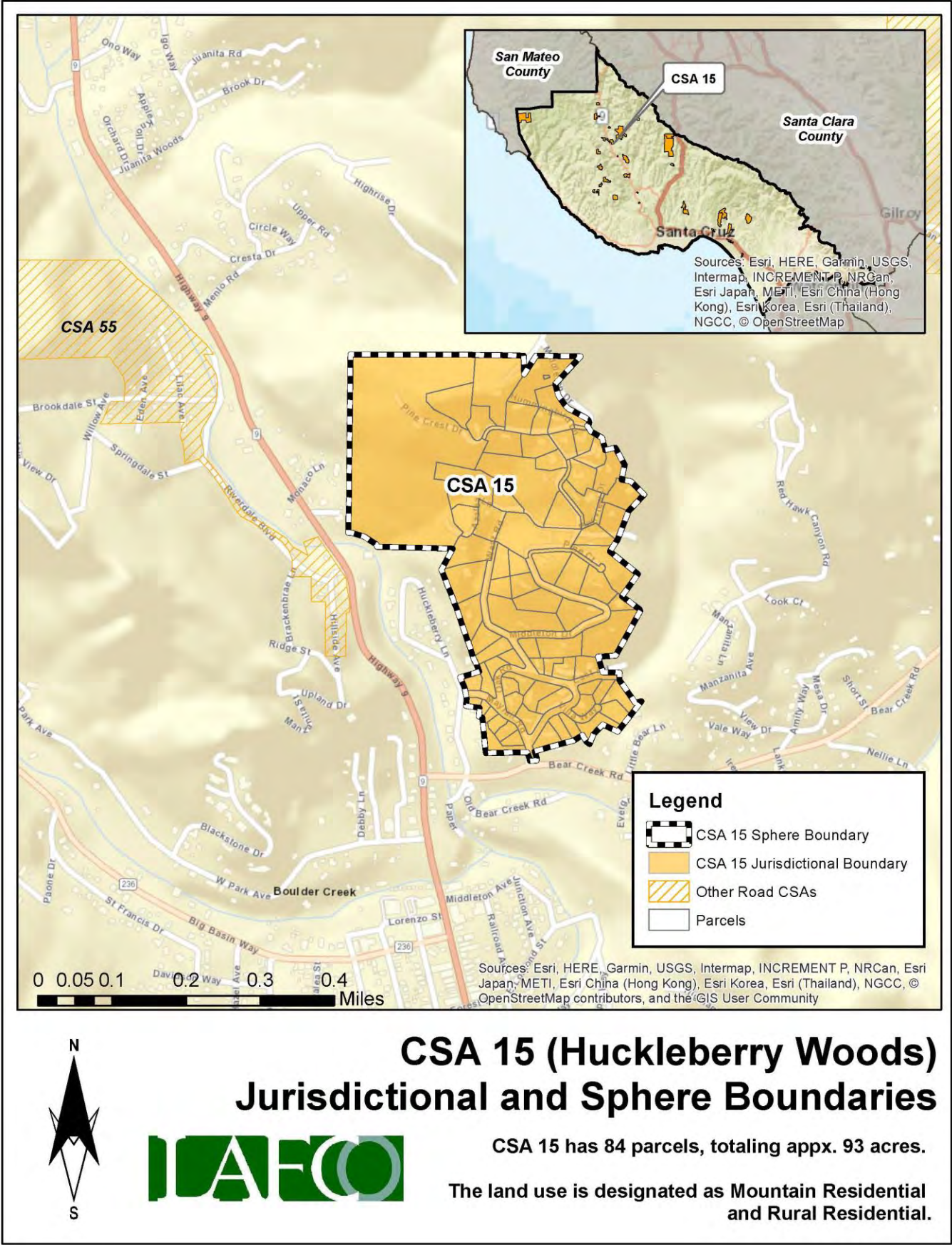
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 15. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 15 will be approximately 76 by 2040.

Table 10: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 15	73	74	74	75	76

Figure 9: CSA 15's Vicinity Map

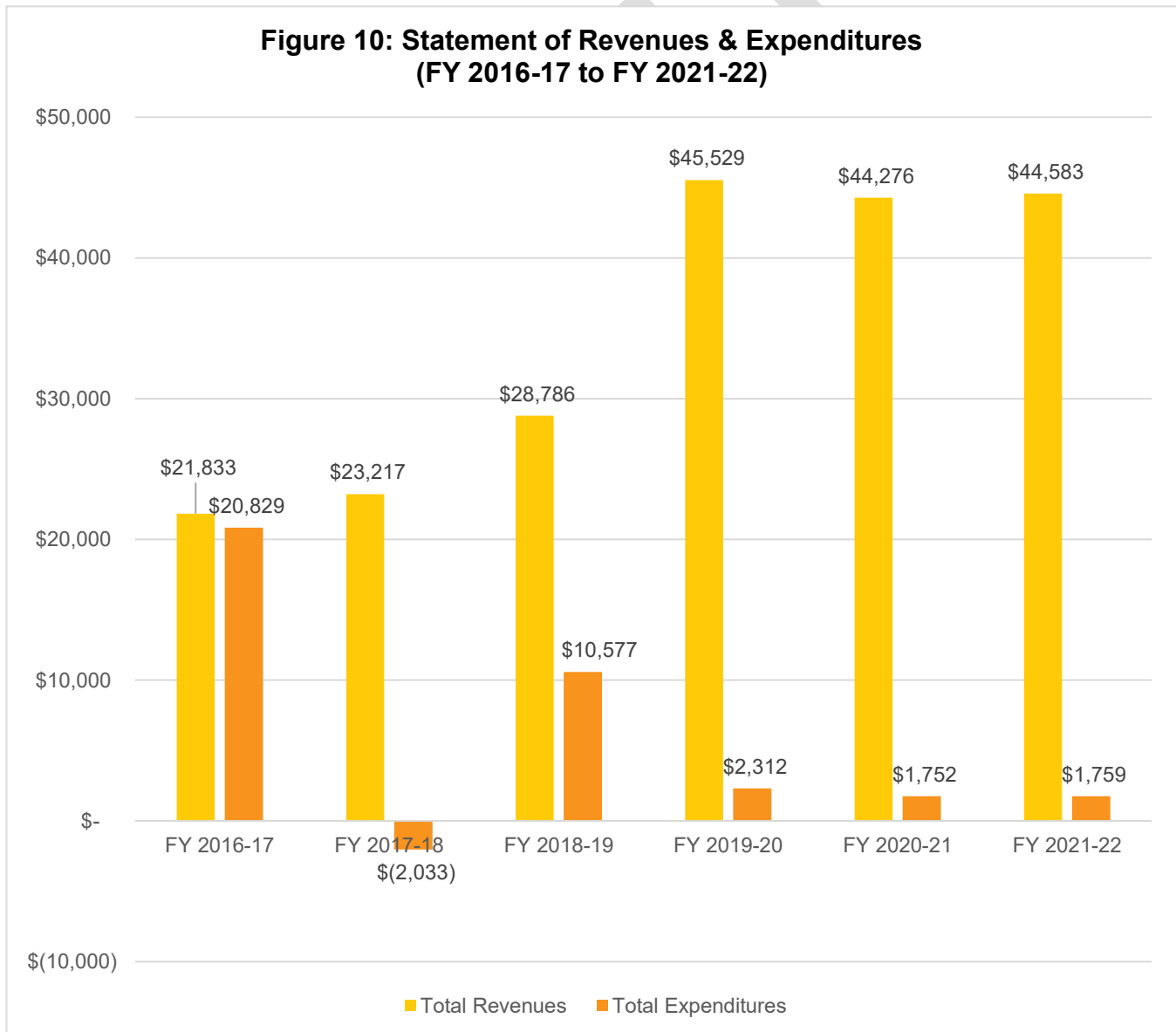


Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 15's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 12** on page 35.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$45,000, representing a 1% increase from the previous year (\$44,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$1,800, which decreased by less than 1% from the previous year (\$1,700 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, as shown in **Figure 10**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.

**Figure 10: Statement of Revenues & Expenditures
(FY 2016-17 to FY 2021-22)**



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$257,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 11** and **Figure 11**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$85,000. Based on this historical trend, LAFCO staff believes the positive balance may continue. This healthy amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 11: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$85,436	\$110,686	\$128,895	\$172,113	\$214,637
Ending Balance	\$85,436	\$110,686	\$128,895	\$172,113	\$214,637	\$257,461
Change (\$)	-	\$25,250	\$18,209	\$43,217	\$42,524	\$42,824

**Figure 11: Net Position from 2016 to 2022
(Ending Balance)**

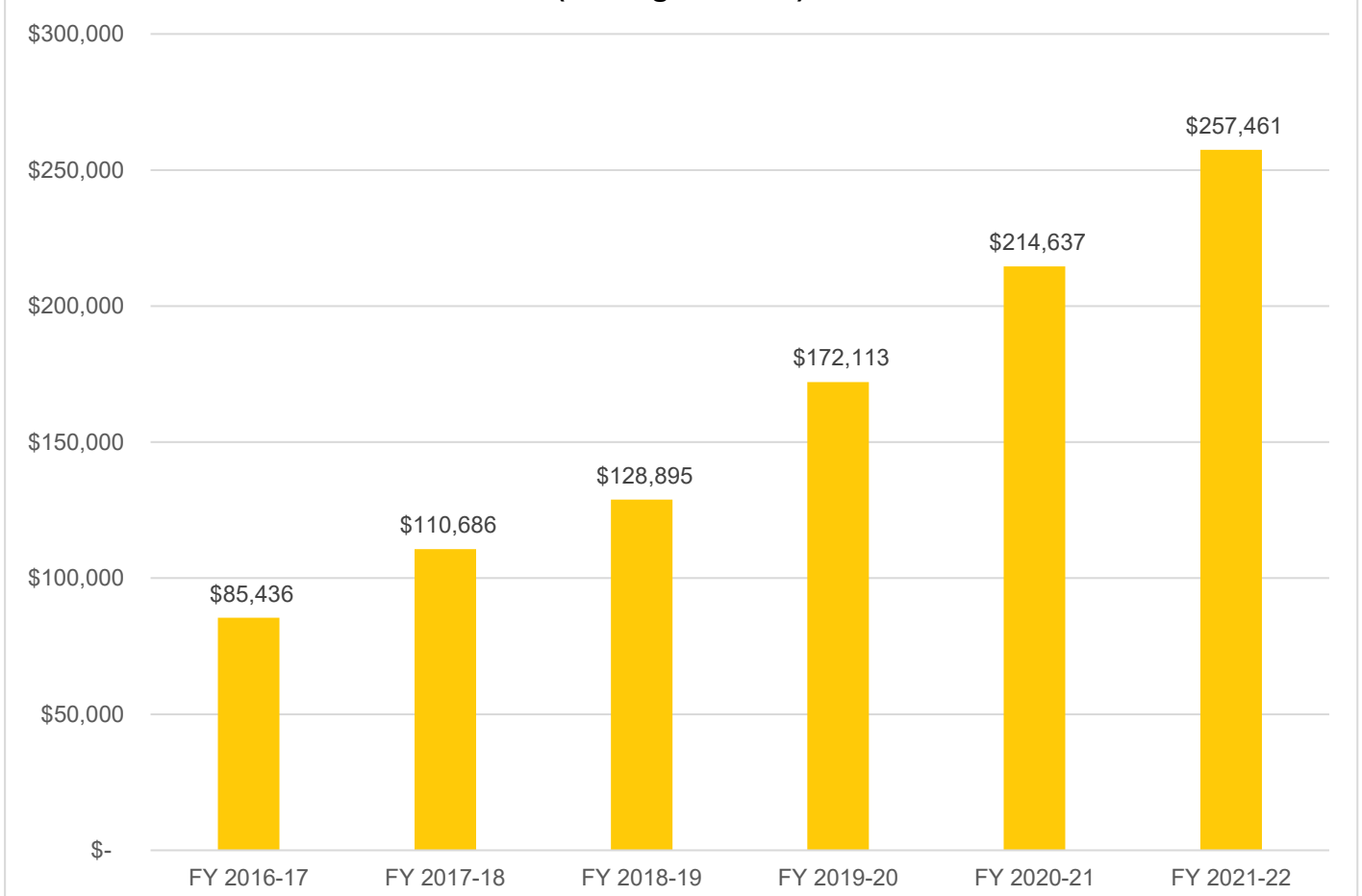


Table 12: Total Revenues & Expenditures

CSA 15	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ 6,050.74	\$ 6,516.17	\$ 7,168.86	\$ 7,609.08	\$ 7,942.60	\$ 8,423.37
Interest	\$ 760.39	\$ 1,230.63	\$ 2,415.76	\$ 2,832.05	\$ 1,252.99	\$ 1,074.70
St-Natural Disaster Assistance			\$ 657.00	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ 39.66	\$ 39.60	\$ 41.00	\$ 42.00	\$ 41.00	\$ 39.00
FED-FEMA			\$ 2,625.00	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 14,982.46	\$ 15,430.76	\$ 15,878.18	\$ 35,046.00	\$ 35,039.40	\$ 35,046.00
Total Revenues	\$ 21,833.25	\$ 23,217.16	\$ 28,785.80	\$ 45,529.13	\$ 44,275.99	\$ 44,583.07
EXPENDITURES						
DPW Services - Huckleberry Woods	\$ 17,347.98	\$ (3,831.55)	\$ 5,862.07	\$ 558.15	\$ 177.72	\$ 166.79
Insurance	\$ 3,342.21	\$ 1,798.50	\$ 972.00	\$ 984.00	\$ 991.00	\$ 1,100.00
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 220.06	\$ 220.06	\$ 224.95
Division Overhead - Admin	\$ -	\$ -	\$ 2,367.89	\$ 275.19	\$ 168.36	\$ 79.06
Dept Overhead Costs	\$ -	\$ -	\$ 1,124.76	\$ 274.44	\$ 194.64	\$ 188.49
Total Expenditures	\$ 20,828.94	\$ (2,033.05)	\$ 10,576.72	\$ 2,311.84	\$ 1,751.78	\$ 1,759.29
Surplus/(Deficit)	\$ 1,004.31	\$ 25,250.21	\$ 18,209.08	\$ 43,217.29	\$ 42,524.21	\$ 42,823.78
FUND BALANCE						
Beginning of Year	\$ -	\$ 85,435.99	\$ 110,686.20	\$ 128,895.28	\$ 172,112.57	\$ 214,636.78
End of Year	\$ 85,435.99	\$ 110,686.20	\$ 128,895.28	\$ 172,112.57	\$ 214,636.78	\$ 257,460.56

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 15's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 12** on page 36 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 84 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 13** on page 37 shows the proposed sphere boundary.

Figure 12: CSA 15's Current Sphere Map

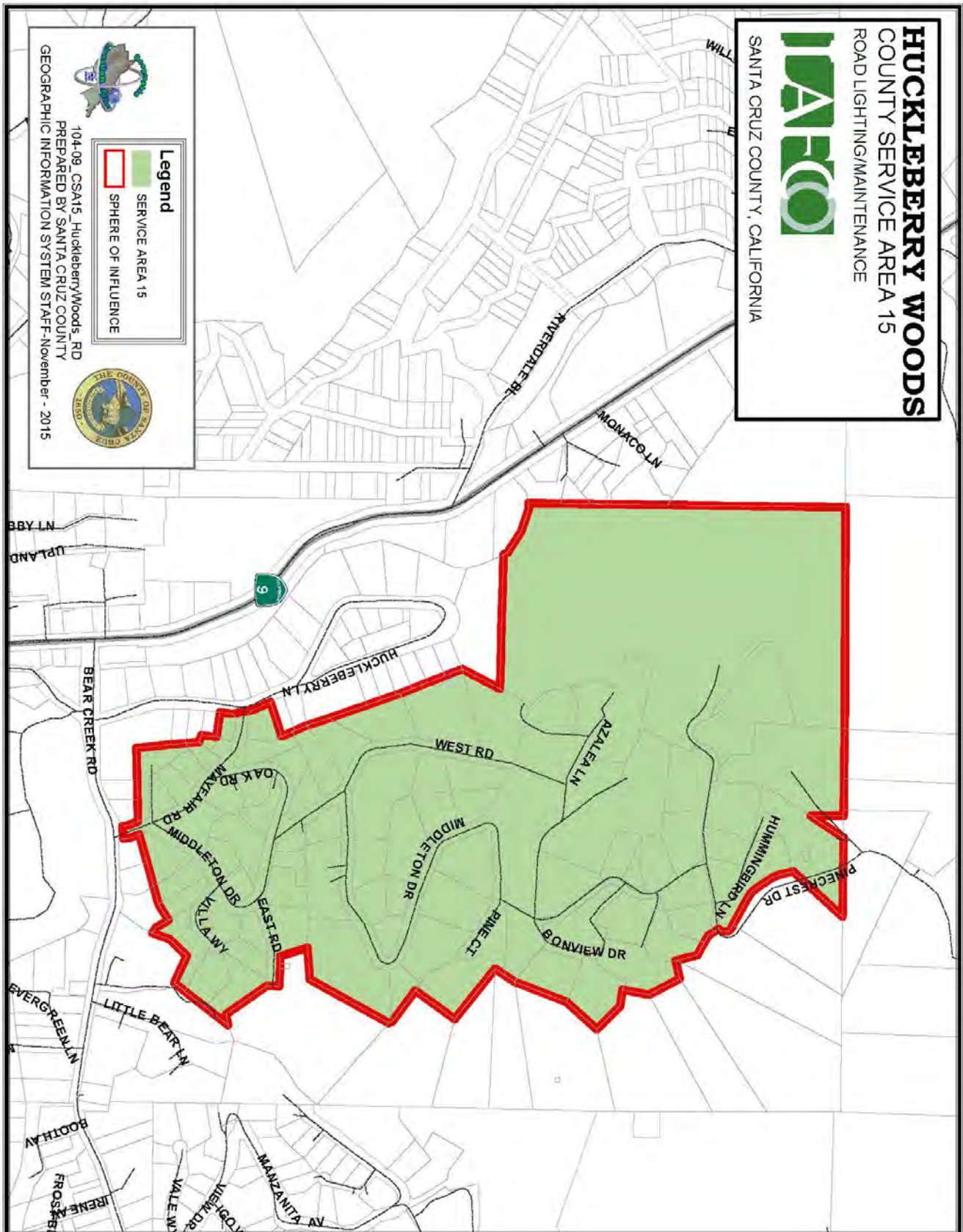
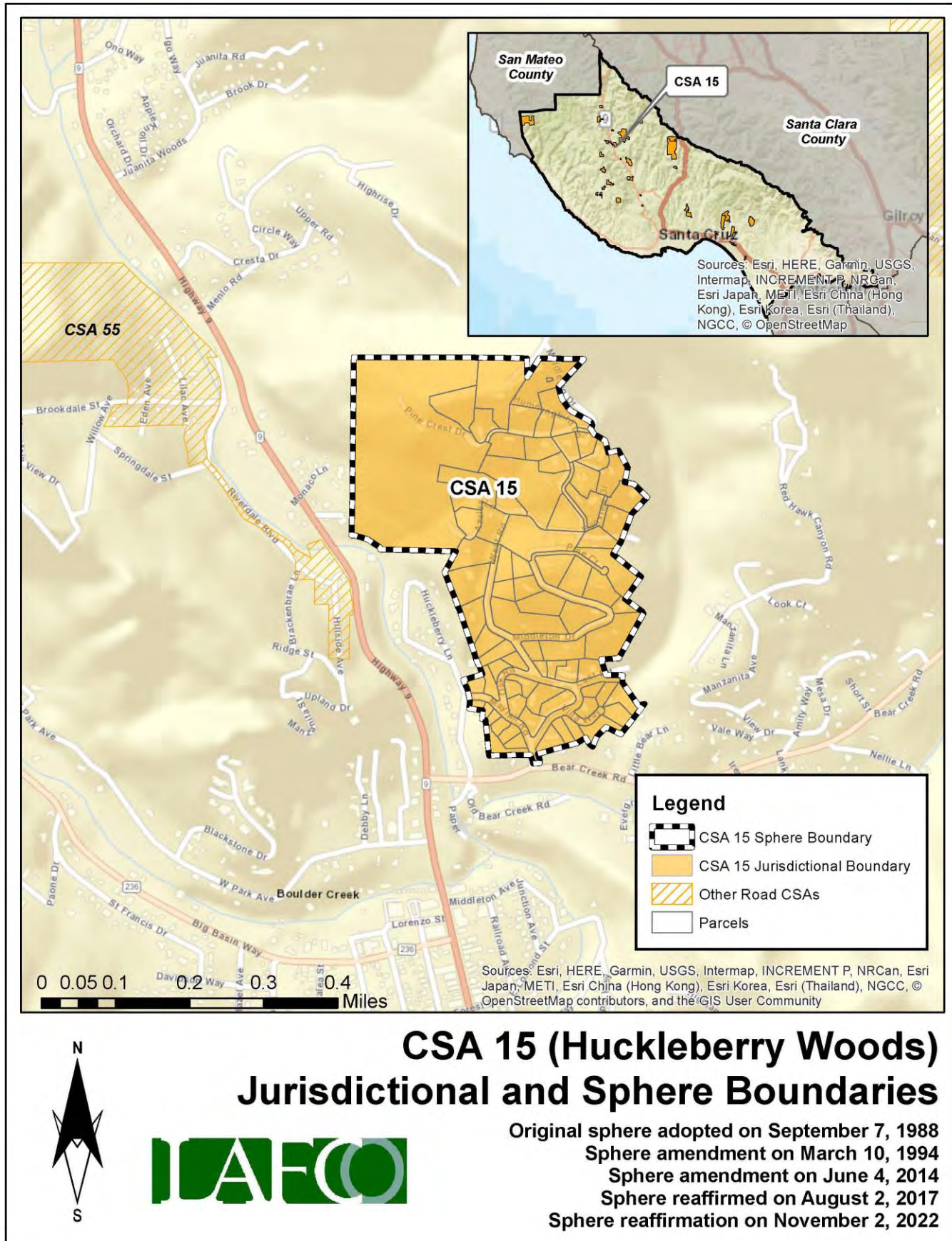


Figure 13: CSA 15's Proposed Sphere Map



District Summary

County Service Area 15	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	Road miles data unavailable
District Area	93 square miles (appx. 59,520 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$44,583</p> <p>Total Expenditure = \$1,759</p> <p>Net Position (Ending Balance) = \$257,461</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 15 in 2020 was estimated to be 73. Based on LAFCO's analysis, the population within the CSA will be approximately 76 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 15 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 15 is financially sound. The CSA ended with a surplus during the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$257,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 15 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 15 has 84 parcels within its jurisdictional boundary and provides extended services to specific road miles within the community. However, the length of road miles was unavailable during LAFCO's analysis.

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

CSA 15 has a population of approximately 73. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 16 (ROBAK DRIVE)

Overview

County Service Area 16 was formed on April 4, 1979 with the purpose of providing extended maintenance to 0.97 road miles. **Appendix 3** provides a copy of the formation resolution. There is a total of 78 parcels within the CSA (totaling approximately 110 acres). **Figure 14**, on page 42, is a vicinity map depicting CSA 16's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Urban Low Residential. **Table 13** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 16 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 16.

Table 13: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 16	\$54.00	\$54.00	\$54.00	\$54.00	\$54.00
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 16 was 2020 is estimated to be 105. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 14** shows the anticipated population within CSA 16. The average rate of change is 0.86%.

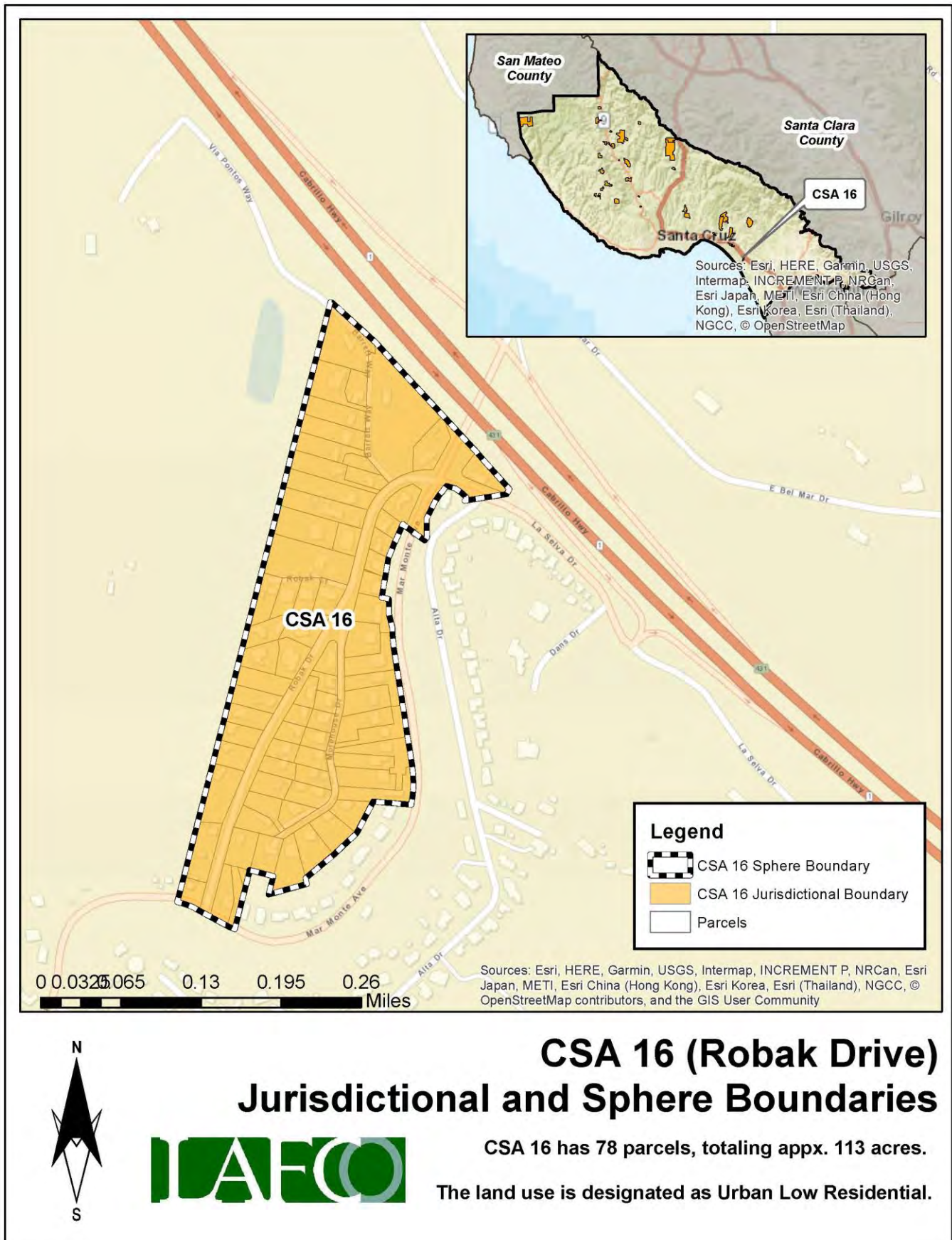
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 16. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 16 will be approximately 109 by 2040.

Table 14: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 16	105	106	107	108	109

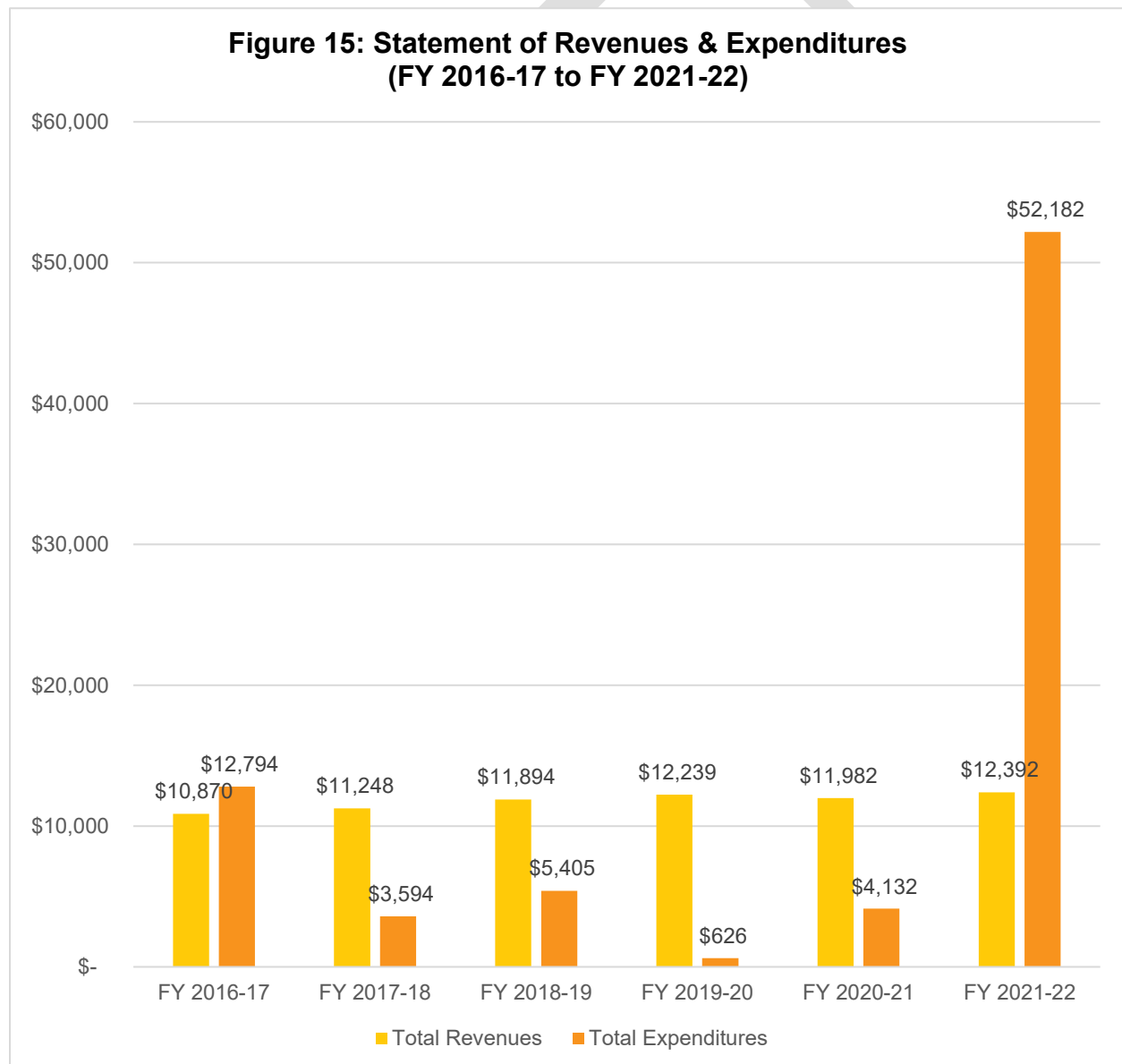
Figure 14: CSA 16's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 16's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 16** on page 45.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$12,000, representing a 3% increase from the previous year (\$11,900 in FY 20-21). Total expenses for FY 2021-22 were approximately \$52,000, which increased by 1,163% from the previous year (\$4,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17 and FY 2021-22, as shown in **Figure 15**. The deficit was due to a scheduled road improvement project that cost approximately \$45,000 million to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$20,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 15** and **Figure 16**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$20,000. Based on this historical trend, LAFCO staff believes the positive balance may continue. This healthy amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 15: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$26,464.78	\$34,119.10	\$40,608.28	\$52,220.53	\$60,070.49
Ending Balance	\$26,465	\$34,119	\$40,608	\$52,221	\$60,070	\$20,280
Change (\$)	-	\$7,654	\$6,489	\$11,612	\$7,850	\$(39,790)

**Figure 16: Net Position from 2016 to 2022
(Ending Balance)**

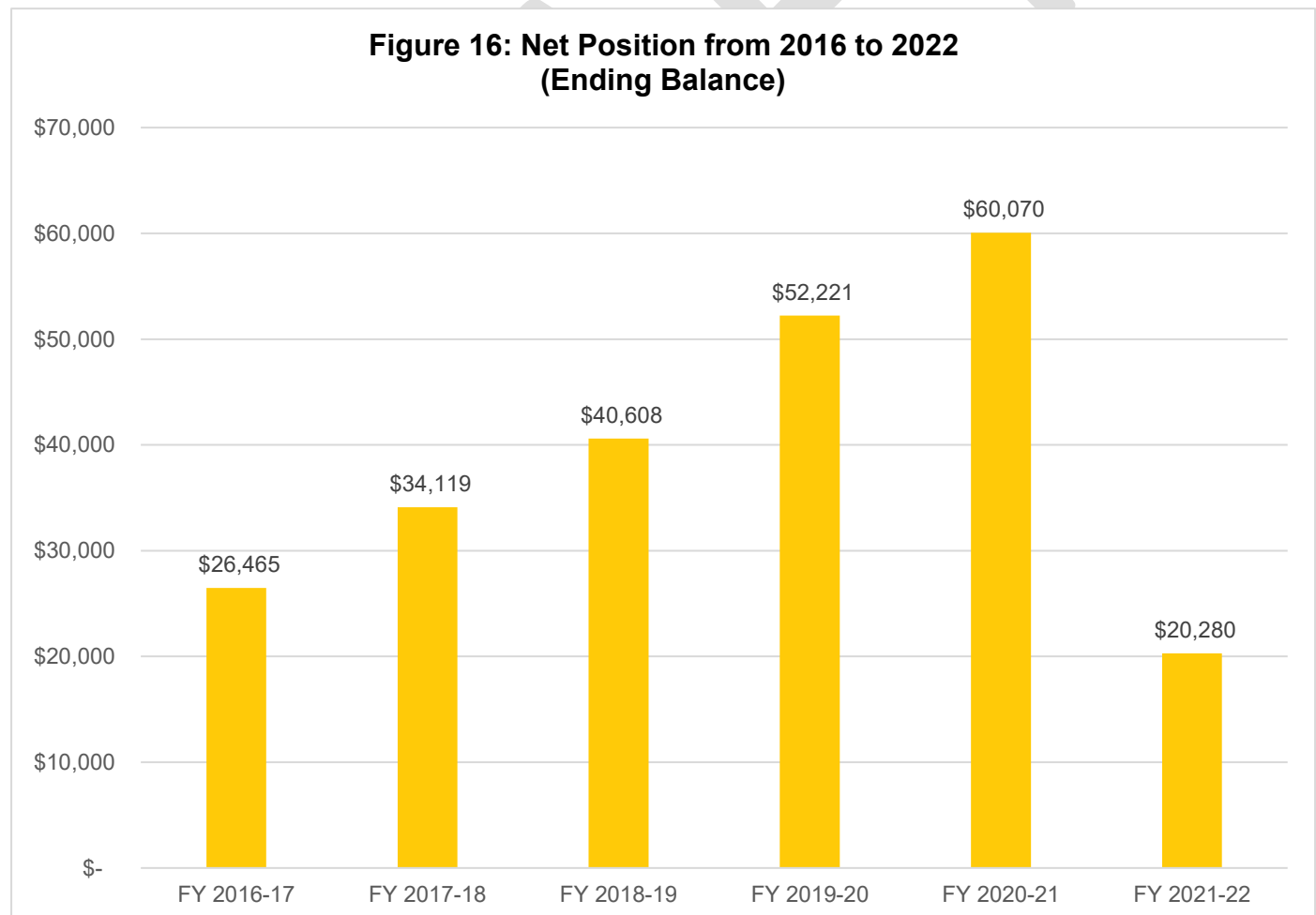


Table 16: Total Revenues & Expenditures

CSA 16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ 6,791.90	\$ 7,032.05	\$ 7,290.35	\$ 7,519.01	\$ 7,768.05	\$ 8,297.26
Interest	\$ 237.38	\$ 377.50	\$ 766.12	\$ 881.84	\$ 377.28	\$ 254.80
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ 45.26	\$ 42.98	\$ 42.00	\$ 42.00	\$ 41.00	\$ 44.00
FED-FEMA	\$ -	\$ -		\$ -	\$ -	\$ -
Other Road & Street Services	\$ 3,795.66	\$ 3,795.66	\$ 3,795.66	\$ 3,795.66	\$ 3,795.66	\$ 3,795.66
Total Revenues	\$ 10,870.20	\$ 11,248.19	\$ 11,894.13	\$ 12,238.51	\$ 11,981.99	\$ 12,391.72
EXPENDITURES						
DPW Services - Robak Drive	\$ 12,655.46	\$ 3,593.87	\$ 3,075.23	\$ 100.22	\$ 3,048.89	\$ 44,703.60
Insurance	\$ -	\$ -	\$ -	\$ -		\$ 1,662.00
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,511.36	\$ 326.55	\$ 499.02	\$ 100.22
Dept Overhead Costs	\$ -	\$ -	\$ 568.36	\$ 74.49	\$ 459.12	\$ 5,590.90
Total Expenditures	\$ 12,794.21	\$ 3,593.87	\$ 5,404.95	\$ 626.26	\$ 4,132.03	\$ 52,181.72
Surplus/(Deficit)	\$ (1,924.01)	\$ 7,654.32	\$ 6,489.18	\$ 11,612.25	\$ 7,849.96	\$ (39,790.00)
FUND BALANCE						
Beginning of Year	\$ -	\$ 26,464.78	\$ 34,119.10	\$ 40,608.28	\$ 52,220.53	\$ 60,070.49
End of Year	\$ 26,464.78	\$ 34,119.10	\$ 40,608.28	\$ 52,220.53	\$ 60,070.49	\$ 20,280.49

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 16's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 17** on page 46 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 78 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 18** on page 47 shows the proposed sphere boundary.

Figure 17: CSA 16's Current Sphere Map

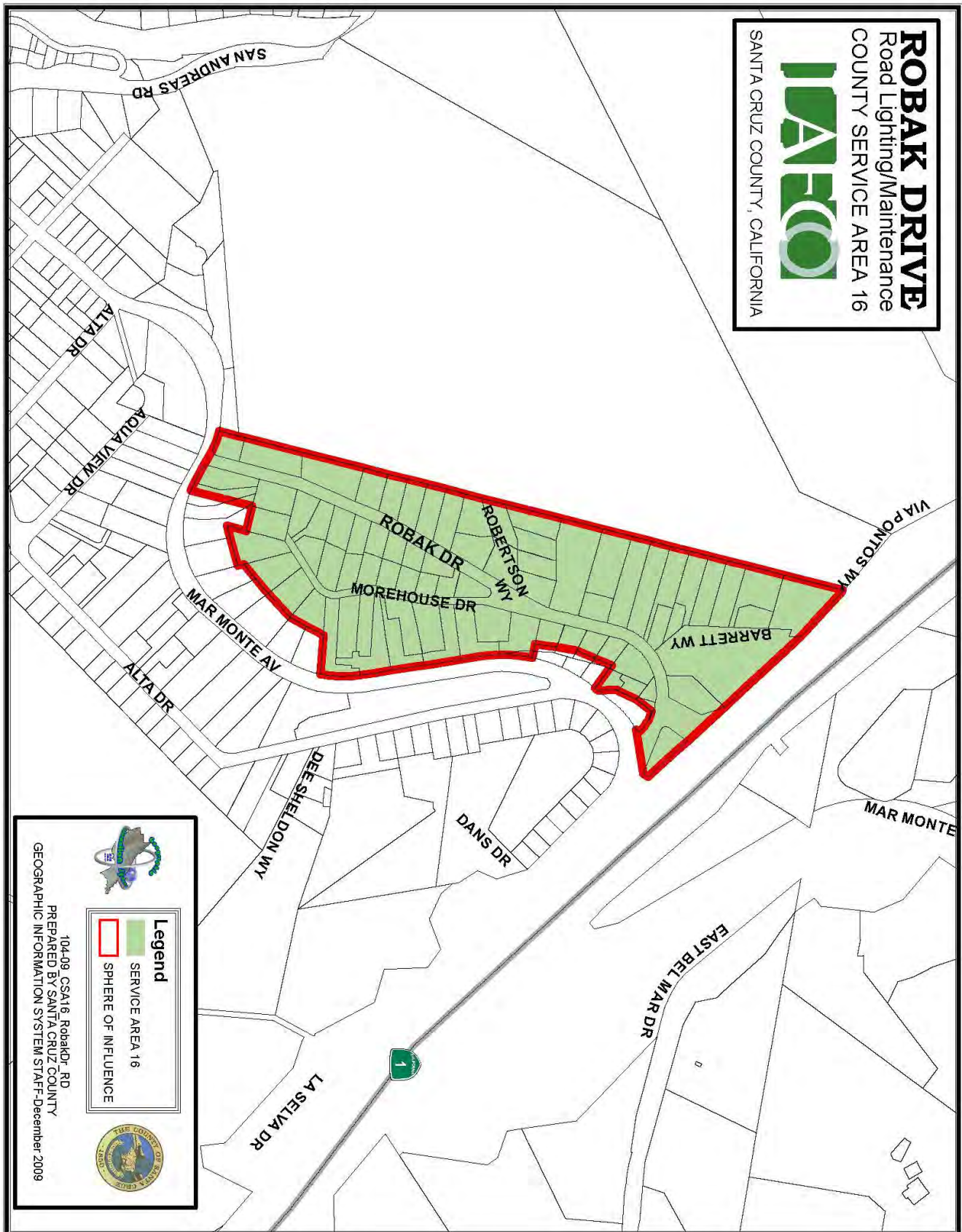
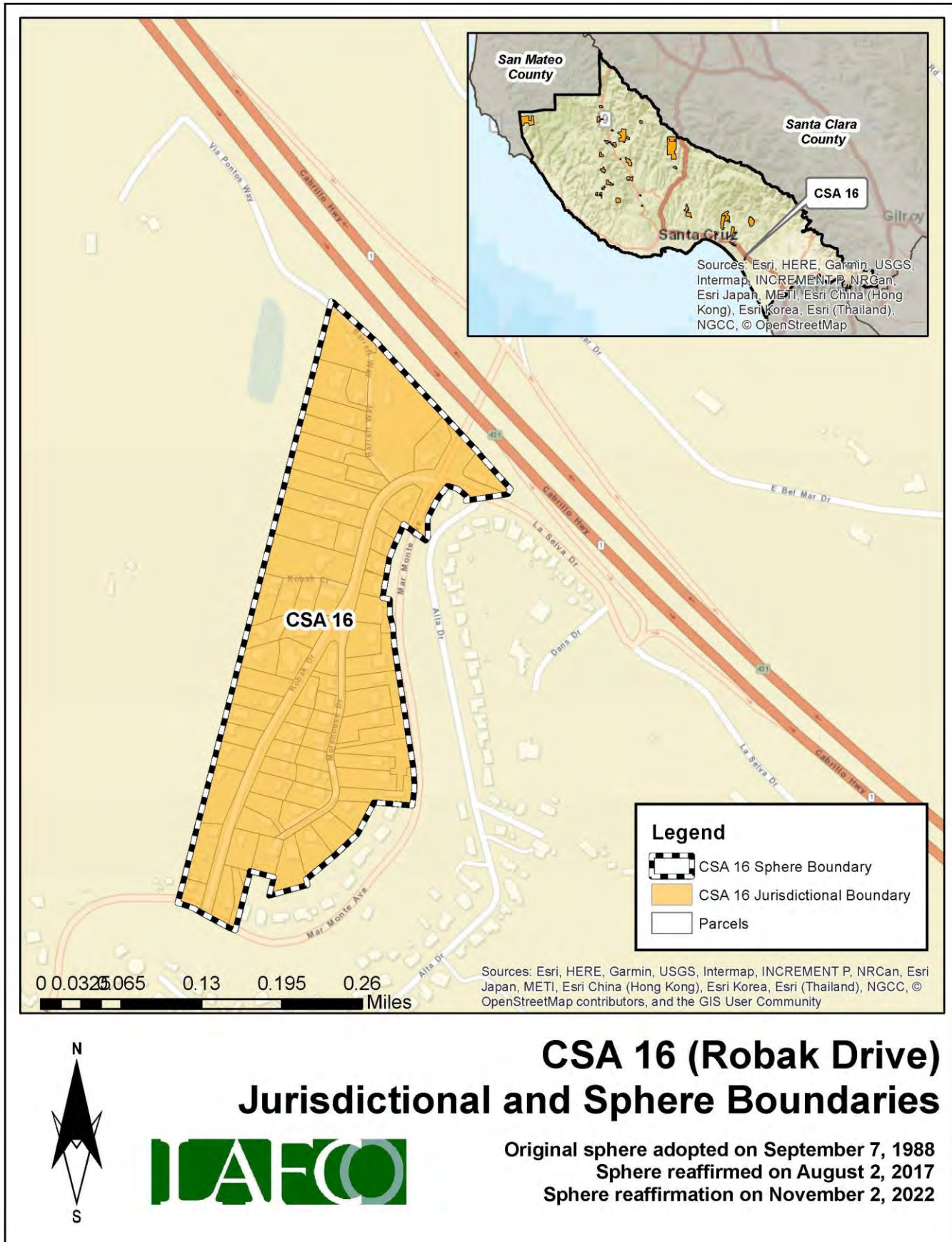


Figure 18: CSA 16's Proposed Sphere Map



District Summary

County Service Area 16	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.97 road miles
District Area	0.18 square miles (appx. 113 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$12,392</p> <p>Total Expenditure = \$52,182</p> <p>Net Position (Ending Balance) = \$20,280</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 16 in 2020 was estimated to be 105. Based on LAFCO's analysis, the population within the CSA will be approximately 109 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 16 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 16 is financially sound. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$20,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 16 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 16 has 78 parcels within its jurisdictional boundary and provides extended services to approximately 0.97 miles of road for the residents.

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

CSA 16 has a population of approximately 105. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 17 (EMPIRE ACRES)

Overview

County Service Area 17 was formed on April 4, 1979 with the purpose of providing extended maintenance to 1.5 road miles. **Appendix 4** provides a copy of the formation resolution. There is a total of 67 parcels within the CSA (totaling approximately 210 acres). **Figure 19**, on page 52, is a vicinity map depicting CSA 17's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural Residential. **Table 17** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 17 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 17.

Table 17: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 17	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 17 was 2020 is estimated to be 19. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 18** shows the anticipated population within CSA 17. The average rate of change is 0.86%.

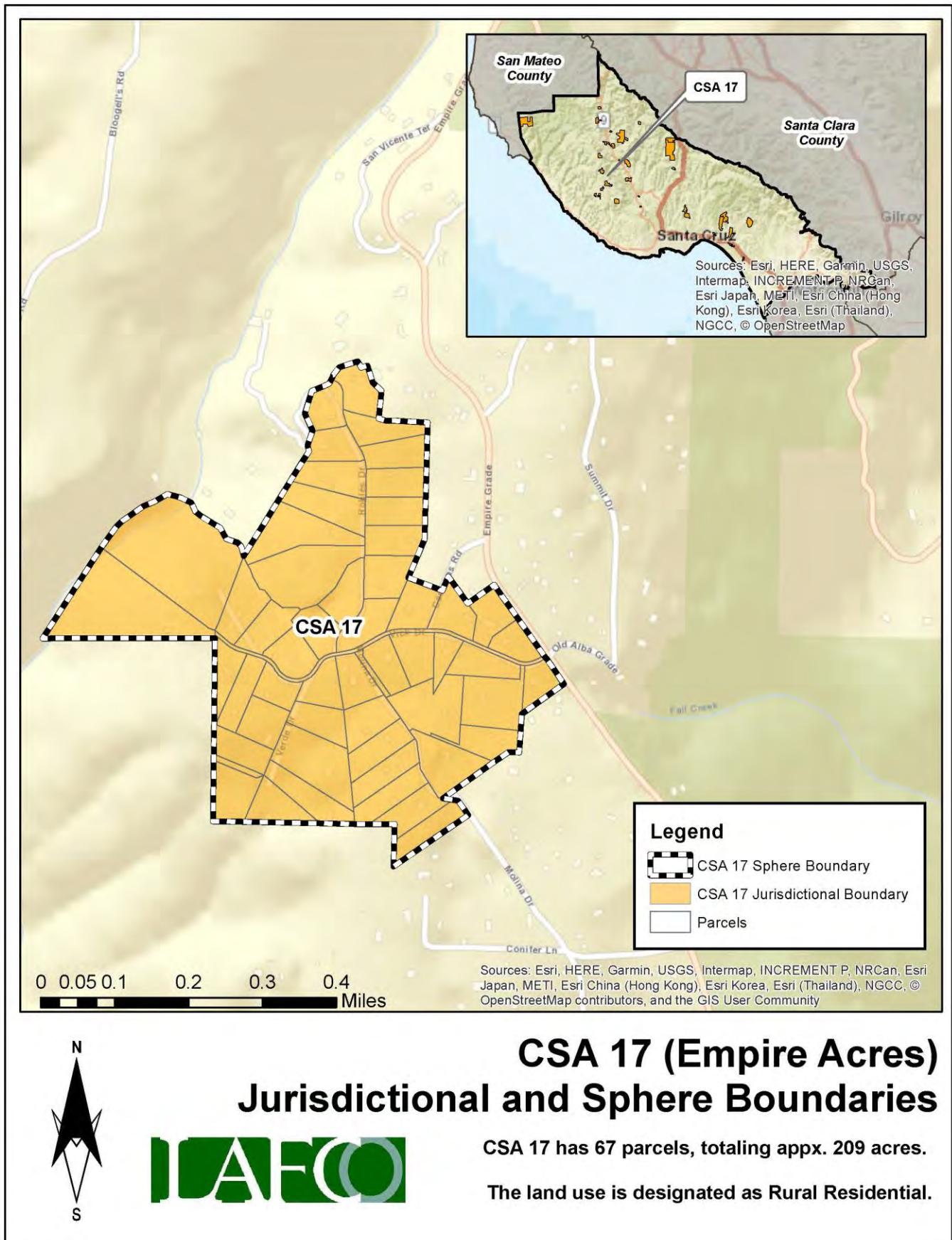
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 17. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 17 will be approximately 20 by 2040.

Table 18: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 17	19	19	19	19	20

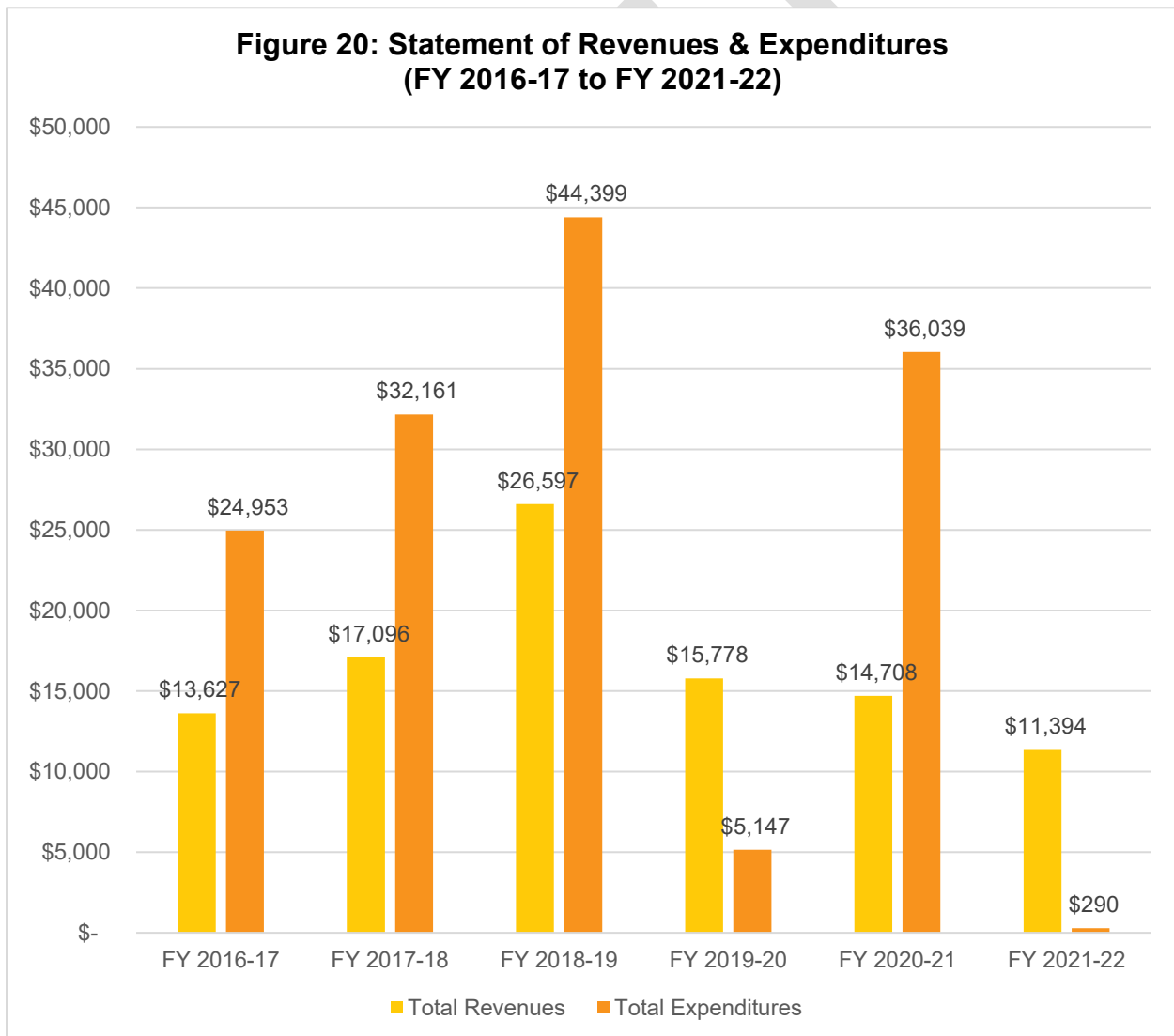
Figure 19: CSA 17's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 17's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 20** on page 55.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$11,000, representing a 23% decrease from the previous year (\$15,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$290, which decreased by 99% from the previous year (\$36,000 in FY 20-21). Since 2016, the CSA ended in a deficit in four of the last six fiscal years, as shown in **Figure 20**. LAFCO staff believes that the overall negative trend may continue unless the County collects the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$114,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 19** and **Figure 21**, the CSA's fund balance has decreased over the years but has maintained an annual balance above \$100,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 19: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$146,822.62	\$131,757.53	\$113,955.59	\$124,587.39	\$103,257.01
Ending Balance	\$146,823	\$131,758	\$113,956	\$124,587	\$103,257	\$114,362
Change (\$)	-	\$(15,065)	\$(17,802)	\$10,632	\$(21,330)	\$11,105

**Figure 21: Net Position from 2016 to 2022
(Ending Balance)**

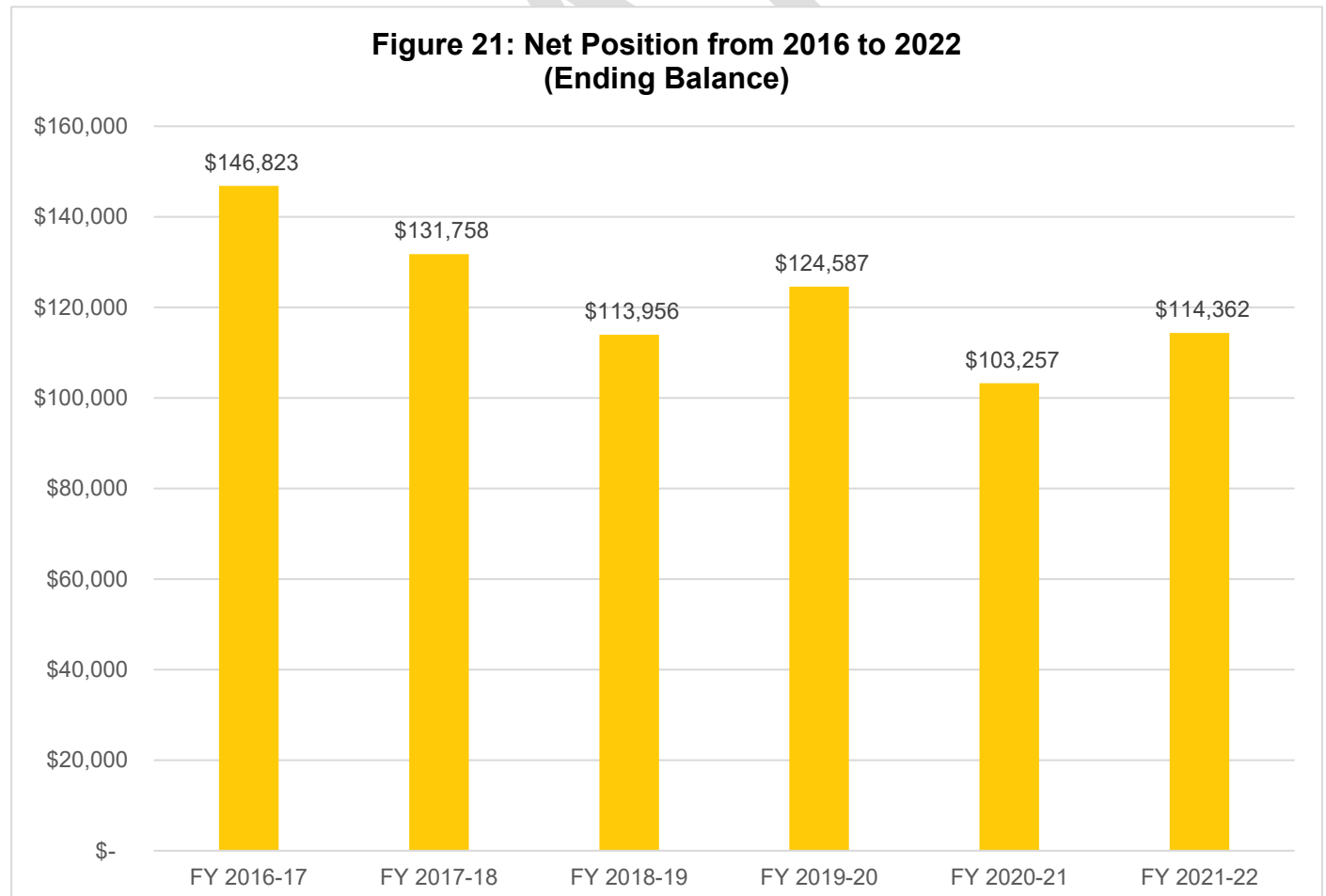


Table 20: Total Revenues & Expenditures

CSA 17	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ 5,917.60	\$ 6,112.76	\$ 7,018.19	\$ 7,111.92	\$ 7,509.07	\$ 4,551.24
Interest	\$ 1,360.77	\$ 1,644.48	\$ 2,354.00	\$ 2,317.26	\$ 850.05	\$ 495.71
St-Natural Disaster Assistance	\$ -	\$ 2,991.00	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ 38.28	\$ 36.06	\$ 39.00	\$ 38.00	\$ 38.00	\$ 36.00
FED-FEMA	\$ -	\$ -	\$ 10,875.00	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 6,310.74	\$ 6,311.24	\$ 6,311.24	\$ 6,311.24	\$ 6,311.24	\$ 6,311.24
Total Revenues	\$ 13,627	\$ 17,096	\$ 26,597	\$ 15,778	\$ 14,708	\$ 11,394
EXPENDITURES						
DPW Services - Empire Acres	\$ 24,814.41	\$ 32,160.63	\$ 38,326.72	\$ 4,211.64	\$ 31,170.66	\$ 133.54
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,073.29	\$ 224.53	\$ 738.77	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 4,749.36	\$ 585.45	\$ 4,004.31	\$ 31.02
Total Expenditures	\$ 24,953	\$ 32,161	\$ 44,399	\$ 5,147	\$ 36,039	\$ 290
Surplus/(Deficit)	<u>\$ (11,325.77)</u>	<u>\$ (15,065.09)</u>	<u>\$ (17,801.94)</u>	<u>\$ 10,631.80</u>	<u>\$ (21,330.38)</u>	<u>\$ 11,104.63</u>
FUND BALANCE						
Beginning of Year	\$ -	\$ 146,822.62	\$ 131,757.53	\$ 113,955.59	\$ 124,587.39	\$ 103,257.01
End of Year	\$ 146,823	\$ 131,758	\$ 113,956	\$ 124,587	\$ 103,257	\$ 114,362

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 17's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 22** on page 56 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 67 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 23** on page 57 shows the proposed sphere boundary.

Figure 22: CSA 17's Current Sphere Map

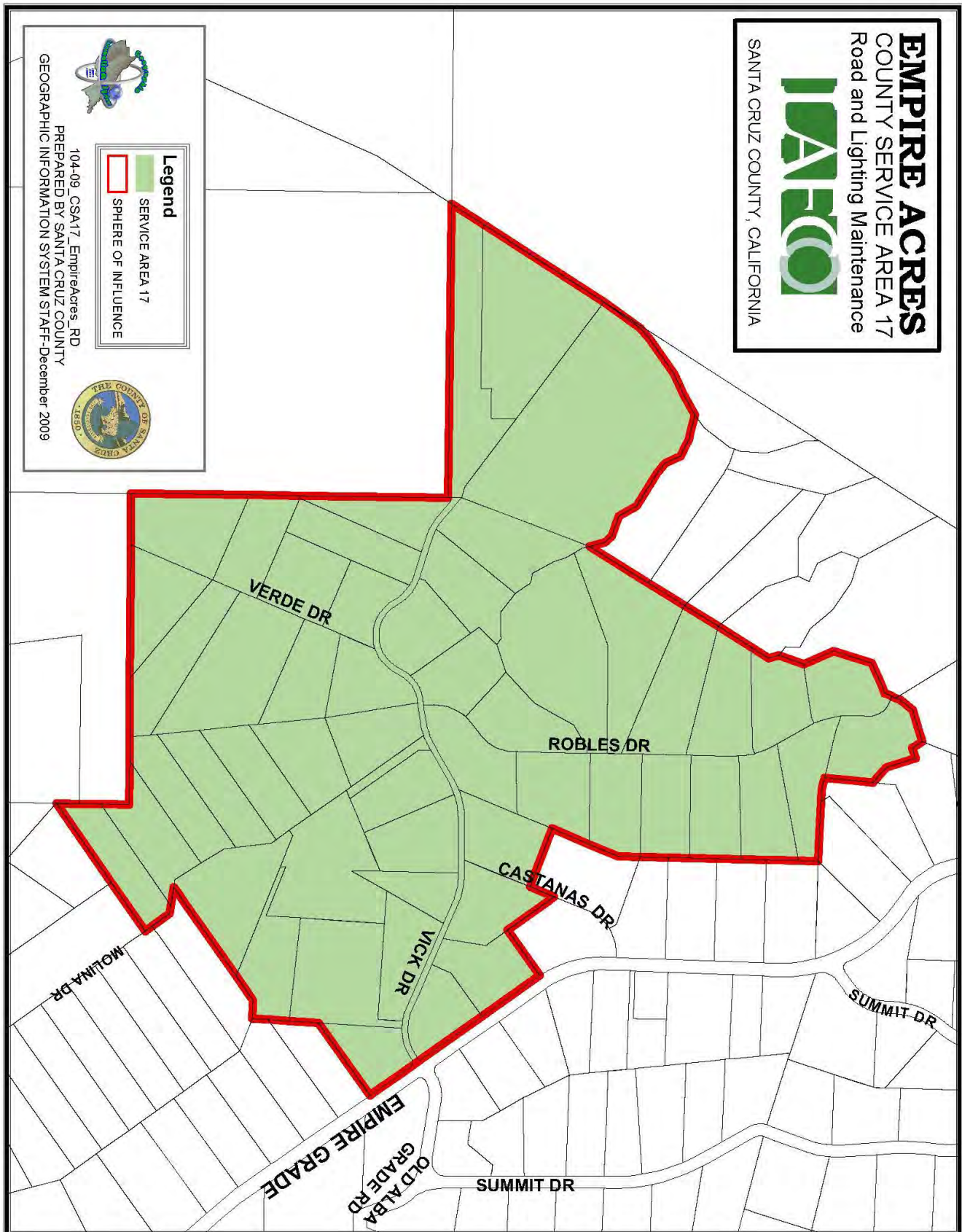
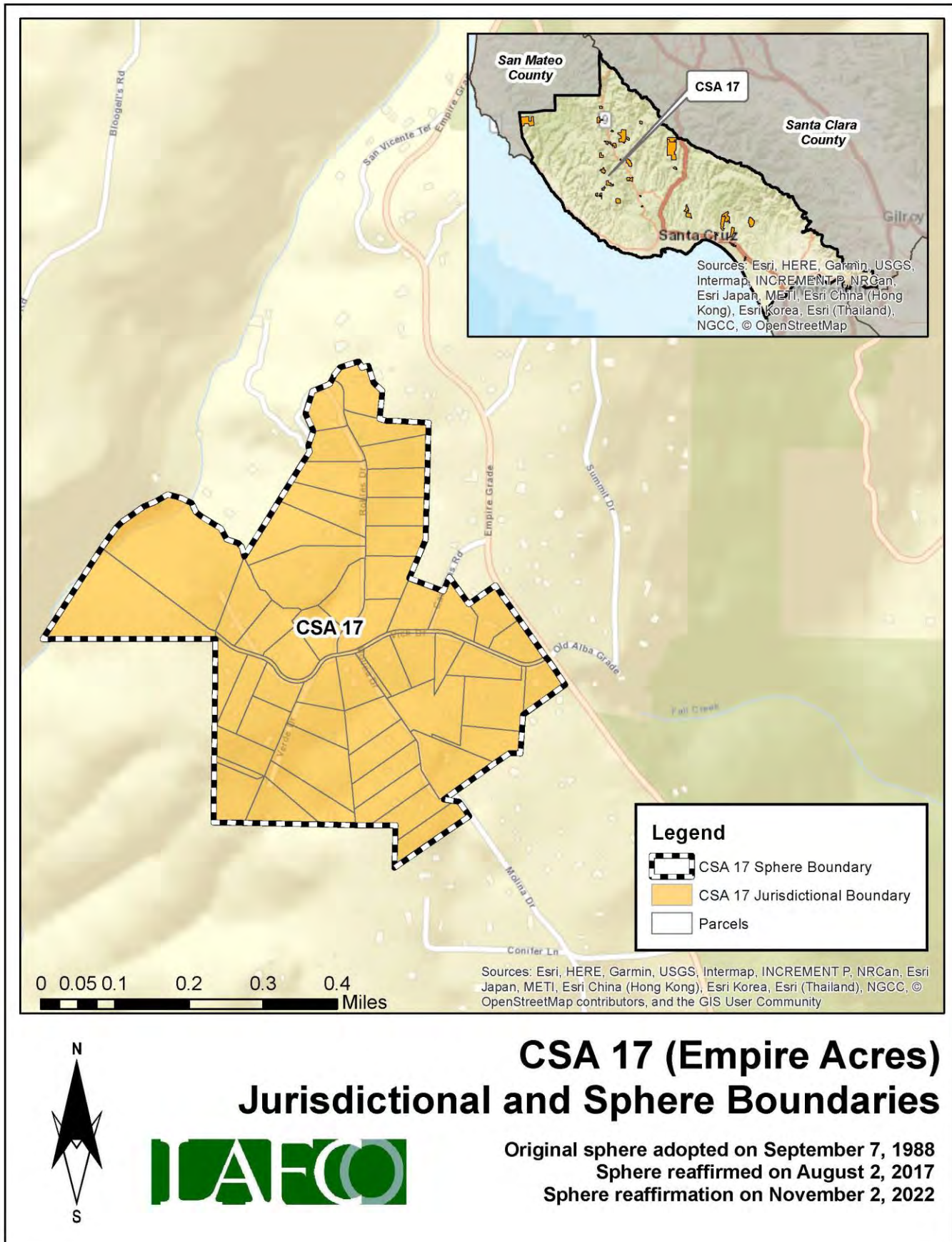


Figure 23: CSA 17's Proposed Sphere Map



District Summary

County Service Area 17	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.52 road miles
District Area	0.33 square miles (appx. 209 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$11,394</p> <p>Total Expenditure = \$290</p> <p>Net Position (Ending Balance) = \$114,362</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 17 in 2020 was estimated to be 19. Based on LAFCO's analysis, the population within the CSA will be approximately 20 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 17 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 17 is financially distressed. The CSA ended with a deficit in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$114,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 17 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 17 has 67 parcels within its jurisdictional boundary and provides extended services to approximately 1.52 miles of road for the residents.

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

CSA 17 has a population of approximately 19. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 18 (WHITEHOUSE CANYON)

Overview

County Service Area 18 was formed on April 4, 1979 with the purpose of providing extended maintenance to 3.67 road miles. **Appendix 5** provides a copy of the formation resolution. There is a total of 54 parcels within the CSA (totaling approximately 2,000 acres). **Figure 24**, on page 62, is a vicinity map depicting CSA 18's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 21** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 18 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 18.

Table 21: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 18	\$50.00	\$125.00	\$250.00	\$50.00	\$100.00
Change (%)		150%	100%	-80%	100%

Population and Growth

Based on staff's analysis, the population of CSA 18 was 2020 is estimated to be 8. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 22** shows the anticipated population within CSA 18. The average rate of change is 0.86%.

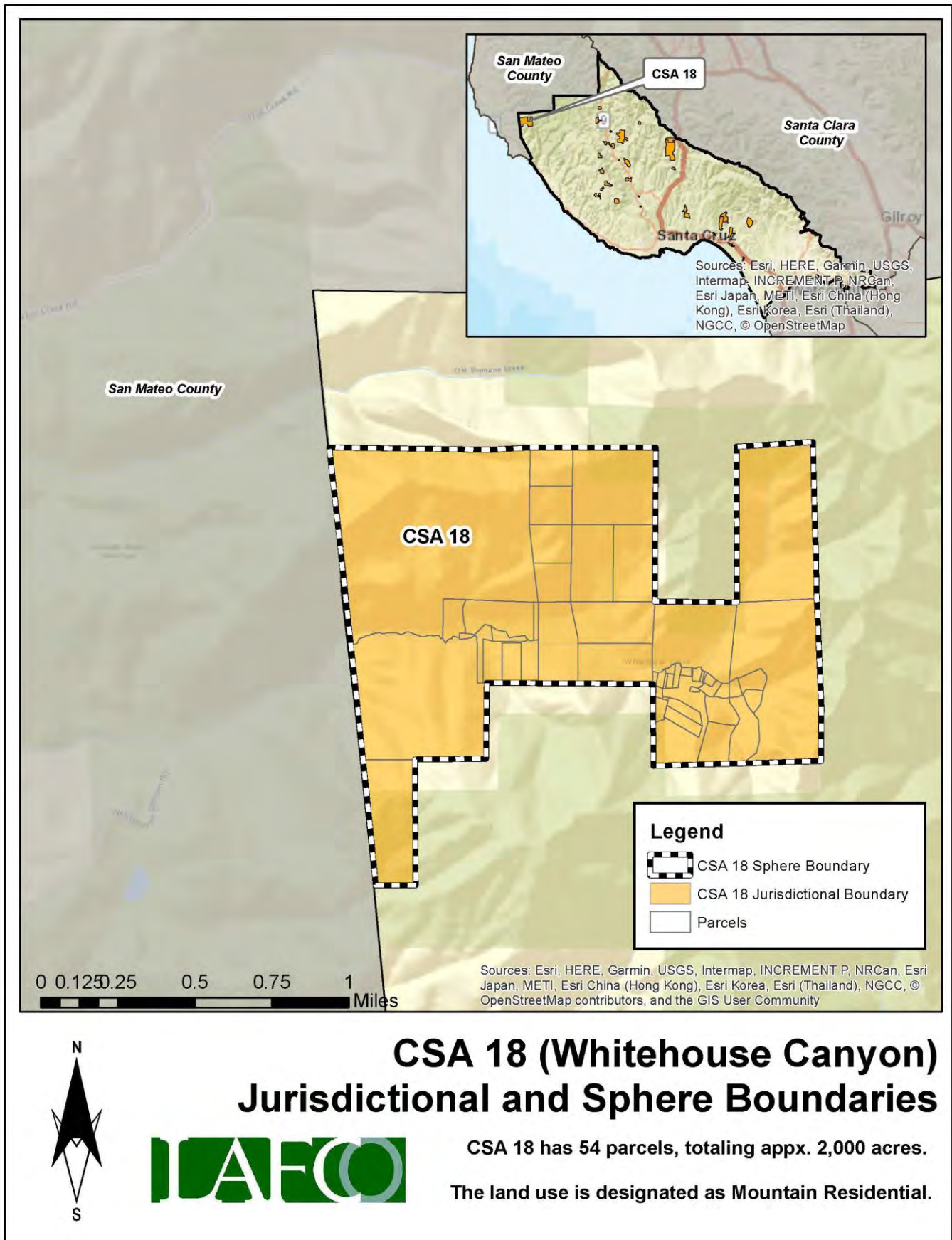
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 18. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 18 will be approximately 8 by 2040.

Table 22: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 18	8	8	8	8	8

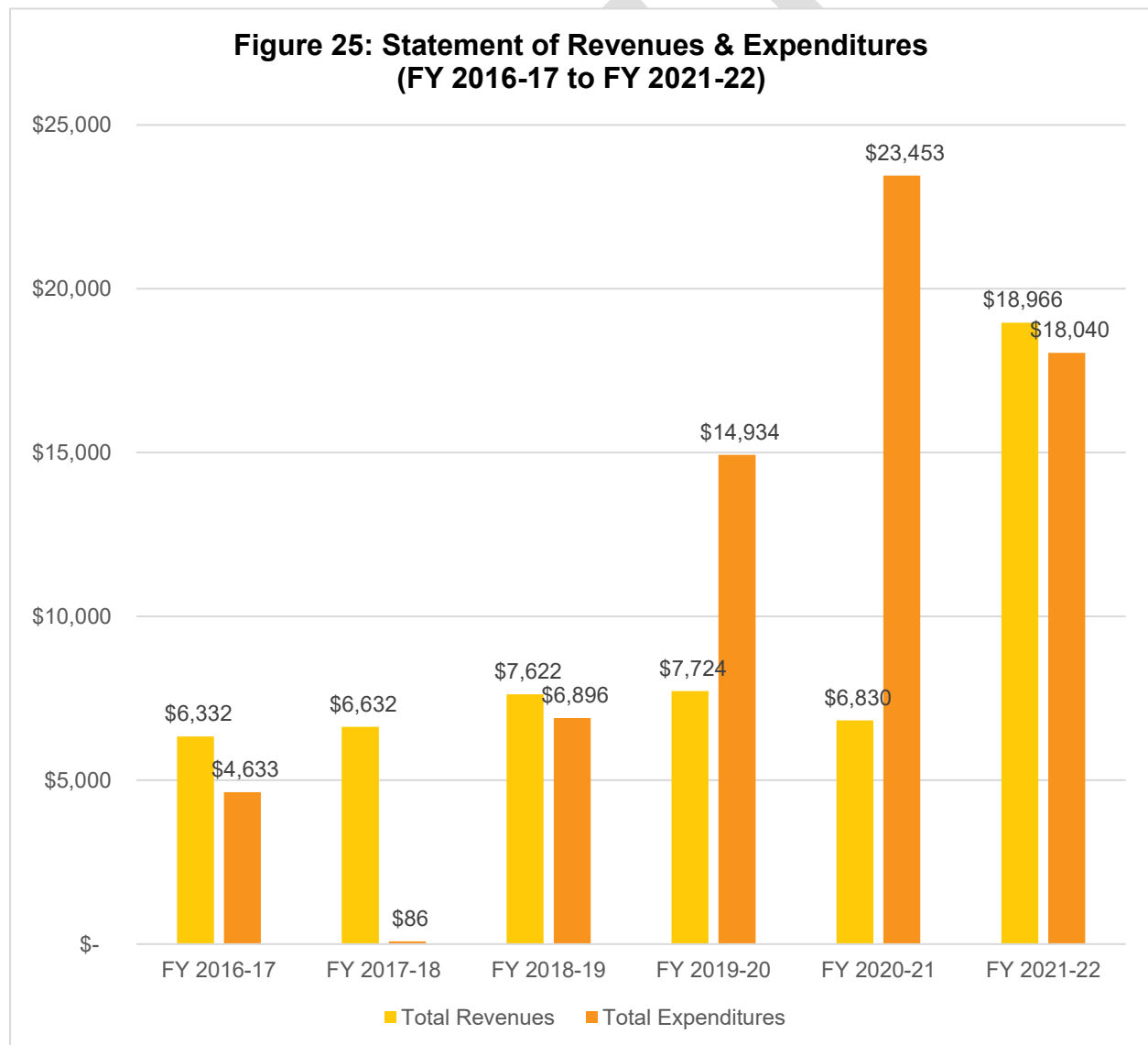
Figure 24: CSA 18's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 18's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 24** on page 65.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$19,000, representing a 178% increase from the previous year (\$7,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$18,000, which decreased by 23% from the previous year (\$23,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2019-20 and FY 2020-21, as shown in **Figure 25**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$51,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 23** and **Figure 26**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$49,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 23: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$66,307.14	\$72,853.65	\$73,579.78	\$66,369.57	\$49,746.21
Ending Balance	\$66,307	\$72,854	\$73,580	\$66,370	\$49,746	\$50,672
Change (\$)	-	\$6,547	\$726	\$(7,210)	\$(16,623)	\$926

**Figure 26: Net Position from 2016 to 2022
(Ending Balance)**

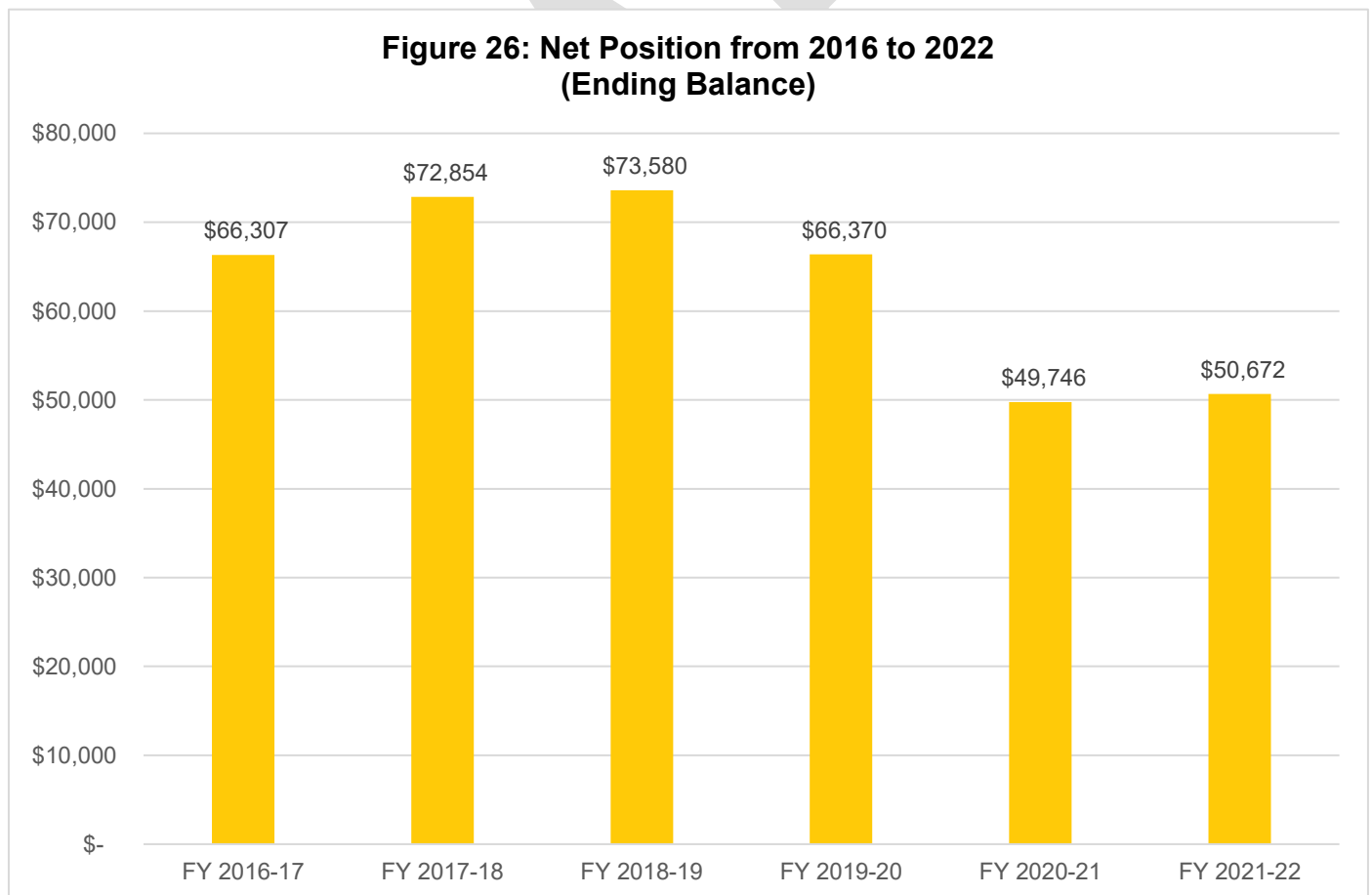


Table 24: Total Revenues & Expenditures

CSA 18	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ 3,706.78	\$ 3,795.60	\$ 4,184.54	\$ 4,234.28	\$ 4,428.90	\$ 2,606.86
Interest	\$ 571.03	\$ 833.65	\$ 1,434.55	\$ 1,487.29	\$ 416.44	\$ 275.51
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,420.00
St-Homeowners' Prop Tax Relief	\$ 24.78	\$ 22.80	\$ 23.00	\$ 22.00	\$ 22.00	\$ 22.00
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,681.56
Other Road & Street Services	\$ 2,029.50	\$ 1,980.00	\$ 1,980.00	\$ 1,980.00	\$ 1,962.55	\$ 3,960.00
Total Revenues	\$ 6,332.09	\$ 6,632.05	\$ 7,622.09	\$ 7,723.57	\$ 6,829.89	\$ 18,965.93
EXPENDITURES						
DPW Services - Whitehouse Canyon	\$ 4,494.26	\$ 85.54	\$ 245.38	\$ 12,688.12	\$ 17,920.05	\$ 15,849.66
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 5,667.93	\$ 344.39	\$ 2,856.85	\$ 148.26
Dept Overhead Costs	\$ -	\$ -	\$ 732.65	\$ 1,776.27	\$ 2,551.35	\$ 1,916.96
Total Expenditures	\$ 4,633.01	\$ 85.54	\$ 6,895.96	\$ 14,933.78	\$ 23,453.25	\$ 18,039.88
Surplus/(Deficit)	\$ 1,699.08	\$ 6,546.51	\$ 726.13	\$ (7,210.21)	\$ (16,623.36)	\$ 926.05
FUND BALANCE						
Beginning of Year	\$ -	\$ 66,307.14	\$ 72,853.65	\$ 73,579.78	\$ 66,369.57	\$ 49,746.21
End of Year	\$ 66,307.14	\$ 72,853.65	\$ 73,579.78	\$ 66,369.57	\$ 49,746.21	\$ 50,672.26

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 17's first sphere of influence on October 5, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 27** on page 66 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 54 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 28** on page 67 shows the proposed sphere boundary.

Figure 27: CSA 18's Current Sphere Map

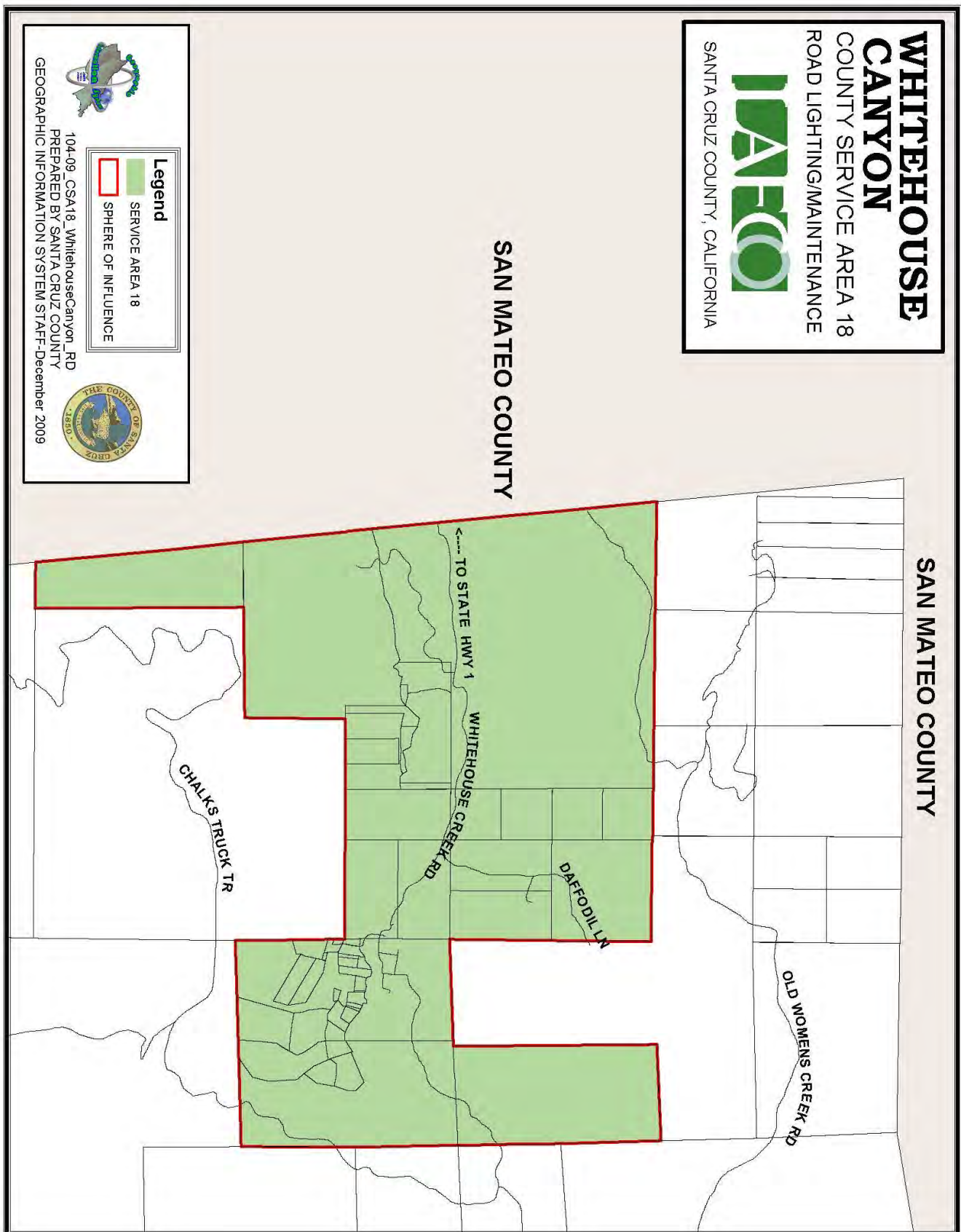
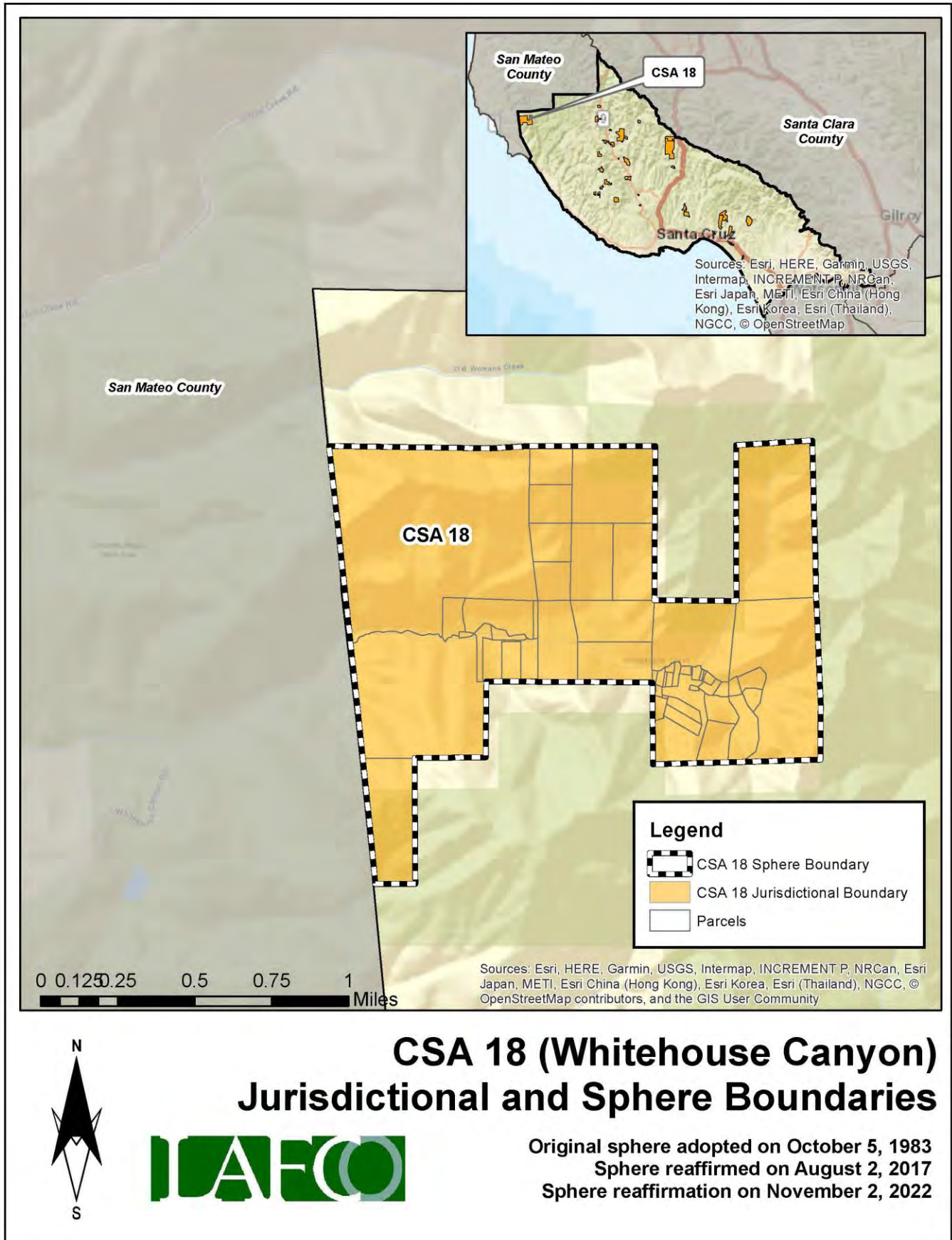


Figure 28: CSA 18's Proposed Sphere Map



District Summary

County Service Area 18	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	3.67 road miles
District Area	3.17 square miles (appx. 2,029 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$18,966</p> <p>Total Expenditure = \$18,040</p> <p>Net Position (Ending Balance) = \$50,672</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 18 in 2020 was estimated to be 8. Based on LAFCO's analysis, the population within the CSA will be approximately 8 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 18 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 18 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$51,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 18 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 18 has 54 parcels within its jurisdictional boundary and provides extended services to approximately 3.67 miles of road for the residents.

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

CSA 18 has a population of approximately 8. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 21 (WESTDALE)

Overview

County Service Area 21 was formed on May 7, 1980 with the purpose of providing extended maintenance to 0.88 road miles. **Appendix 6** provides a copy of the formation resolution. There is a total of 39 parcels within the CSA (totaling approximately 50 acres). **Figure 29**, on page 72, is a vicinity map depicting CSA 21's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural Residential. **Table 25** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 21 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 21.

Table 25: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 21	\$103.00	\$105.98	\$110.10	\$113.72	\$115.64
Change (%)		3%	4%	3%	2%

Population and Growth

Based on staff's analysis, the population of CSA 21 was 2020 is estimated to be 69. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 26** shows the anticipated population within CSA 21. The average rate of change is 0.86%.

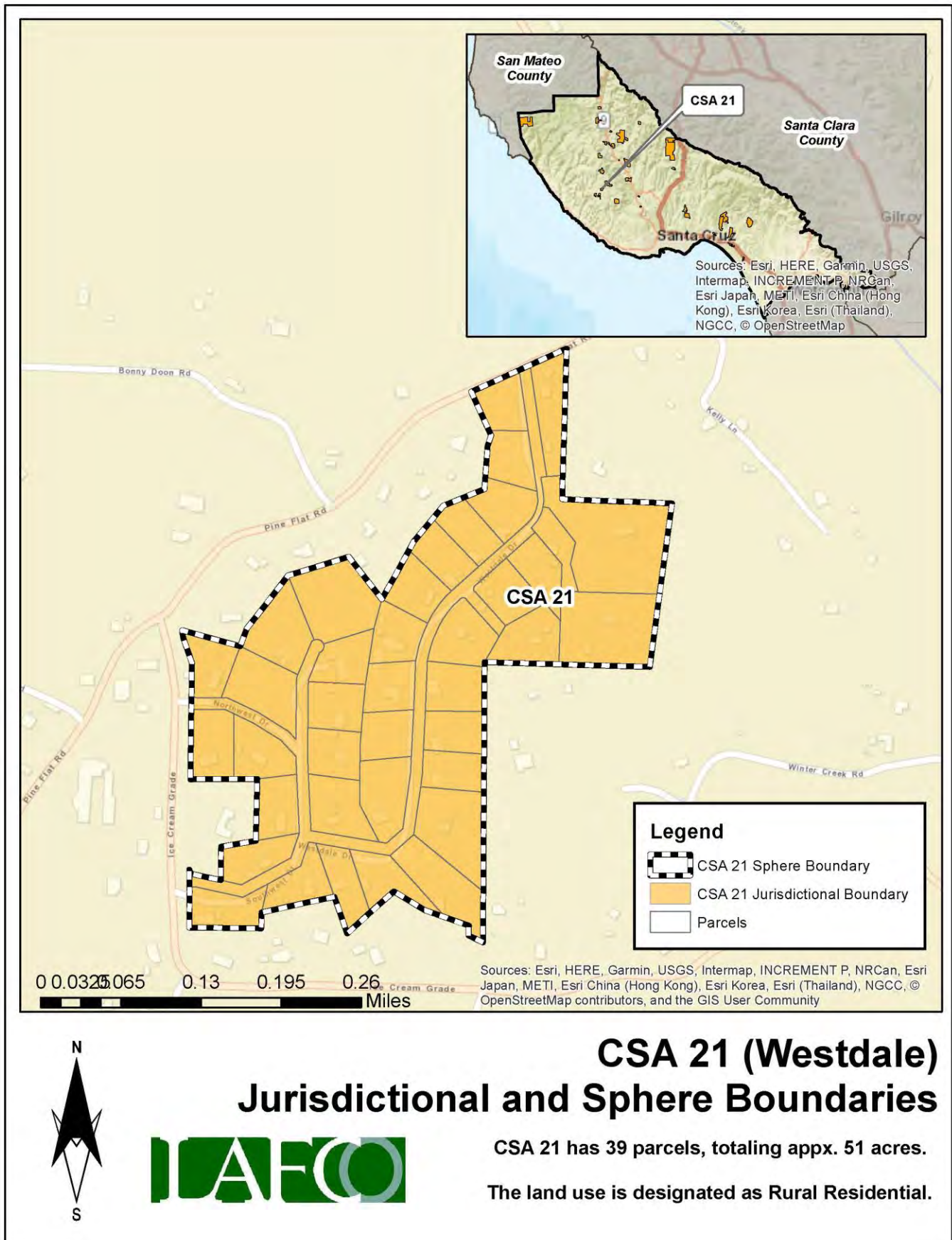
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 21. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 21 will be approximately 71 by 2040.

Table 26: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 21	69	70	70	71	71

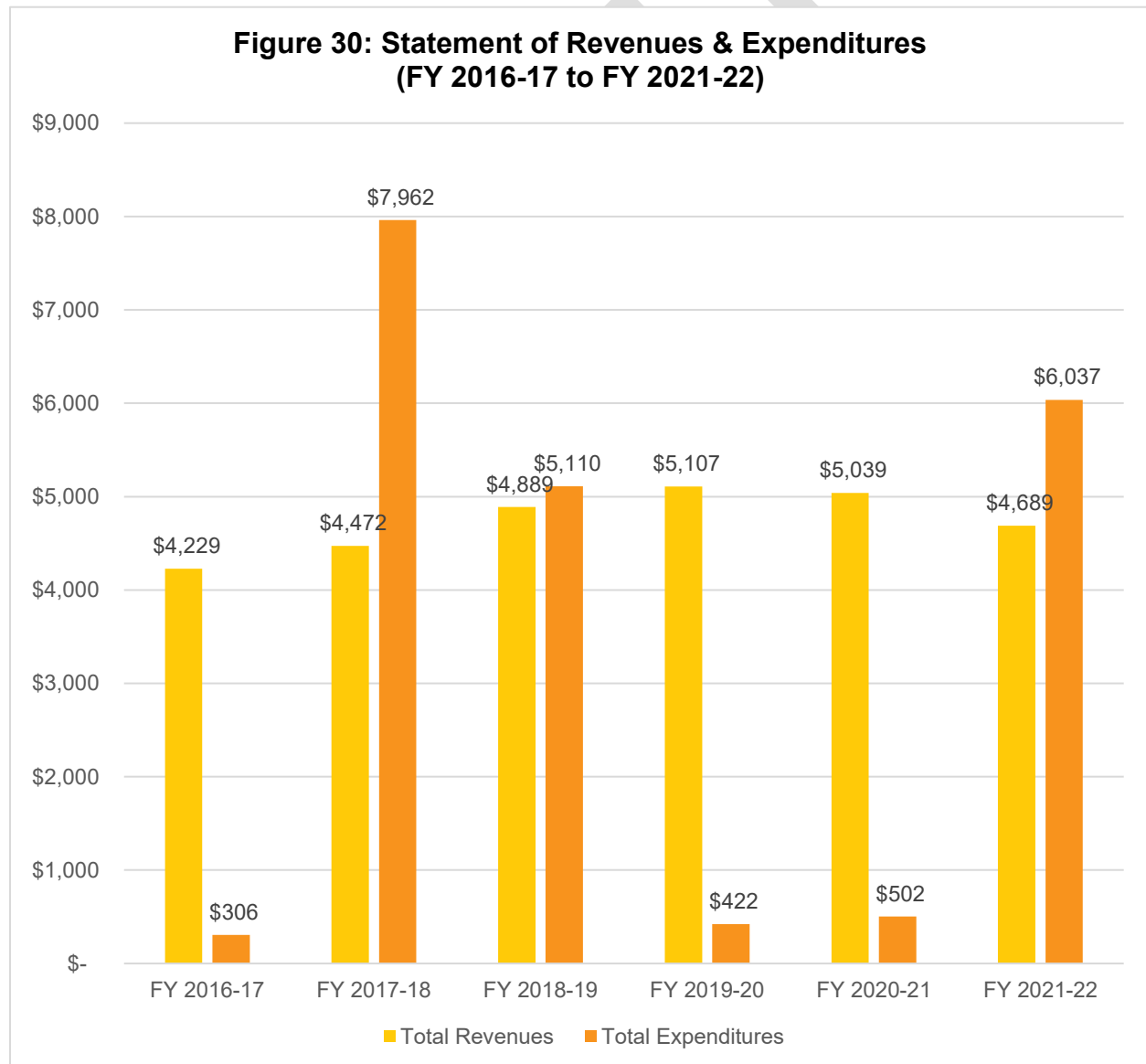
Figure 29: CSA 21's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 21's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 28** on page 75.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$4,700, representing a 7% decrease from the previous year (\$5,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$6,000, which increased by 1,102% from the previous year (\$502 in FY 20-21). Since 2016, the CSA ended in a deficit in three of the last six fiscal years, as shown in **Figure 30**. LAFCO staff believes that the overall negative trend may continue unless the County collects the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$50,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 27** and **Figure 31**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$41,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 27: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$45,396.00	\$41,906.61	\$41,685.03	\$46,369.76	\$50,905.93
Ending Balance	\$45,396	\$41,907	\$41,685	\$46,370	\$50,906	\$49,558
Change (\$)	-	\$(3,489)	\$(222)	\$4,685	\$4,536	\$(1,348)

**Figure 31: Net Position from 2016 to 2022
(Ending Balance)**

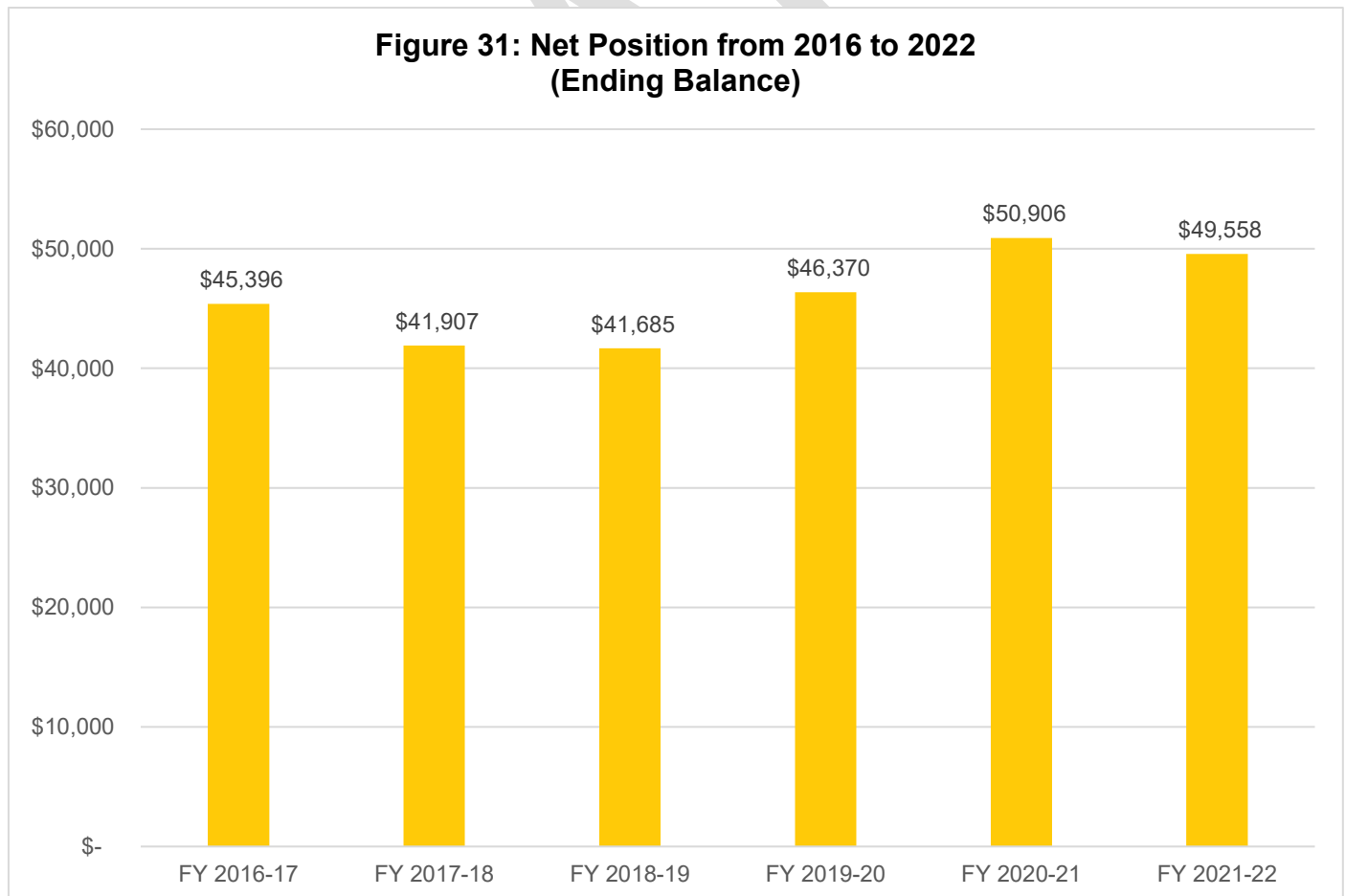


Table 28: Total Revenues & Expenditures

CSA 21	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 368.35	\$ 495.47	\$ 796.90	\$ 856.17	\$ 323.91	\$ 224.35
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 3,861.00	\$ 3,976.82	\$ 4,091.88	\$ 4,250.96	\$ 4,714.63	\$ 4,464.86
Total Revenues	\$ 4,229.35	\$ 4,472.29	\$ 4,888.78	\$ 5,107.13	\$ 5,038.54	\$ 4,689.21
EXPENDITURES						
DPW Services - Westdale	\$ 167.53	\$ 7,961.68	\$ 3,955.05	\$ 55.06	\$ 252.38	\$ 5,265.13
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 363.67	\$ 192.09	\$ 69.17	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 541.64	\$ 50.25	\$ 55.82	\$ 646.82
Total Expenditures	\$ 306.28	\$ 7,961.68	\$ 5,110.36	\$ 422.40	\$ 502.37	\$ 6,036.95
Surplus/(Deficit)	\$ 3,923.07	\$ (3,489.39)	\$ (221.58)	\$ 4,684.73	\$ 4,536.17	\$ (1,347.74)
FUND BALANCE						
Beginning of Year	\$ -	\$ 45,396.00	\$ 41,906.61	\$ 41,685.03	\$ 46,369.76	\$ 50,905.93
End of Year	\$ 45,396.00	\$ 41,906.61	\$ 41,685.03	\$ 46,369.76	\$ 50,905.93	\$ 49,558.19

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 21's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 32** on page 76 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 39 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 33** on page 77 shows the proposed sphere boundary.

Figure 32: CSA 21's Current Sphere Map

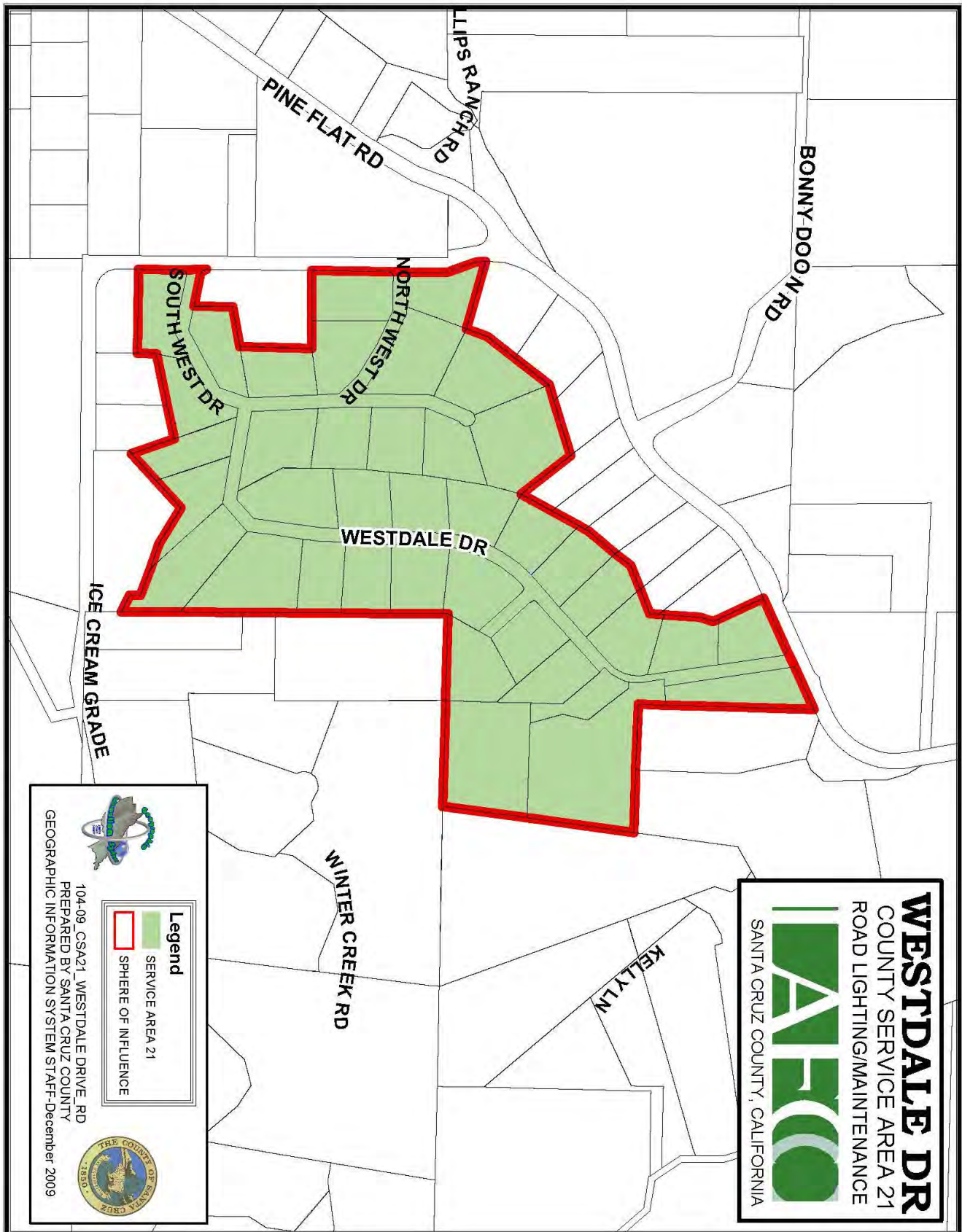
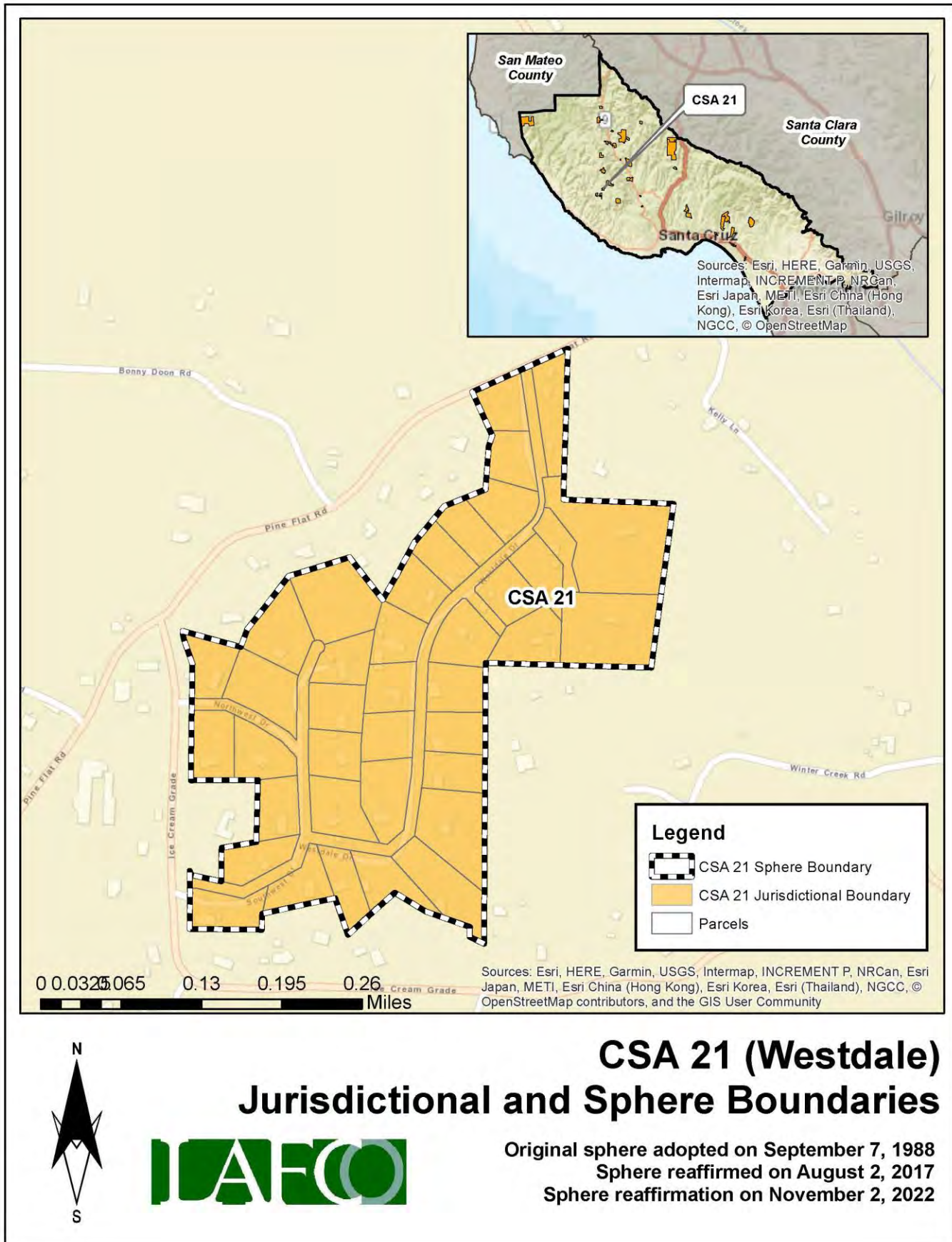


Figure 33: CSA 21's Proposed Sphere Map



District Summary

County Service Area 21	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.88 road miles
District Area	0.08 square miles (appx. 51 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$4,689</p> <p>Total Expenditure = \$6,037</p> <p>Net Position (Ending Balance) = \$49,558</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 21 in 2020 was estimated to be 69. Based on LAFCO's analysis, the population within the CSA will be approximately 71 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 21 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 21 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$50,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 21 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 21 has 39 parcels within its jurisdictional boundary and provides extended services to approximately 0.88 miles of road for the residents.

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

CSA 21 has a population of approximately 69. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 22 (KELLY HILL)

Overview

County Service Area 22 was formed on February 4, 1981 with the purpose of providing extended maintenance to 0.88 road miles. **Appendix 7** provides a copy of the formation resolution. There is a total of 20 parcels within the CSA (totaling approximately 60 acres). **Figure 29**, on page 82, is a vicinity map depicting CSA 22's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 29** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 22 has four funding zones (Zones 1-4). All four zones continue to pay the same service charge since FY 2017-18. **Figure 30** on page 83 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 22.

Table 29: Benefit Assessment Rates (2017 to 2021)

CSA 22	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone 1	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Zone 2	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
Zone 3	\$35.00	\$35.00	\$35.00	\$35.00	\$35.00
Zone 4	\$17.50	\$17.50	\$17.50	\$17.50	\$17.50
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 22 was 2020 is estimated to be 10. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 30** shows the anticipated population within CSA 22. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 22. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 22 will be approximately 10 by 2040.

Table 30: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 22	10	10	10	10	10

Figure 29: CSA 22's Vicinity Map

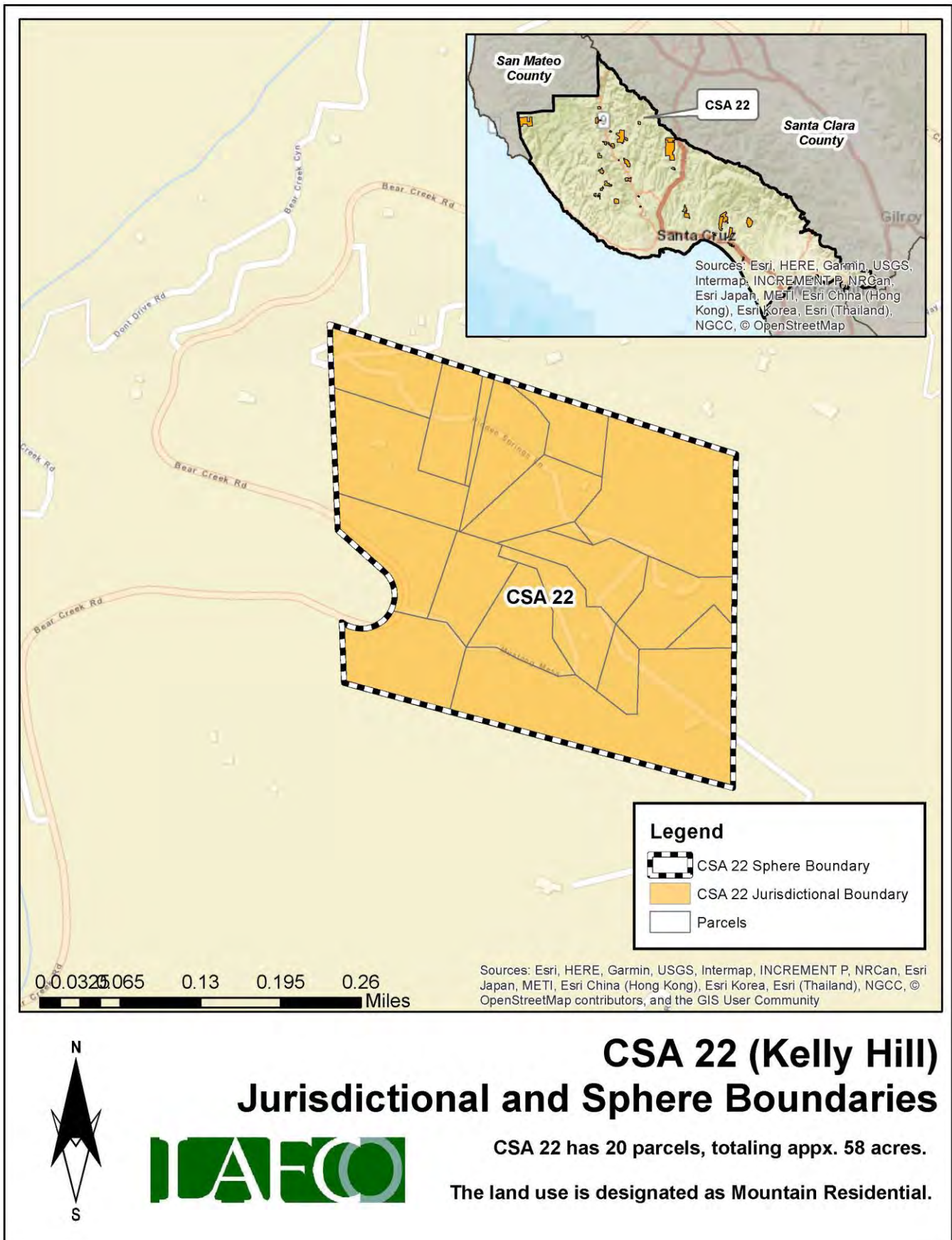
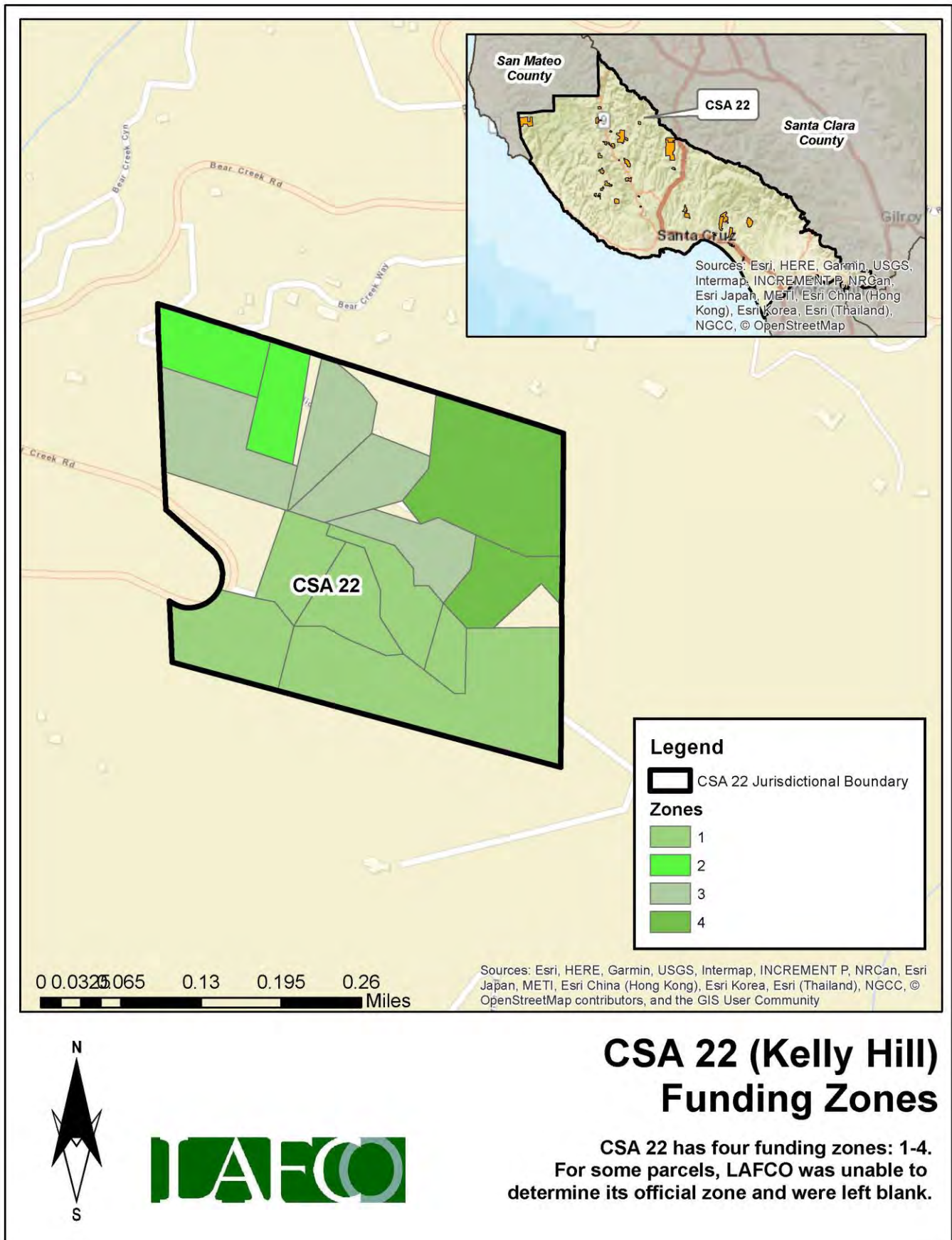


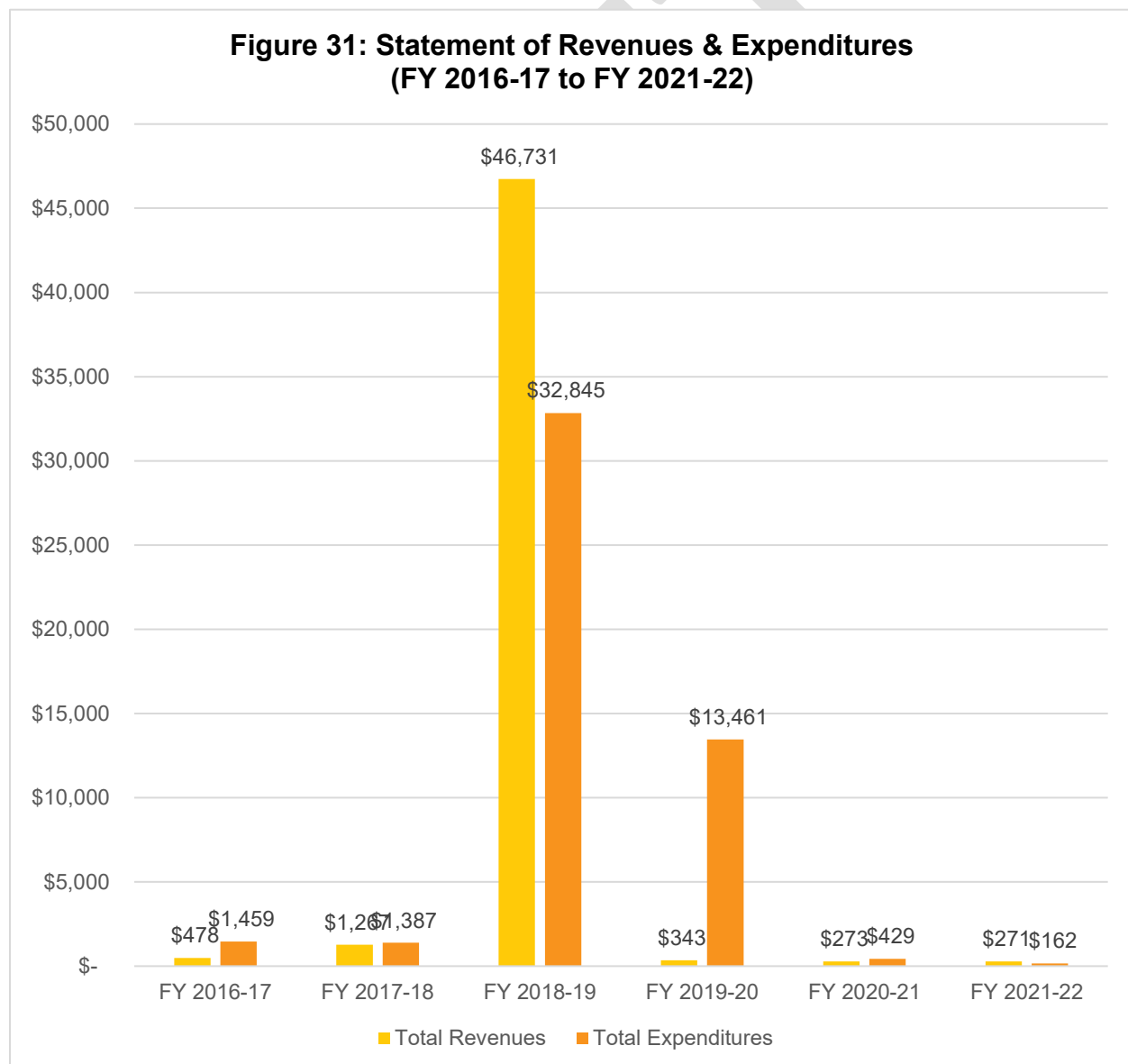
Figure 30: CSA 22's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 22's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 32** on page 86.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$271, representing a 0.73% decrease from the previous year (\$273 in FY 20-21). Total expenses for FY 2021-22 were approximately \$162, which decreased by 62% from the previous year (\$429 in FY 20-21). Since 2016, the CSA ended in a deficit in four of the last six fiscal years, as shown in **Figure 31**. LAFCO staff believes that the overall negative trend may continue unless the County collects the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$808. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 31** and **Figure 32**, the CSA's fund balance has negatively fluctuated over the years and has maintained an annual balance above \$85. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 31: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$206.31	\$87.03	\$13,973.23	\$855.28	\$698.75
Ending Balance	\$206	\$87	\$13,973	\$855	\$699	\$808
Change (\$)	-	\$(119)	\$13,886	\$(13,118)	\$(157)	\$109

**Figure 32: Net Position from 2016 to 2022
(Ending Balance)**

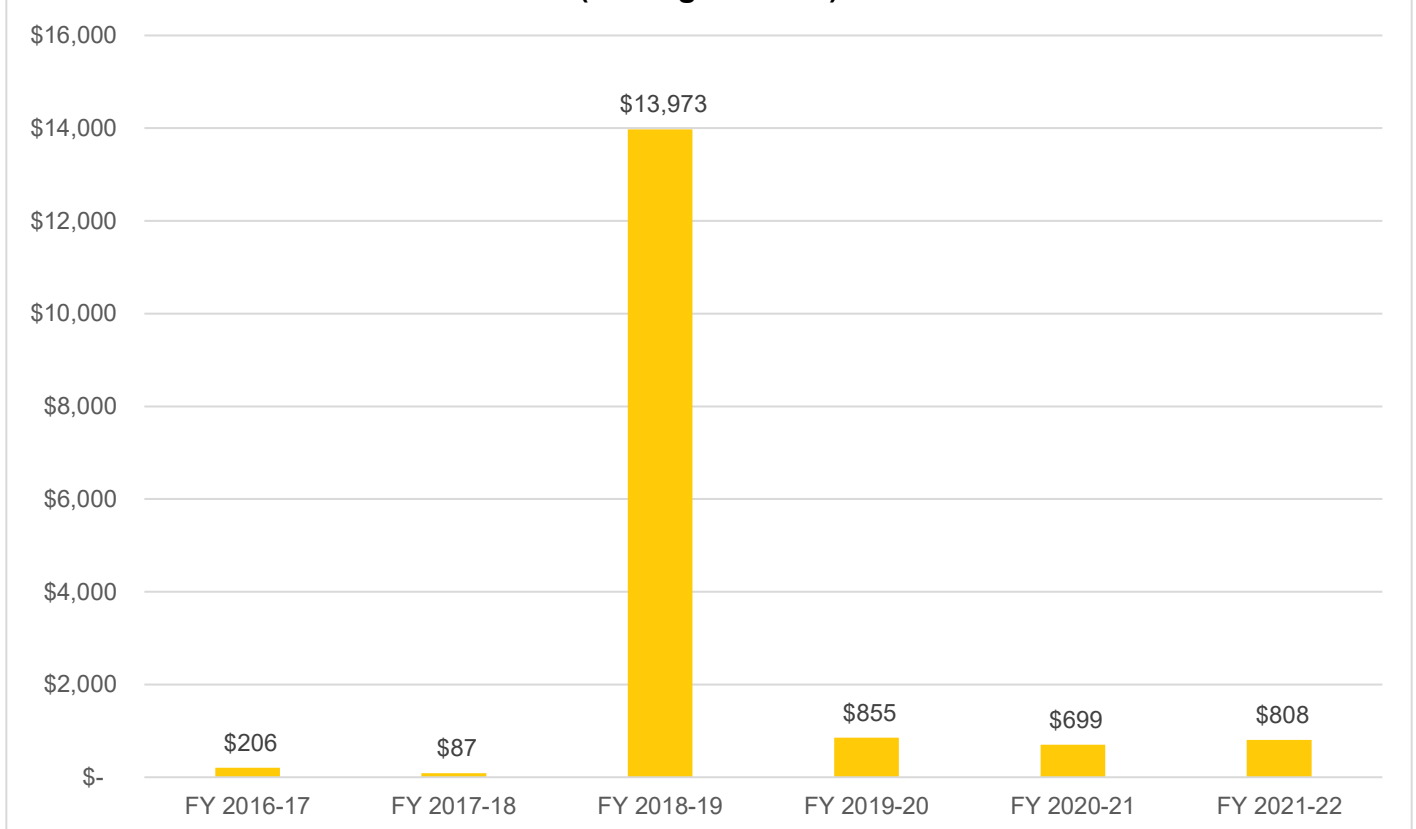


Table 32: Total Revenues & Expenditures

CSA 22	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -		\$ -	\$ -
Interest	\$ 10.99	\$ -	\$ 538.17	\$ 75.70	\$ 5.67	\$ 3.67
St-Natural Disaster Assistance	\$ -	\$ -	\$ 6,184.00	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ 24,742.00	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ 15,000.00	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 467.24	\$ 1,267.30	\$ 267.29	\$ 267.29	\$ 267.29	\$ 267.29
Total Revenues	\$ 478.23	\$ 1,267.30	\$ 46,731.46	\$ 342.99	\$ 272.96	\$ 270.96
EXPENDITURES						
DPW Services - Kelly Hill	\$ 1,320.25	\$ 1,386.58	\$ 25,596.29	\$ 13,135.83	\$ 118.42	\$ 19.76
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 3,479.83	\$ 157.71	\$ 138.34	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 3,519.14	\$ 42.40	\$ 47.73	\$ 17.37
Total Expenditures	\$ 1,459.00	\$ 1,386.58	\$ 32,845.26	\$ 13,460.94	\$ 429.49	\$ 162.13
Surplus/(Deficit)	\$ (980.77)	\$ (119.28)	\$ 13,886.20	\$ (13,117.95)	\$ (156.53)	\$ 108.83
FUND BALANCE						
Beginning of Year	\$ -	\$ 206.31	\$ 87.03	\$ 13,973.23	\$ 855.28	\$ 698.75
End of Year	\$ 206.31	\$ 87.03	\$ 13,973.23	\$ 855.28	\$ 698.75	\$ 807.58

Sphere of Influence

Current Sphere Boundary

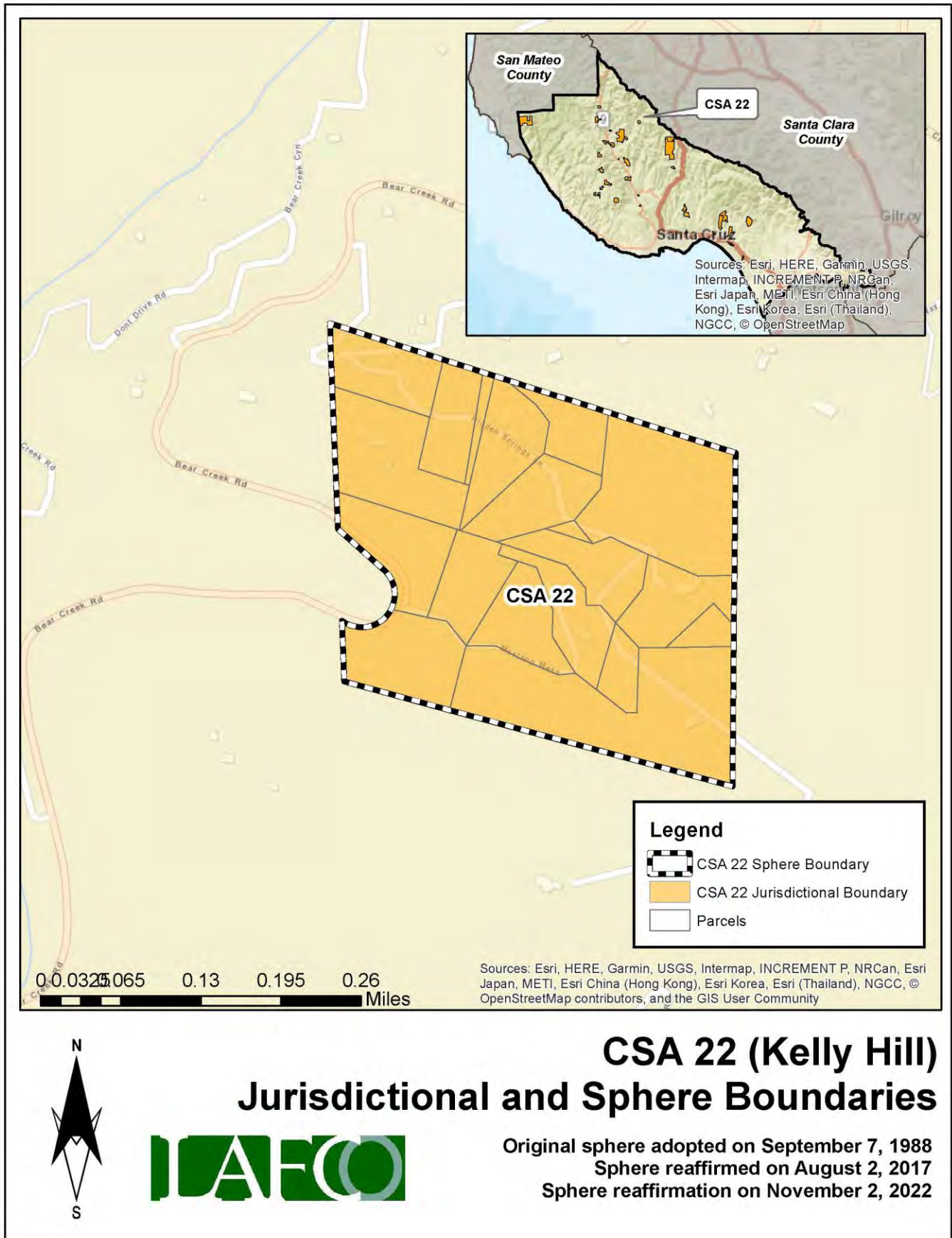
Santa Cruz LAFCO adopted CSA 22's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 33** on page 87 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 20 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 34** on page 88 shows the proposed sphere boundary.

[illegible]

Figure 34: CSA 22's Proposed Sphere Map



District Summary

County Service Area 22	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.88 road miles
District Area	0.09 square miles (appx. 58 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$271</p> <p>Total Expenditure = \$162</p> <p>Net Position (Ending Balance) = \$808</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 22 in 2020 was estimated to be 10. Based on LAFCO's analysis, the population within the CSA will be approximately 10 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 22 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 22 is financially distressed. The CSA ended with a deficit in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$808.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 22 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 22 has 20 parcels within its jurisdictional boundary and provides extended services to approximately 0.88 miles of road for the residents.

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

CSA 22 has a population of approximately 10. The constituents fund the CSA through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 23 (OLD RANCH ROAD)

Overview

County Service Area 23 was formed on January 7, 1981 with the purpose of providing extended maintenance to 2.99 road miles. **Appendix 8** provides a copy of the formation resolution. There is a total of 44 parcels within the CSA (totaling approximately 250 acres). **Figure 36**, on page 93, is a vicinity map depicting CSA 23's current jurisdictional boundary. Only one boundary change has occurred since its inception, in which two parcels were annexed into CSA 23 back in 2005. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 34** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 23 has four funding zones (Zones A-C and MBR). All four zones pay a different rate. **Figure 37** on page 94 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 23.

Table 34: Benefit Assessment Rates (2017 to 2021)

CSA 23	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$185.40	\$370.80	\$370.80	\$383.04	\$389.54
Change (%)		100%	0%	3%	2%
Zone B	\$329.60	\$659.20	\$659.20	\$680.94	\$692.50
Change (%)		100%	0%	3%	2%
Zone C	\$432.60	\$865.20	\$865.20	\$893.74	\$908.92
Change (%)		100%	0%	3%	2%
Zone MBR	-	\$5,370.80	\$2,870.80	\$2,883.04	\$2,889.54
Change (%)		-	-47%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 23 was 2020 is estimated to be 179. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 35** shows the anticipated population within CSA 23. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 23. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 23 will be approximately 185 by 2040.

Table 35: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 23	179	181	182	184	185

Figure 36: CSA 23's Vicinity Map

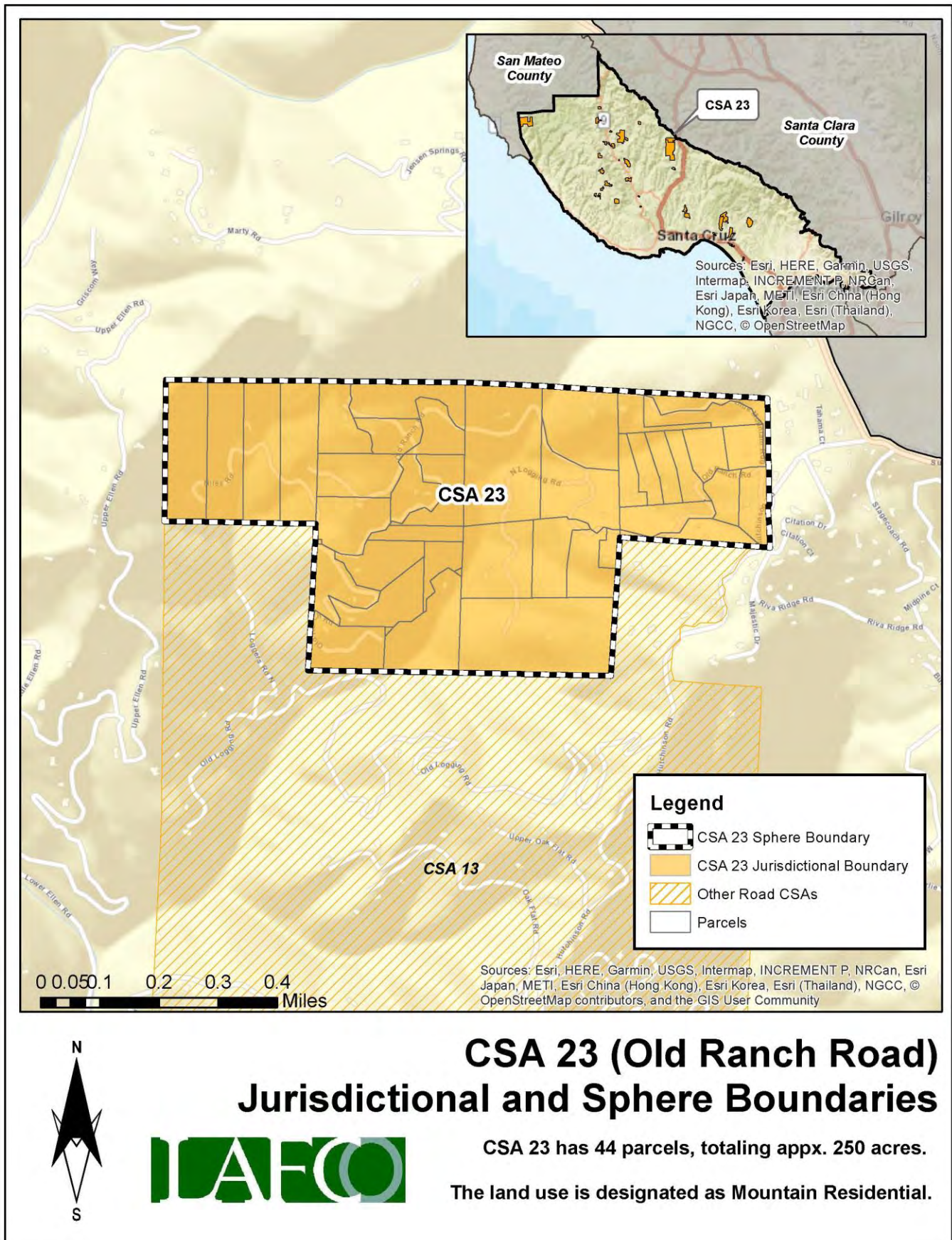
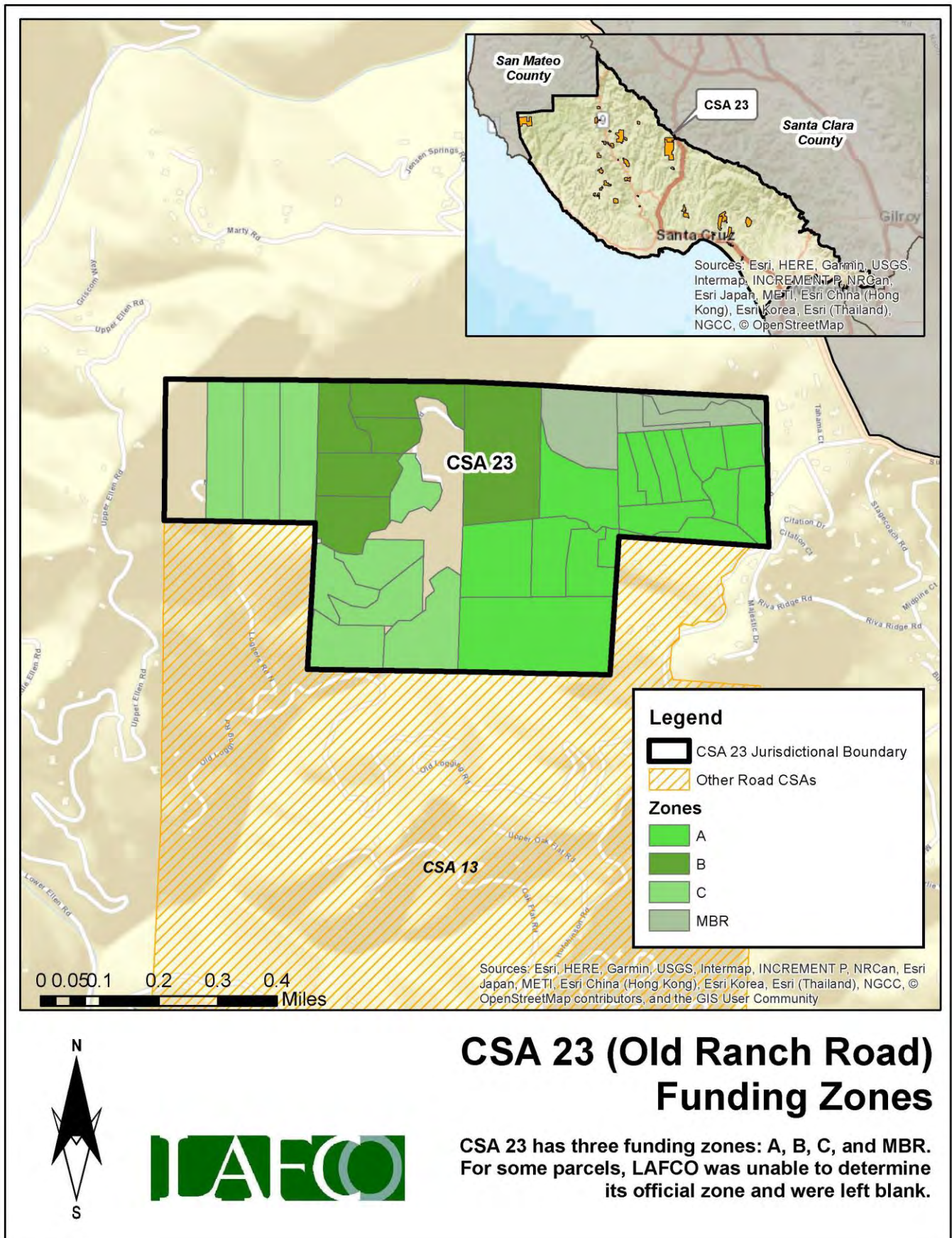


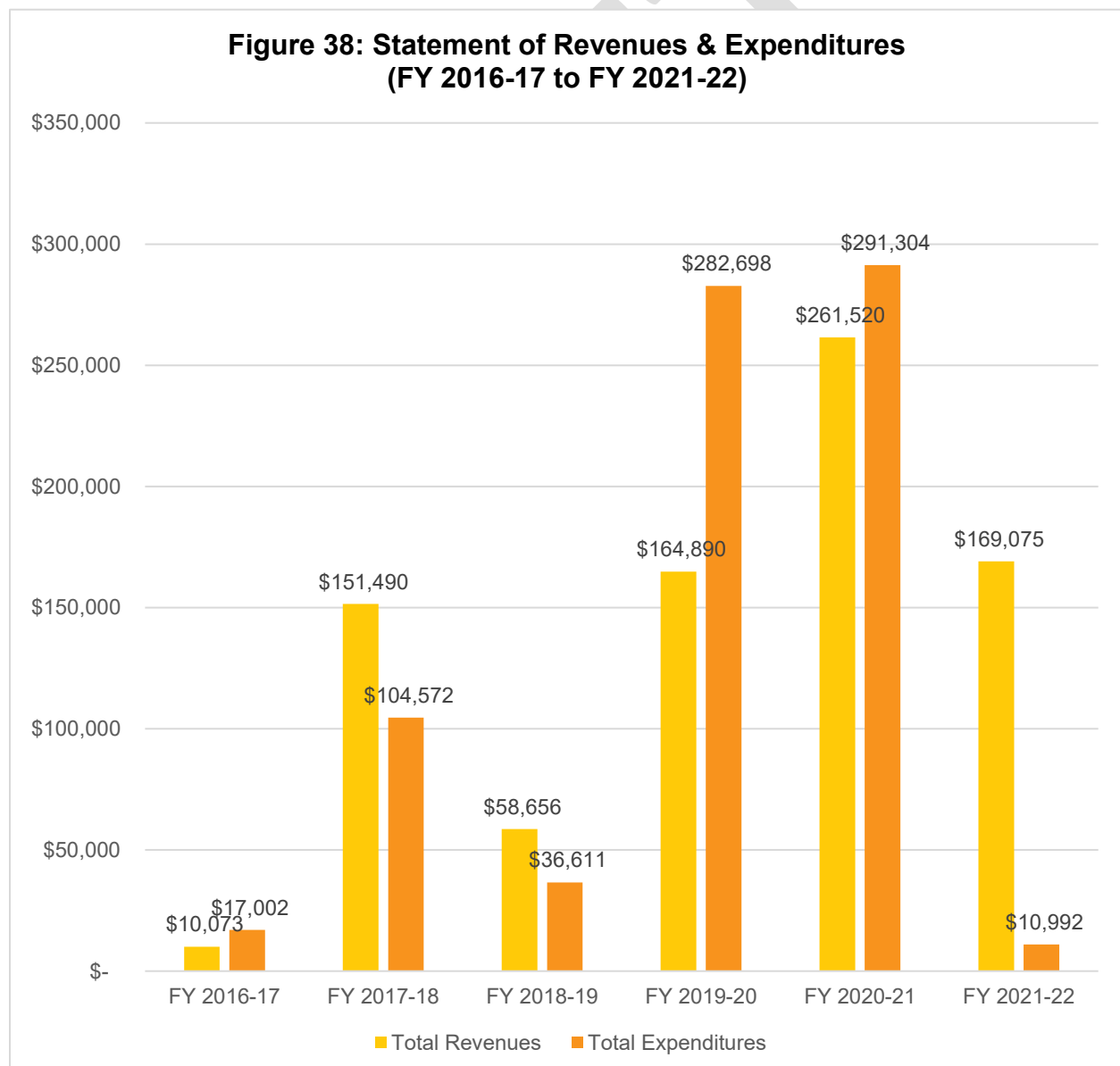
Figure 37: CSA 23's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 23's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 37** on page 97.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$169,000, representing a 35% decrease from the previous year (\$262,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$11,000, which decreased by 96% from the previous year (\$291,000 in FY 20-21). Since 2016, the CSA ended in a deficit in three of the last six fiscal years, as shown in **Figure 38**. LAFCO staff believes that the overall negative trend may continue unless the County collects the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$118,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 36** and **Figure 39**, the CSA's fund balance has fluctuated over the years and has reached a negative balance twice (FY 2019-20 and FY 2020-21). Based on this historical trend, LAFCO staff believes the current positive balance may deplete once again unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 36: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$38,337.97	\$85,255.87	\$107,300.90	\$(10,506.16)	\$(40,290.31)
Ending Balance	\$38,338	\$85,256	\$107,301	\$(10,506)	\$(40,290)	\$117,793
Change (\$)	-	\$46,918	\$22,045	\$(117,807)	\$(29,784)	\$158,083

**Figure 39: Net Position from 2016 to 2022
(Ending Balance)**

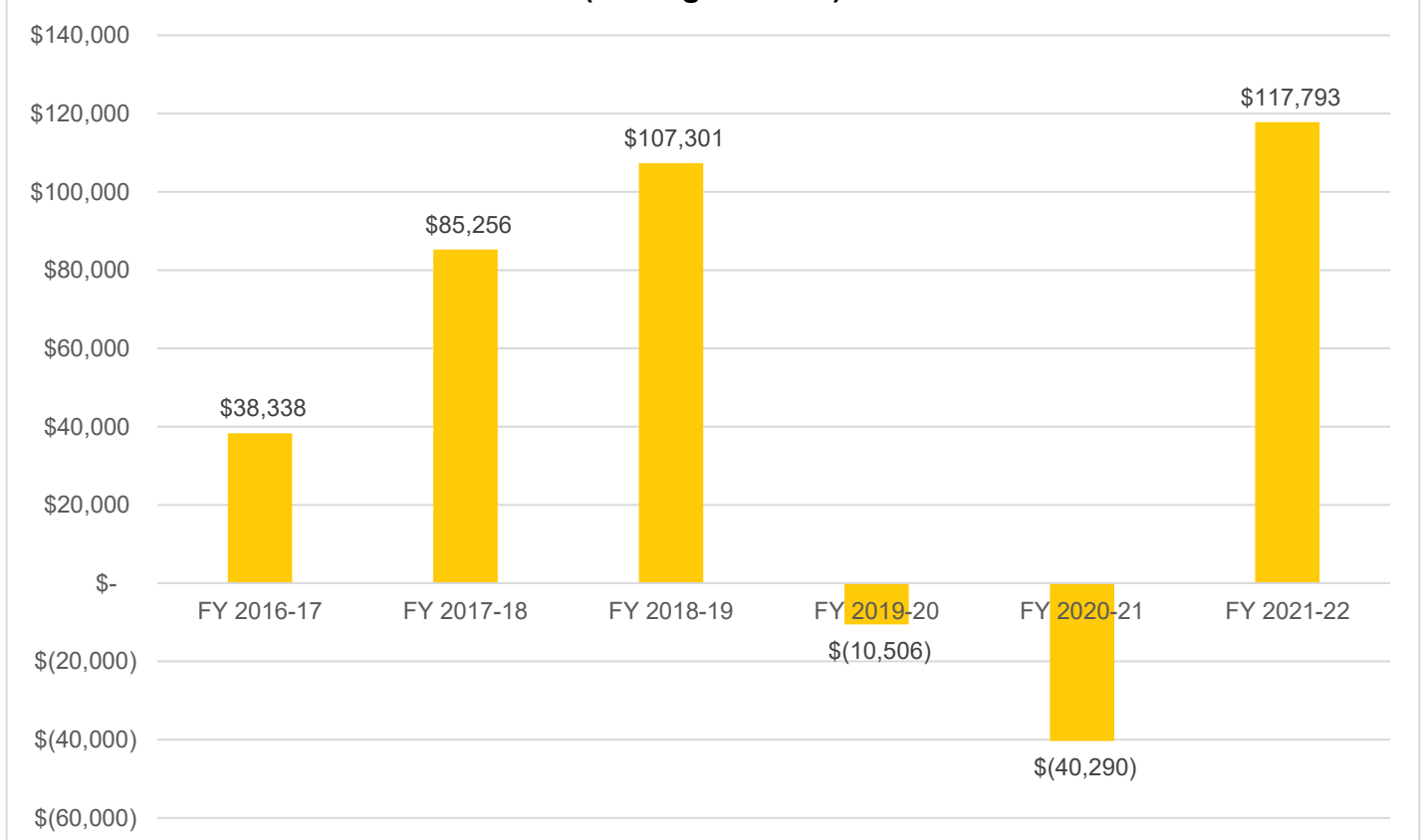


Table 37: Total Revenues & Expenditures

CSA 23	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 449.80	\$ 419.06	\$ 2,131.92	\$ 2,424.52	\$ (1,002.93)	\$ 125.00
St-Natural Disaster Assistance	\$ -	\$ 18,254.25	\$ 3,143.00	\$ 20,167.00	\$ 46,607.75	\$ 26,017.28
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ 73,017.00	\$ 13,758.00	\$ 30,000.00	\$ 186,429.00	\$ 113,107.75
Other Revenue	\$ -	\$ 46,000.00	\$ -	\$ 82,576.00	\$ -	\$ -
Other Road & Street Services	\$ 9,622.80	\$ 13,799.48	\$ 39,622.97	\$ 29,722.97	\$ 29,486.35	\$ 29,824.82
Total Revenues	\$ 10,072.60	\$ 151,489.79	\$ 58,655.89	\$ 164,890.49	\$261,520.17	\$169,074.85
EXPENDITURES						
DPW Services - Old Ranch Road	\$ 16,863.20	\$ 104,571.89	\$ 24,746.72	\$ 9,091.80	\$ 11,211.33	\$ 10,202.92
FEMA Labor	\$ -	\$ -	\$ -	\$ 229,582.37	\$ 240,634.53	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 324.62	\$ 156.12	\$ 500.00	\$ 500.00
Division Overhead - Admin	\$ -	\$ -	\$ 8,353.04	\$ 12,443.86	\$ 8,511.19	\$ 50.82
Dept Overhead Costs	\$ -	\$ -	\$ 3,186.48	\$ 31,423.40	\$ 30,447.27	\$ 237.78
Total Expenditures	\$ 17,001.95	\$ 104,571.89	\$ 36,610.86	\$ 282,697.55	\$291,304.32	\$ 10,991.52
Surplus/(Deficit)	\$ (6,929.35)	\$ 46,917.90	\$ 22,045.03	\$ (117,807.06)	\$ (29,784.15)	\$158,083.33
FUND BALANCE						
Beginning of Year	\$ -	\$ 38,337.97	\$ 85,255.87	\$ 107,300.90	\$ (10,506.16)	\$ (40,290.31)
End of Year	\$ 38,337.97	\$ 85,255.87	\$107,300.90	\$ (10,506.16)	\$ (40,290.31)	\$117,793.02

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 23's first sphere of influence on November 2, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 40** on page 98 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 44 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 41** on page 99 shows the proposed sphere boundary.

Figure 40: CSA 23's Current Sphere Map

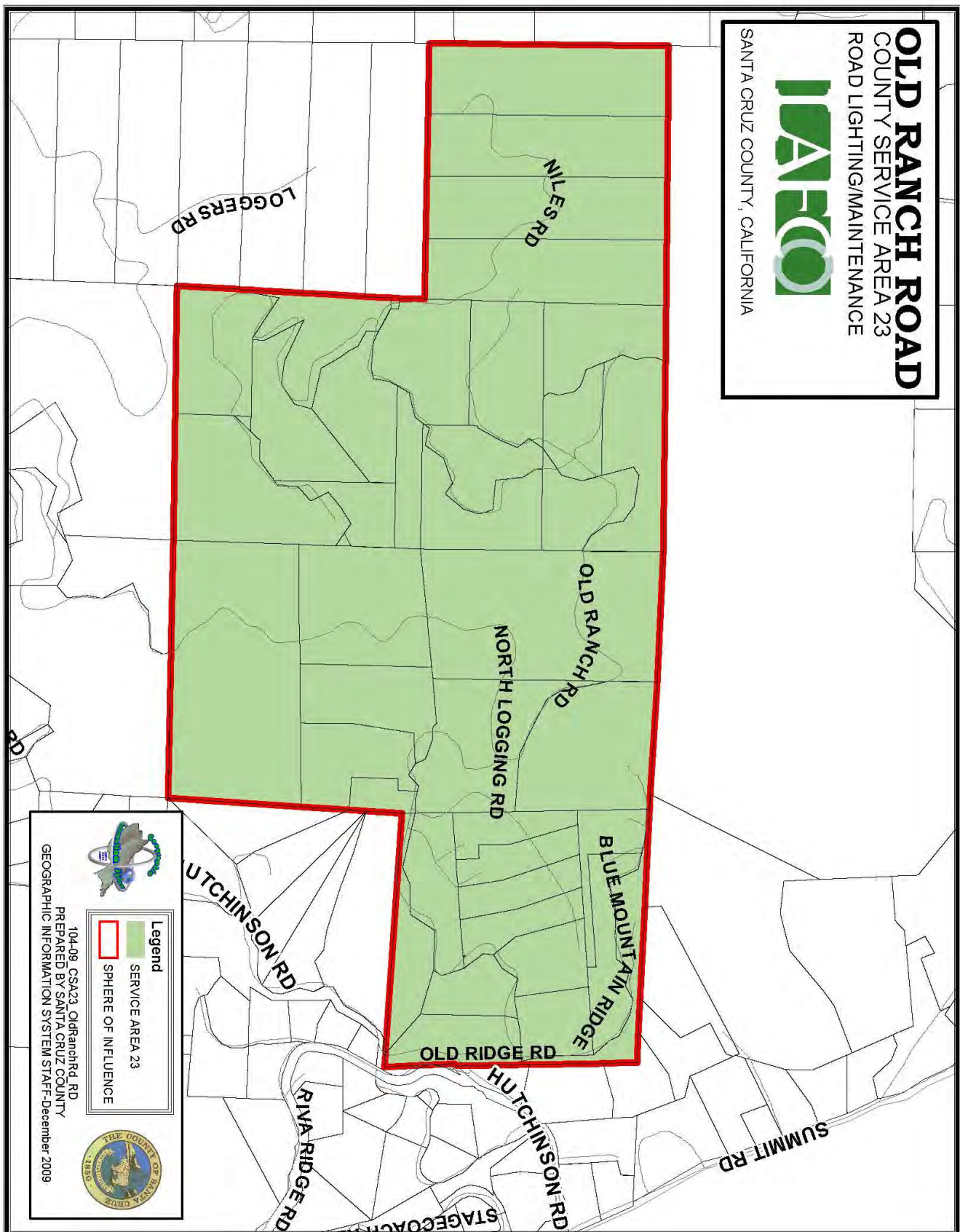
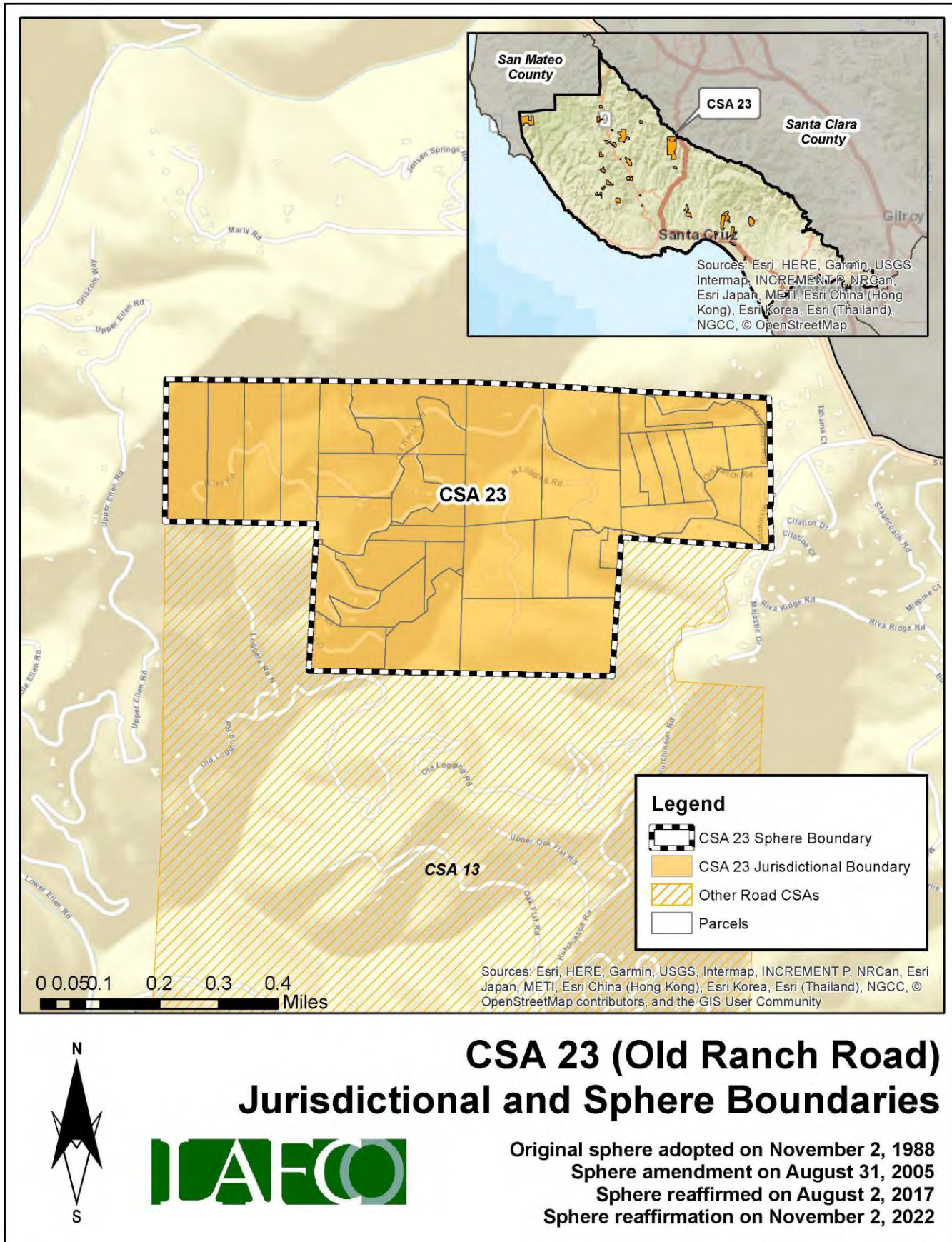


Figure 41: CSA 23's Proposed Sphere Map



District Summary

County Service Area 23	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.99 road miles
District Area	0.39 square miles (appx. 250 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$169,075</p> <p>Total Expenditure = \$10,992</p> <p>Net Position (Ending Balance) = \$117,793</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 23 in 2020 was estimated to be 179. Based on LAFCO's analysis, the population within the CSA will be approximately 185 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 23 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 23 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$118,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 23 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 23 has 44 parcels within its jurisdictional boundary and provides extended services to approximately 2.99 miles of road for the residents.

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

CSA 23 has a population of approximately 179. The constituents fund the CSA through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 24 (PINERIDGE)

Overview

County Service Area 24 was formed on January 7, 1981 with the purpose of providing extended maintenance to 2.34 road miles. **Appendix 9** provides a copy of the formation resolution. There is a total of 100 parcels within the CSA (totaling approximately 175 acres). **Figure 42**, on page 104, is a vicinity map depicting CSA 24's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural and Mountain Residential. **Table 38** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 24 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 24.

Table 38: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 24	\$200.00	\$200.00	\$243.80	\$251.84	\$256.12
Change (%)		0%	22%	3%	2%

Population and Growth

Based on staff's analysis, the population of CSA 24 was 2020 is estimated to be 50. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 39** shows the anticipated population within CSA 24. The average rate of change is 0.86%.

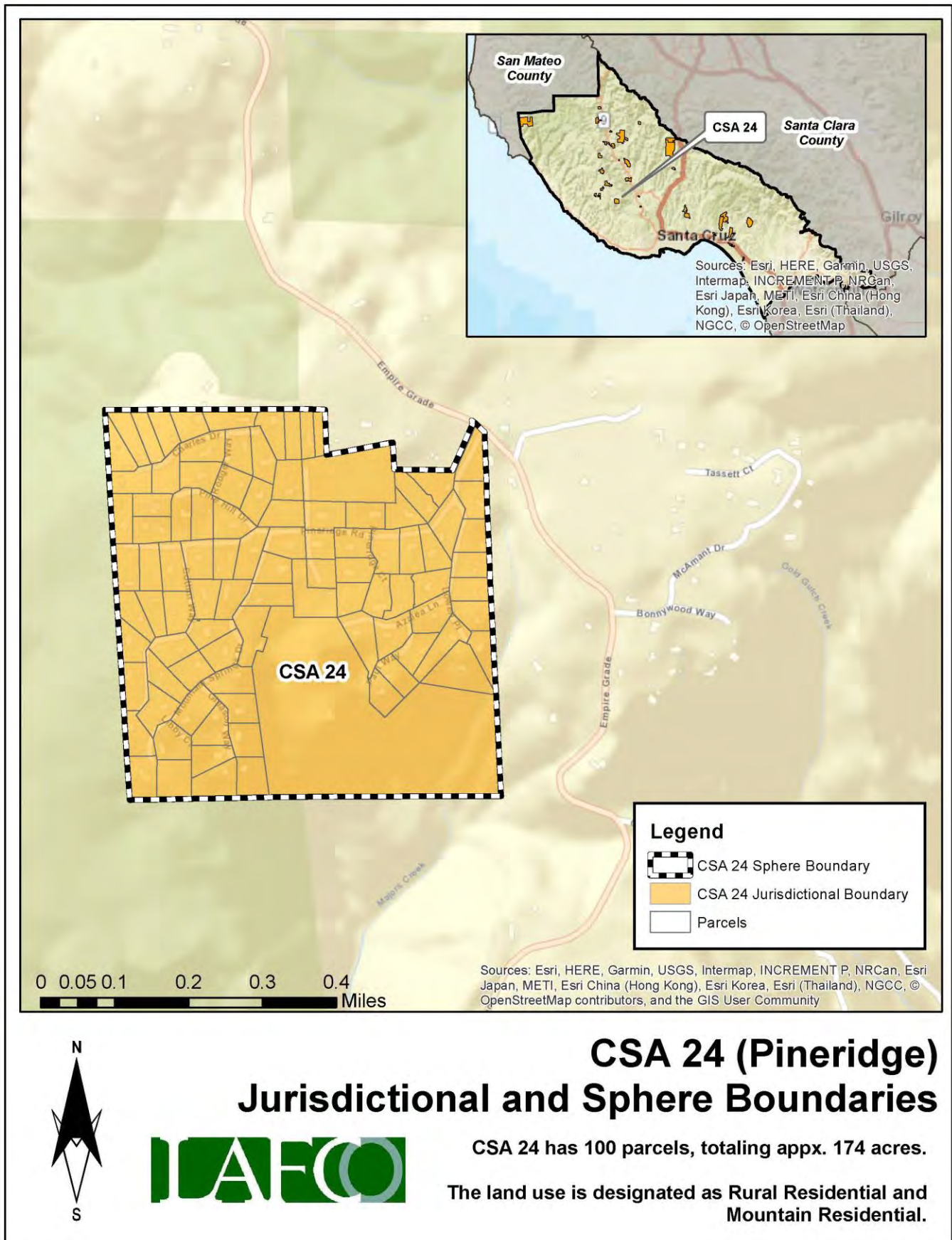
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 24. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 24 will be approximately 51 by 2040.

Table 39: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 24	50	50	51	51	51

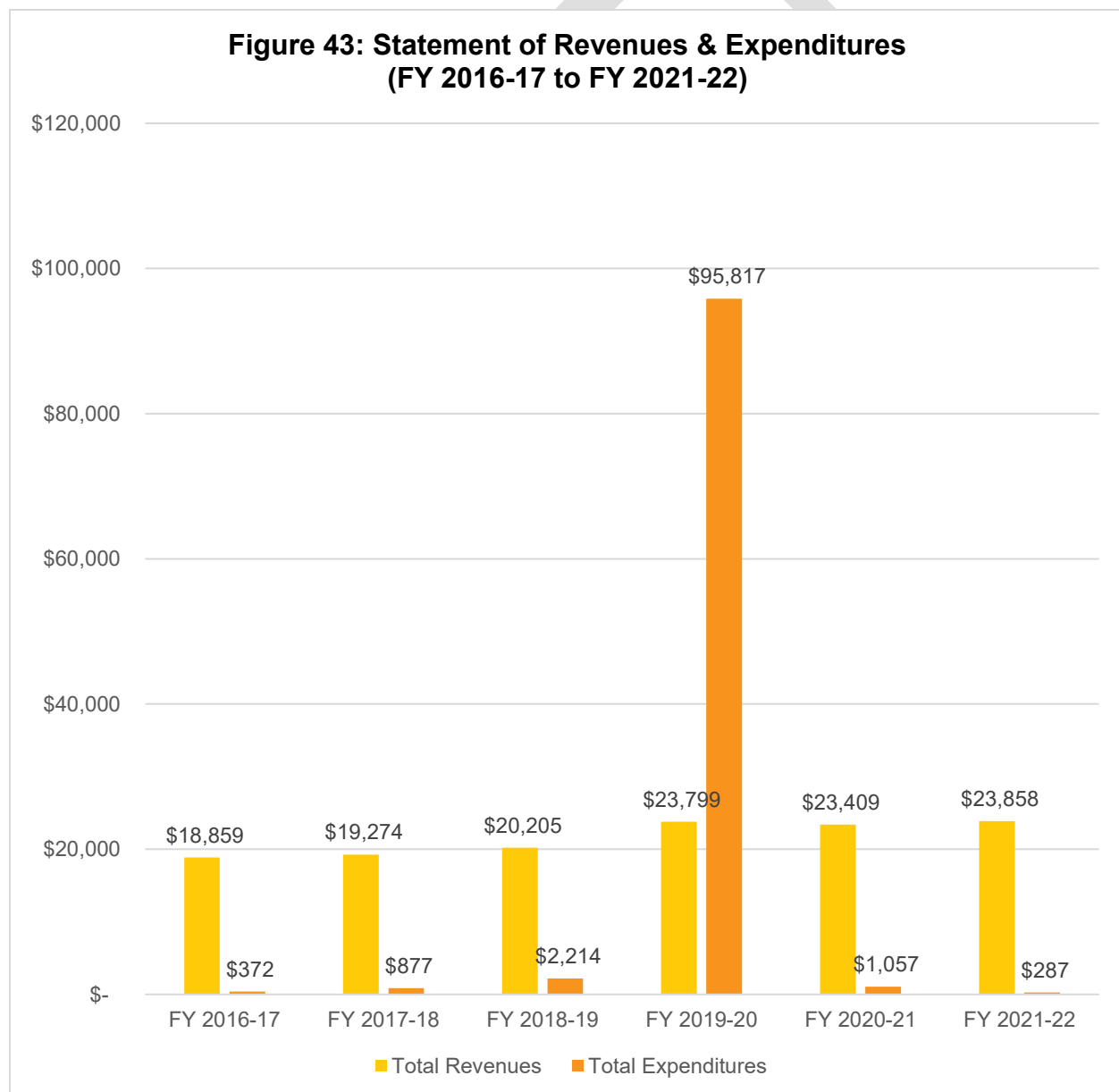
Figure 42: CSA 24's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 24's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 41** on page 107.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$24,000, representing a 2% increase from the previous year (\$23,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$287, which decreased by 73% from the previous year (\$1,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2019-20, as shown in **Figure 43**. The deficit was due to a scheduled road improvement project that cost approximately \$84,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$73,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 40** and **Figure 44**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$25,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 40: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$62,933.74	\$81,330.38	\$99,321.54	\$27,303.75	\$49,656.22
Ending Balance	\$62,934	\$81,330	\$99,322	\$27,304	\$49,656	\$73,228
Change (\$)	-	\$18,397	\$17,991	\$(72,018)	\$22,352	\$23,571

**Figure 44: Net Position from 2016 to 2022
(Ending Balance)**

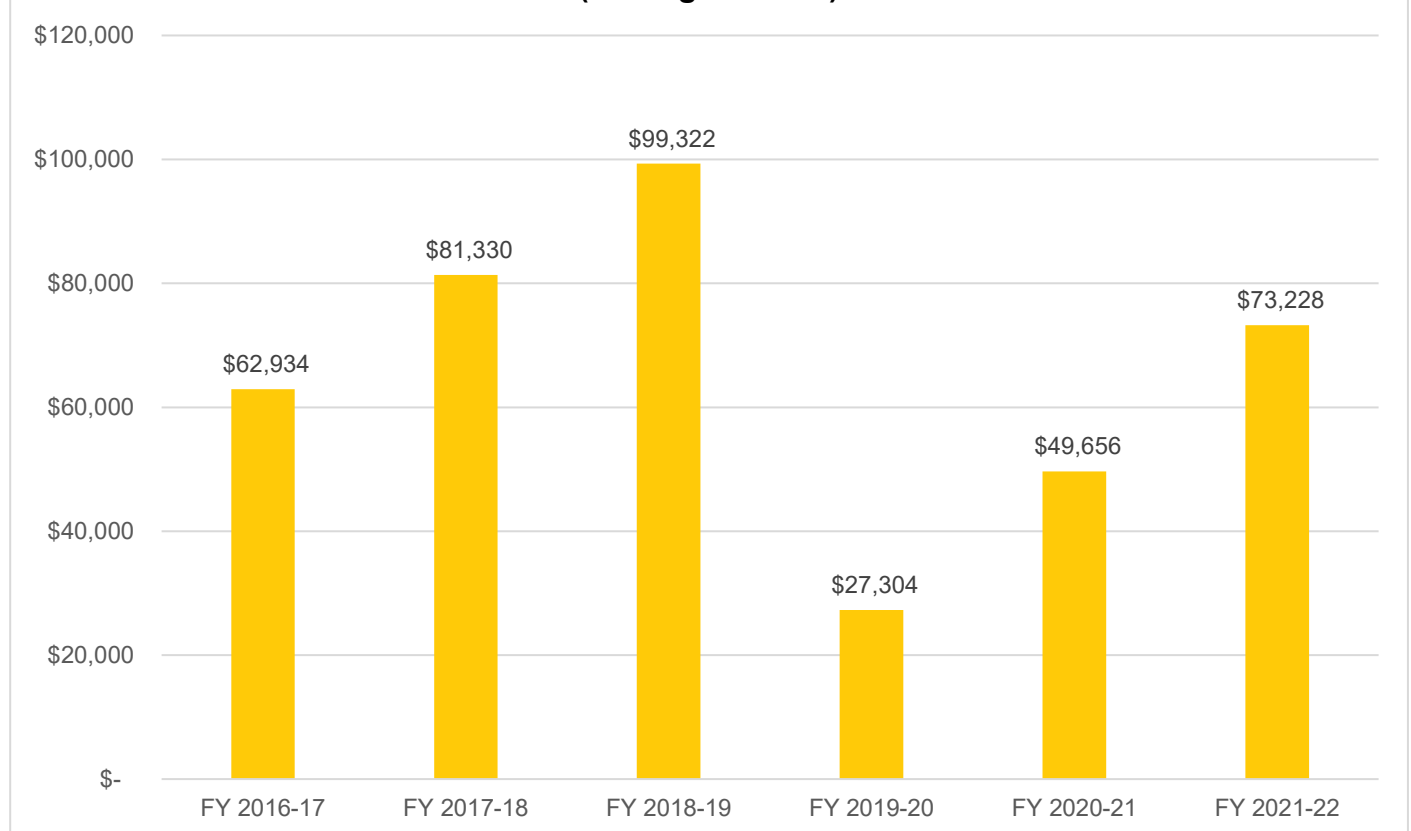


Table 41: Total Revenues & Expenditures

CSA 24	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 444.74	\$ 859.94	\$ 1,790.84	\$ 1,352.61	\$ 226.77	\$ 277.40
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 18,414.00	\$ 18,414.00	\$ 18,414.00	\$ 22,446.66	\$ 23,182.60	\$ 23,580.96
Total Revenues	\$ 18,858.74	\$ 19,273.94	\$ 20,204.84	\$ 23,799.27	\$ 23,409.37	\$ 23,858.36
EXPENDITURES						
DPW Services - Pineridge	\$ 232.75	\$ 877.30	\$ 131.28	\$ 84,283.14	\$ 328.61	\$ 131.28
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,609.29	\$ 13.82	\$ 485.85	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 223.11	\$ 11,395.10	\$ 117.44	\$ 30.75
Total Expenditures	\$ 371.50	\$ 877.30	\$ 2,213.68	\$ 95,817.06	\$ 1,056.90	\$ 287.03
Surplus/(Deficit)	\$ 18,487.24	\$ 18,396.64	\$ 17,991.16	\$ (72,017.79)	\$ 22,352.47	\$ 23,571.33
FUND BALANCE						
Beginning of Year	\$ -	\$ 62,933.74	\$ 81,330.38	\$ 99,321.54	\$ 27,303.75	\$ 49,656.22
End of Year	\$ 62,933.74	\$ 81,330.38	\$ 99,321.54	\$ 27,303.75	\$ 49,656.22	\$ 73,227.55

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 24's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 45** on page 108 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 100 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 46** on page 109 shows the proposed sphere boundary.

Figure 45: CSA 24's Current Sphere Map

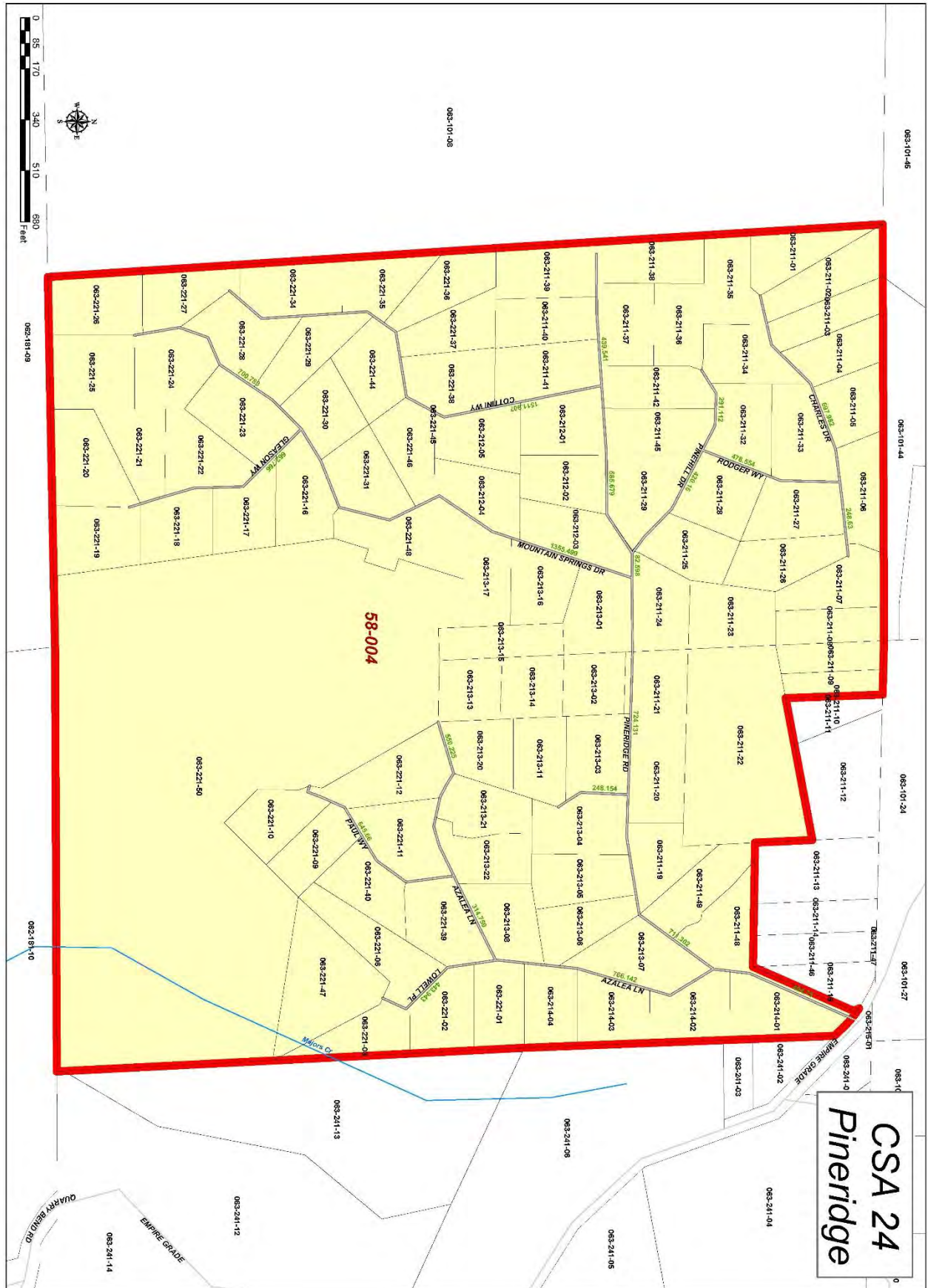
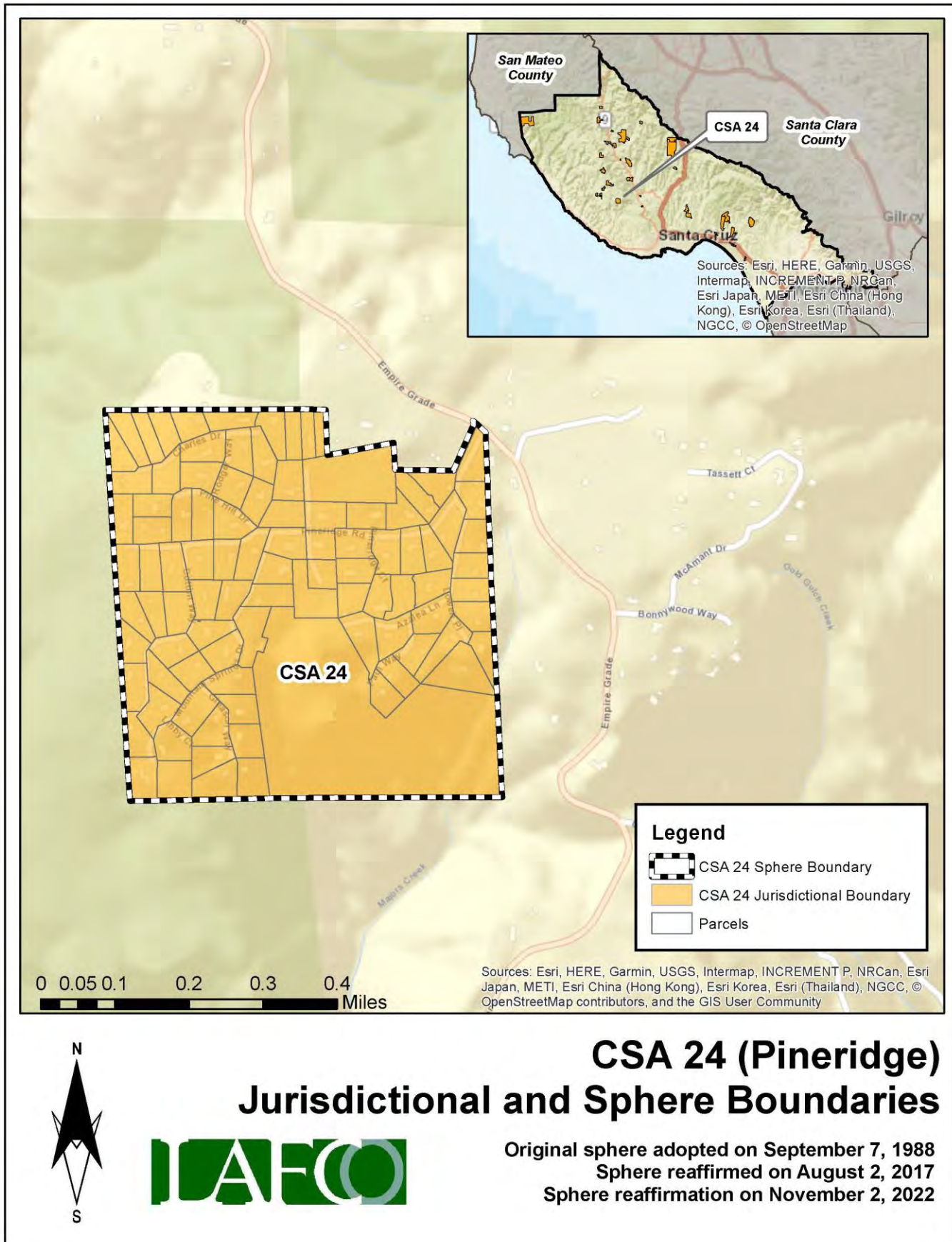


Figure 46: CSA 24's Proposed Sphere Map



District Summary

County Service Area 24	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.34 road miles
District Area	0.27 square miles (appx. 174 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$23,858</p> <p>Total Expenditure = \$287</p> <p>Net Position (Ending Balance) = \$73,228</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 24 in 2020 was estimated to be 50. Based on LAFCO's analysis, the population within the CSA will be approximately 51 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 24 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 24 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$73,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 24 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 24 has 100 parcels within its jurisdictional boundary and provides extended services to approximately 2.34 miles of road for the residents.

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

CSA 24 has a population of approximately 50. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 25 (VIEW POINT ROAD)

Overview

County Service Area 25 was formed on June 3, 1981 with the purpose of providing extended maintenance to 0.54 road miles. **Appendix 10** provides a copy of the formation resolution. There is a total of 57 parcels within the CSA (totaling approximately 30 acres). **Figure 47**, on page 114, is a vicinity map depicting CSA 25's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Urban Low Residential. **Table 42** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 25 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 25.

Table 42: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 25	\$200.00	\$200.00	\$243.80	\$251.84	\$256.12
Change (%)		0%	22%	-18%	0%

Population and Growth

Based on staff's analysis, the population of CSA 25 was 2020 is estimated to be 29. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 43** shows the anticipated population within CSA 25. The average rate of change is 0.86%.

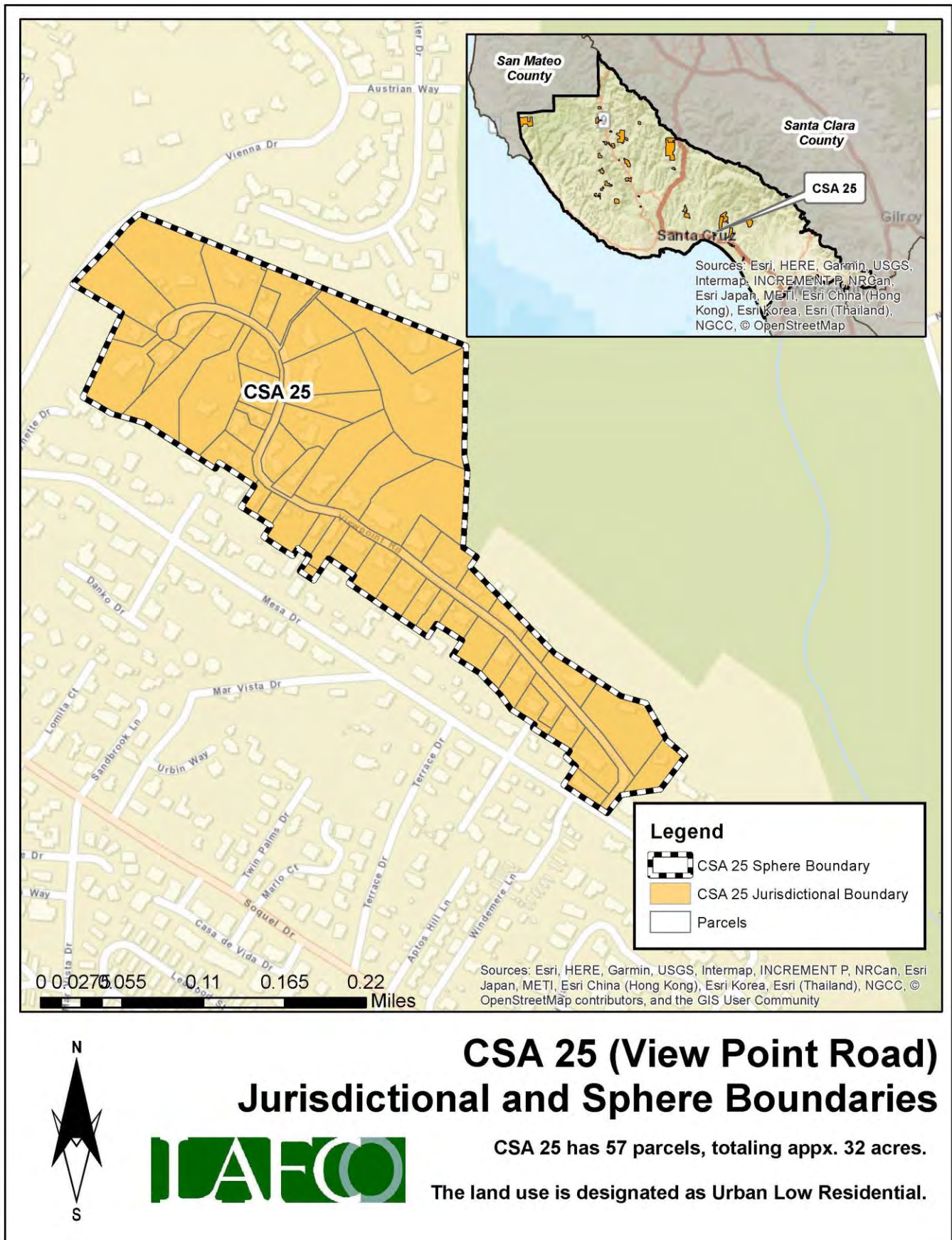
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 25. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 25 will be approximately 29 by 2040.

Table 43: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 25	29	29	29	29	29

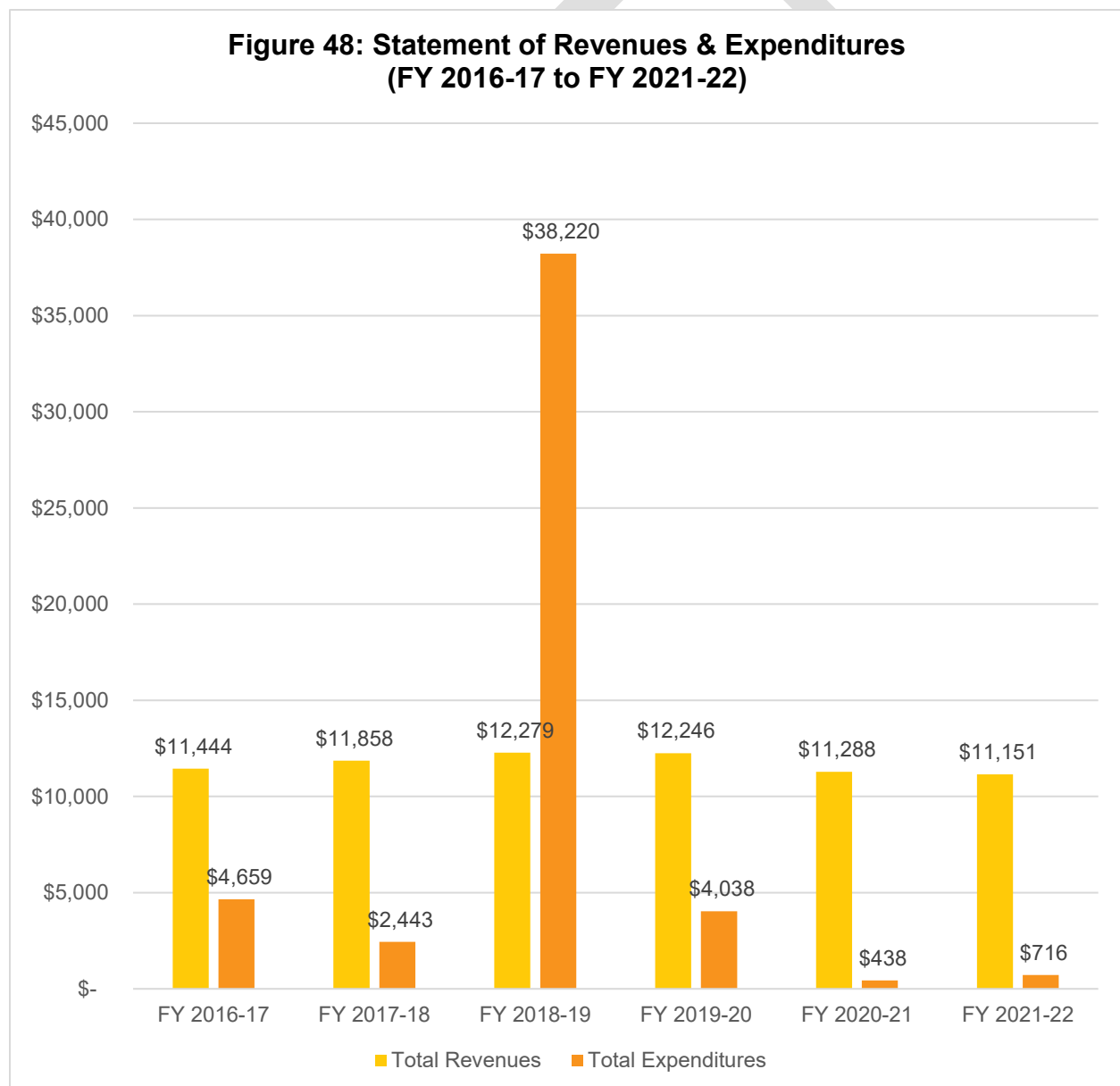
Figure 47: CSA 25's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 25's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 45** on page 117.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$11,200, representing a 1% decrease from the previous year (\$11,300 in FY 20-21). Total expenses for FY 2021-22 were approximately \$716, which increased by 64% from the previous year (\$438 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2018-19, as shown in **Figure 48**. The deficit was due to a scheduled road improvement project that cost approximately \$33,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$106,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 44** and **Figure 49**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$90,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 44: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$92,829.46	\$102,244.24	\$76,302.93	\$84,510.74	\$95,361.25
Ending Balance	\$92,829	\$102,244	\$76,303	\$84,511	\$95,361	\$105,796
Change (\$)	-	\$9,415	\$(25,941)	\$8,208	\$10,851	\$10,435

**Figure 49: Net Position from 2016 to 2022
(Ending Balance)**

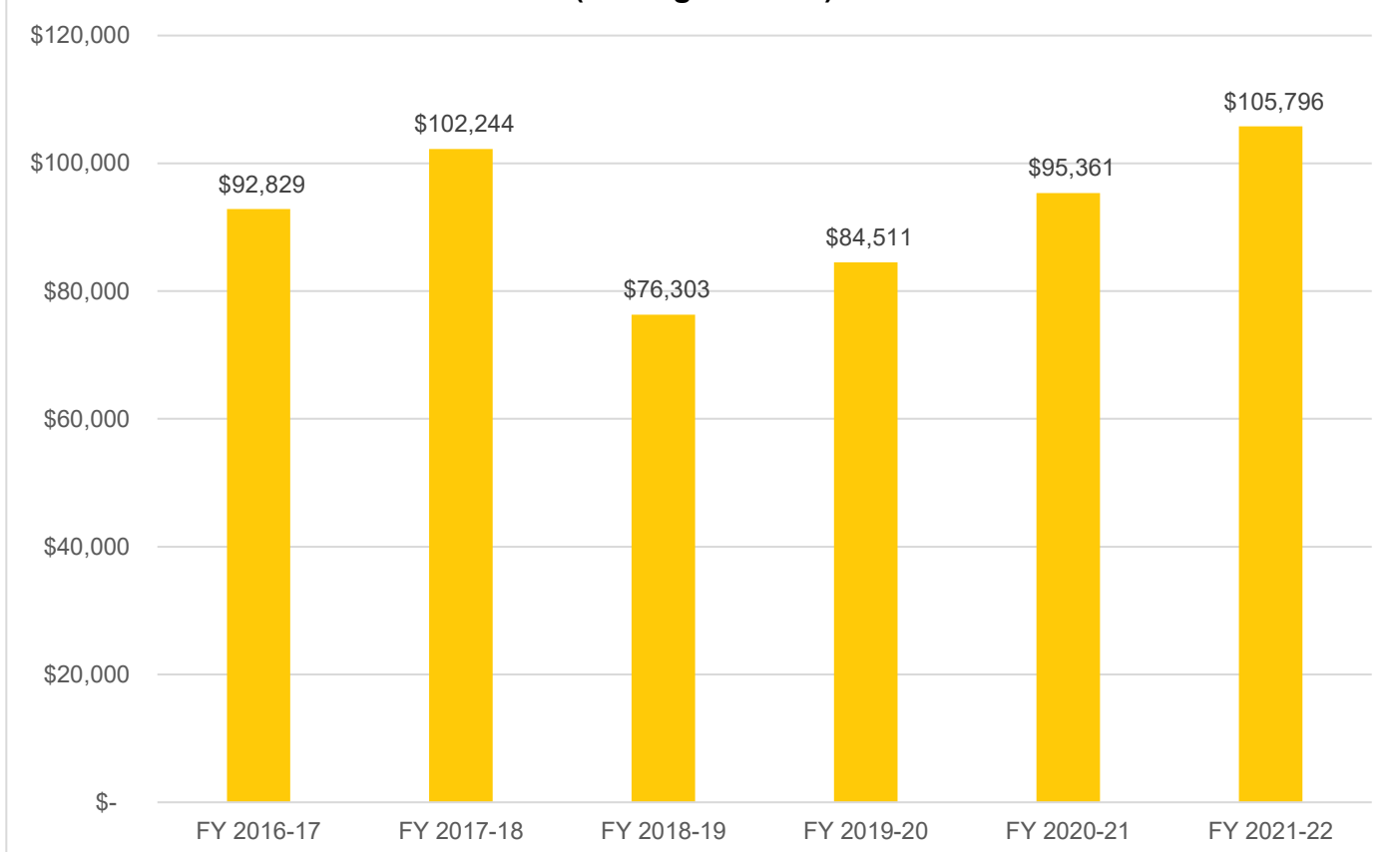


Table 45: Total Revenues & Expenditures

CSA 25	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 751.87	\$ 1,165.56	\$ 1,586.88	\$ 1,553.68	\$ 596.03	\$ 458.59
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 10,692.00	\$ 10,692.00	\$ 10,692.00	\$ 10,692.00	\$ 10,692.00	\$ 10,692.00
Total Revenues	\$ 11,443.87	\$ 11,857.56	\$ 12,278.88	\$ 12,245.68	\$ 11,288.03	\$ 11,150.59
EXPENDITURES						
DPW Services - View Point Road	\$ 4,520.62	\$ 2,442.78	\$ 32,911.23	\$ 2,956.22	\$ 174.89	\$ 437.84
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 972.11	\$ 476.37	\$ 89.01	\$ 76.22
Dept Overhead Costs	\$ -	\$ -	\$ 4,086.85	\$ 480.28	\$ 48.62	\$ 76.69
Total Expenditures	\$ 4,659.37	\$ 2,442.78	\$ 38,220.19	\$ 4,037.87	\$ 437.52	\$ 715.75
Surplus/(Deficit)	\$ 6,784.50	\$ 9,414.78	\$ (25,941.31)	\$ 8,207.81	\$ 10,850.51	\$ 10,434.84
FUND BALANCE						
Beginning of Year	\$ -	\$ 92,829.46	\$ 102,244.24	\$ 76,302.93	\$ 84,510.74	\$ 95,361.25
End of Year	\$ 92,829.46	\$ 102,244.24	\$ 76,302.93	\$ 84,510.74	\$ 95,361.25	\$ 105,796.09

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 25's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 50** on page 118 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 57 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 51** on page 119 shows the proposed sphere boundary.

Figure 50: CSA 25's Current Sphere Map

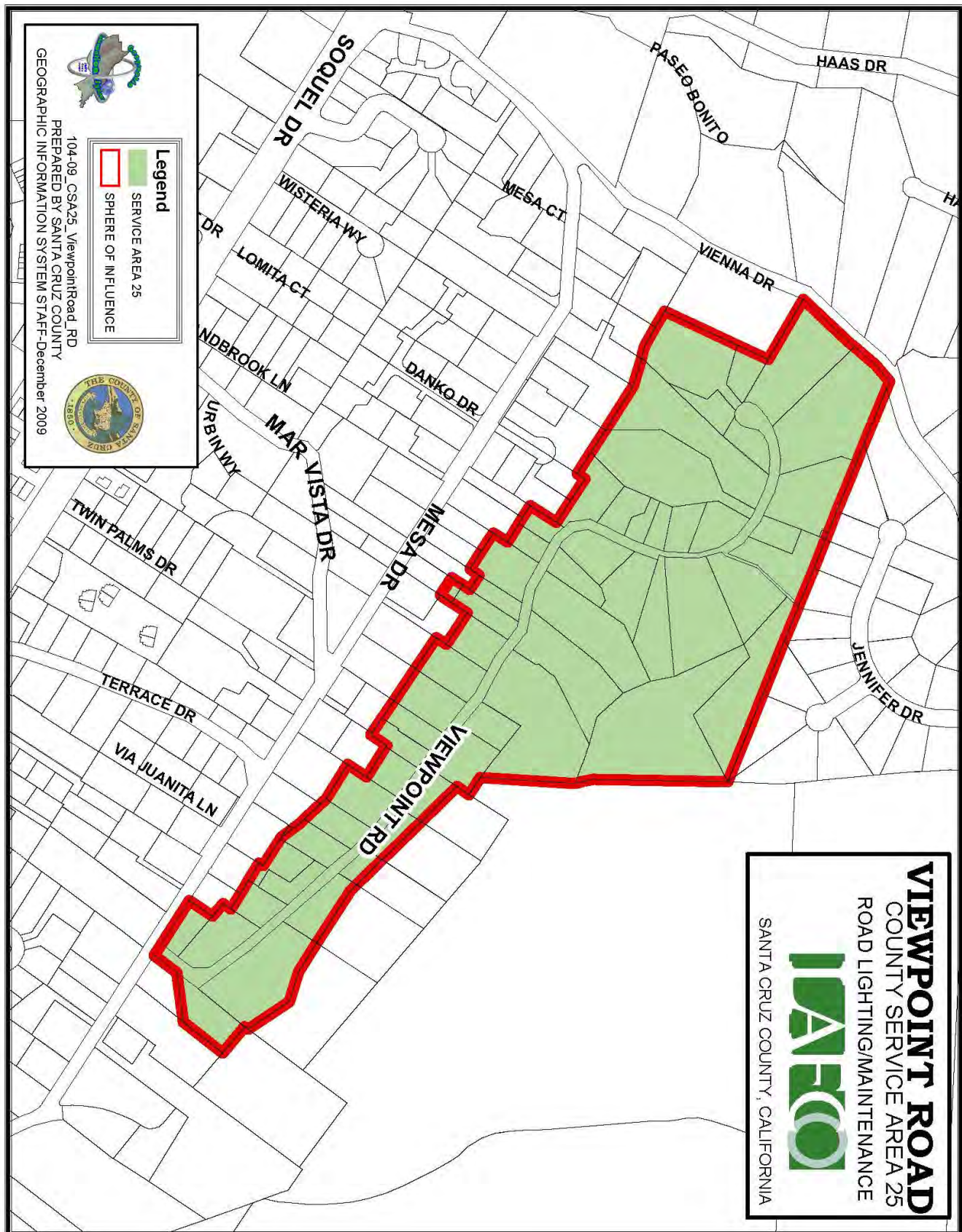
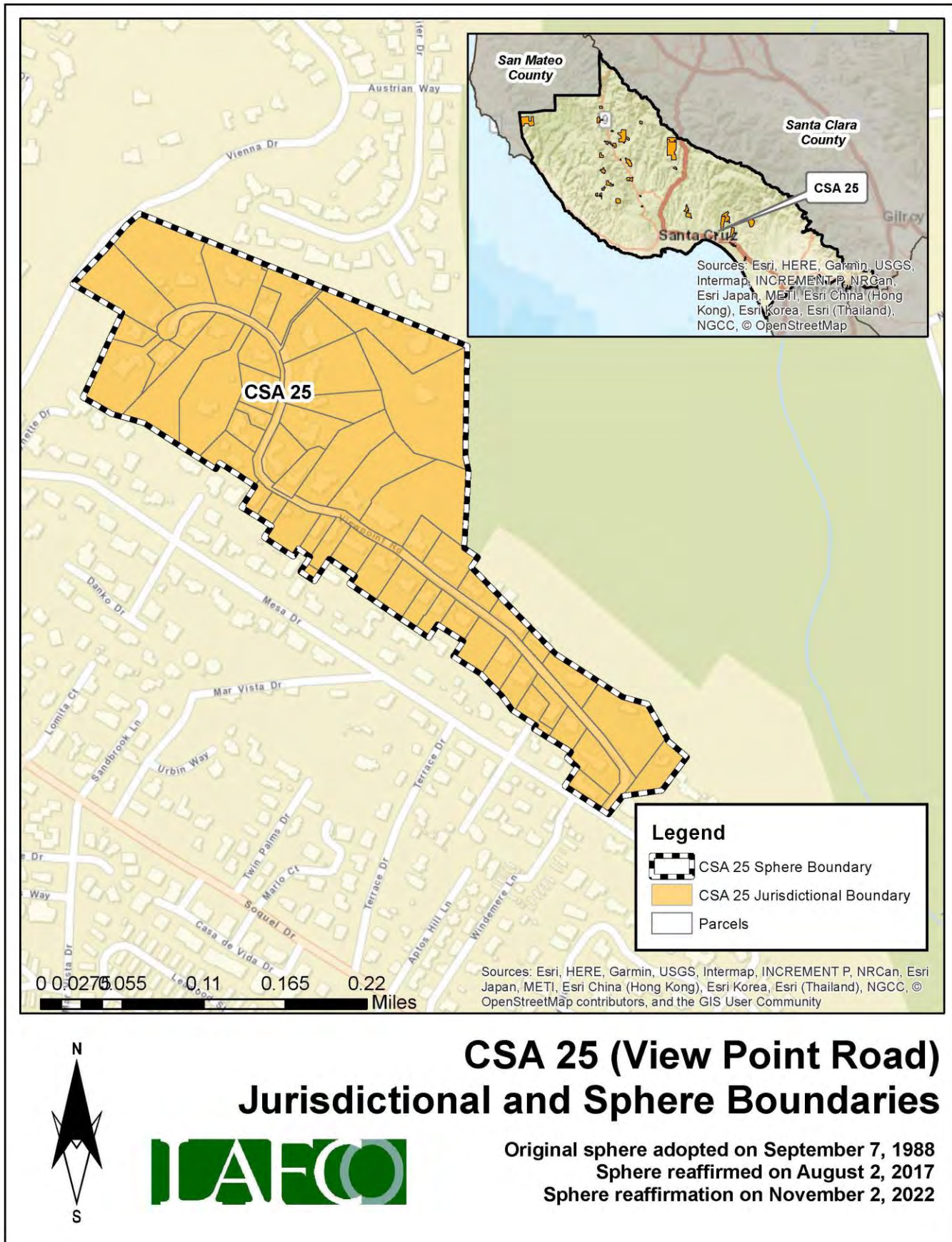


Figure 51: CSA 25's Proposed Sphere Map



District Summary

County Service Area 25	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.54road miles
District Area	0.05 square miles (appx. 32 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$11,151</p> <p>Total Expenditure = \$716</p> <p>Net Position (Ending Balance) = \$105,796</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 25 in 2020 was estimated to be 29. Based on LAFCO's analysis, the population within the CSA will be approximately 29 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 25 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 25 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$106,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 25 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 25 has 57 parcels within its jurisdictional boundary and provides extended services to approximately 0.54 miles of road for the residents.

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

CSA 25 has a population of approximately 29. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 26 (HIDDEN VALLEY ROAD)

Overview

County Service Area 26 was formed on August 4, 1982 with the purpose of providing extended maintenance to 2.82 road miles. **Appendix 11** provides a copy of the formation resolution. There is a total of 91 parcels within the CSA (totaling approximately 355 acres). **Figure 52**, on page 125, is a vicinity map depicting CSA 26's current jurisdictional boundary. Only one boundary change has occurred since its inception, in which one parcel was detached from CSA 26 back in 1984. At present, the majority of land within the CSA is designated as Rural and Mountain Residential. **Table 46** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 26 has 17 funding zones (Zones A-Q). **Figure 53** on page 126 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 26.

Table 46: Benefit Assessment Rates (2017 to 2021)

CSA 26	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$124.30	\$127.90	\$132.88	\$192.88	\$196.14
Zone B	\$248.62	\$255.82	\$265.76	\$385.76	\$392.28
Zone C	\$372.94	\$383.74	\$398.64	\$578.64	\$588.42
Zone D	\$497.28	\$511.70	\$531.52	\$771.52	\$784.56
Zone E	\$621.60	\$639.62	\$664.40	\$964.40	\$980.70
Zone F	\$745.94	\$767.56	\$797.28	\$1,157.28	\$1,176.84
Zone G	\$870.26	\$895.48	\$930.16	\$1,350.16	\$1,372.98
Change (%)		3%	4%	45%	2%
Zone H	-	-	\$224.88	\$284.88	\$288.14
Change (%)				27%	1%
Zone I	-	-	\$230.88	\$290.88	\$294.14
Change (%)				26%	1%
Zone J	-	-	\$328.88	\$388.88	\$392.14
Change (%)				18%	1%
Zone K	-	-	\$412.88	\$472.88	\$476.14
Change (%)				15%	1%
Zone L	-	-	\$424.88	\$484.88	\$488.14
Change (%)				14%	1%
Zone M	-	-	\$446.88	\$506.88	\$510.14
Change (%)				13%	1%
Zone N	-	-	\$470.88	\$530.88	\$534.14
Change (%)				13%	1%
Zone O	-	-	\$766.88	\$730.88	\$734.14
Change (%)				-5%	0%
Zone P	-	-	\$806.88	\$826.88	\$830.14
Change (%)				2%	0%
Zone Q	-	-	\$806.88	\$866.88	\$870.14
Change (%)				7%	0%

Population and Growth

Based on staff's analysis, the population of CSA 26 was 2020 is estimated to be 46. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 47** shows the anticipated population within CSA 26. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 26. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 26 will be approximately 47 by 2040.

Table 47: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 26	46	46	46	47	47

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Figure 52: CSA 26's Vicinity Map

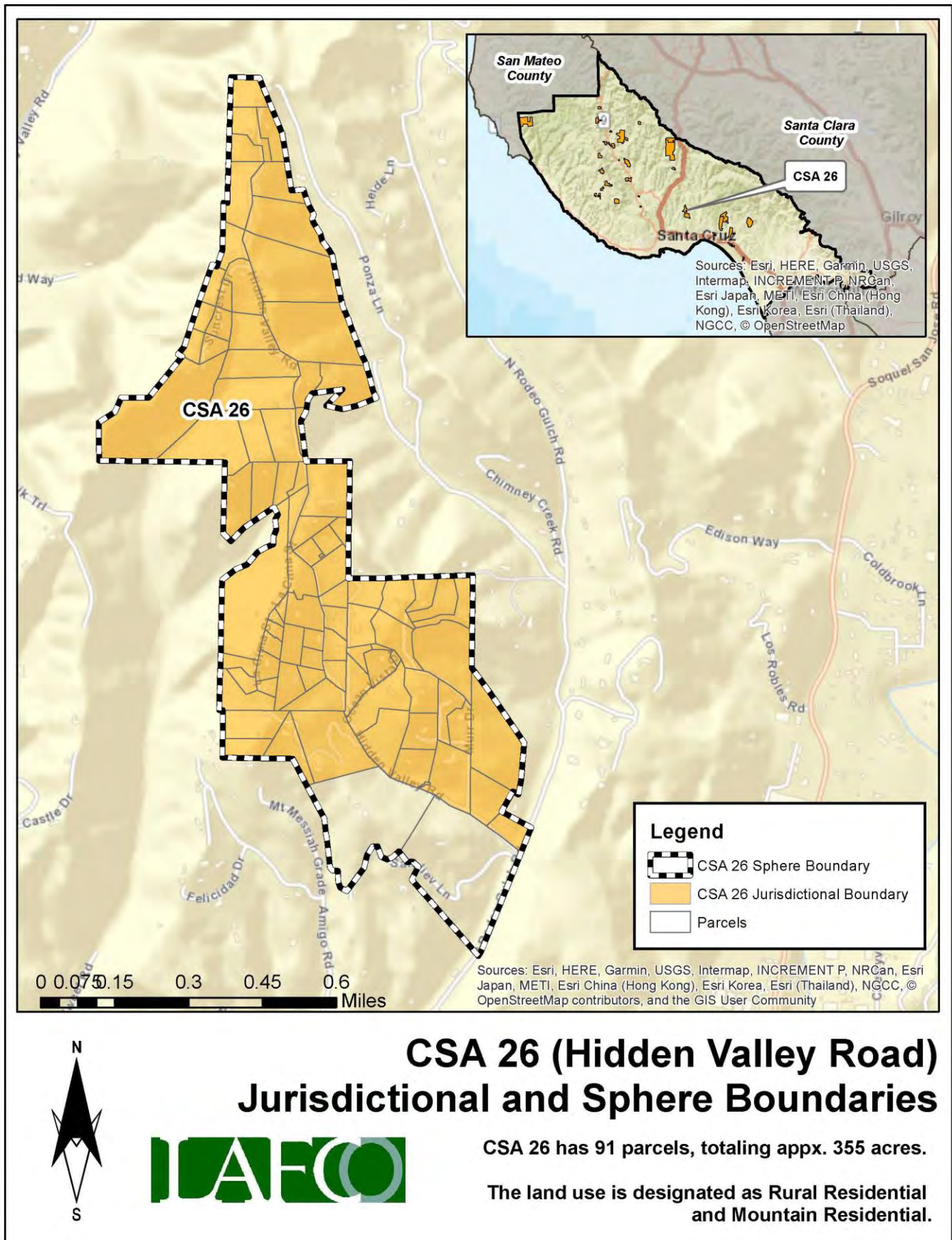
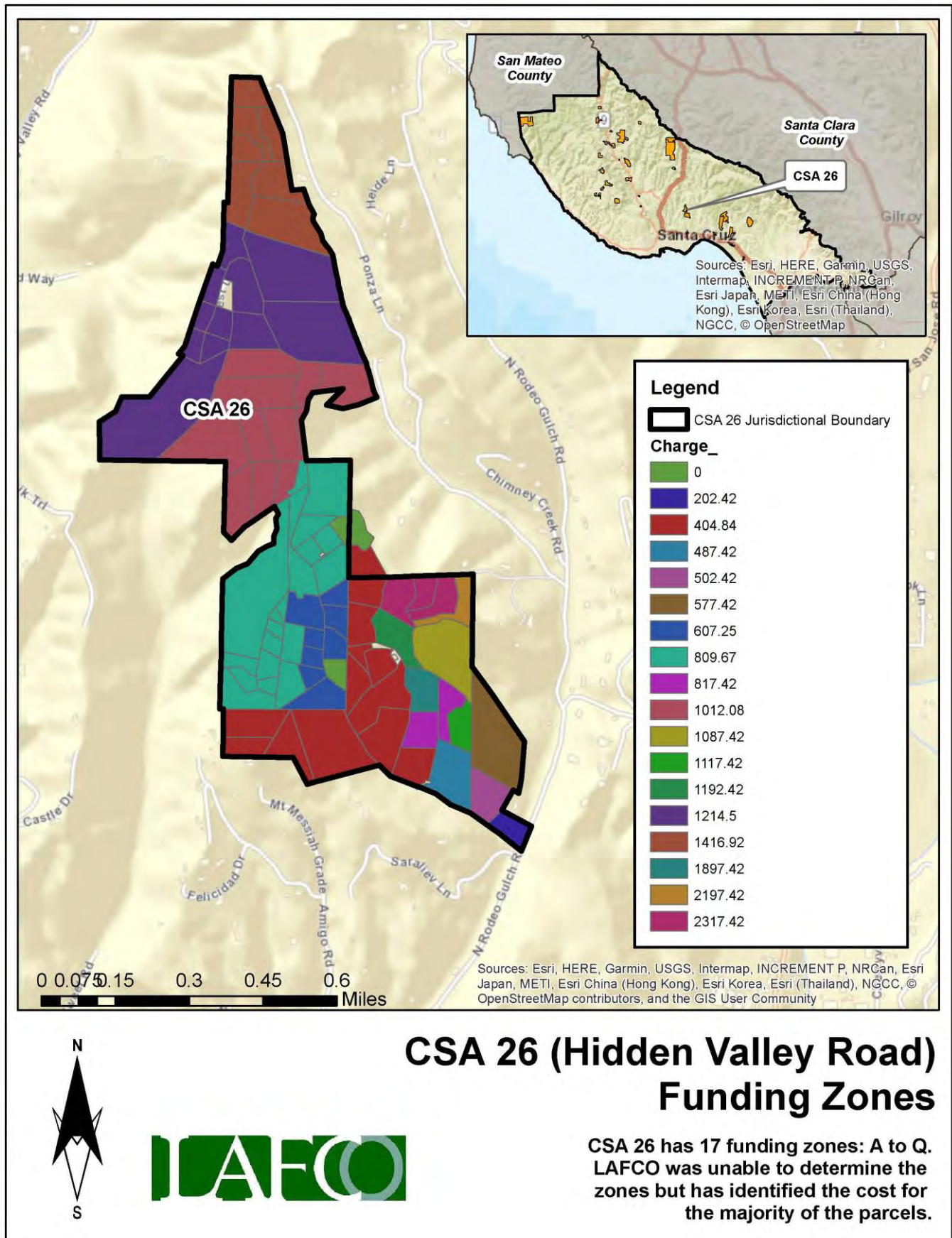


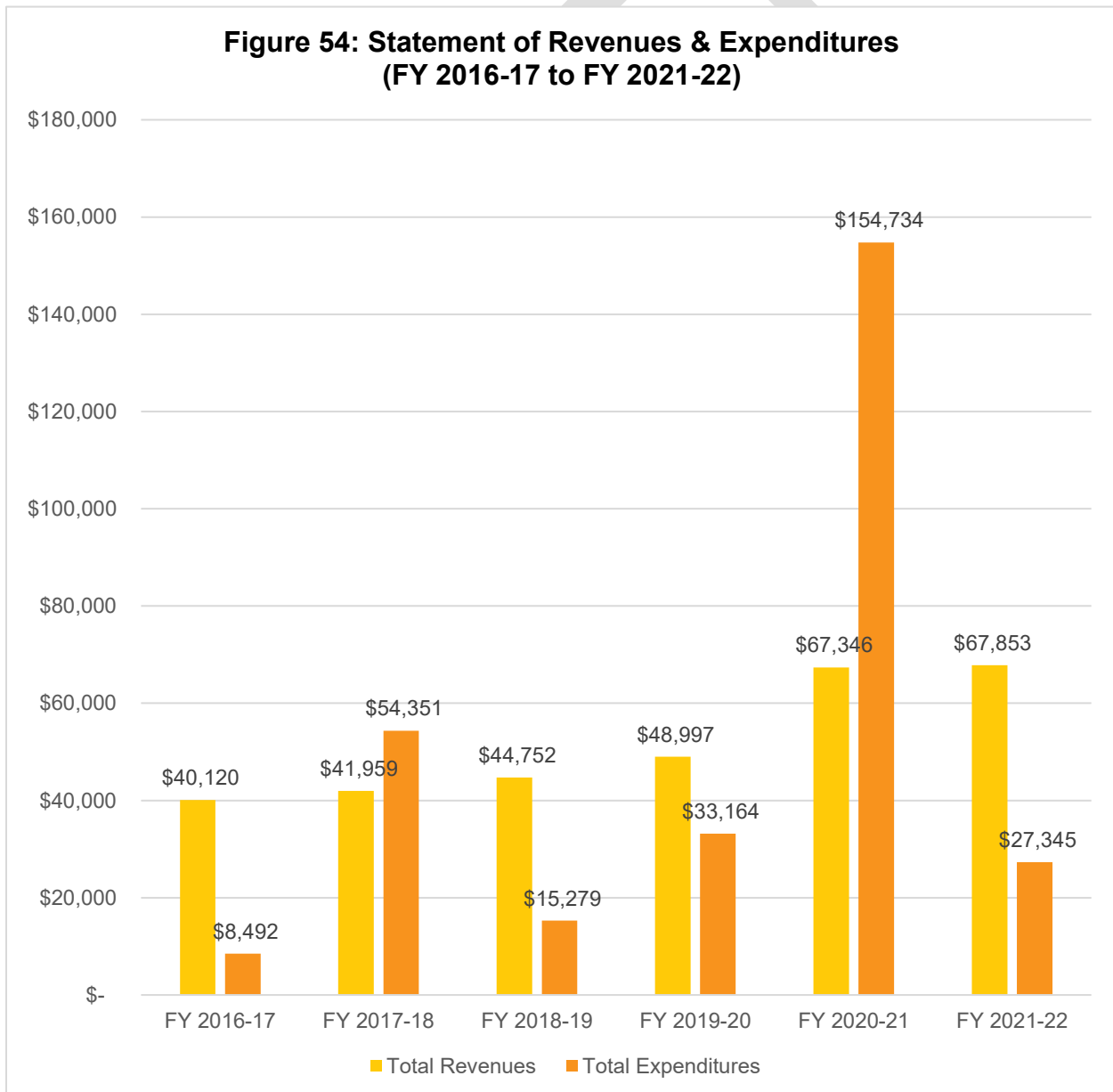
Figure 53: CSA 26's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 26's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 49** on page 129.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$68,000, representing a 1% increase from the previous year (\$67,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$27,000, which decreased by 82% from the previous year (\$155,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2017-18 and FY 2020-21, as shown in **Figure 54**. The deficit was due to a scheduled road improvement project that cost approximately \$132,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$185,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 48** and **Figure 55**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$140,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 48: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$199,175.47	\$186,782.82	\$216,255.72	\$232,089.26	\$144,701.14
Ending Balance	\$199,175	\$186,783	\$216,256	\$232,089	\$144,701	\$185,208
Change (\$)	-	\$(12,393)	\$29,473	\$15,834	\$(87,388)	\$40,507

**Figure 55: Net Position from 2016 to 2022
(Ending Balance)**

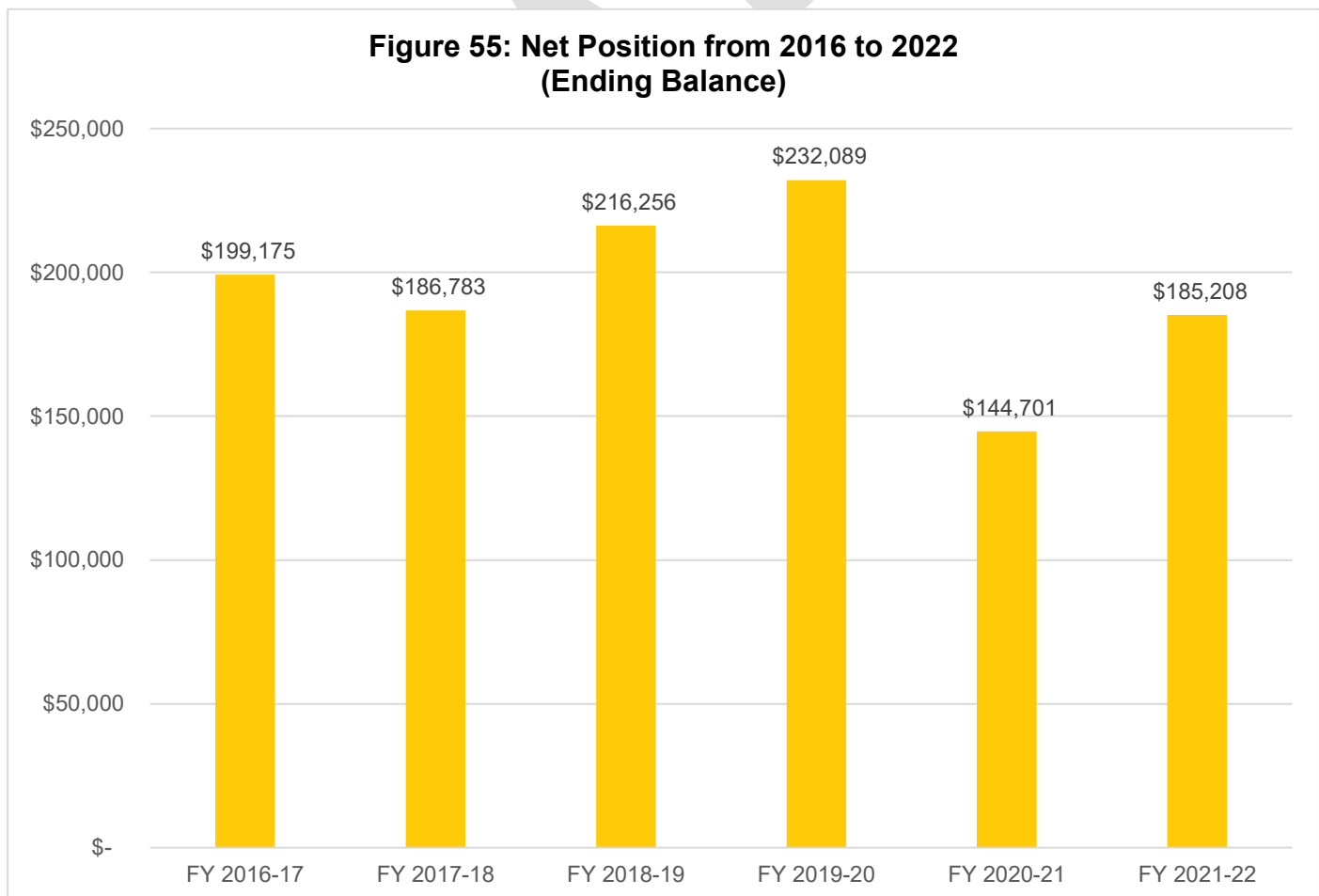


Table 49: Total Revenues & Expenditures

CSA 26	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 1,559.43	\$ 2,361.63	\$ 4,031.16	\$ 4,318.81	\$ 1,291.25	\$ 765.44
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 38,560.92	\$ 39,597.18	\$ 40,721.03	\$ 44,678.47	\$ 66,054.38	\$ 67,087.16
Total Revenues	\$ 40,120.35	\$ 41,958.81	\$ 44,752.19	\$ 48,997.28	\$ 67,345.63	\$ 67,852.60
EXPENDITURES						
DPW Services - Hidden Valley	\$ 5,797.96	\$ 52,031.14	\$ 6,117.17	\$ 20,303.16	\$ 132,316.04	\$ 20,403.31
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 2,475.30	\$ 2,320.32	\$ 2,088.00	\$ 2,108.00	\$ 2,289.00	\$ 2,443.88
Acct & Audit Fees	\$ 218.46	\$ -	\$ 415.11	\$ 238.39	\$ 238.39	\$ 342.44
Division Overhead - Admin	\$ -	\$ -	\$ 5,034.50	\$ 6,576.99	\$ 2,697.67	\$ 1,108.65
Dept Overhead Costs	\$ -	\$ -	\$ 1,624.51	\$ 3,937.20	\$ 17,192.65	\$ 3,047.01
Total Expenditures	\$ 8,491.72	\$ 54,351.46	\$ 15,279.29	\$ 33,163.74	\$154,733.75	\$ 27,345.29
Surplus/(Deficit)	\$ 31,628.63	\$ (12,392.65)	\$ 29,472.90	\$ 15,833.54	\$ (87,388.12)	\$ 40,507.31
FUND BALANCE						
Beginning of Year	\$ -	\$ 199,175.47	\$ 186,782.82	\$ 216,255.72	\$ 232,089.26	\$ 144,701.14
End of Year	\$199,175.47	\$ 186,782.82	\$216,255.72	\$ 232,089.26	\$144,701.14	\$185,208.45

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 26's first sphere of influence on September 7, 1988. The current sphere is slightly larger than the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 56** on page 130 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 91 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. However, LAFCO staff is recommending that the sphere boundary be expanded to address two split parcels, shown in Figure 53. The County should consider annexing the two split parcels as well as two additional parcels currently within the CSA's sphere but outside its jurisdictional boundary in the near future. **Figure 57** on page 131 shows the proposed sphere boundary.

Figure 56: CSA 26's Current Sphere Map

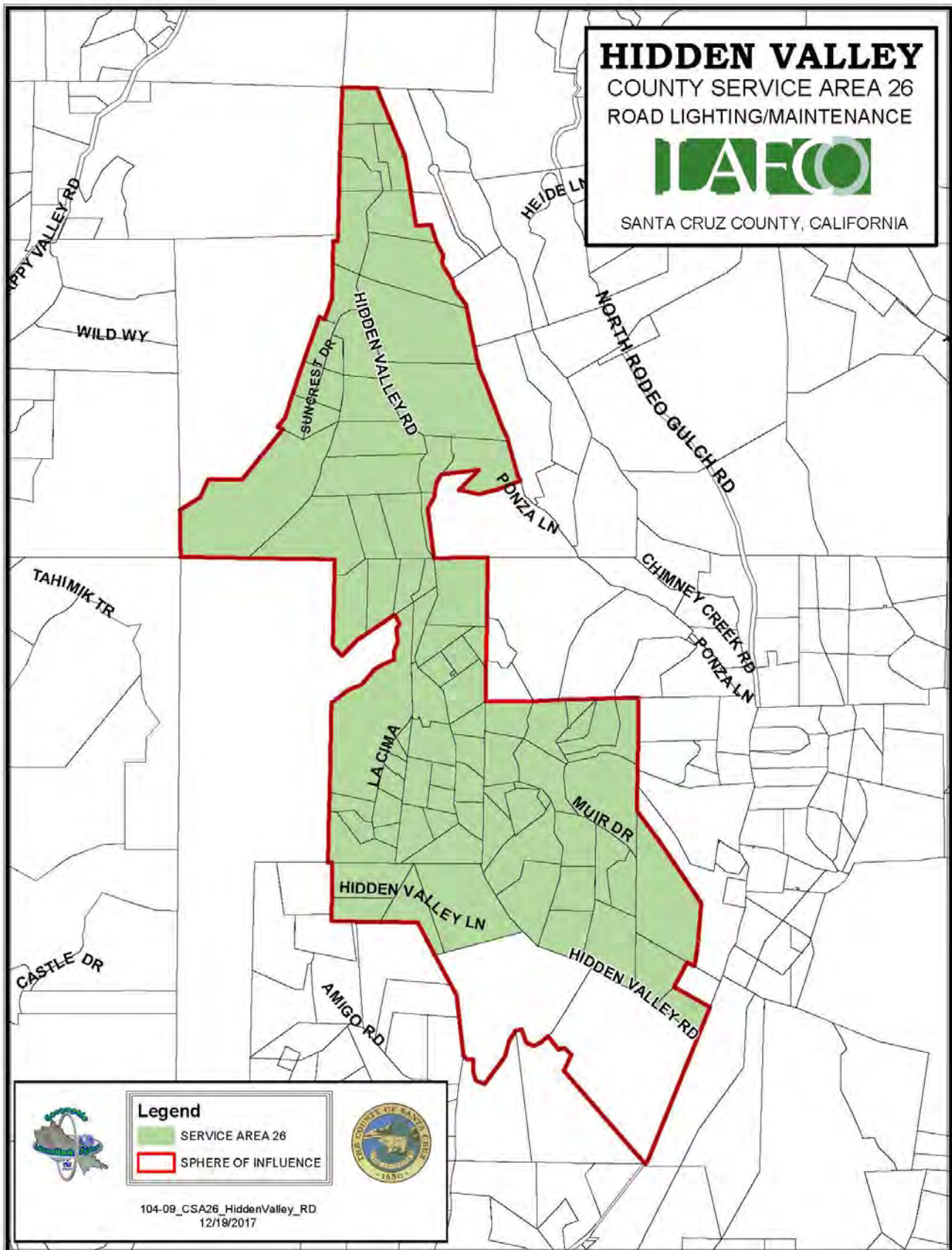
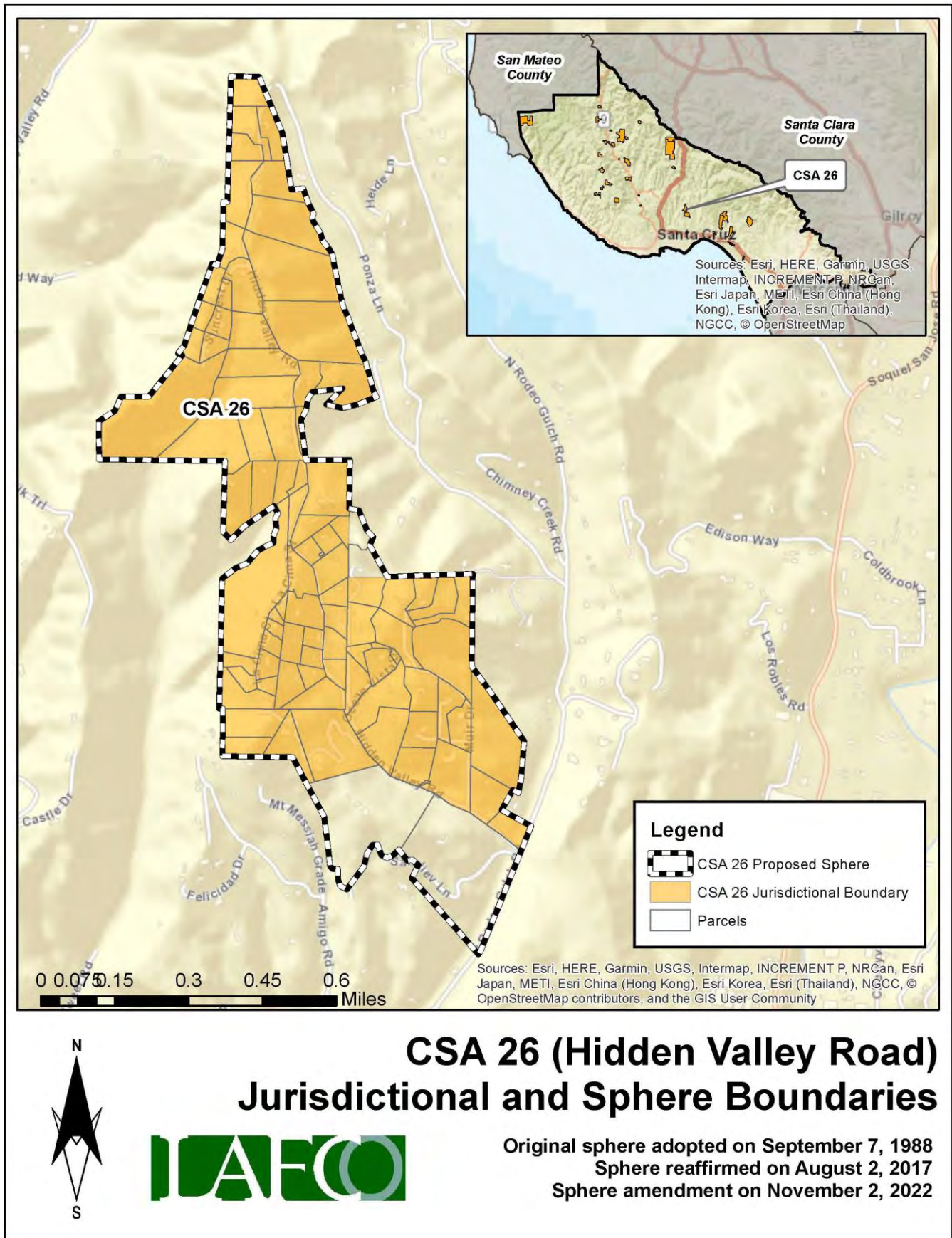


Figure 57: CSA 26's Proposed Sphere Map



District Summary

County Service Area 26	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.82 road miles
District Area	0.55 square miles (appx 355 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$67,853</p> <p>Total Expenditure = \$27,345</p> <p>Net Position (Ending Balance) = \$185,208</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 26 in 2020 was estimated to be 46. Based on LAFCO's analysis, the population within the CSA will be approximately 47 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 26 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 26 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$185,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 26 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 26 has 91 parcels within its jurisdictional boundary and provides extended services to approximately 2.82 miles of road for the residents.

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

CSA 26 has a population of approximately 46. The constituents fund the CSA through 17 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 28 (LOMOND TERRACE)

Overview

County Service Area 28 was formed on August 7, 1982 with the purpose of providing extended maintenance to 2.77 road miles. **Appendix 12** provides a copy of the formation resolution. There is a total of 94 parcels within the CSA (totaling approximately 145 acres). **Figure 58**, on page 136, is a vicinity map depicting CSA 28's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural and Mountain Residential. **Table 50** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 28 has two funding zones (Unimproved and Improved). **Figure 59** on page 137 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 28.

Table 50: Benefit Assessment Rates (2017 to 2021)

CSA 28	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Unimproved Parcels	\$200.00	\$200.00	\$200.00	\$200.00	\$350.00
Change (%)		0%	0%	0%	75%
Improved Parcels	\$400.00	\$500.00	\$500.00	\$500.00	\$700.00
Change (%)		25%	0%	0%	40%

Population and Growth

Based on staff's analysis, the population of CSA 28 was 2020 is estimated to be 349. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 51** shows the anticipated population within CSA 28. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 28. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 28 will be approximately 360 by 2040.

Table 51: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 228	349	352	355	358	361

Figure 58: CSA 28's Vicinity Map

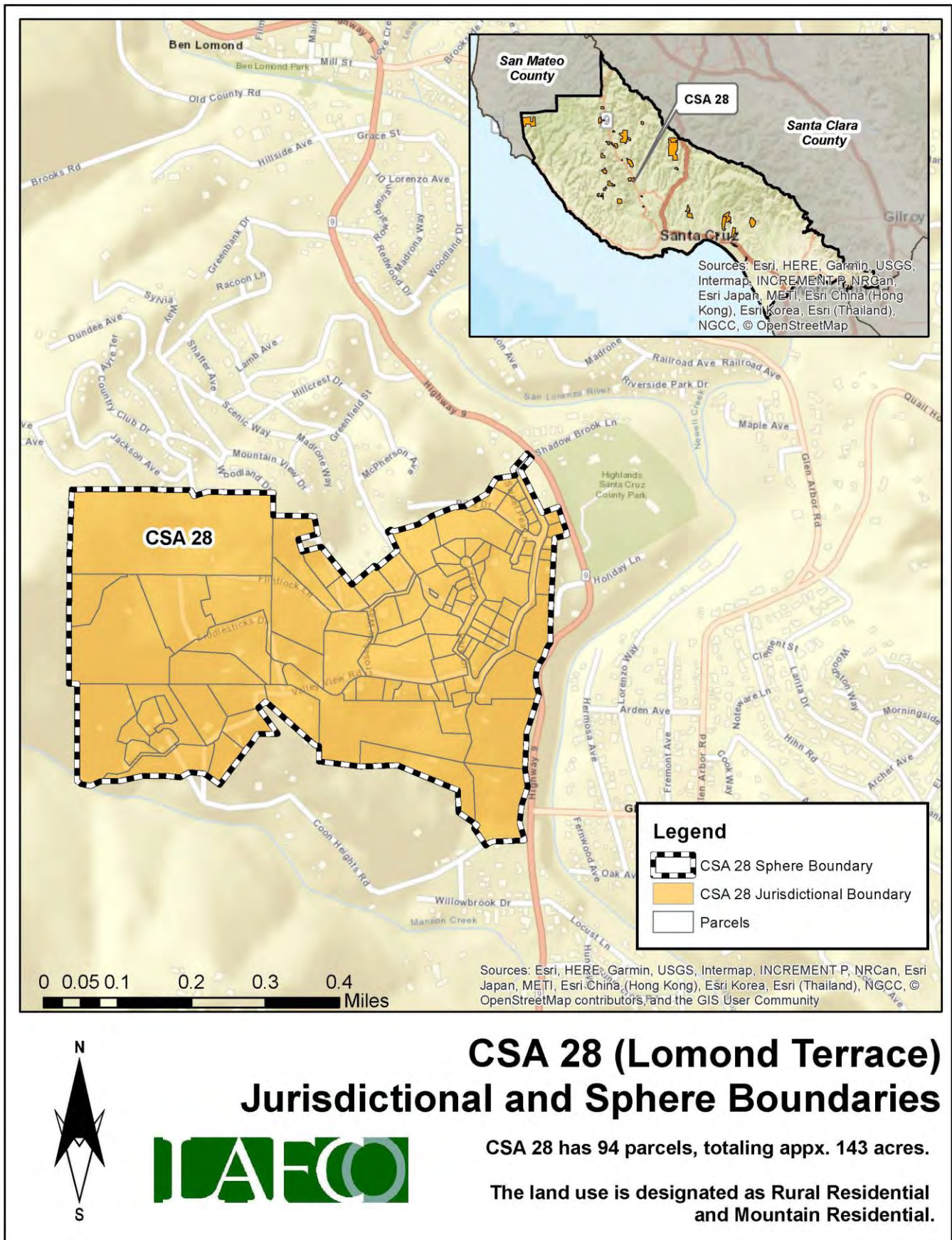
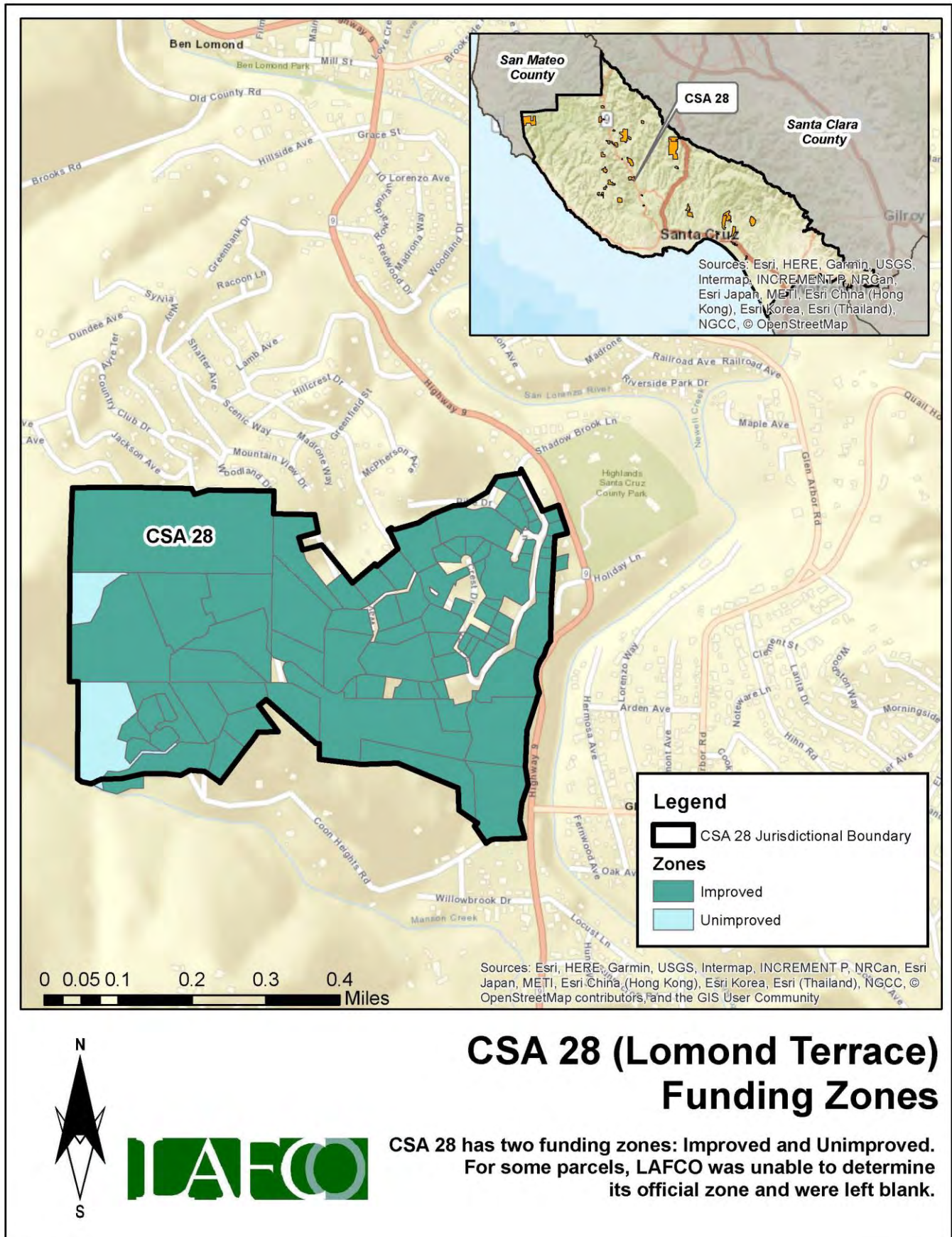


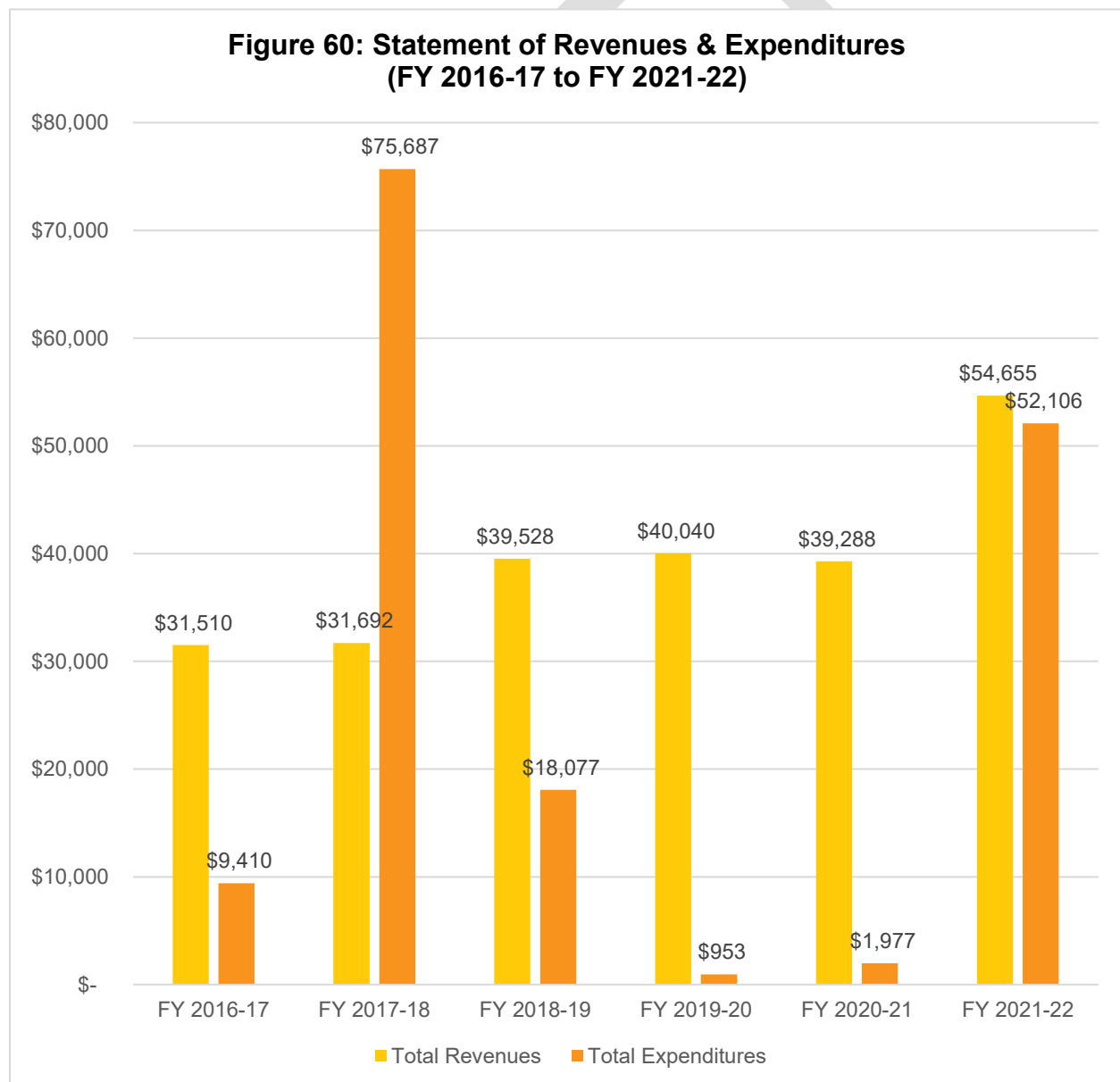
Figure 59: CSA 28's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 28's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 53** on page 140.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$55,000, representing a 39% increase from the previous year (\$39,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$52,000, which increased by 2,600% from the previous year (\$2,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2017-18, as shown in **Figure 60**. The deficit was due to a scheduled road improvement project that cost approximately \$76,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$144,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 52** and **Figure 61**, the CSA's fund balance has increased over the years but has maintained an annual balance above \$40,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 52: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$87,311.29	\$43,316.34	\$64,767.08	\$103,853.90	\$141,164.41
Ending Balance	\$87,311	\$43,316	\$64,767	\$103,854	\$141,164	\$143,714
Change (\$)	-	\$(43,995)	\$21,451	\$39,087	\$37,311	\$2,549

**Figure 61: Net Position from 2016 to 2022
(Ending Balance)**

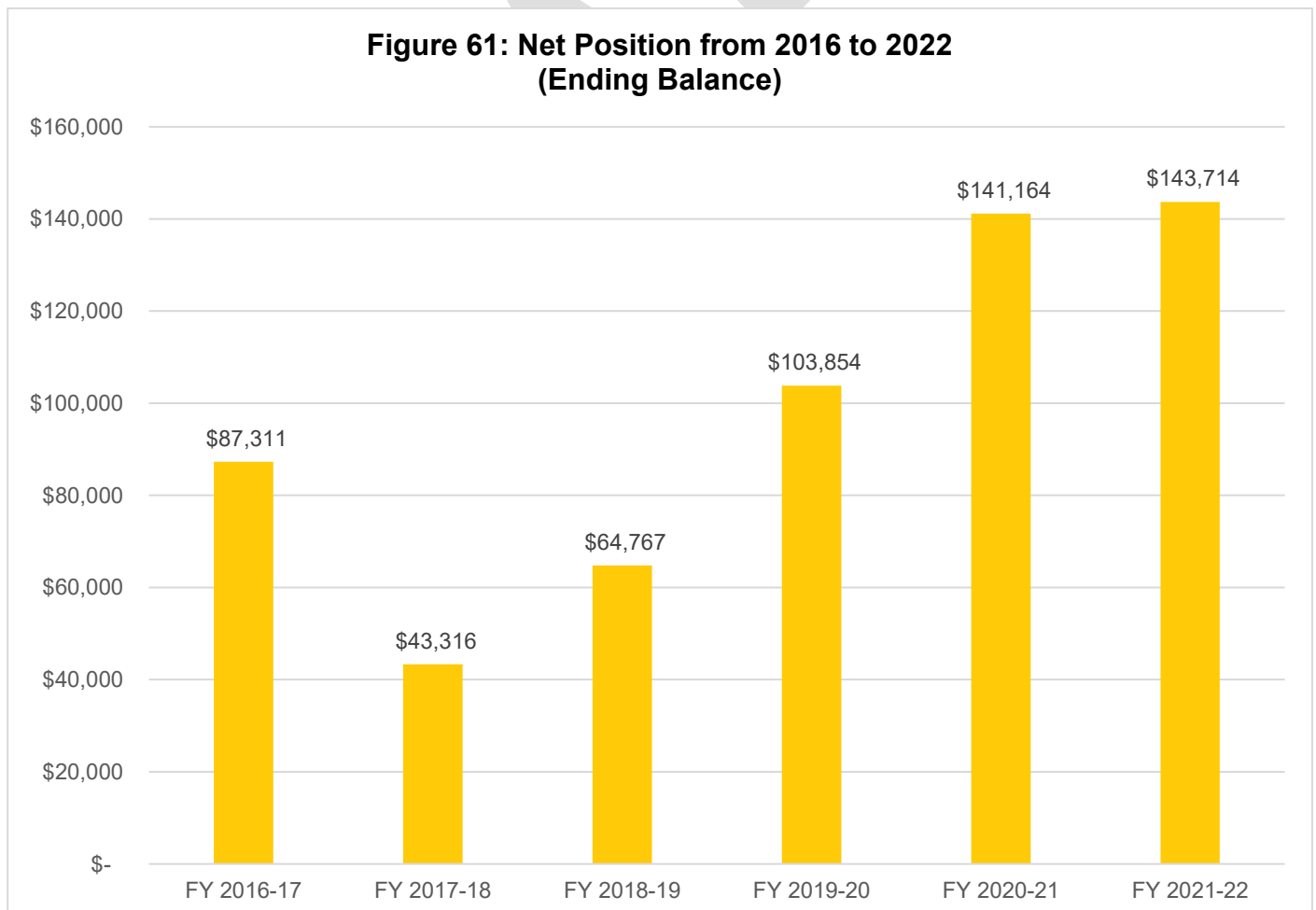


Table 53: Total Revenues & Expenditures

CSA 28	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 622.36	\$ 803.82	\$ 1,016.93	\$ 1,529.28	\$ 776.58	\$ 600.61
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 30,888.00	\$ 30,888.00	\$ 38,511.00	\$ 38,511.00	\$ 38,511.00	\$ 54,054.00
Total Revenues	\$ 31,510.36	\$ 31,691.82	\$ 39,527.93	\$ 40,040.28	\$ 39,287.58	\$ 54,654.61
EXPENDITURES						
DPW Services - Lomond Terrace	\$ 9,237.28	\$ 75,686.77	\$ 14,605.27	\$ 111.52	\$ 1,254.85	\$ 46,246.52
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 173.09	\$ -	\$ 352.99	\$ 195.31	\$ 195.31	\$ 276.27
Division Overhead - Admin	\$ -	\$ -	\$ 1,194.04	\$ 533.22	\$ 307.24	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 1,924.89	\$ 113.41	\$ 219.67	\$ 5,582.73
Total Expenditures	\$ 9,410.37	\$ 75,686.77	\$ 18,077.19	\$ 953.46	\$ 1,977.07	\$ 52,105.52
Surplus/(Deficit)	\$ 22,099.99	\$ (43,994.95)	\$ 21,450.74	\$ 39,086.82	\$ 37,310.51	\$ 2,549.09
FUND BALANCE						
Beginning of Year	\$ -	\$ 87,311.29	\$ 43,316.34	\$ 64,767.08	\$ 103,853.90	\$ 141,164.41
End of Year	\$ 87,311.29	\$ 43,316.34	\$ 64,767.08	\$ 103,853.90	\$141,164.41	\$143,713.50

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 28's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 62** on page 141 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 94 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. However, LAFCO staff is recommending that the sphere boundary be expanded to address the two split parcels, shown in Figure 59. The County should consider annexing the two split parcels in the near future. **Figure 63** on page 142 shows the proposed sphere boundary.

Figure 62: CSA 28's Current Sphere Map

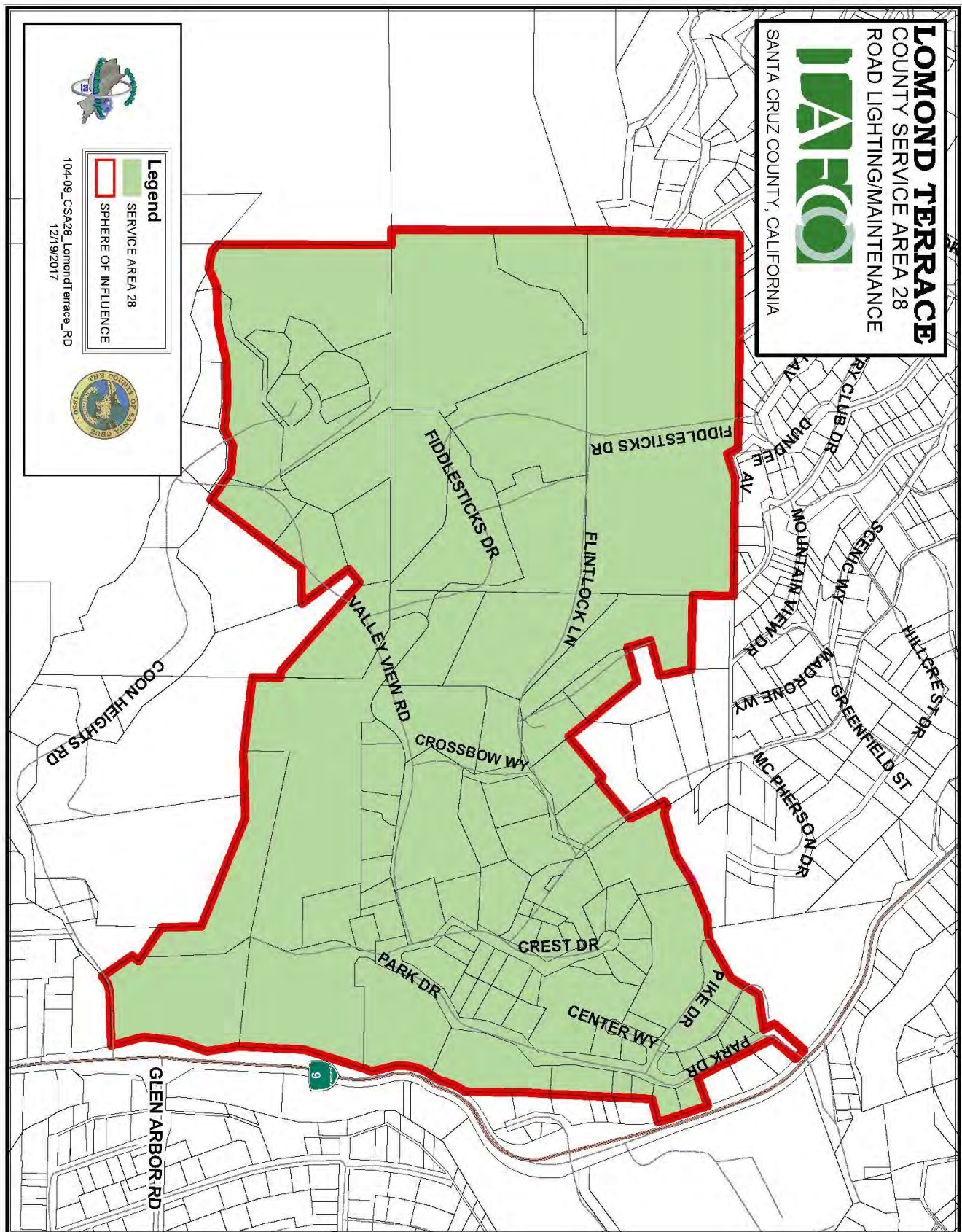
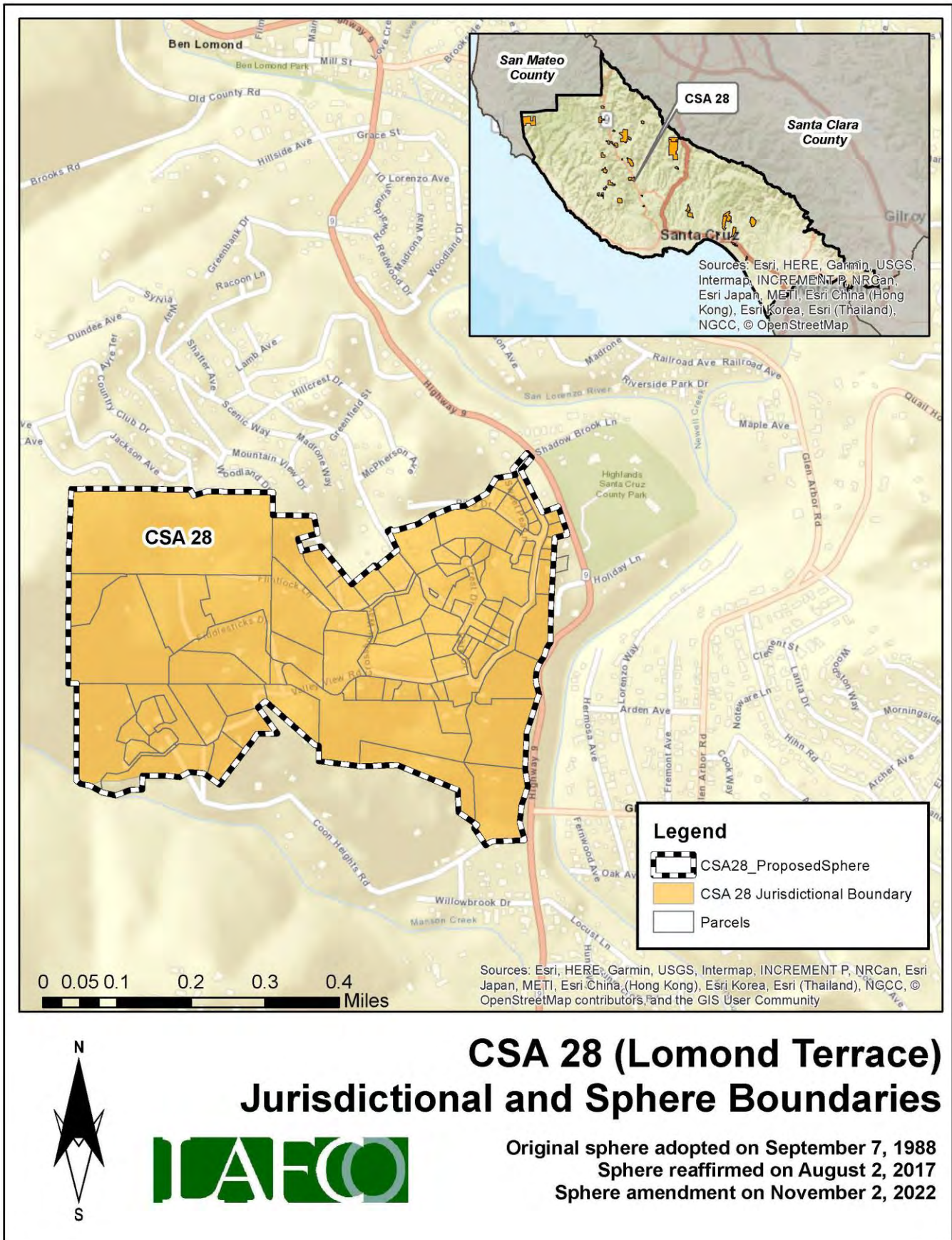


Figure 63: CSA 28's Proposed Sphere Map



District Summary

County Service Area 28	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.77 road miles
District Area	0.22 square miles (appx. 143 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary the extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$54,655</p> <p>Total Expenditure = \$52,106</p> <p>Net Position (Ending Balance) = \$143,714</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 28 in 2020 was estimated to be 349. Based on LAFCO's analysis, the population within the CSA will be approximately 361 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 28 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 28 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$144,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 28 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 28 has 94 parcels within its jurisdictional boundary and provides extended services to approximately 2.77 miles of road for the residents.

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

CSA 28 has a population of approximately 349. The constituents fund the CSA through two zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 30 (GLENWOOD ACRES)

Overview

County Service Area 30 was formed on December 1, 1982 with the purpose of providing extended maintenance to 0.89 road miles. **Appendix 13** provides a copy of the formation resolution. There is a total of 26 parcels within the CSA (totaling approximately 120 acres). **Figure 64**, on page 147, is a vicinity map depicting CSA 30's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 54** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 30 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 30.

Table 54: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 30	\$500.00	\$500.00	\$500.00	\$500.00	\$500.00
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 30 was 2020 is estimated to be 13. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 55** shows the anticipated population within CSA 30. The average rate of change is 0.86%.

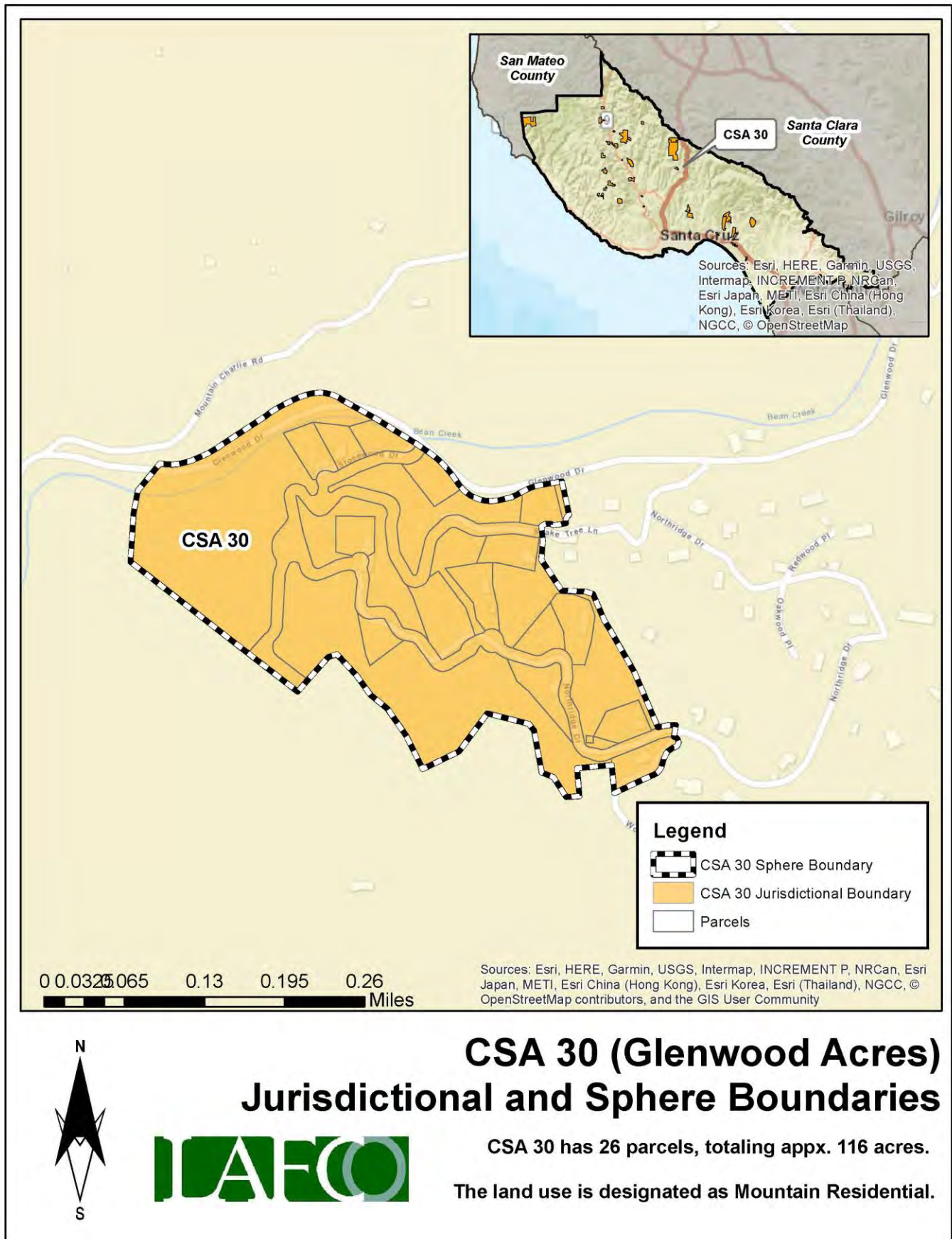
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 30. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 30 will be approximately 13 by 2040.

Table 55: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 30	13	13	13	13	13

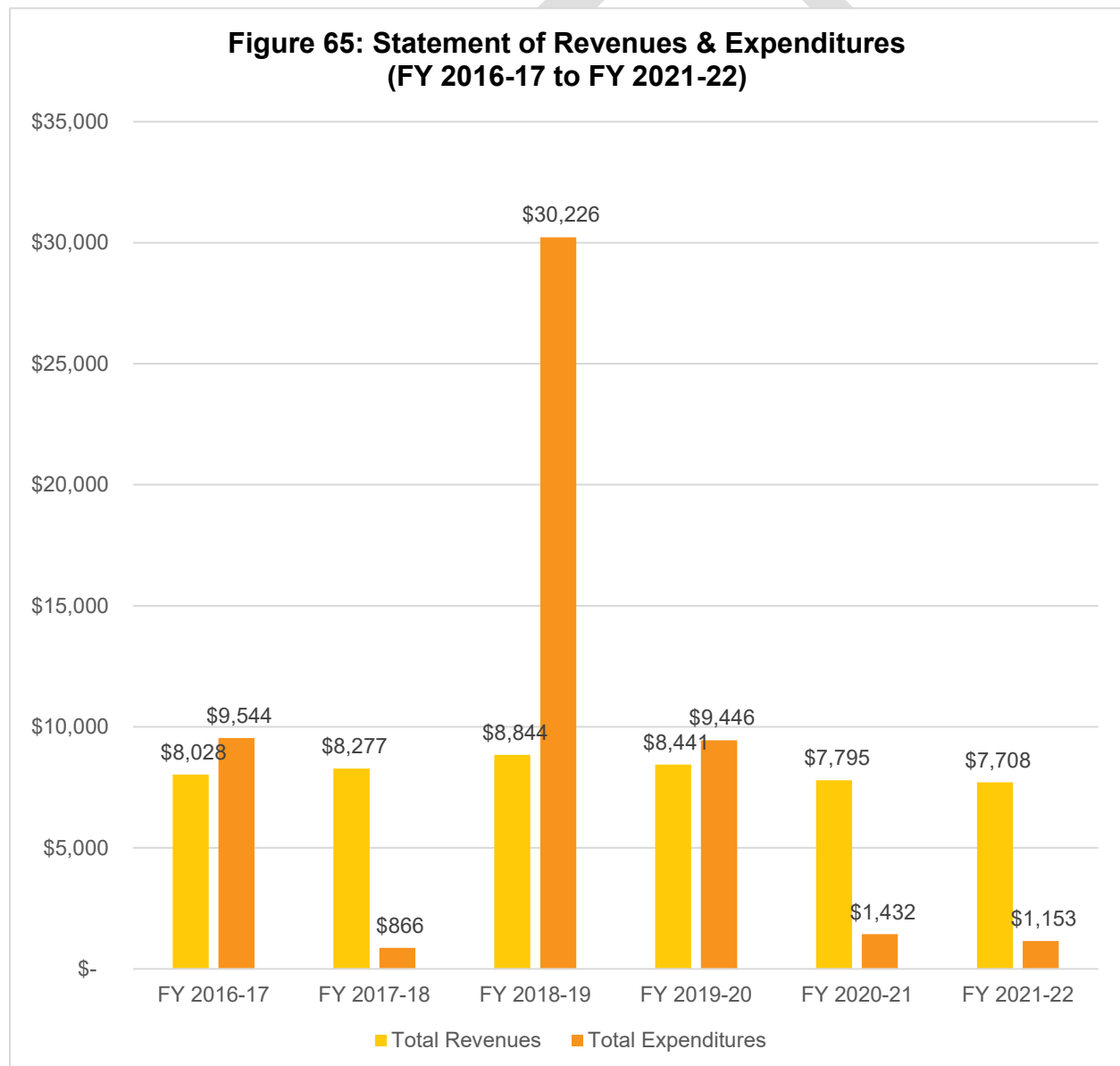
Figure 64: CSA 30's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 30's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 57** on page 150.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$7,700, representing a 1% decrease from the previous year (\$7,800 in FY 20-21). Total expenses for FY 2021-22 were approximately \$1,200 which decreased by 19% from the previous year (\$1,400 in FY 20-21). Since 2016, the CSA ended in a deficit in three of the last six fiscal years, as shown in **Figure 65**. The deficit in FY 2018-19 was due to a scheduled road improvement project that cost approximately \$24,000 to complete. LAFCO staff believes that the overall negative trend may continue unless the County collects the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$66,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 56** and **Figure 66**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$50,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 56: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$67,846.30	\$75,257.39	\$53,875.40	\$52,870.61	\$59,233.65
Ending Balance	\$67,846	\$75,257	\$53,875	\$52,871	\$59,234	\$65,789
Change (\$)	-	\$7,411	\$(21,382)	\$(1,005)	\$6,363	\$6,555

**Figure 66: Net Position from 2016 to 2022
(Ending Balance)**

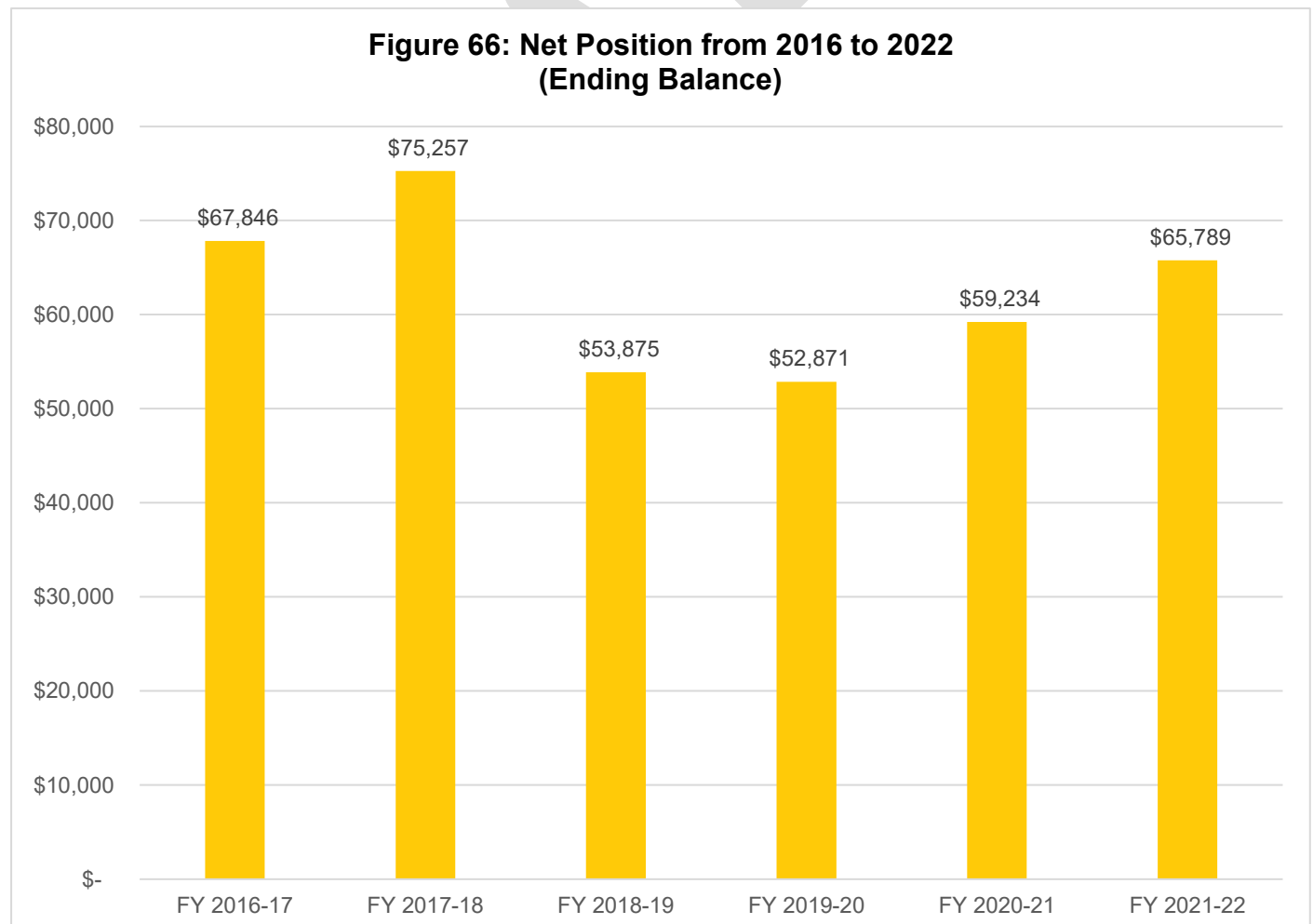


Table 57: Total Revenues & Expenditures

CSA 30	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 602.98	\$ 852.41	\$ 1,419.02	\$ 1,016.18	\$ 369.86	\$ 283.14
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 7,425.00	\$ 7,425.00	\$ 7,425.00	\$ 7,425.00	\$ 7,425.00	\$ 7,425.00
Total Revenues	\$ 8,027.98	\$ 8,277.41	\$ 8,844.02	\$ 8,441.18	\$ 7,794.86	\$ 7,708.14
EXPENDITURES						
DPW Services - Glenwood Acres	\$ 8,525.38	\$ 85.82	\$ 24,421.17	\$ 5,971.18	\$ 119.84	\$ 104.57
FEMA Labor	\$ -	\$ -	\$ -		\$ -	\$ -
Insurance	\$ 880.23	\$ 780.50	\$ 700.00	\$ 700.00	\$ 800.00	\$ 800.00
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,618.61	\$ 1,526.26	\$ 227.88	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 3,236.23	\$ 1,123.53	\$ 159.10	\$ 123.55
Total Expenditures	\$ 9,544.36	\$ 866.32	\$ 30,226.01	\$ 9,445.97	\$ 1,431.82	\$ 1,153.12
Surplus/(Deficit)	\$ (1,516.38)	\$ 7,411.09	\$ (21,381.99)	\$ (1,004.79)	\$ 6,363.04	\$ 6,555.02
FUND BALANCE						
Beginning of Year	\$ -	\$ 67,846.30	\$ 75,257.39	\$ 53,875.40	\$ 52,870.61	\$ 59,233.65
End of Year	\$ 67,846.30	\$ 75,257.39	\$ 53,875.40	\$ 52,870.61	\$ 59,233.65	\$ 65,788.67

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 30's first sphere of influence on September 7, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 67** on page 151 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 26 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 68** on page 152 shows the proposed sphere boundary.

Figure 67: CSA 30's Current Sphere Map

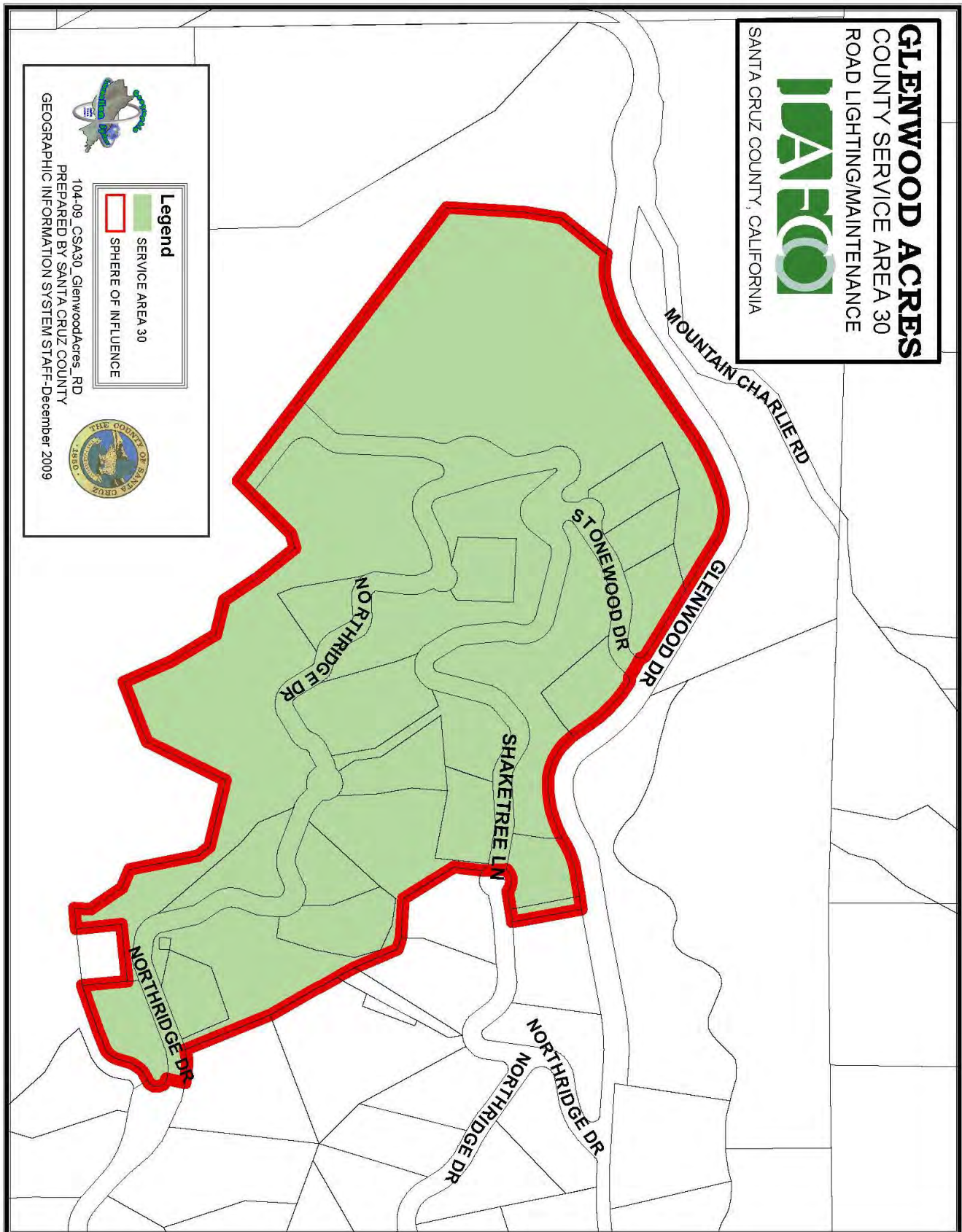
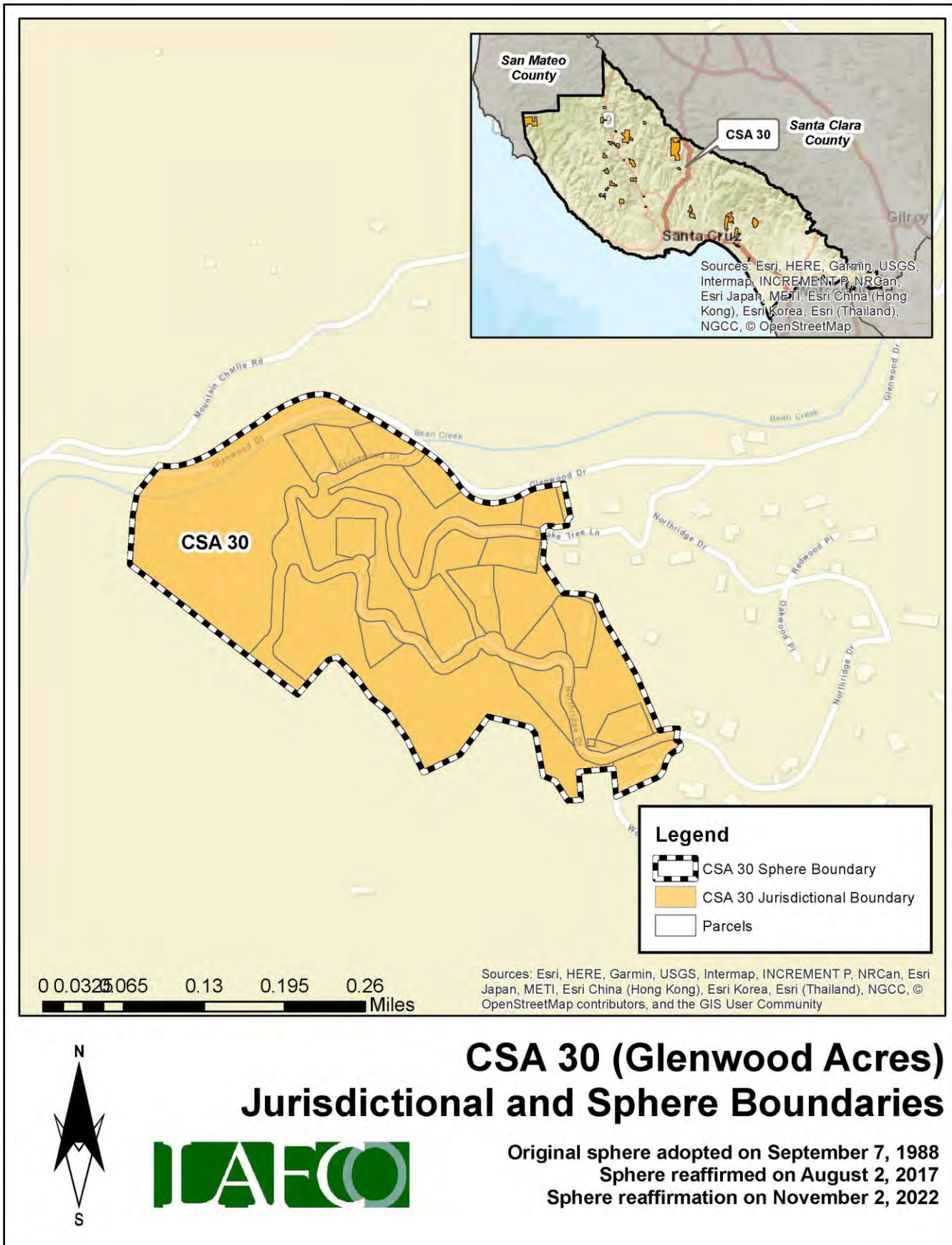


Figure 68: CSA 30's Proposed Sphere Map



District Summary

County Service Area 30	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.89 road miles
District Area	0.18 square miles (appx. 116 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$7,708</p> <p>Total Expenditure = \$1,153</p> <p>Net Position (Ending Balance) = \$65,789</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 30 in 2020 was estimated to be 13. Based on LAFCO's analysis, the population within the CSA will be approximately 13 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 30 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 30 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$66,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 30 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 30 has 26 parcels within its jurisdictional boundary and provides extended services to approximately 0.89 miles of road for the residents.

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

CSA 30 has a population of approximately 13. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 32 (VIEW CIRCLE)

Overview

County Service Area 32 was formed on March 2, 1983 with the purpose of providing extended maintenance to 0.55 road miles. **Appendix 14** provides a copy of the formation resolution. There is a total of 11 parcels within the CSA (totaling approximately 20 acres). **Figure 69**, on page 157, is a vicinity map depicting CSA 32's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Suburban Residential. **Table 58** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 32 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 32.

Table 58: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 32	\$315.62	\$315.62	\$315.62	\$315.62	\$315.62
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 32 was 2020 is estimated to be 16. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 59** shows the anticipated population within CSA 32. The average rate of change is 0.86%.

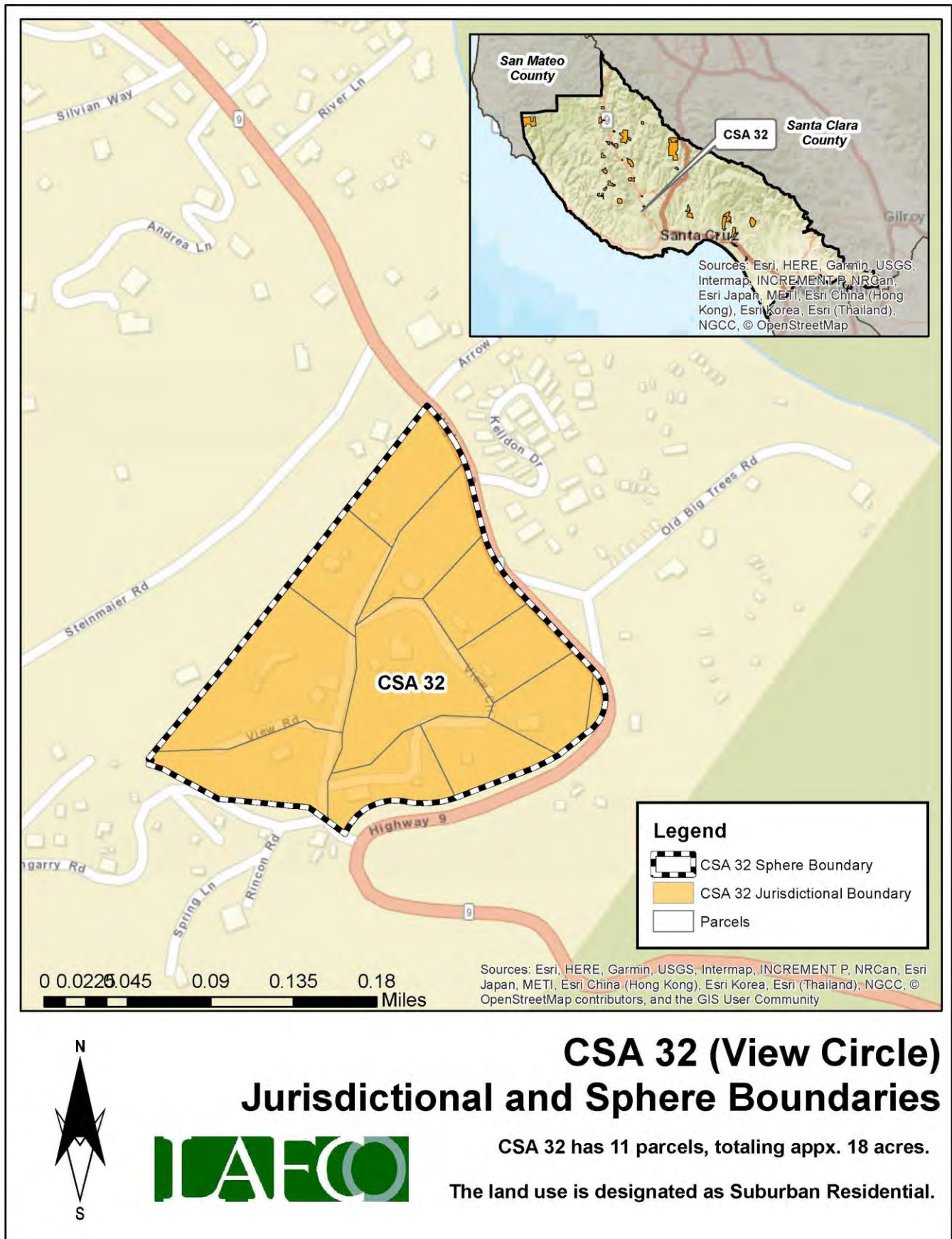
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 32. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 32 will be approximately 17 by 2040.

Table 59: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 32	16	16	16	16	17

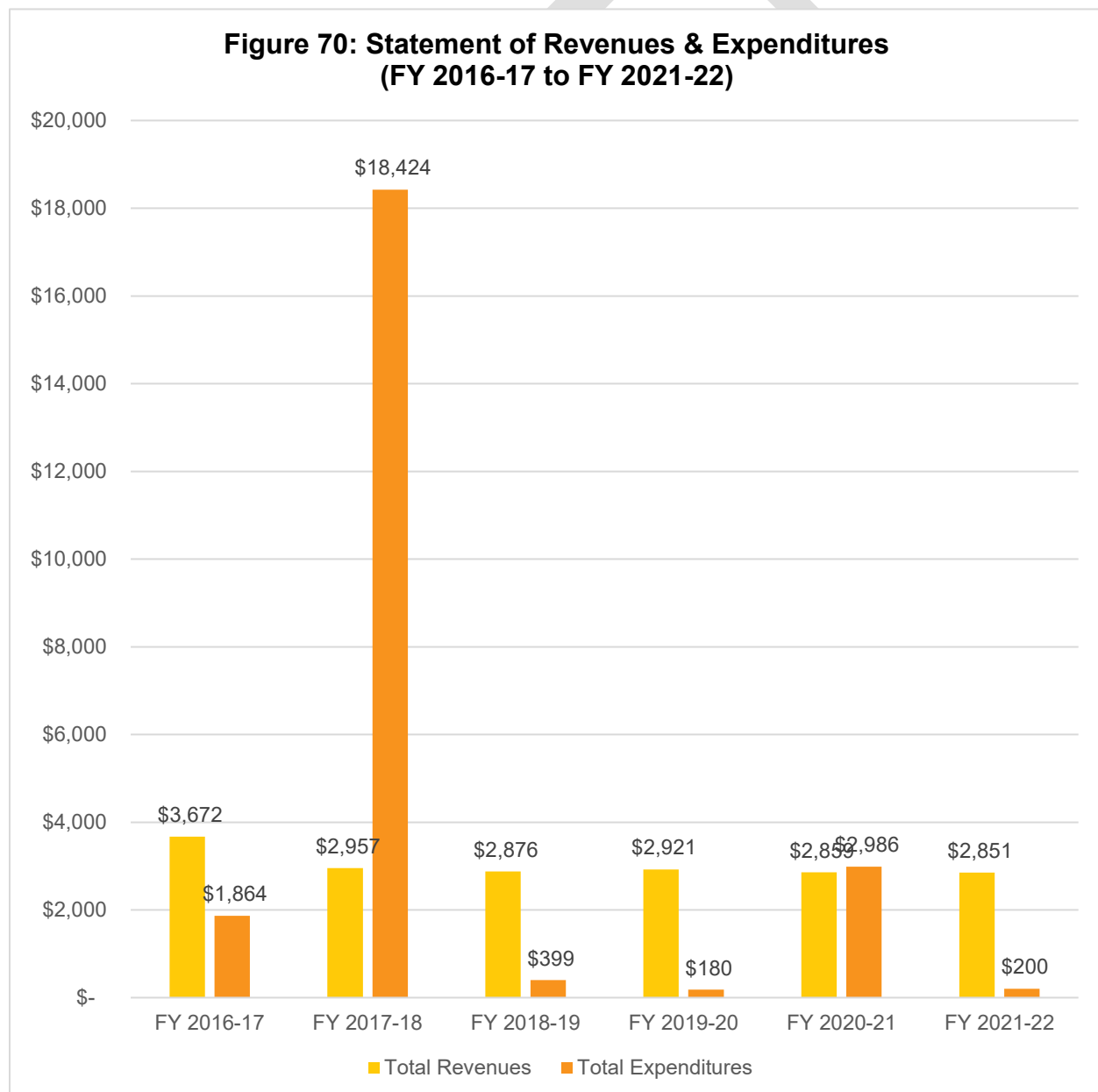
Figure 69: CSA 32's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 32's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 61** on page 160.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$2,900, representing a 0.30% decrease from the previous year (\$2,860 in FY 20-21). Total expenses for FY 2021-22 were approximately \$200, which decreased by 93% from the previous year (\$3,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2017-18 and FY 2020-21, as shown in **Figure 70**. The deficit was due to a scheduled road improvement project that cost approximately \$18,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$10,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 60** and **Figure 71**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$2,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 60: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$17,554.82	\$2,088.20	\$4,565.10	\$7,306.18	\$7,179.76
Ending Balance	\$17,555	\$2,088	\$4,565	\$7,306	\$7,180	\$9,830
Change (\$)	-	\$(15,467)	\$2,477	\$2,741	\$(126)	\$2,651

**Figure 71: Net Position from 2016 to 2022
(Ending Balance)**

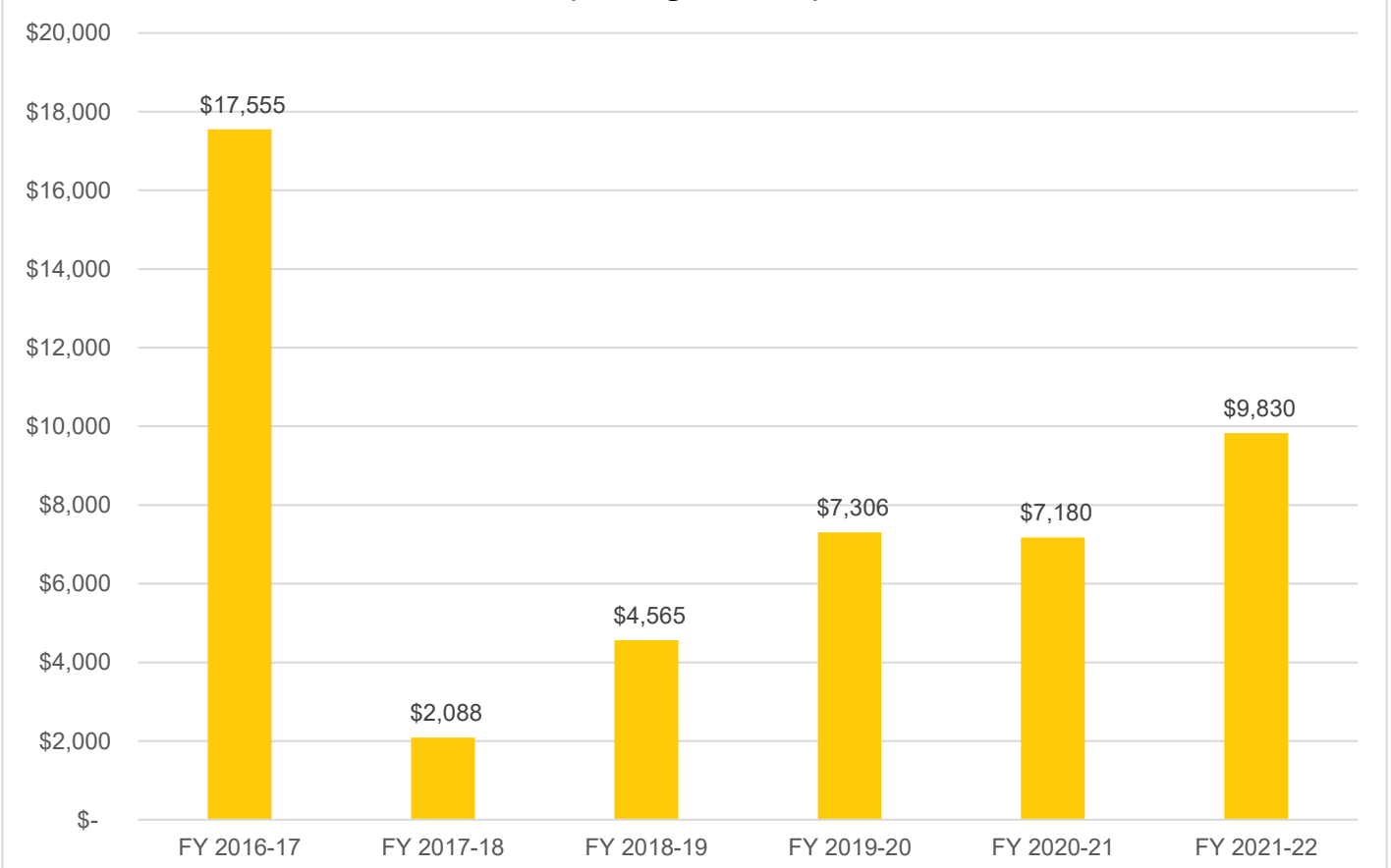


Table 61: Total Revenues & Expenditures

CSA 32	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 139.54	\$ 144.75	\$ 63.32	\$ 108.75	\$ 47.07	\$ 38.63
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -		\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -		\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -		\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -		\$ -
Other Road & Street Services	\$ 3,532.32	\$ 2,812.36	\$ 2,812.18	\$ 2,812.18	\$ 2,812.18	\$ 2,812.18
Total Revenues	\$ 3,671.86	\$ 2,957.11	\$ 2,875.50	\$ 2,920.93	\$ 2,859.25	\$ 2,850.81
EXPENDITURES						
DPW Services - View Circle	\$ 1,725.69	\$ 18,423.73	\$ 12.70	\$ 12.70	\$ 1,991.36	\$ 54.40
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 94.55	\$ 21.51	\$ 538.27	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 41.35	\$ 20.64	\$ 331.04	\$ 20.77
Total Expenditures	\$ 1,864.44	\$ 18,423.73	\$ 398.60	\$ 179.85	\$ 2,985.67	\$ 200.17
Surplus/(Deficit)	\$ 1,807.42	\$ (15,466.62)	\$ 2,476.90	\$ 2,741.08	\$ (126.42)	\$ 2,650.64
FUND BALANCE						
Beginning of Year	\$ -	\$ 17,554.82	\$ 2,088.20	\$ 4,565.10	\$ 7,306.18	\$ 7,179.76
End of Year	\$ 17,554.82	\$ 2,088.20	\$ 4,565.10	\$ 7,306.18	\$ 7,179.76	\$ 9,830.40

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 32's first sphere of influence on November 2, 1988. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 72** on page 161 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 11 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 73** on page 162 shows the proposed sphere boundary.

Figure 72: CSA 32's Current Sphere Map

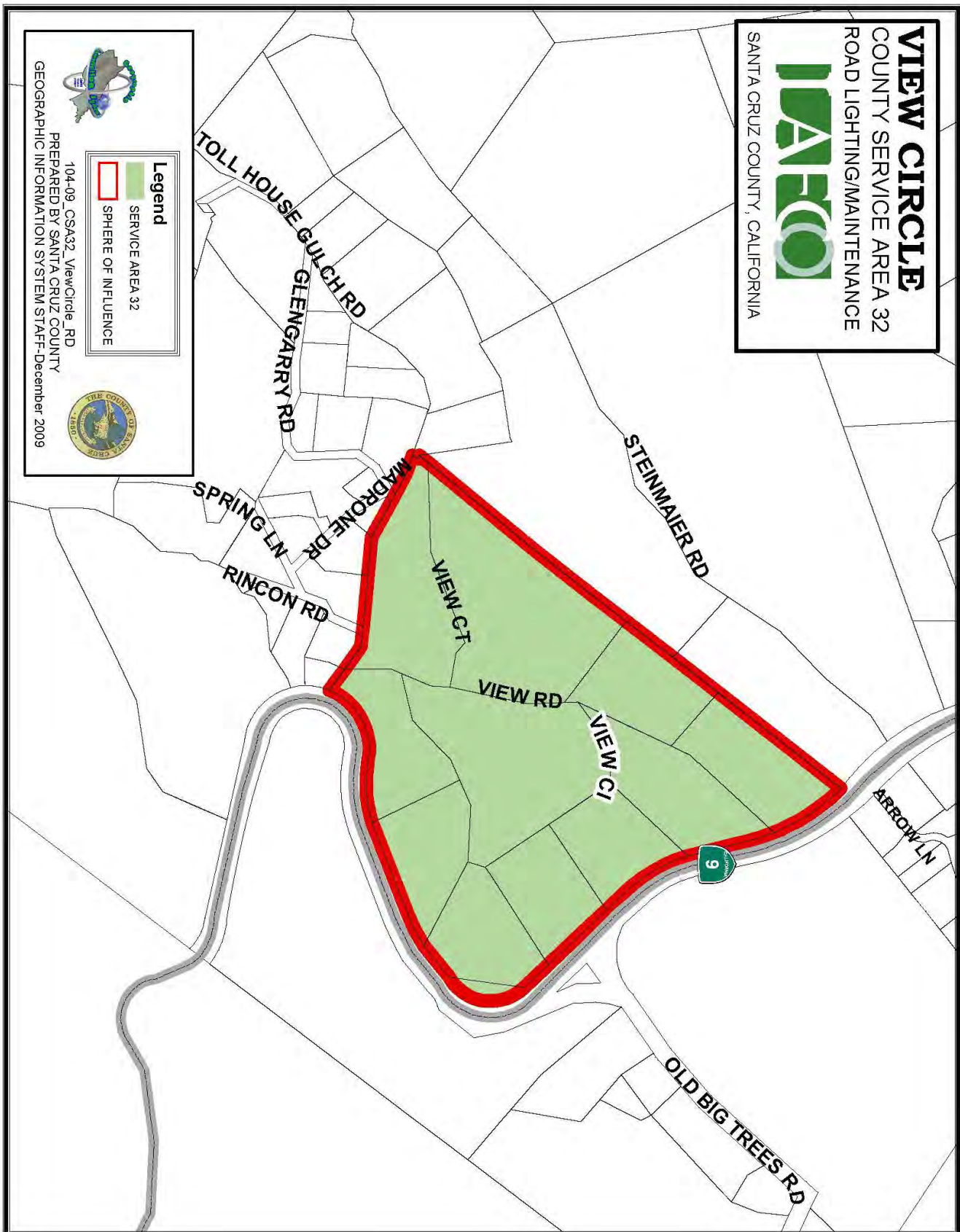
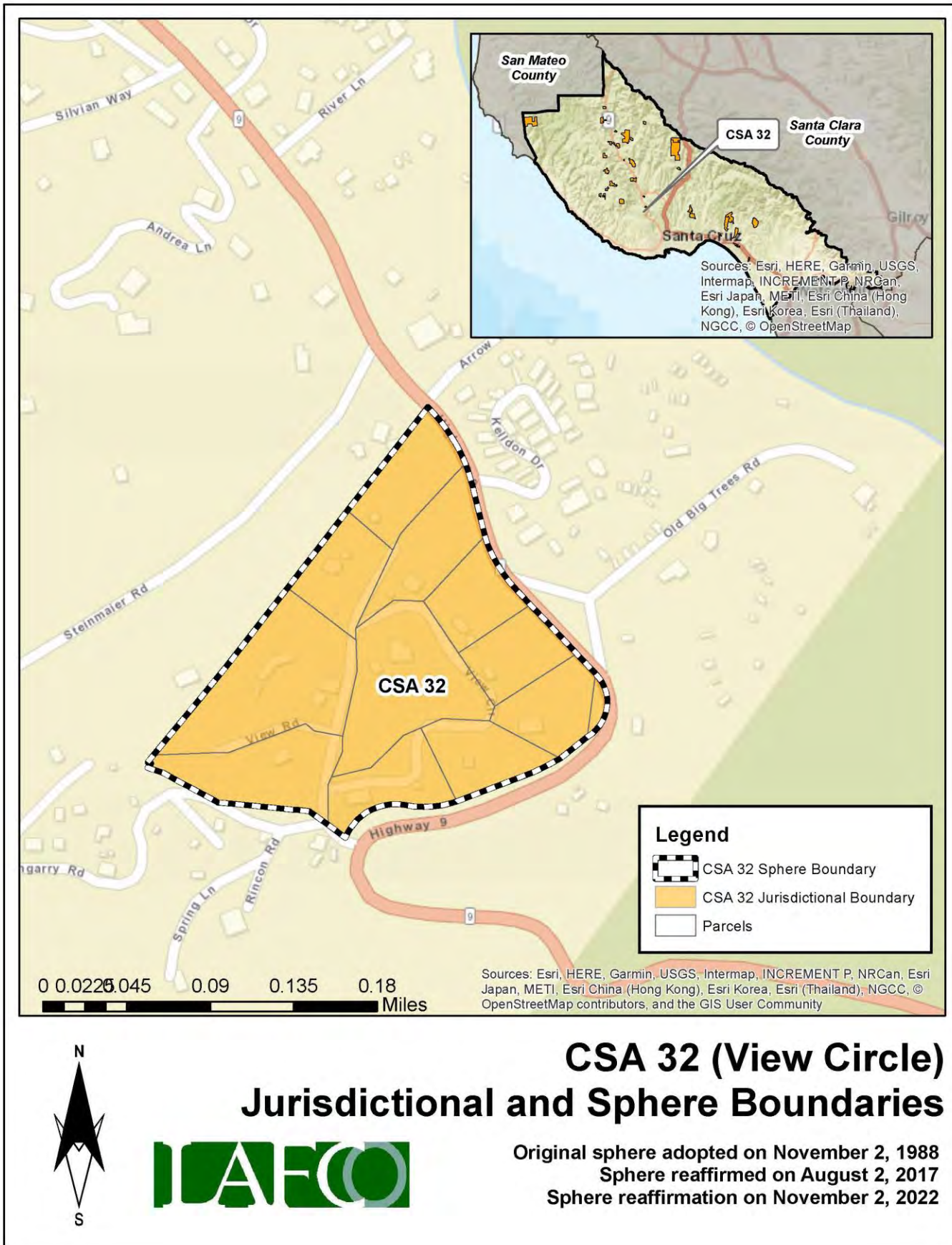


Figure 73: CSA 32's Proposed Sphere Map



District Summary

County Service Area 32	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.55 road miles
District Area	0.03 square miles (appx. 18 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$2,851</p> <p>Total Expenditure = \$200</p> <p>Net Position (Ending Balance) = \$9,830</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 32 in 2020 was estimated to be 16. Based on LAFCO's analysis, the population within the CSA will be approximately 17 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 32 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 32 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$10,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Suburban Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 32 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 32 has 11 parcels within its jurisdictional boundary and provides extended services to approximately 0.55 miles of road for the residents.

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

CSA 32 has a population of approximately 16. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 33 (REDWOOD DRIVE)

Overview

County Service Area 33 was formed on March 2, 1983 with the purpose of providing extended maintenance to 6.31 road miles. **Appendix 15** provides a copy of the formation resolution. There is a total of 286 parcels within the CSA (totaling approximately 370 acres). **Figure 74**, on page 167, is a vicinity map depicting CSA 33's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 62** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 33 has 11 funding zones (Zones A-F for improved/unimproved parcels and Monte Toyon Camp). **Figure 75** on page 168 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 33.

Table 62: Benefit Assessment Rates (2017 to 2021)

CSA 33	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A (unimproved)	\$82.34	\$84.72	\$84.72	\$84.72	\$84.72
Zone A (improved)	\$164.72	\$169.48	\$169.48	\$169.48	\$169.48
Zone B (unimproved)	\$111.18	\$114.40	\$114.40	\$114.40	\$114.40
Zone B (improved)	\$222.38	\$228.82	\$228.82	\$228.82	\$228.82
Zone C (unimproved)	\$164.72	\$169.48	\$169.48	\$169.48	\$169.48
Zone C (improved)	\$329.48	\$339.02	\$339.02	\$339.02	\$339.02
Zone D (unimproved)	\$205.92	\$211.88	\$211.88	\$211.88	\$211.88
Zone D (improved)	\$411.86	\$423.80	\$423.80	\$423.80	\$423.80
Zone E (unimproved)	\$226.50	\$233.06	\$233.06	\$233.06	\$233.06
Zone E (improved)	\$453.04	\$466.16	\$466.16	\$466.16	\$466.16
Monte Toyon Camp	\$658.88	\$677.92	\$677.92	\$677.92	\$677.92
Change (%)		3%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 33 was 2020 is estimated to be 60. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 63** shows the anticipated population within CSA 33. The average rate of change is 0.86%. Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 33. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 33 will be approximately 62 by 2040.

Table 63: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 33	60	61	61	62	62

Figure 74: CSA 33's Vicinity Map

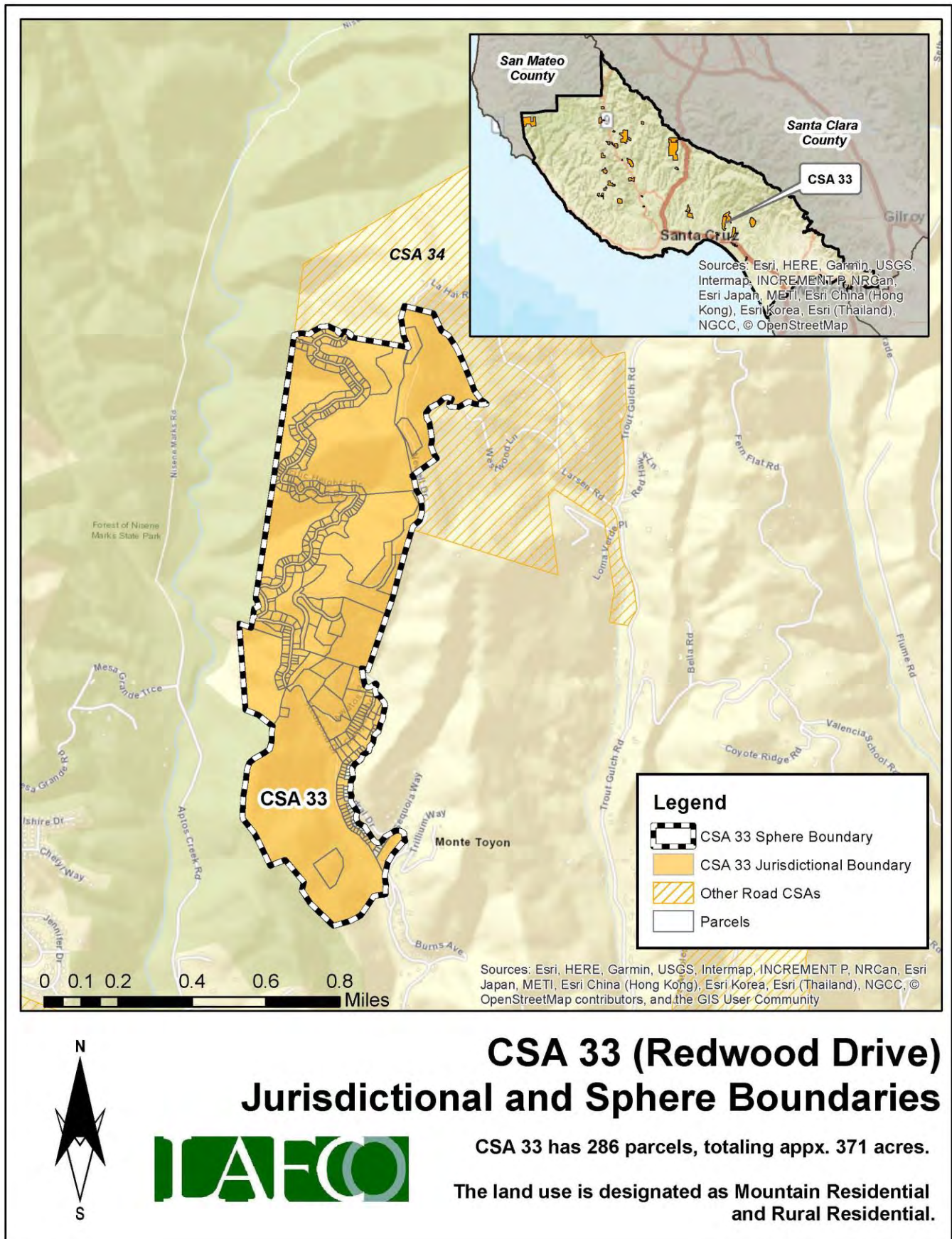
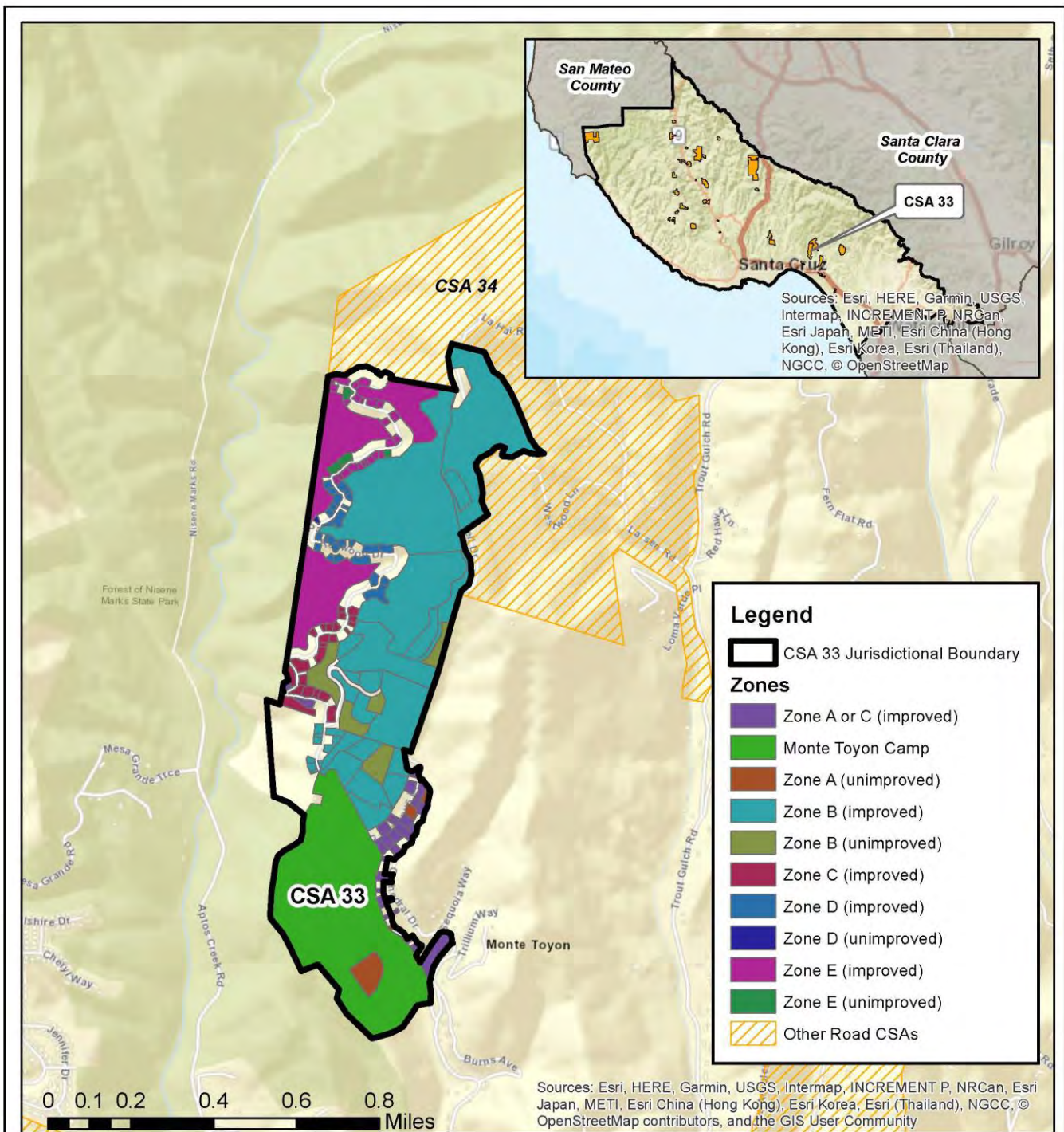


Figure 75: CSA 33's Funding Zones Map



CSA 33 (Redwood Drive) Funding Zones

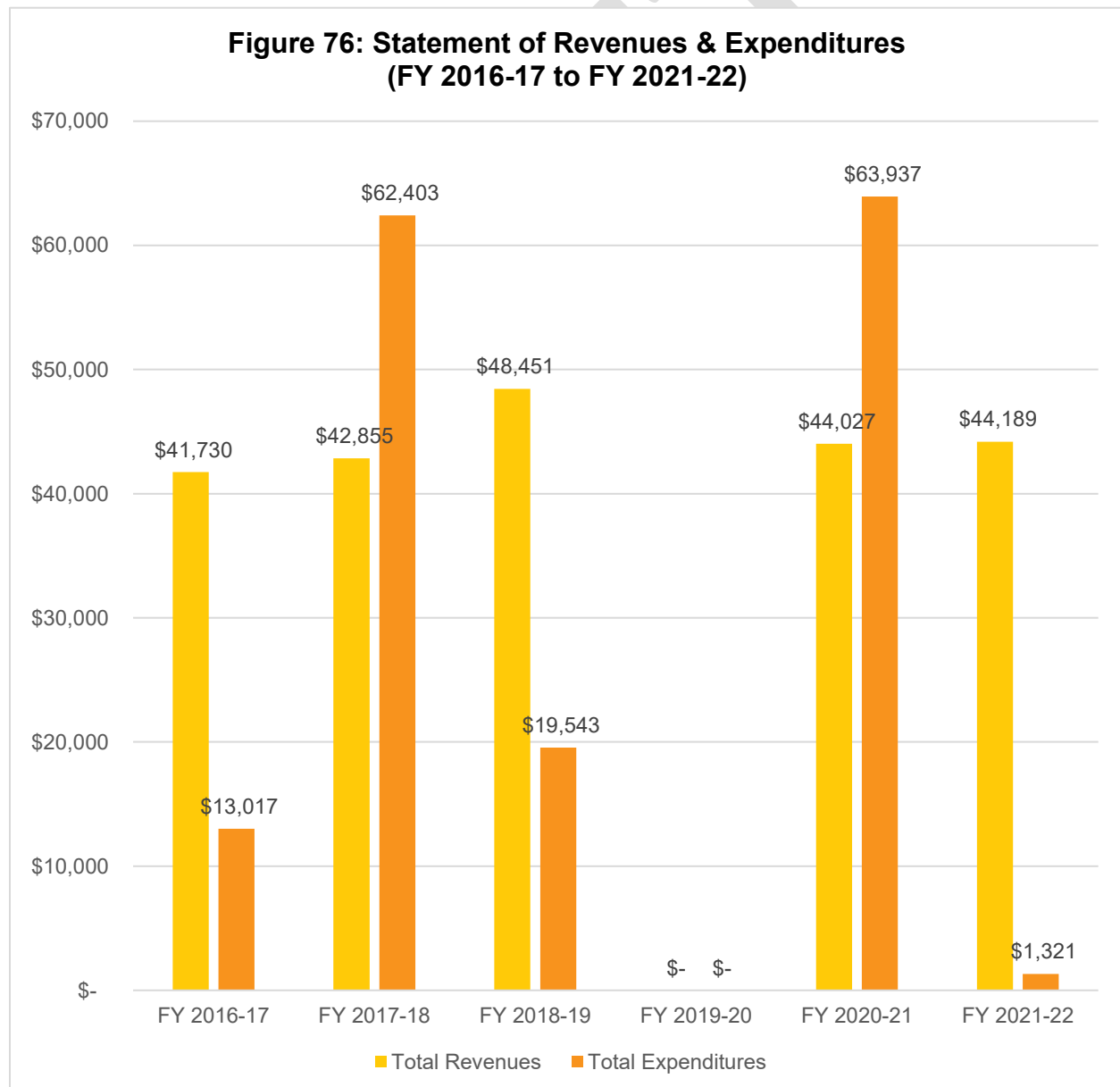
CSA 33 has 11 funding zones: A to E (improved/unimproved).
For some parcels, LAFCO was unable to determine
its official zone and were left blank.

LAFCO was unable to determine Zone A and C (improved)
because the two zones have the same charge amount.

Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 33's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 65** on page 171.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$44,200, representing a 0.37% increase from the previous year (\$44,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$1,300, which decreased by 98% from the previous year (\$64,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2017-18 and FY 2020-21, as shown in **Figure 76**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$153,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 64** and **Figure 77**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$80,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 64: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$102,449.16	\$82,901.11	\$111,809.32	\$130,134.14	\$110,223.89
Ending Balance	\$102,449	\$82,901	\$111,809	\$130,134	\$110,224	\$153,092
Change (\$)	-	\$(19,548)	\$28,908	\$18,325	\$(19,910)	\$42,868

**Figure 77: Net Position from 2016 to 2022
(Ending Balance)**

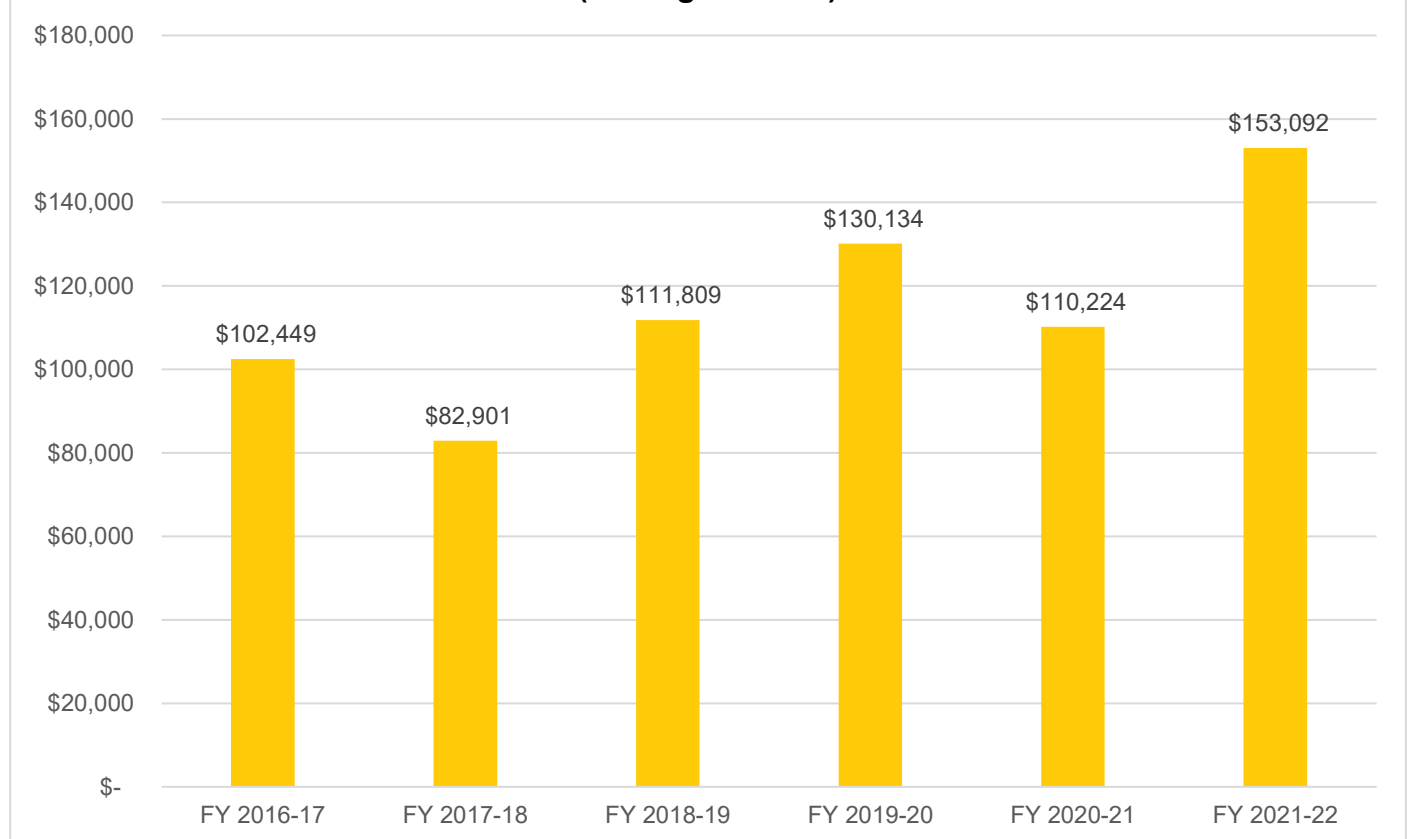


Table 65: Total Revenues & Expenditures

CSA 33	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -		\$ -	\$ -
Interest	\$ 706.43	\$ 1,123.20	\$ 1,803.04		\$ 624.51	\$ 595.50
St-Natural Disaster Assistance	\$ -	\$ -	\$ 673.00		\$ -	
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -		\$ -	
FED-FEMA	\$ -	\$ -	\$ 2,445.00		\$ -	
Other Revenue	\$ -	\$ -	\$ -		\$ -	
Other Road & Street Services	\$ 41,023.80	\$ 41,732.10	\$ 43,530.30		\$ 43,402.21	\$ 43,593.22
Total Revenues	\$ 41,730.23	\$ 42,855.30	\$ 48,451.34	\$ -	\$ 44,026.72	\$ 44,188.72
EXPENDITURES						
DPW Services - Redwood Drive	\$ 12,785.99	\$ 62,403.35	\$ 15,806.78		\$ 55,804.77	\$ 956.64
FEMA Labor	\$ -	\$ -	\$ -		\$ -	\$ -
Insurance	\$ -	\$ -	\$ -		\$ -	\$ -
Acct & Audit Fees	\$ 230.72	\$ -	\$ 438.76		\$ 227.04	\$ 222.47
Division Overhead - Admin	\$ -	\$ -	\$ 1,225.77		\$ 801.05	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 2,071.82		\$ 7,104.11	\$ 141.50
Total Expenditures	\$ 13,016.71	\$ 62,403.35	\$ 19,543.13	\$ -	\$ 63,936.97	\$ 1,320.61
Surplus/(Deficit)	\$ 28,713.52	\$ (19,548.05)	\$ 28,908.21	\$ -	\$ (19,910.25)	\$ 42,868.11
FUND BALANCE						
Beginning of Year	\$ -	\$ 102,449.16	\$ 82,901.11	\$ 111,809.32	\$ 130,134.14	\$ 110,223.89
End of Year	\$102,449.16	\$ 82,901.11	\$111,809.32	\$ 130,134.14	\$110,223.89	\$153,092.00

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 33's first sphere of influence on March 2, 1983. The current sphere is slightly larger than the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 78** on page 172 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 286 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. LAFCO staff is recommending that the sphere boundary reaffirmed. However, the County should consider annexing the 25 parcels currently within the CSA's sphere boundary but outside its jurisdictional boundary. **Figure 79** on page 173 shows the proposed sphere boundary.

Figure 78: CSA 33's Current Sphere Map

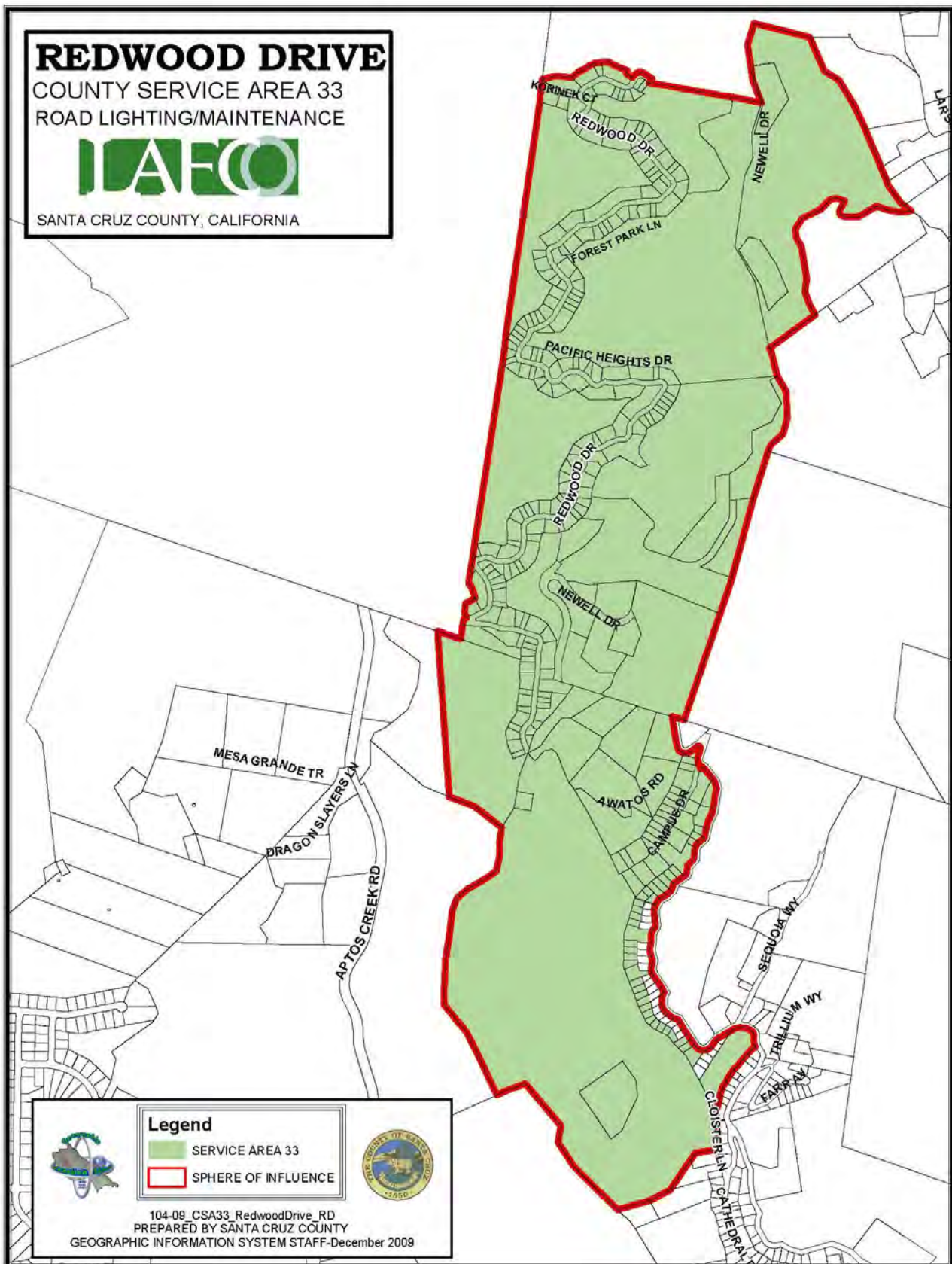
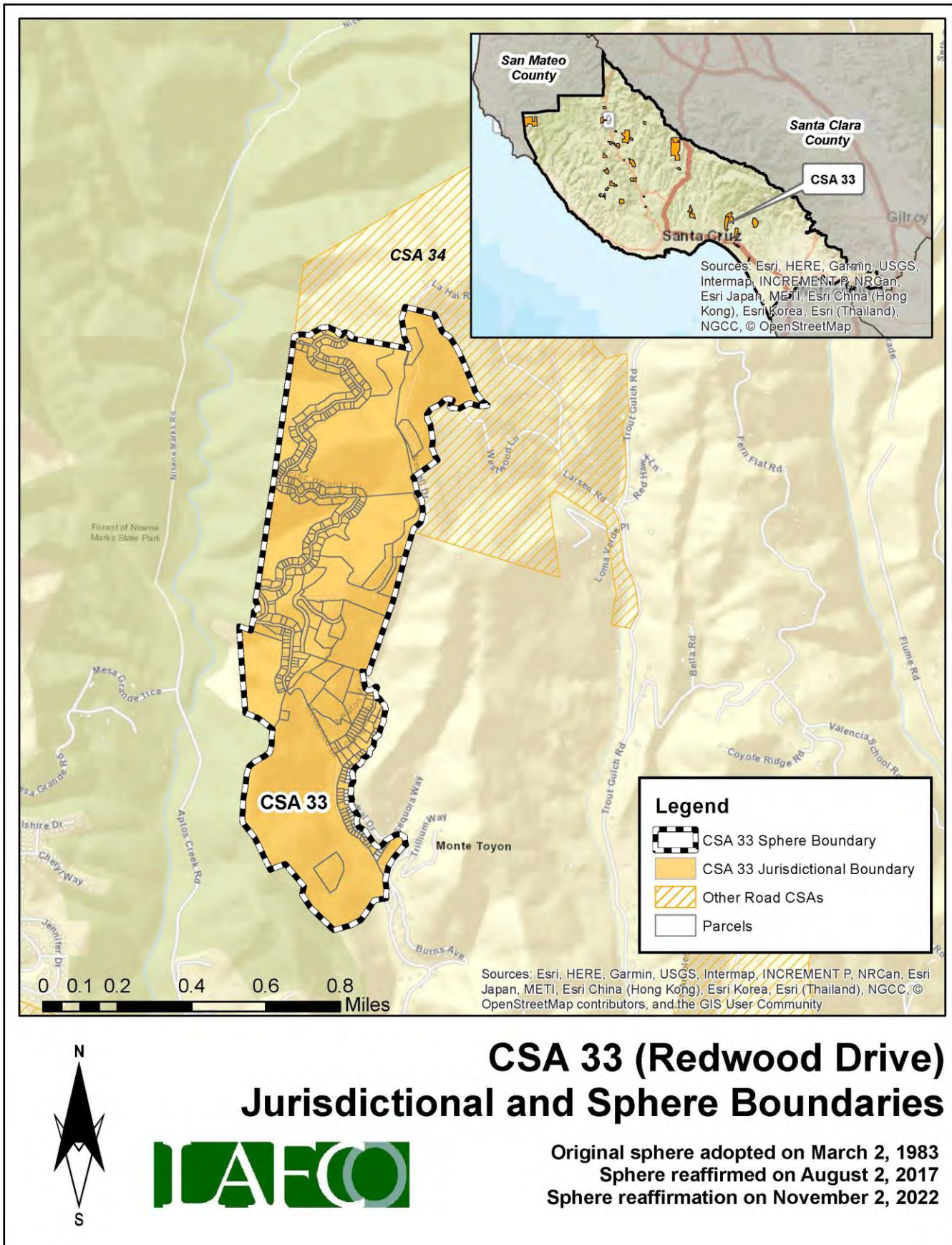


Figure 79: CSA 33's Proposed Sphere Map



District Summary

County Service Area 33	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	6.31 road miles
District Area	0.58 square miles (appx. 371 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$44,189</p> <p>Total Expenditure = \$1,321</p> <p>Net Position (Ending Balance) = \$153,092</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 33 in 2020 was estimated to be 60. Based on LAFCO's analysis, the population within the CSA will be approximately 62 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 33 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 33 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$153,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 33 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 33 has 286 parcels within its jurisdictional boundary and provides extended services to approximately 6.31 miles of road for the residents.

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

CSA 33 has a population of approximately 60. The constituents fund the CSA through 11 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 34 (LARSEN ROAD)

Overview

County Service Area 34 was formed on March 2, 1983 with the purpose of providing extended maintenance to 2.31 road miles. **Appendix 16** provides a copy of the formation resolution. There is a total of 57 parcels within the CSA (totaling approximately 400 acres). **Figure 80**, on page 178, is a vicinity map depicting CSA 34's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential, Rural Residential, and Agriculture. **Table 66** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 34 has three funding zones (Zones A-C for improved parcels only). **Figure 81** on page 179 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 34.

Table 66: Benefit Assessment Rates (2017 to 2021)

CSA 34	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A (improved)	\$15.00	\$15.00	\$15.00	\$15.00	\$15.24
Zone B (improved)	\$20.00	\$20.00	\$20.00	\$20.00	\$20.34
Zone C (improved)	\$25.00	\$25.00	\$25.00	\$25.00	\$25.42
Change (%)		0%	0%	0%	2%

Population and Growth

Based on staff's analysis, the population of CSA 34 was 2020 is estimated to be 29. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 67** shows the anticipated population within CSA 34. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 34. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 34 will be approximately 29 by 2040.

Table 67: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 34	29	29	29	29	29

Figure 80: CSA 34's Vicinity Map

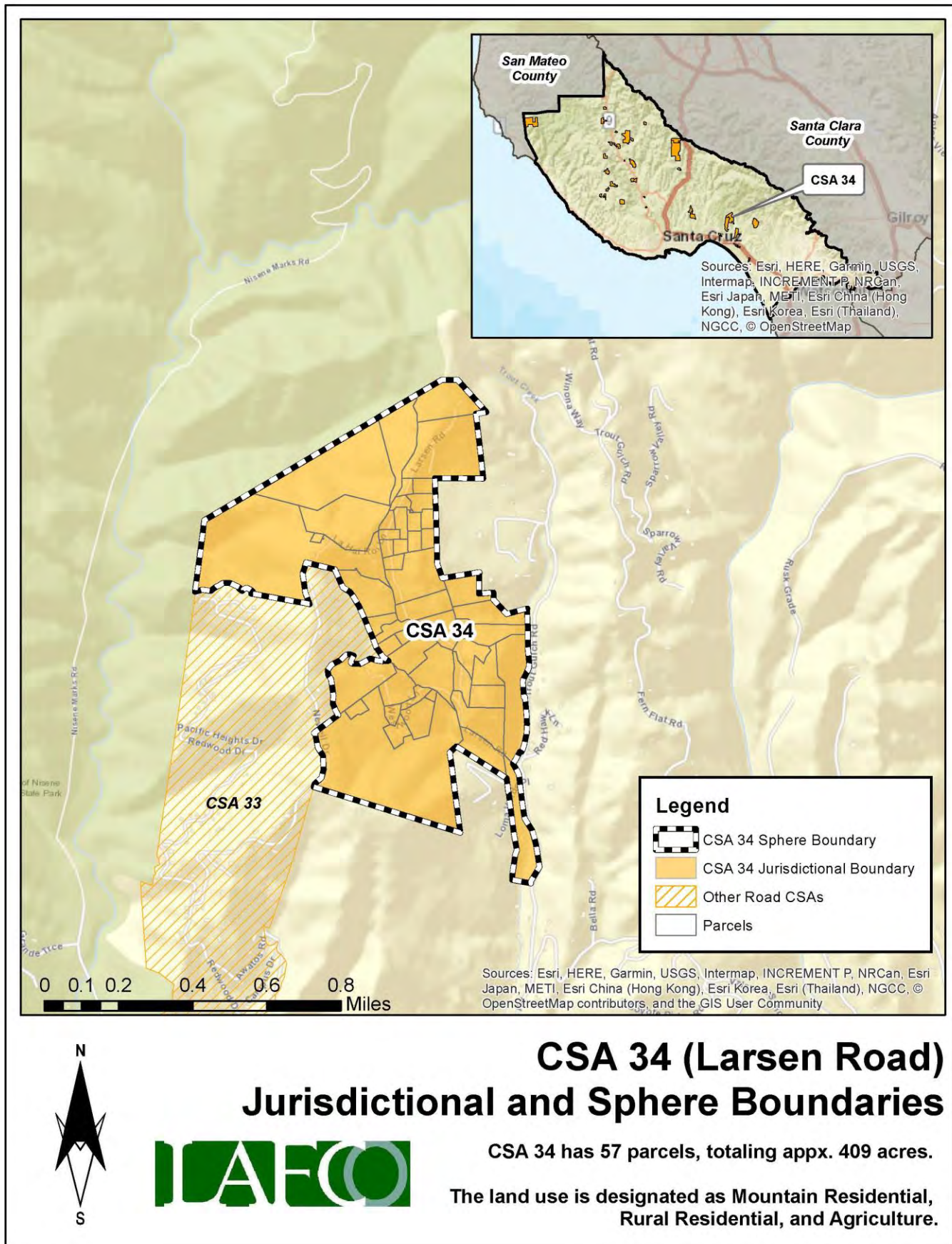
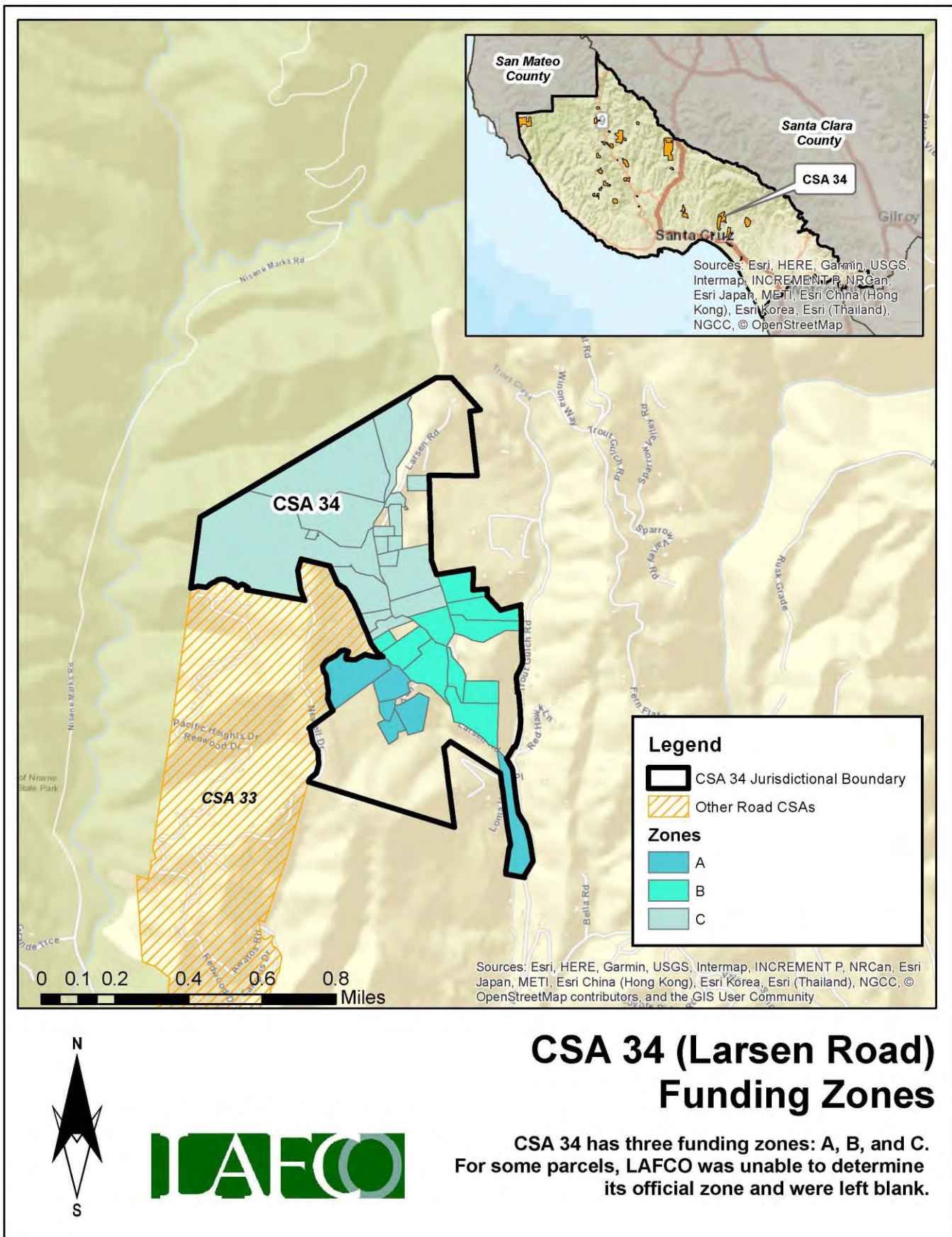


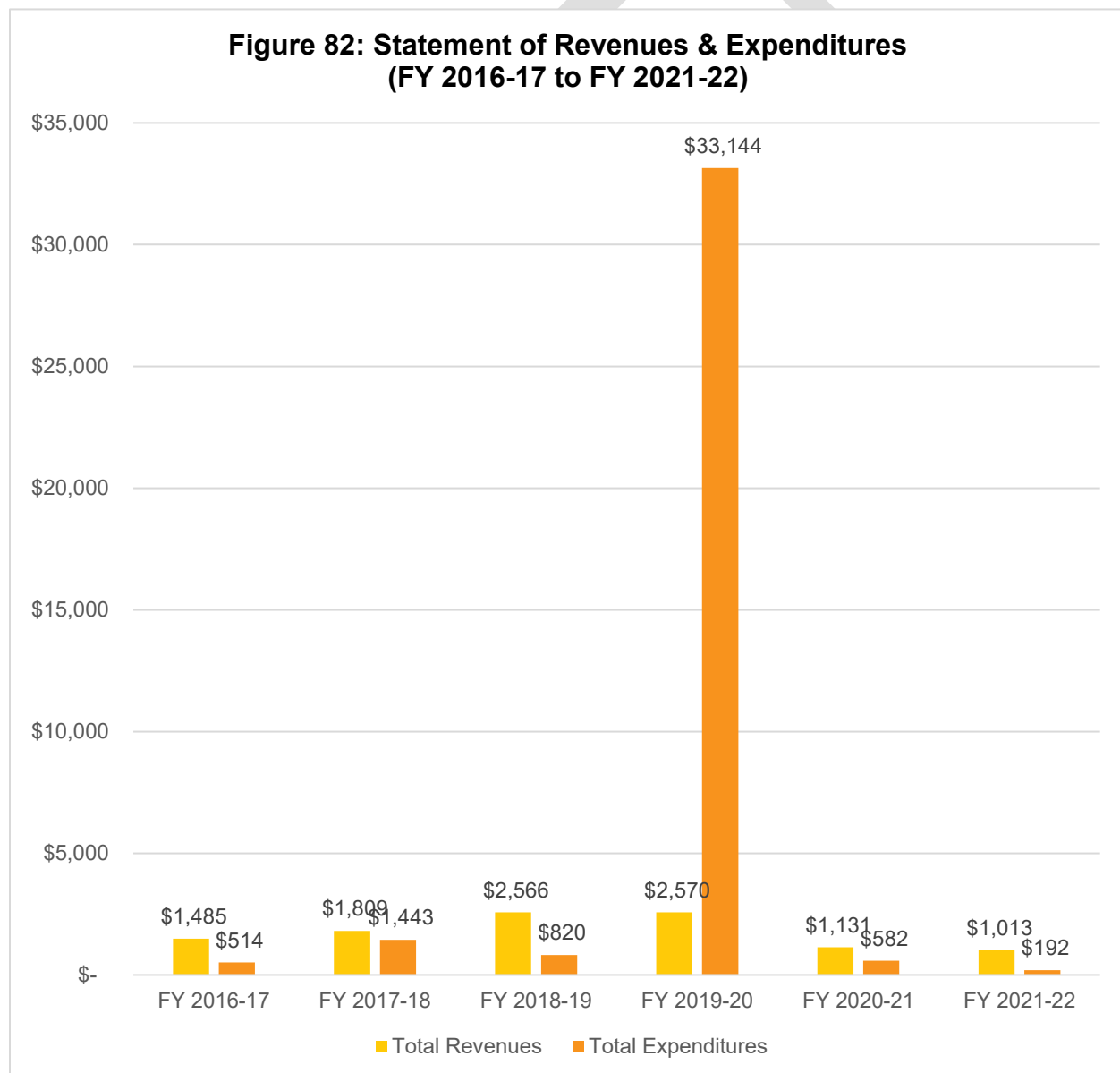
Figure 81: CSA 34's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 34's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 69** on page 182.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$1,000, representing a 10% decrease from the previous year (\$1,100 in FY 20-21). Total expenses for FY 2021-22 were approximately \$190, which decreased by 67% from the previous year (\$580 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2019-20, as shown in **Figure 82**. The deficit was due to a scheduled road improvement project that cost approximately \$29,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$65,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 68** and **Figure 83**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$63,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 68: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$91,675.36	\$92,041.21	\$93,786.37	\$63,212.50	\$63,761.58
Ending Balance	\$91,675	\$92,041	\$93,786	\$63,213	\$63,762	\$64,582
Change (\$)	-	\$366	\$1,745	\$(30,574)	\$549	\$821

**Figure 83: Net Position from 2016 to 2022
(Ending Balance)**

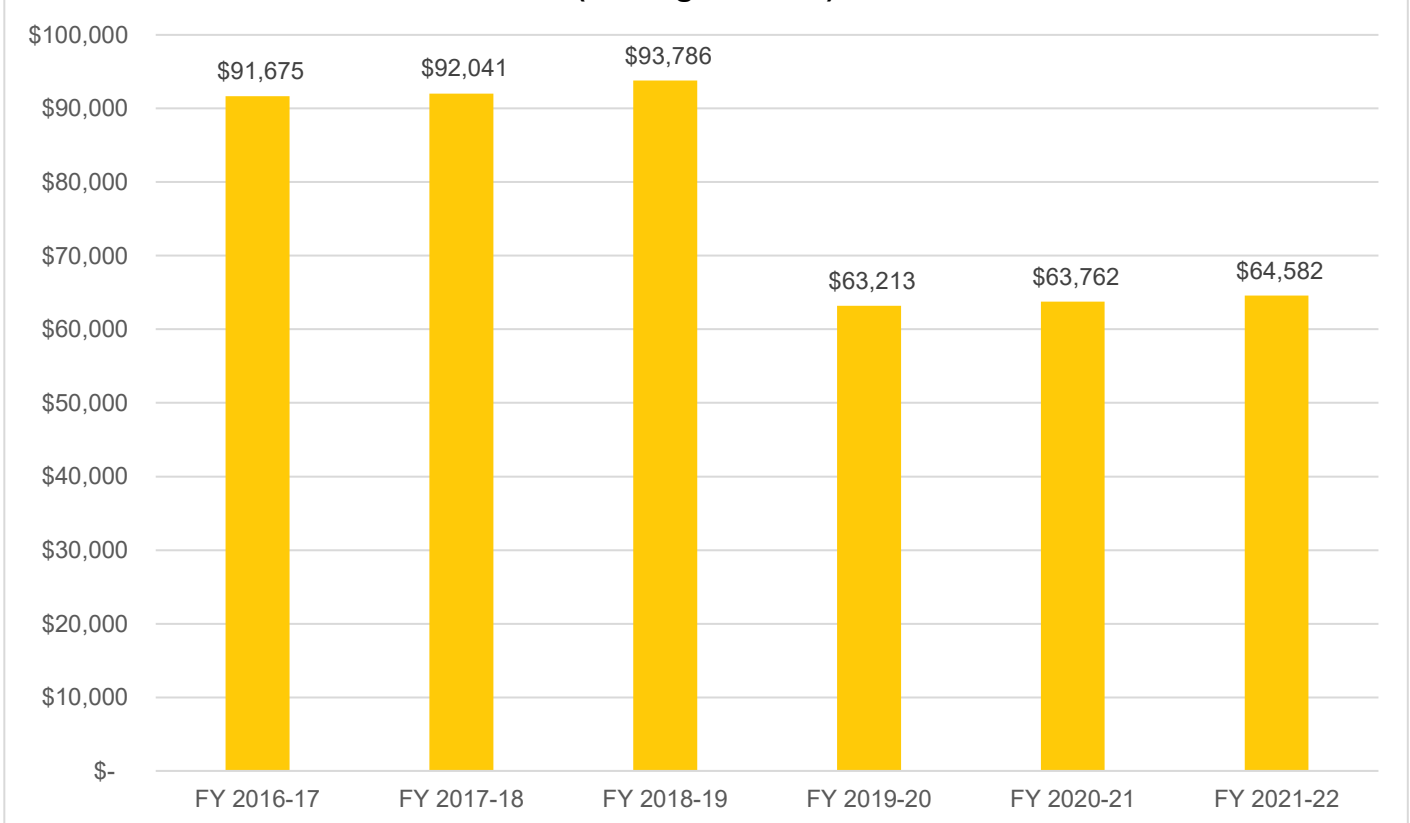


Table 69: Total Revenues & Expenditures

CSA 34	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 777.64	\$ 1,101.03	\$ 1,857.73	\$ 1,862.63	\$ 431.95	\$ 293.24
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 707.62	\$ 707.84	\$ 707.84	\$ 707.84	\$ 699.24	\$ 719.72
Total Revenues	\$ 1,485.26	\$ 1,808.87	\$ 2,565.57	\$ 2,570.47	\$ 1,131.19	\$ 1,012.96
EXPENDITURES						
DPW Services - Larsen Road	\$ 375.44	\$ 1,443.02	\$ 46.58	\$ 29,077.06	\$ 243.90	\$ 46.58
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 440.92	\$ -	\$ 148.53	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 82.91	\$ 3,942.28	\$ 64.68	\$ 20.59
Total Expenditures	\$ 514.19	\$ 1,443.02	\$ 820.41	\$ 33,144.34	\$ 582.11	\$ 192.17
Surplus/(Deficit)	\$ 971.07	\$ 365.85	\$ 1,745.16	\$ (30,573.87)	\$ 549.08	\$ 820.79
FUND BALANCE						
Beginning of Year	\$ -	\$ 91,675.36	\$ 92,041.21	\$ 93,786.37	\$ 63,212.50	\$ 63,761.58
End of Year	\$ 91,675.36	\$ 92,041.21	\$ 93,786.37	\$ 63,212.50	\$ 63,761.58	\$ 64,582.37

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 34's first sphere of influence on March 2, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 84** on page 183 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 57 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 85** on page 184 shows the proposed sphere boundary.

Figure 84: CSA 34's Current Sphere Map

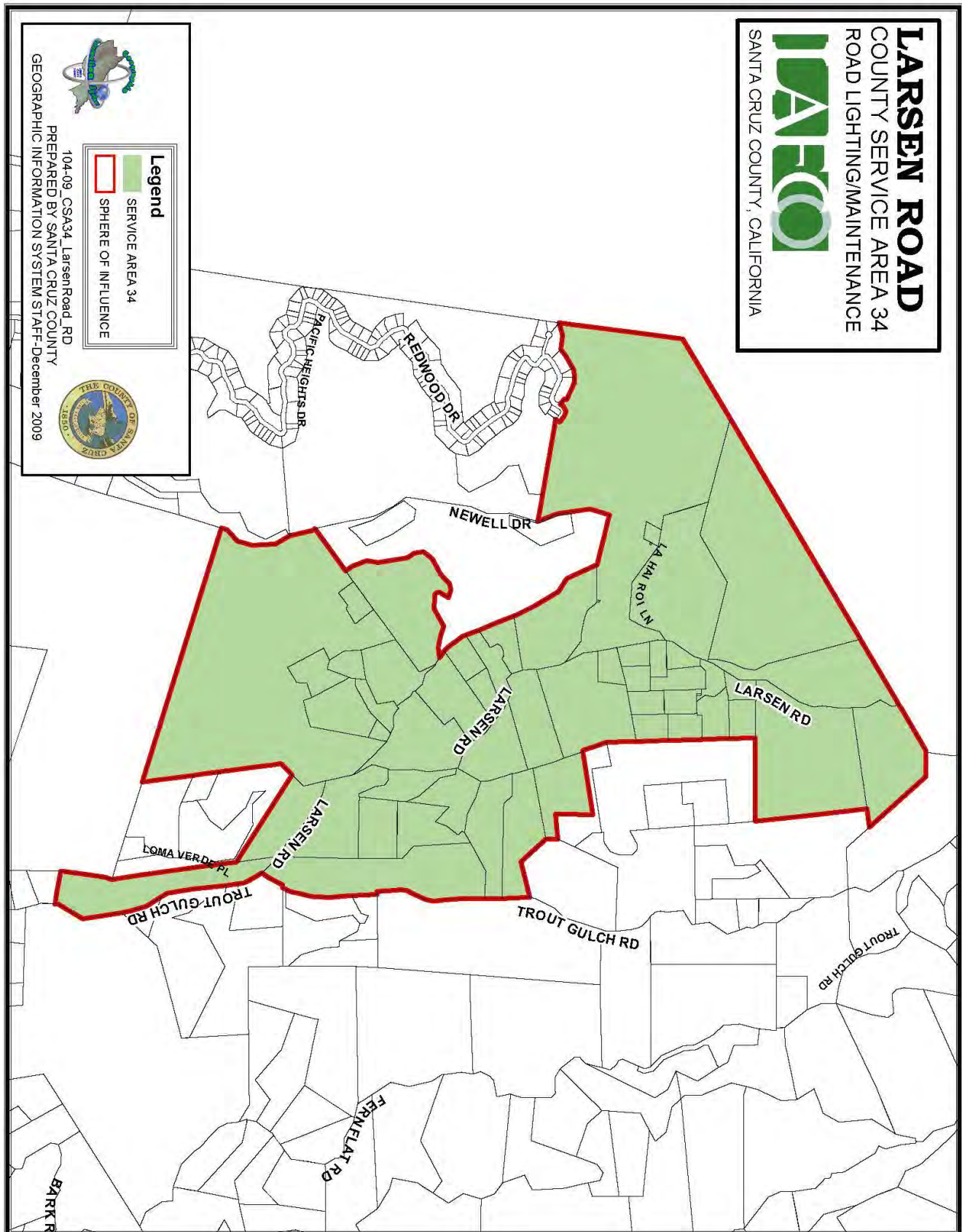
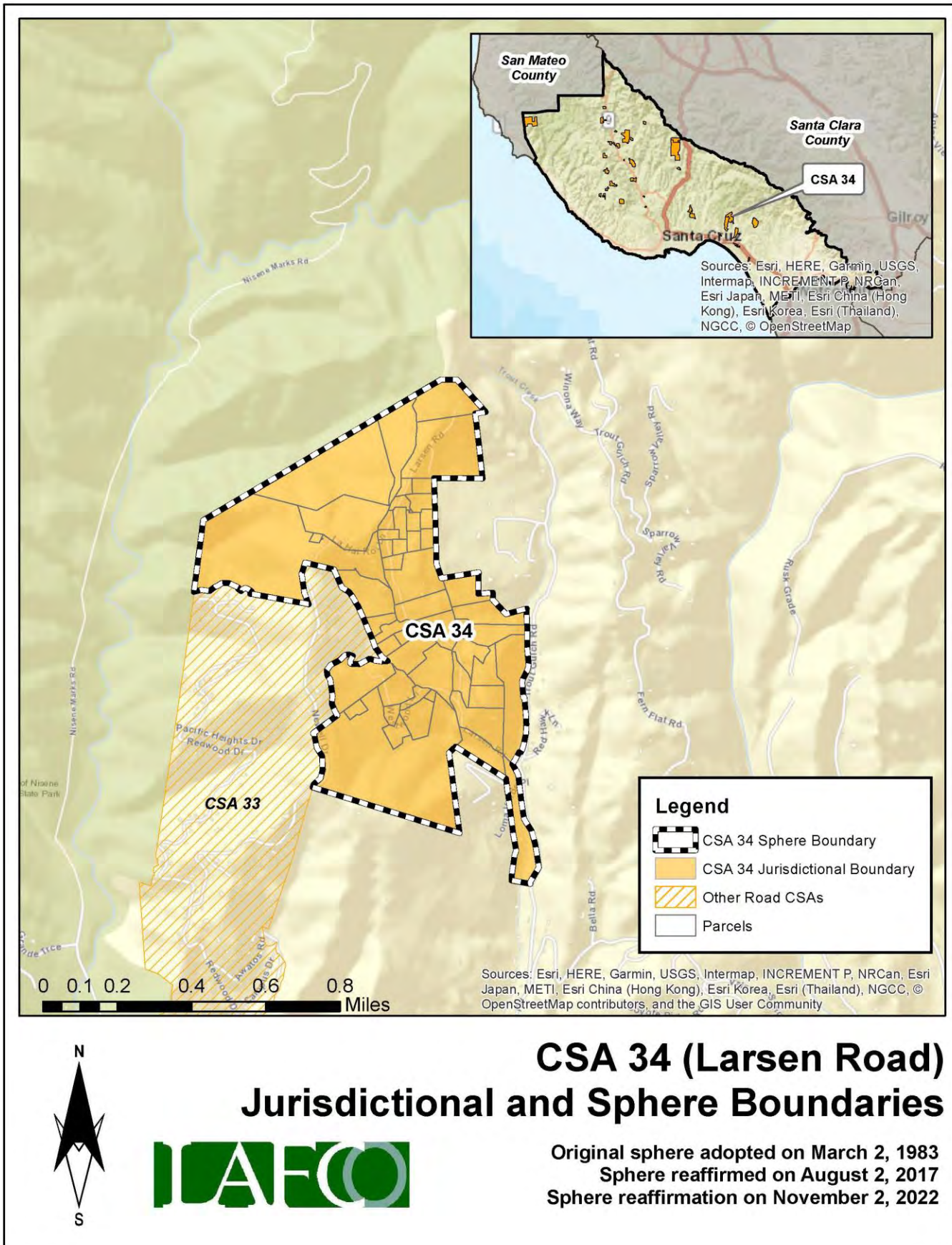


Figure 85: CSA 34's Proposed Sphere Map



District Summary

County Service Area 34	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.31 road miles
District Area	0.64 square miles (appx. 409 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$1,013</p> <p>Total Expenditure = \$1,131</p> <p>Net Position (Ending Balance) = \$64,582</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 34 in 2020 was estimated to be 29. Based on LAFCO's analysis, the population within the CSA will be approximately 29 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 34 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 34 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$65,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential, Rural Residential, and Agriculture. The CSA's customer base is predominantly single-family residential.

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

CSA 34 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 34 has 57 parcels within its jurisdictional boundary and provides extended services to approximately 2.31 miles of road for the residents.

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

CSA 34 has a population of approximately 29. The constituents fund the CSA through three zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 35 (COUNTRY ESTATES)

Overview

County Service Area 35 was formed on March 2, 1983 with the purpose of providing extended maintenance to 1.18 road miles. **Appendix 17** provides a copy of the formation resolution. There is a total of 33 parcels within the CSA (totaling approximately 50 acres). **Figure 86**, on page 189, is a vicinity map depicting CSA 35's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural Residential. **Table 70** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 35 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 35.

Table 70: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 35	\$618.00	\$635.92	\$660.72	\$682.52	\$694.12
Change (%)		3%	4%	-3%	2%

Population and Growth

Based on staff's analysis, the population of CSA 35 was 2020 is estimated to be 6. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 71** shows the anticipated population within CSA 35. The average rate of change is 0.86%.

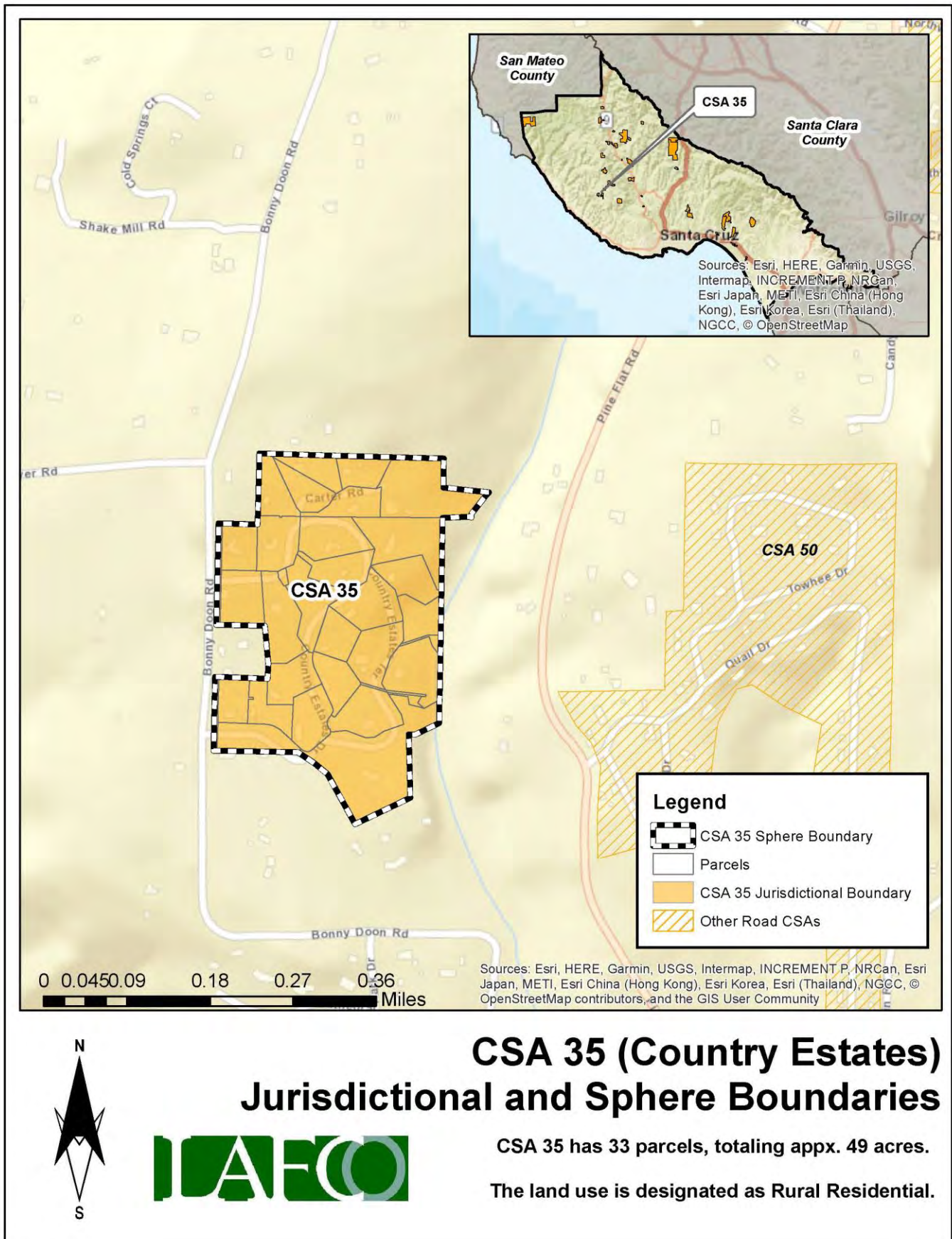
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 35. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 35 will be approximately 63 by 2040.

Table 71: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 35	61	62	62	63	63

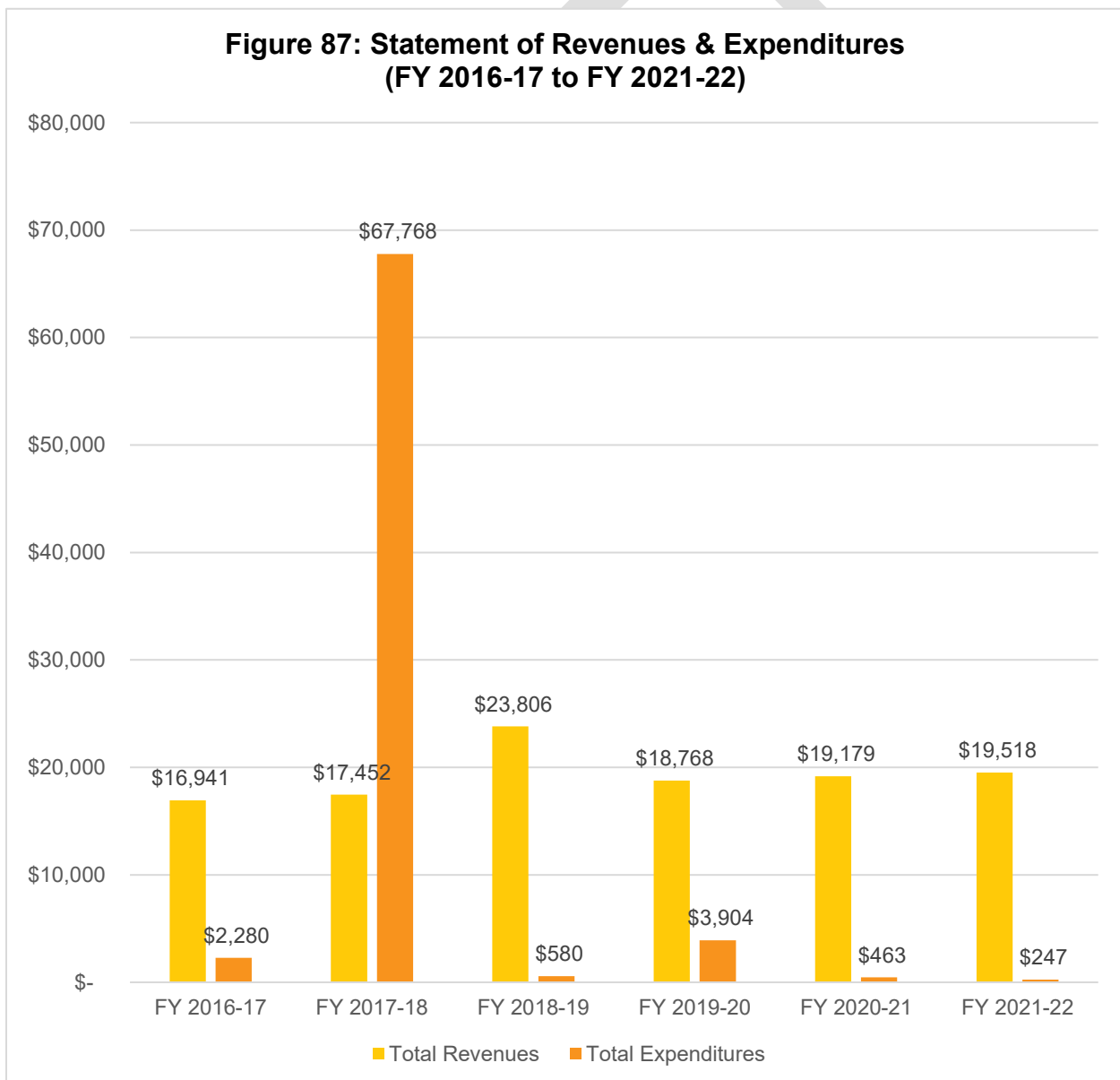
Figure 86: CSA 35's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 35's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 73** on page 192.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$20,000, representing a 2% increase from the previous year (\$19,200 in FY 20-21). Total expenses for FY 2021-22 were approximately \$250, which decreased by 47% from the previous year (\$465 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2017-18, as shown in **Figure 87**. The deficit was due to a scheduled road improvement project that cost approximately \$68,000 to complete. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$71,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 72** and **Figure 88**, the CSA's fund balance has fluctuated over the years and reached a deficit of more than \$5,000 during FY 2017-18. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 72: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$45,225.06	\$(5,090.29)	\$18,135.36	\$32,999.41	\$51,715.47
Ending Balance	\$45,225	\$(5,090)	\$18,135	\$32,999	\$51,715	\$70,987
Change (\$)	-	\$(50,315)	\$23,226	\$14,864	\$18,716	\$19,272

**Figure 88: Net Position from 2016 to 2022
(Ending Balance)**

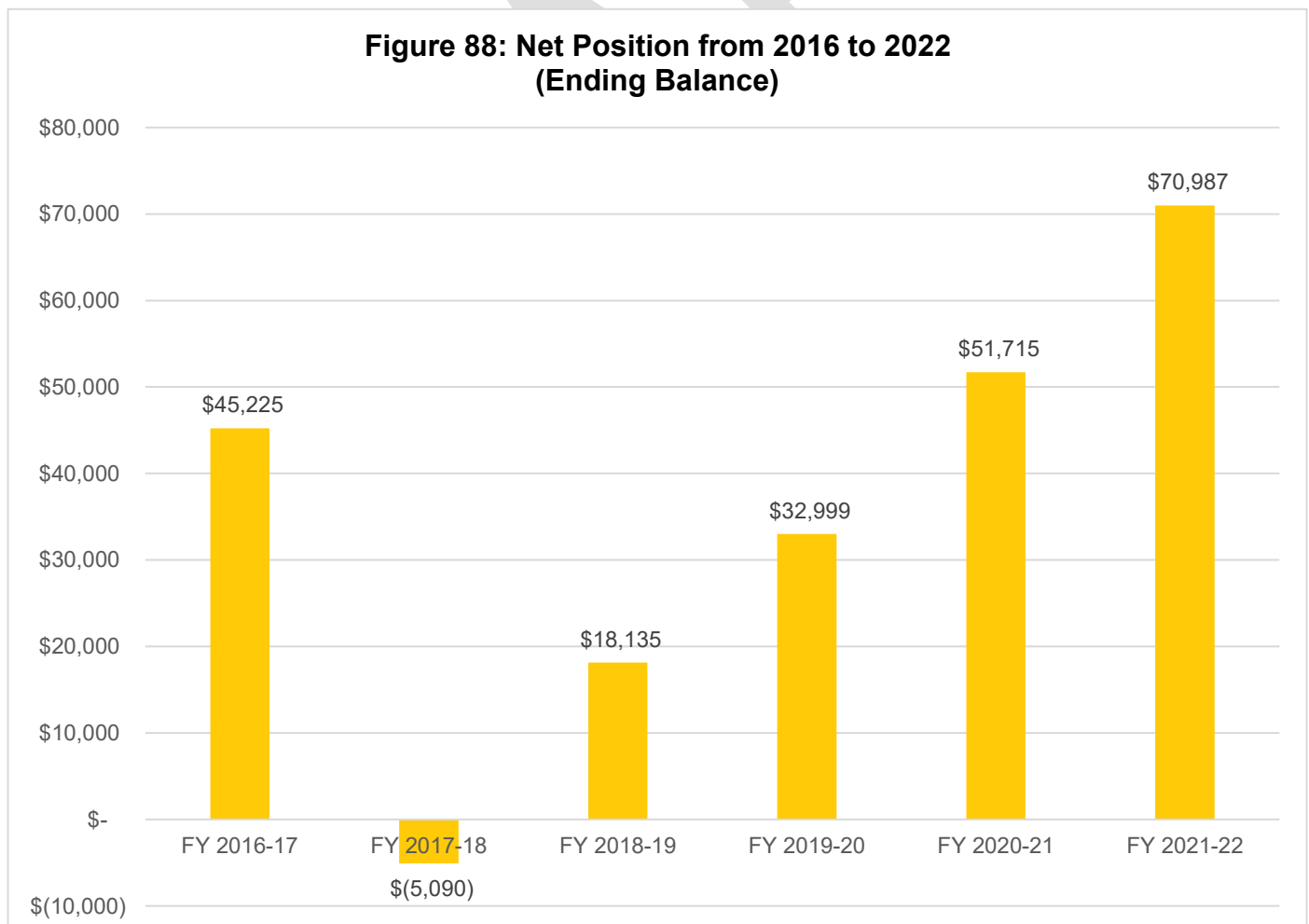


Table 73: Total Revenues & Expenditures

CSA 35	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 309.10	\$ 321.35	\$ 83.81	\$ 452.95	\$ 259.18	\$ 277.49
St-Natural Disaster Assistance	\$ -	\$ -	\$ 1,219.00	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ 4,875.00	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 16,632.00	\$ 17,130.96	\$ 17,627.70	\$ 18,315.16	\$ 18,919.45	\$ 19,241.00
Total Revenues	\$ 16,941.10	\$ 17,452.31	\$ 23,805.51	\$ 18,768.11	\$ 19,178.63	\$ 19,518.49
EXPENDITURES						
DPW Services - Country Estates	\$ 2,141.27	\$ 67,767.66	\$ 39.53	\$ 3,314.70	\$ 236.84	\$ 55.96
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 232.44	\$ -	\$ 49.33	\$ 39.52
Dept Overhead Costs	\$ -	\$ -	\$ 57.89	\$ 464.36	\$ 51.40	\$ 26.46
Total Expenditures	\$ 2,280.02	\$ 67,767.66	\$ 579.86	\$ 3,904.06	\$ 462.57	\$ 246.94
Surplus/(Deficit)	\$ 14,661.08	\$ (50,315.35)	\$ 23,225.65	\$ 14,864.05	\$ 18,716.06	\$ 19,271.55
FUND BALANCE						
Beginning of Year	\$ -	\$ 45,225.06	\$ (5,090.29)	\$ 18,135.36	\$ 32,999.41	\$ 51,715.47
End of Year	\$ 45,225.06	\$ (5,090.29)	\$ 18,135.36	\$ 32,999.41	\$ 51,715.47	\$ 70,987.02

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 35's first sphere of influence on March 2, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 89** on page 193 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 33 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 90** on page 194 shows the proposed sphere boundary.

Figure 89: CSA 35's Current Sphere Map

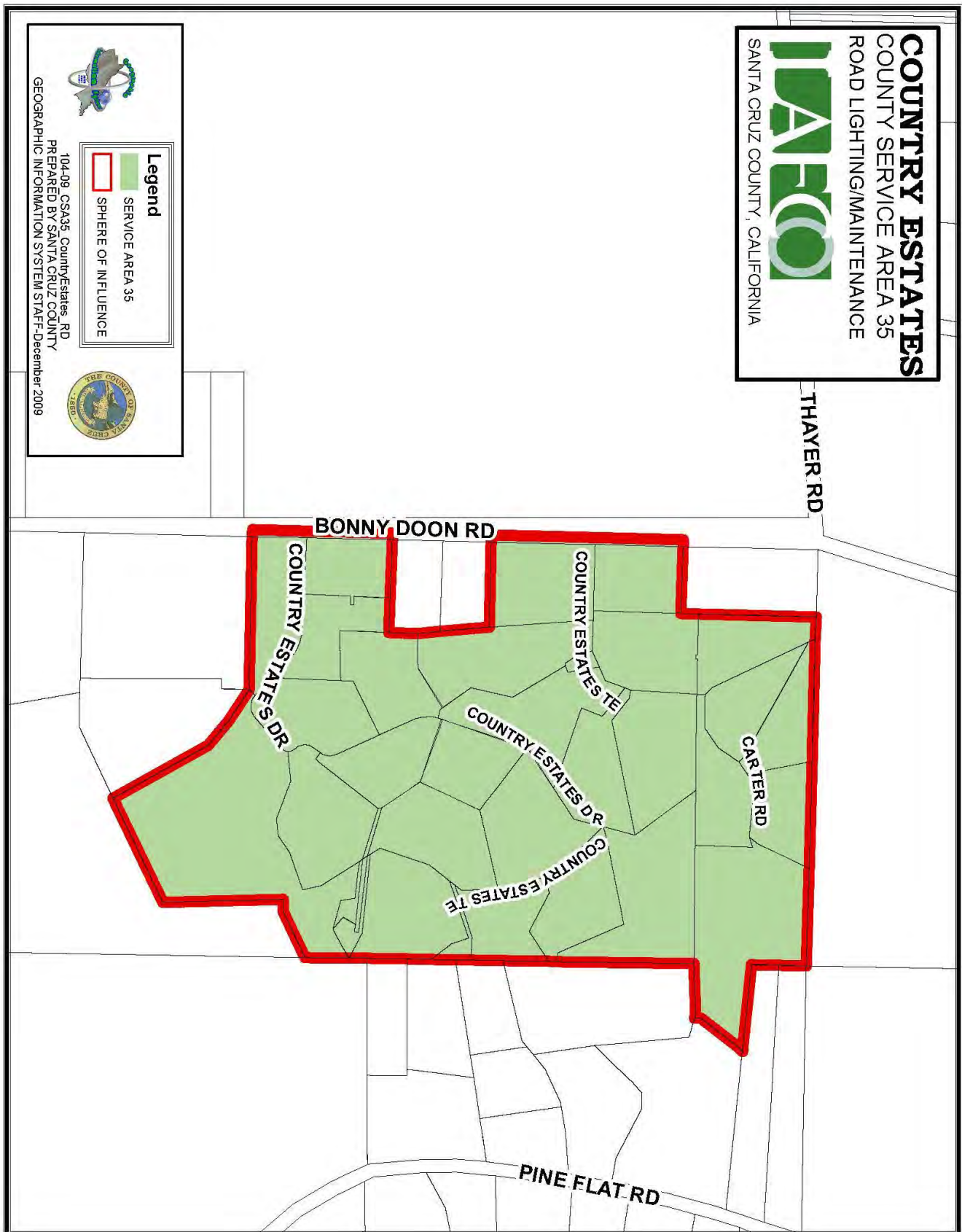
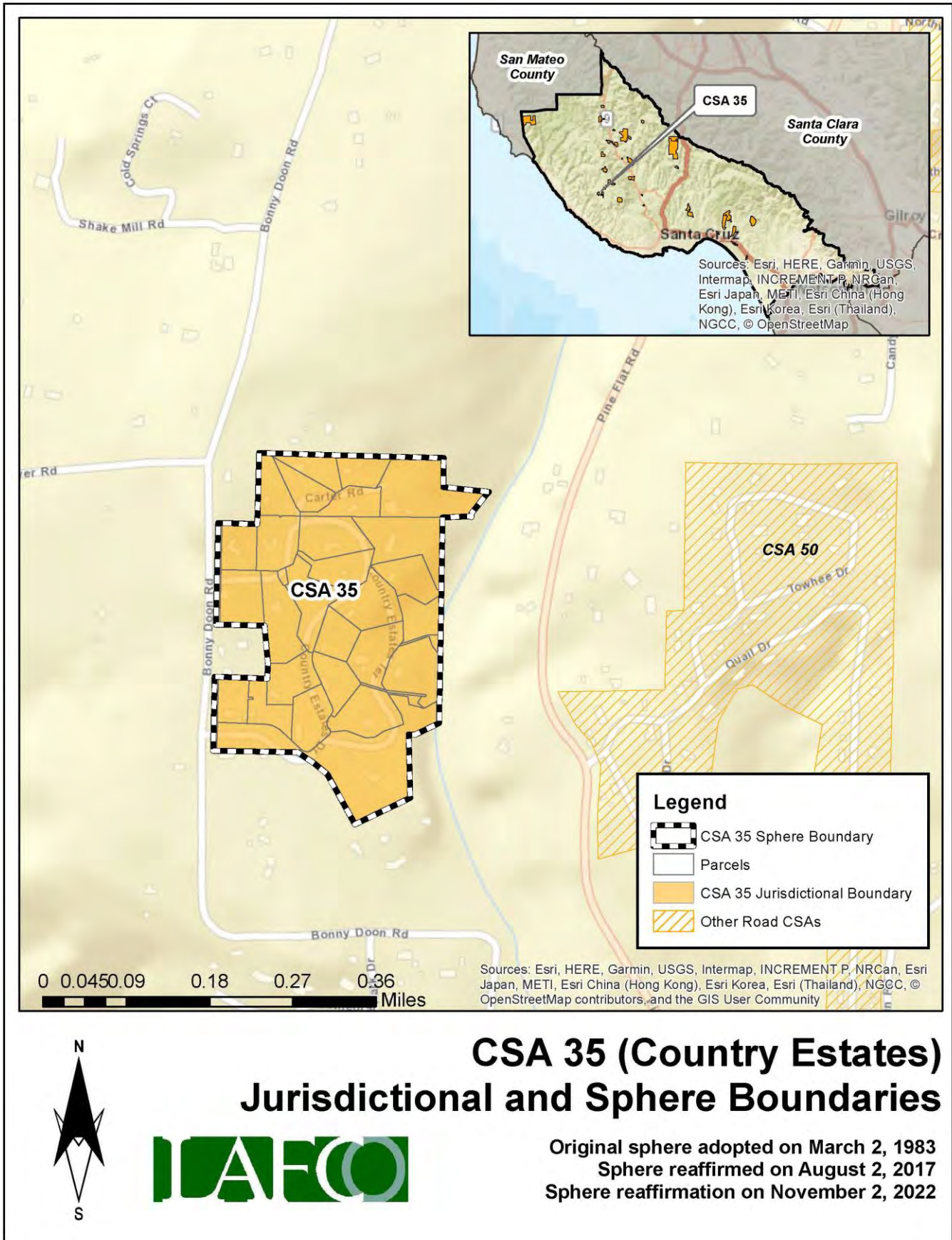


Figure 90: CSA 35's Proposed Sphere Map



District Summary

County Service Area 35	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.18 road miles
District Area	0.08 square miles (appx. 49 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$19,518</p> <p>Total Expenditure = \$247</p> <p>Net Position (Ending Balance) = \$70,987</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 35 in 2020 was estimated to be 61. Based on LAFCO's analysis, the population within the CSA will be approximately 63 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 35 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 35 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$71,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 35 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 35 has 33 parcels within its jurisdictional boundary and provides extended services to approximately 1.18 miles of road for the residents.

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

CSA 35 has a population of approximately 61. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 36 (FOREST GLEN)

Overview

County Service Area 36 was formed on March 2, 1983 with the purpose of providing extended maintenance to 2.23 road miles. **Appendix 18** provides a copy of the formation resolution. There is a total of 77 parcels within the CSA (totaling approximately 210 acres). **Figure 91**, on page 199, is a vicinity map depicting CSA 36's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural and Mountain Residential. **Table 74** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 36 has six funding zones (Zones A-F). **Figure 81** on page 200 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 36.

Table 74: Benefit Assessment Rates (2017 to 2021)

CSA 36	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$51.40	\$52.88	\$52.88	\$52.88	\$53.76
Change (%)		3%	0%	0%	2%
Zone B	\$120.00	\$1,123.48	\$1,123.48	\$1,176.36	\$1,196.32
Change (%)		836%	0%	5%	2%
Zone C	\$144.00	\$148.16	\$148.16	\$201.04	\$204.42
Change (%)		3%	0%	36%	2%
Zone D	\$250.00	\$257.24	\$257.24	\$520.02	\$528.82
Change (%)		3%	0%	102%	2%
Zone E	\$204.00	\$209.90	\$209.90	\$262.78	\$267.22
Change (%)		3%	0%	25%	2%
Zone F	\$120.00	\$123.48	\$123.48	\$176.36	\$179.32
Change (%)		3%	0%	43%	2%

Population and Growth

Based on staff's analysis, the population of CSA 36 in 2020 is estimated to be 393. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 75** shows the anticipated population within CSA 36. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 36. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 36 will be approximately 407 by 2040.

Table 75: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 36	393	396	400	403	407

Figure 91: CSA 36's Vicinity Map

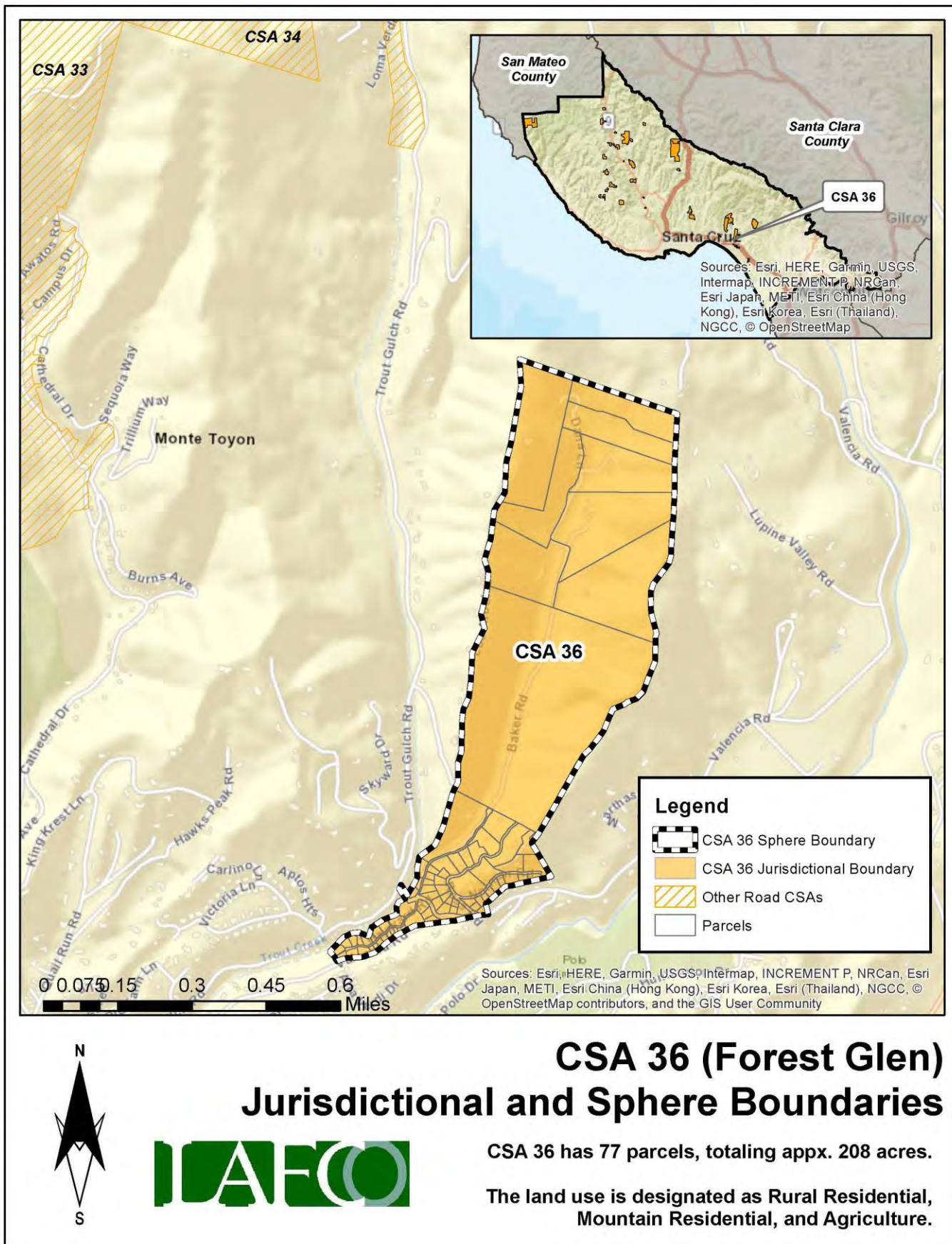
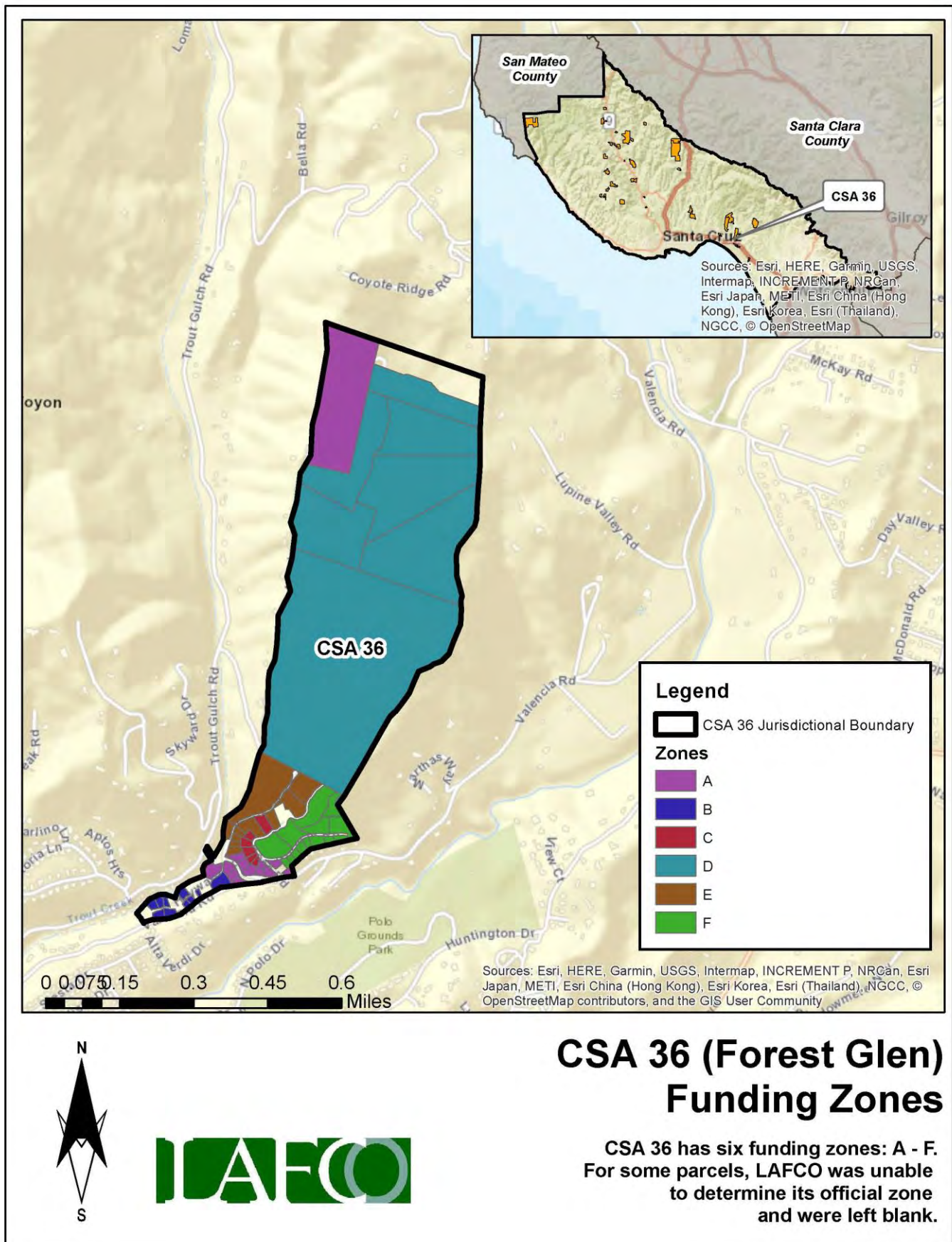


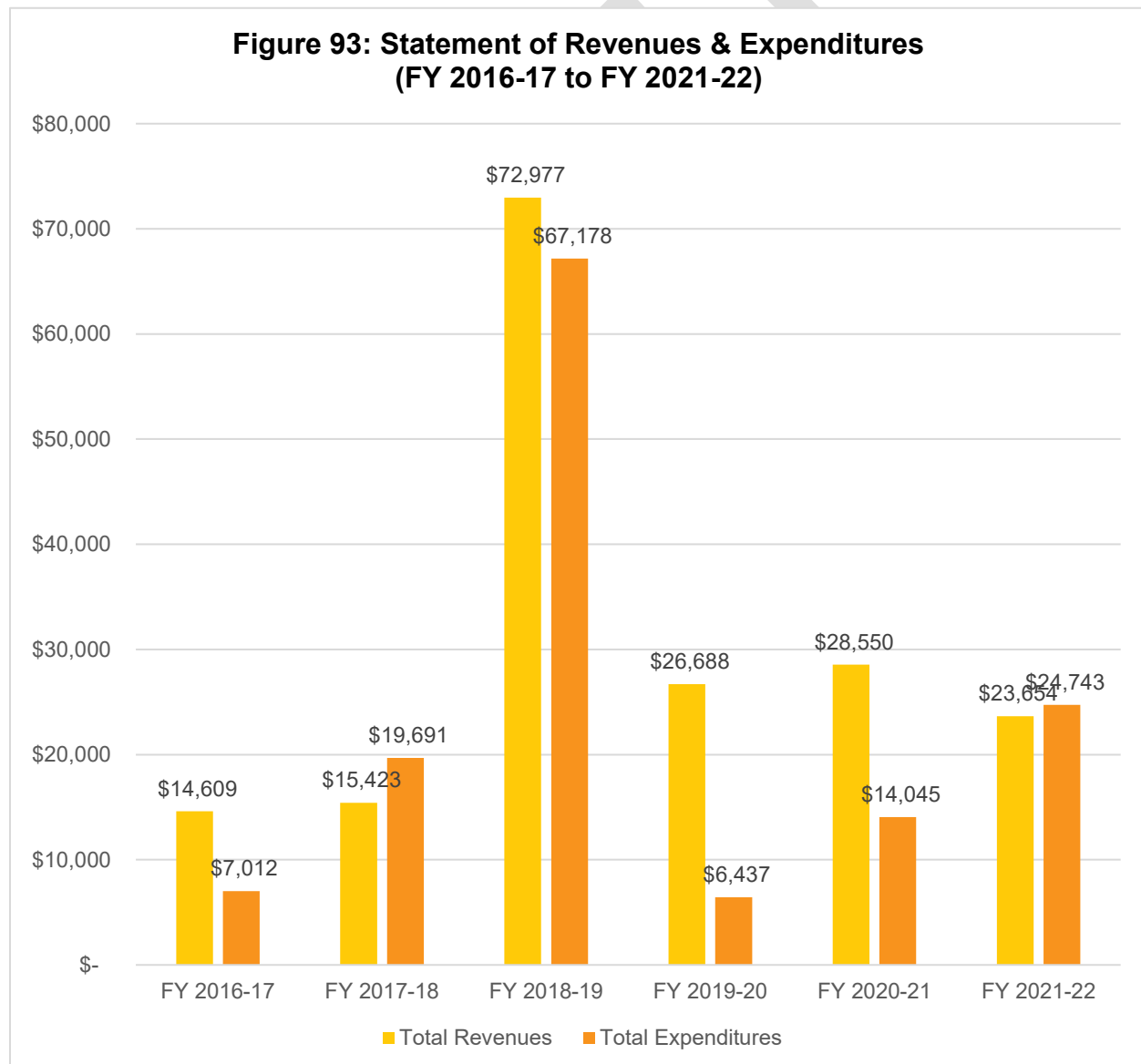
Figure 92: CSA 36's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 36's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 77** on page 203.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$24,000, representing a 17% decrease from the previous year (\$29,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$25,000, which increased by 76% from the previous year (\$14,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2017-18 and FY 2021-22, as shown in **Figure 93**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$253,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 76** and **Figure 94**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$200,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 76: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$217,874.00	\$213,605.24	\$219,404.27	\$239,655.90	\$254,161.43
Ending Balance	\$217,874	\$213,605	\$219,404	\$239,656	\$254,161	\$253,072
Change (\$)	-	\$(4,269)	\$5,799	\$20,252	\$14,506	\$(1,089)

**Figure 94: Net Position from 2016 to 2022
(Ending Balance)**

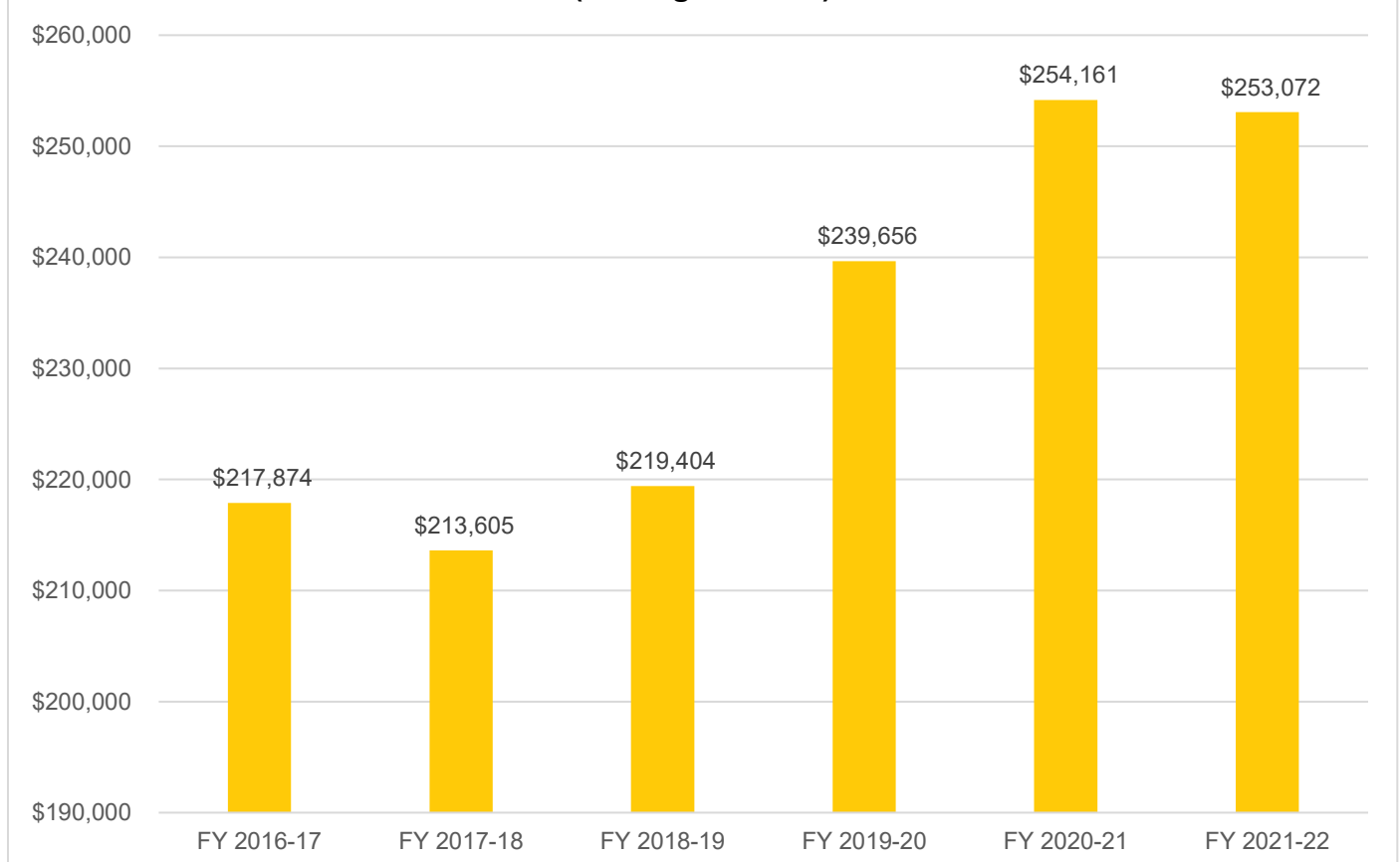


Table 77: Total Revenues & Expenditures

CSA 36	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 1,833.44	\$ 2,646.89	\$ 4,717.62	\$ 4,531.75	\$ 1,673.65	\$ 1,122.62
St-Natural Disaster Assistance	\$ -	\$ -	\$ 8,282.00	\$ -	\$ 4,720.00	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ 36,656.00	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 12,775.28	\$ 12,775.66	\$ 23,321.17	\$ 22,156.58	\$ 22,156.58	\$ 22,531.33
Total Revenues	\$ 14,608.72	\$ 15,422.55	\$ 72,976.79	\$ 26,688.33	\$ 28,550.23	\$ 23,653.95
EXPENDITURES						
DPW Services - Forest Glen	\$ 6,872.84	\$ 19,691.31	\$ 57,126.99	\$ 1,282.68	\$ 9,688.94	\$ 20,503.32
FEMA Labor	\$ -	\$ -	\$ -	\$ 2,519.30	\$ -	\$ 584.84
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 253.68	\$ 144.11	\$ 500.00	\$ 500.00
Division Overhead - Admin	\$ -	\$ -	\$ 2,609.01	\$ 1,772.07	\$ 2,295.23	\$ 414.77
Dept Overhead Costs	\$ -	\$ -	\$ 7,188.08	\$ 718.54	\$ 1,560.53	\$ 2,739.97
Total Expenditures	\$ 7,011.59	\$ 19,691.31	\$ 67,177.76	\$ 6,436.70	\$ 14,044.70	\$ 24,742.90
Surplus/(Deficit)	\$ 7,597.13	\$ (4,268.76)	\$ 5,799.03	\$ 20,251.63	\$ 14,505.53	\$ (1,088.95)
FUND BALANCE						
Beginning of Year	\$ -	\$ 217,874.00	\$ 213,605.24	\$ 219,404.27	\$ 239,655.90	\$ 254,161.43
End of Year	\$217,874.00	\$ 213,605.24	\$219,404.27	\$ 239,655.90	\$254,161.43	\$253,072.48

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 36's first sphere of influence on March 2, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 95** on page 204 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 77 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 96** on page 205 shows the proposed sphere boundary.

Figure 95: CSA 36's Current Sphere Map

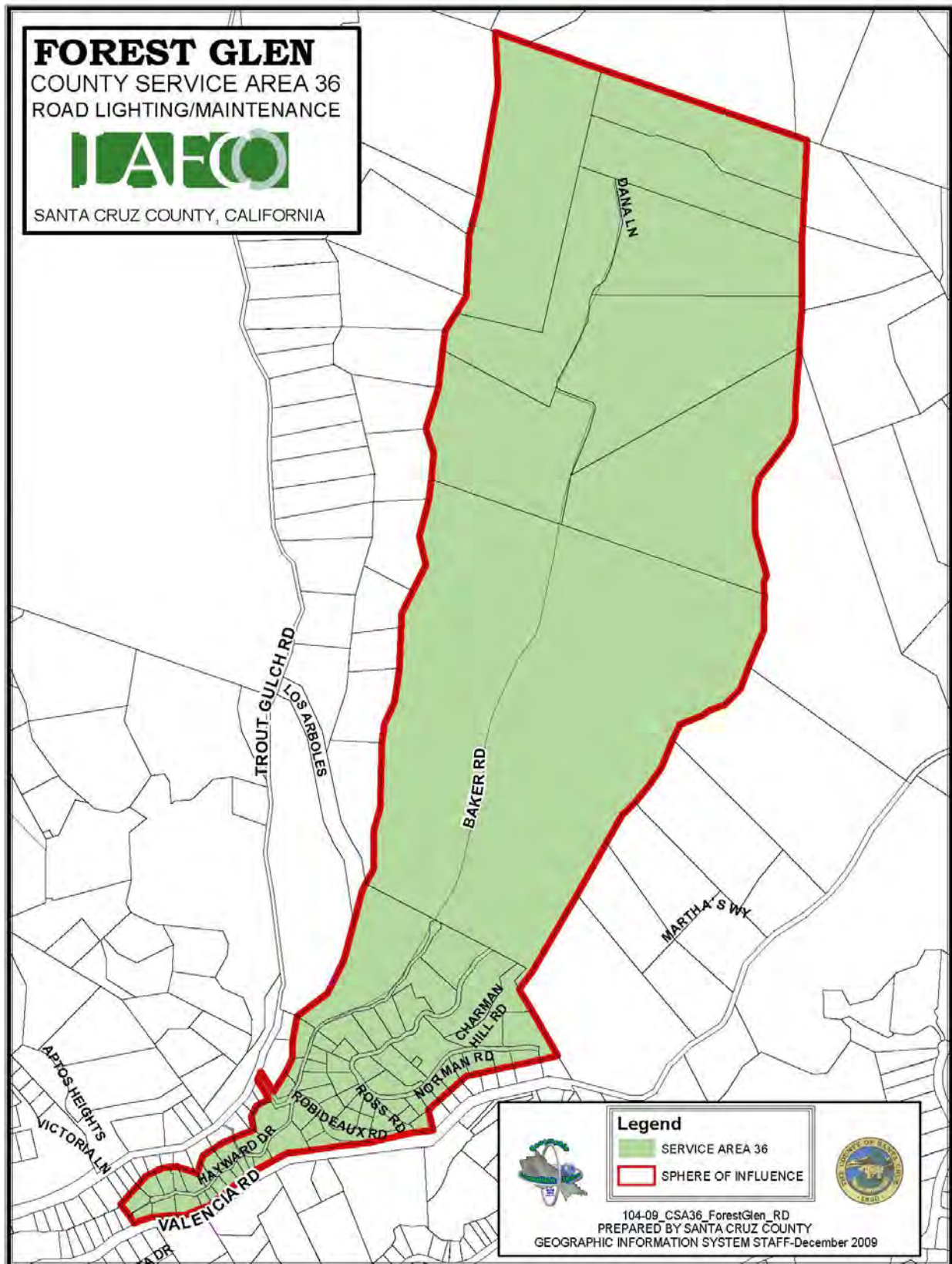
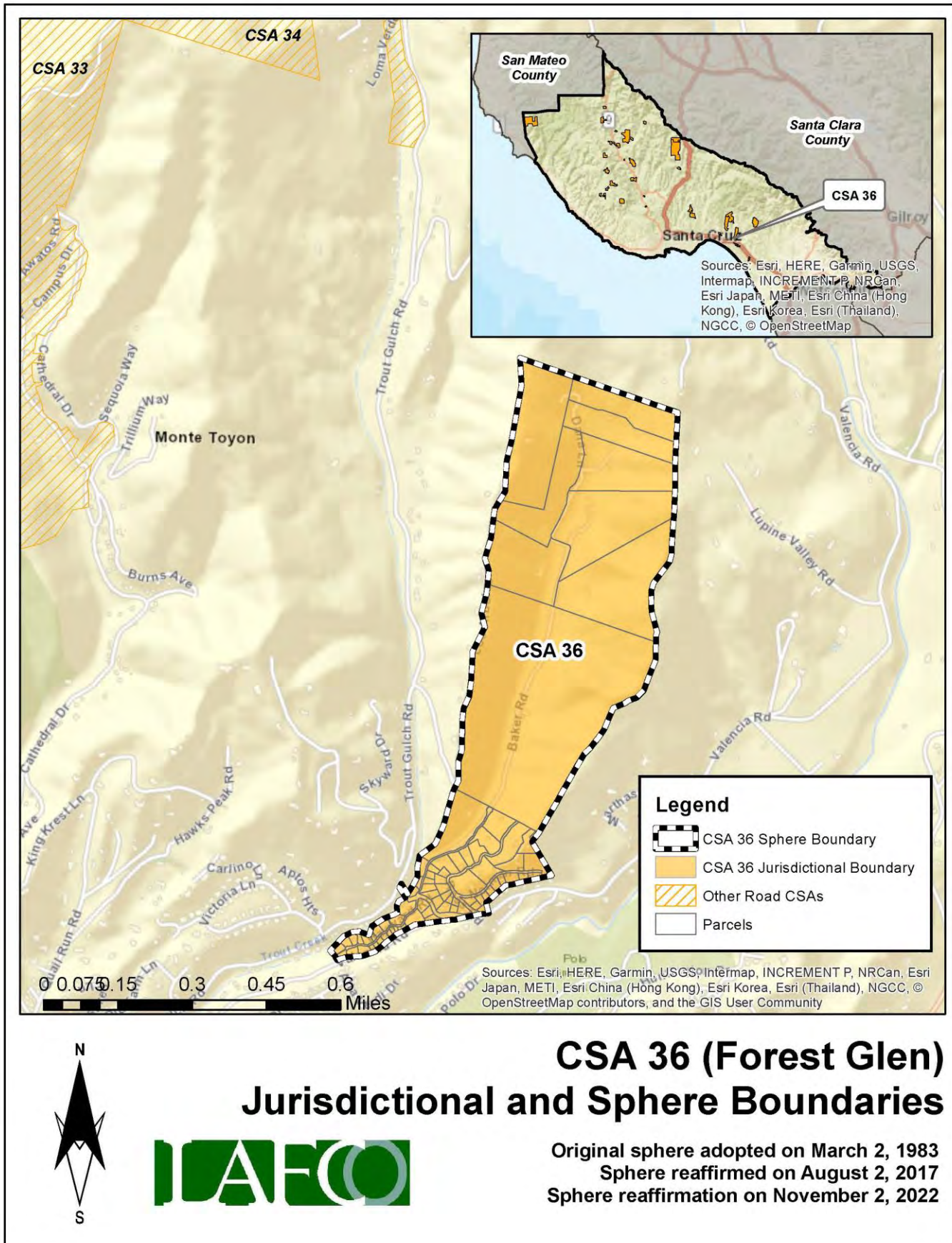


Figure 96: CSA 36's Proposed Sphere Map



District Summary

County Service Area 36	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.23 road miles
District Area	0.12 square miles (appx. 77 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$23,654</p> <p>Total Expenditure = \$24,743</p> <p>Net Position (Ending Balance) = \$253,072</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 36 in 2020 was estimated to be 393. Based on LAFCO's analysis, the population within the CSA will be approximately 407 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 36 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 36 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$253,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 36 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 36 has 77 parcels within its jurisdictional boundary and provides extended services to approximately 2.23 miles of road for the residents.

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

CSA 36 has a population of approximately 393. The constituents fund the CSA through six zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 37 (ROBERTS ROAD)

Overview

County Service Area 37 was formed on April 6, 1983 with the purpose of providing extended maintenance to 2.05 road miles. **Appendix 19** provides a copy of the formation resolution. There is a total of 94 parcels within the CSA (totaling approximately 260 acres). **Figure 97**, on page 210, is a vicinity map depicting CSA 37's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 78** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 37 has four funding zones (Zones A-D), but only Zones A and D are currently being charged. **Figure 98** on page 211 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 37.

Table 78: Benefit Assessment Rates (2017 to 2021)

CSA 37	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$100.00	\$100.00	\$100.00	\$100.00	\$100.00
Change (%)		0%	0%	0%	0%
Zone B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Change (%)		0%	0%	0%	0%
Zone C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Change (%)		0%	0%	36%	0%
Zone D	\$300.00	\$300.00	\$300.00	\$600.00	\$600.00
Change (%)		0%	0%	100%	0%

Population and Growth

Based on staff's analysis, the population of CSA 37 in 2020 is estimated to be 79. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 79** shows the anticipated population within CSA 37. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 37. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 37 will be approximately 82 by 2040.

Table 79: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 37	79	80	80	81	82

Figure 97: CSA 37's Vicinity Map

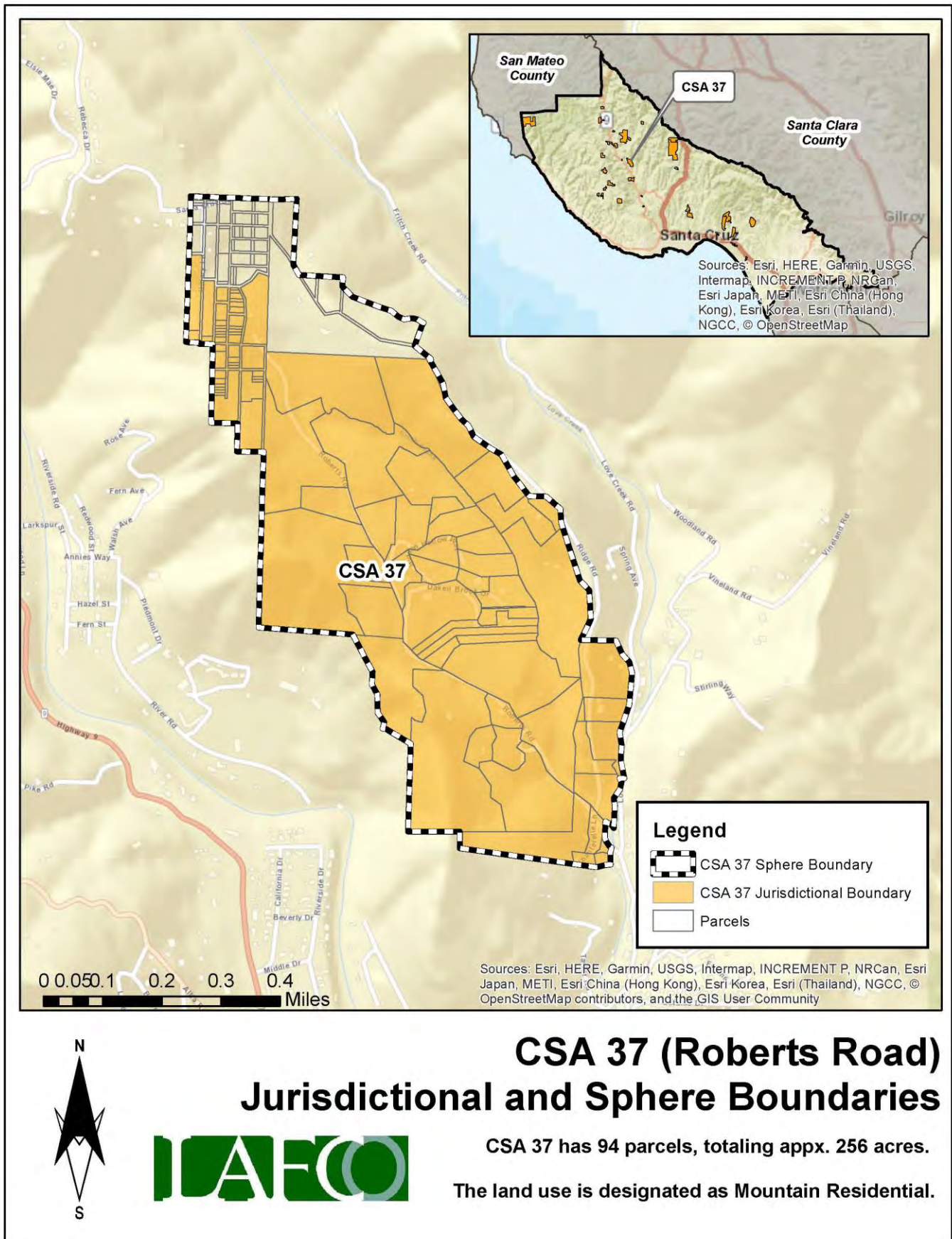
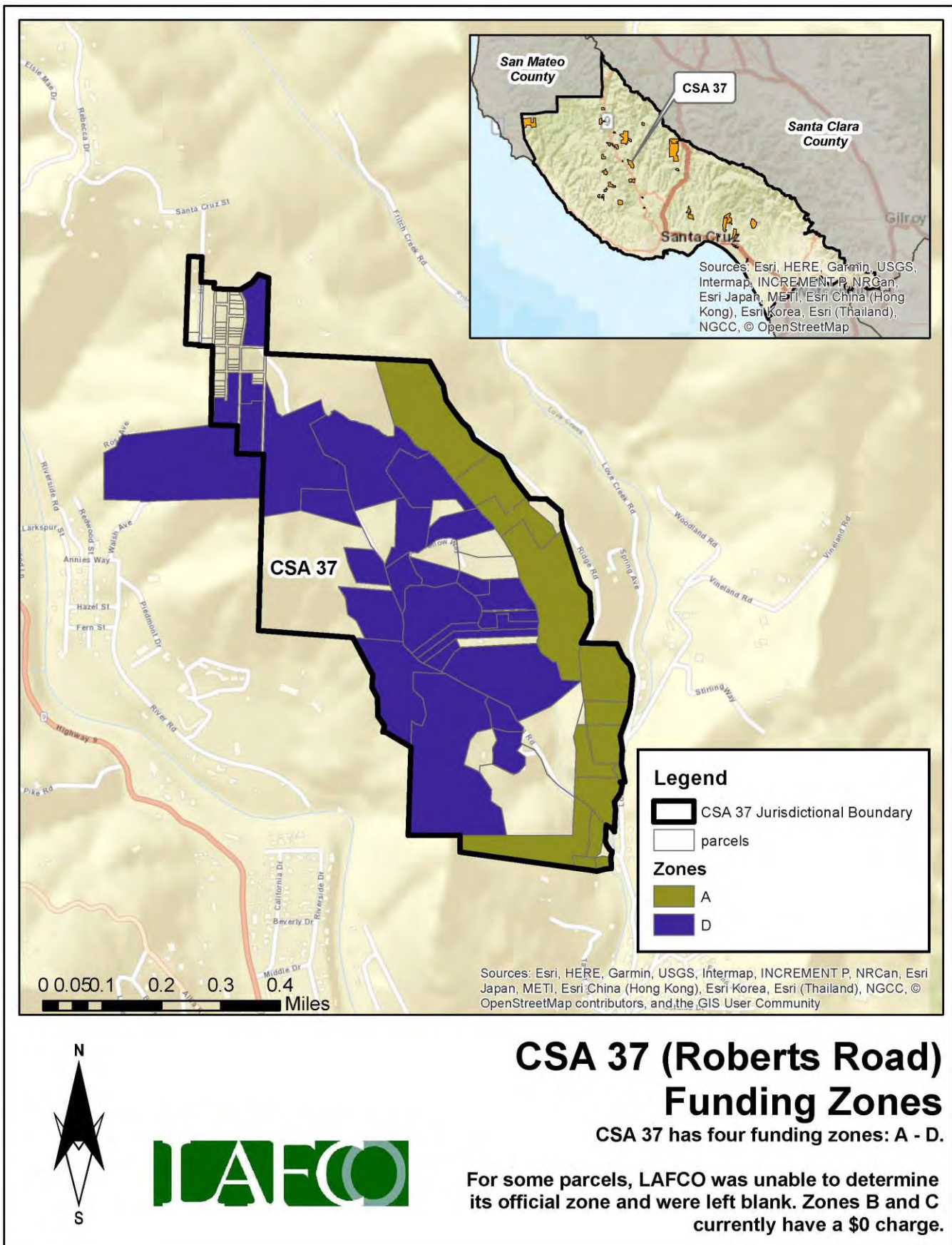


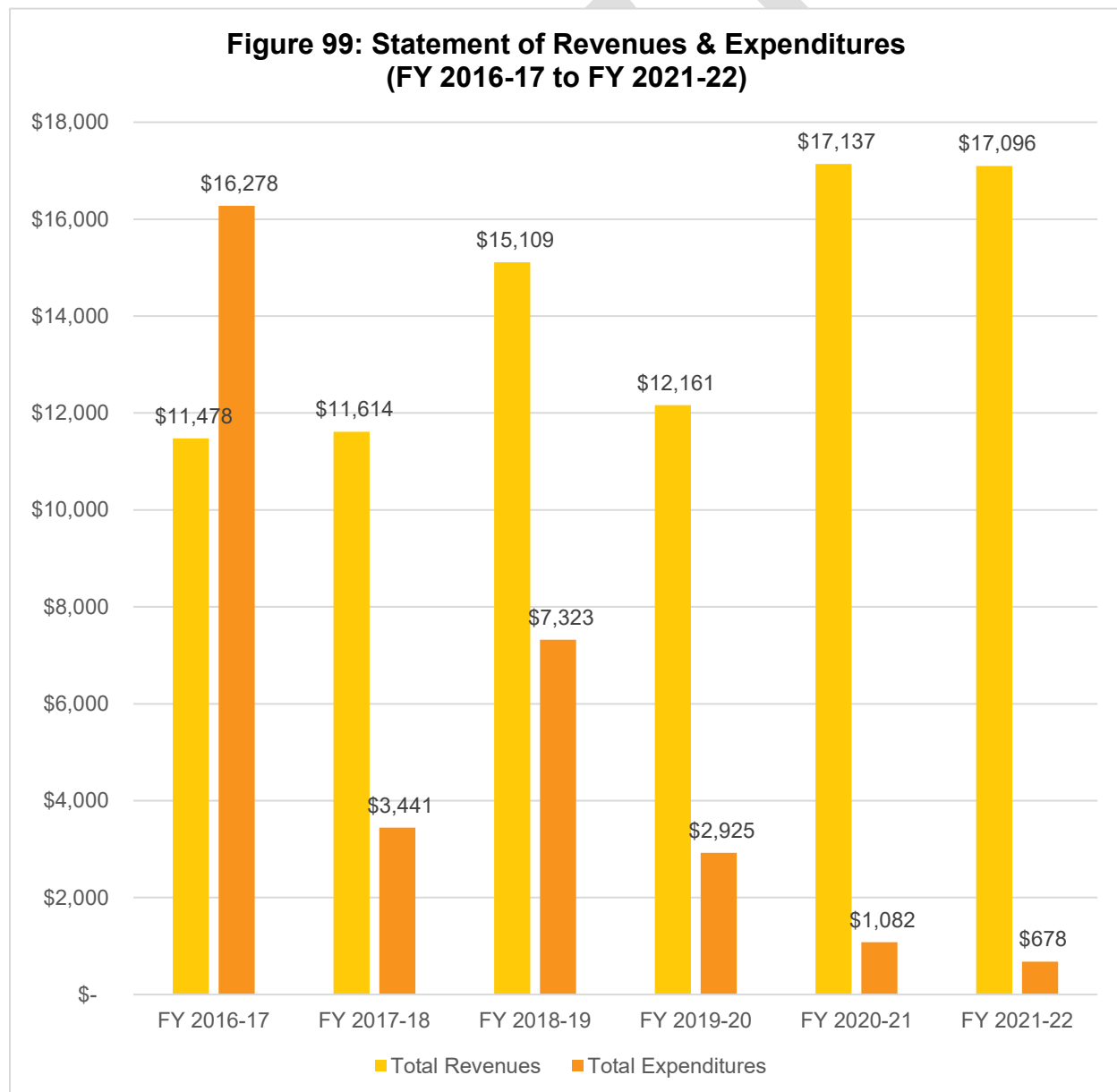
Figure 98: CSA 37's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 37's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 81** on page 214.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$17,000, representing a 0.24% decrease from the previous year (\$17,140 in FY 20-21). Total expenses for FY 2021-22 were approximately \$700, which decreased by 37% from the previous year (\$1,100 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17, as shown in **Figure 99**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$88,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 80** and **Figure 100**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$30,000. Based on this historical trend, LAFCO staff believes the positive balance may continue as the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 80: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$30,819.55	\$38,992.42	\$46,778.33	\$56,014.46	\$72,069.87
Ending Balance	\$30,820	\$38,992	\$46,778	\$56,014	\$72,070	\$88,487
Change (\$)	-	\$8,173	\$7,786	\$9,236	\$16,055	\$16,417

**Figure 100: Net Position from 2016 to 2022
(Ending Balance)**

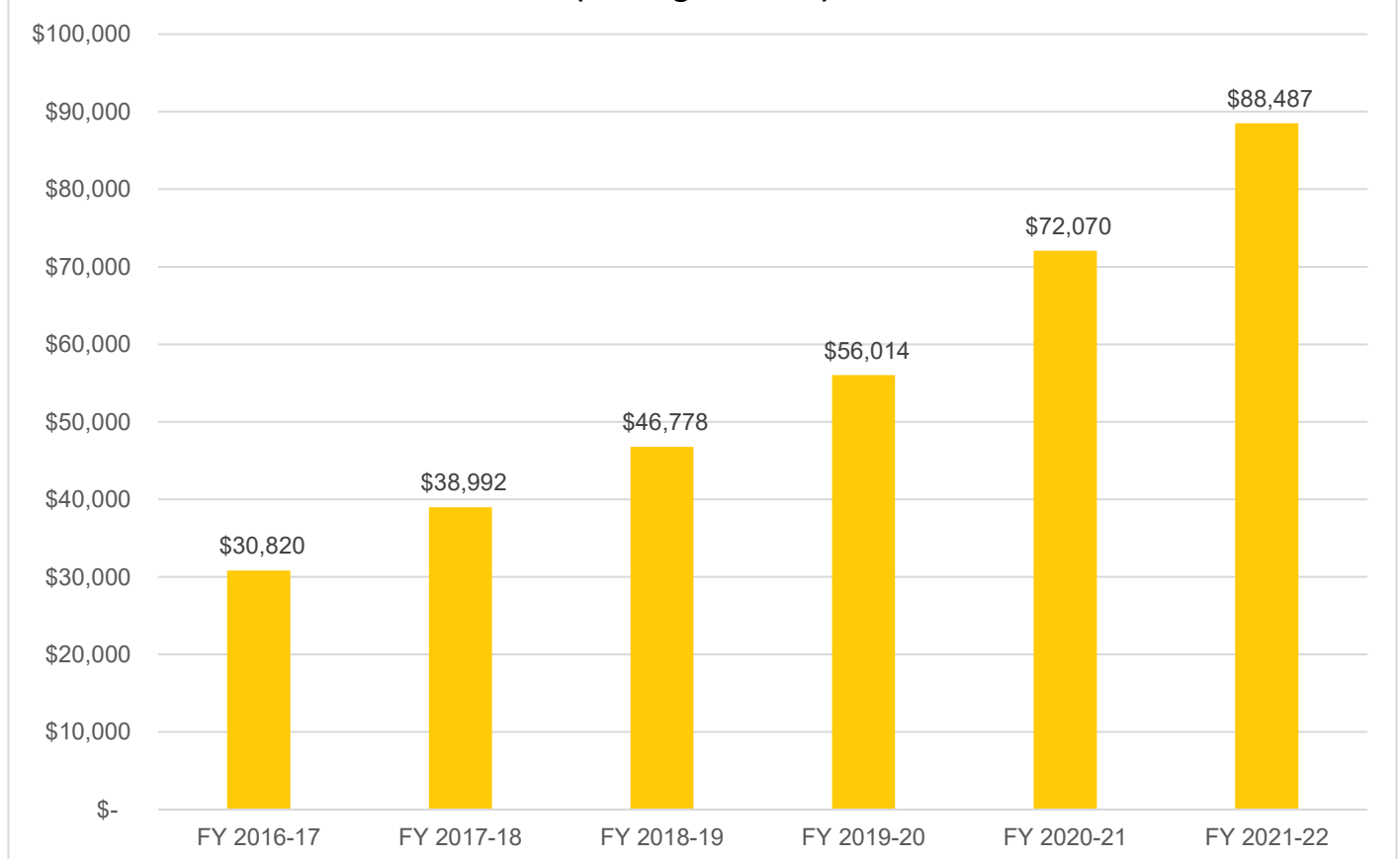


Table 81: Total Revenues & Expenditures

CSA 37	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 291.00	\$ 427.31	\$ 886.97	\$ 973.81	\$ 410.12	\$ 364.63
St-Natural Disaster Assistance	\$ -	\$ -	\$ 607.00	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ 2,428.00	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 11,187.00	\$ 11,187.00	\$ 11,187.00	\$ 11,187.00	\$ 16,727.16	\$ 16,731.00
Total Revenues	\$ 11,478.00	\$ 11,614.31	\$ 15,108.97	\$ 12,160.81	\$ 17,137.28	\$ 17,095.63
EXPENDITURES						
DPW Services - Roberts Road	\$ 16,139.45	\$ 3,441.44	\$ 4,567.51	\$ 267.62	\$ 209.16	\$ -
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 140.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,724.71	\$ 2,184.19	\$ 627.50	\$ 445.50
Dept Overhead Costs	\$ -	\$ -	\$ 780.84	\$ 347.87	\$ 120.21	\$ 92.99
Total Expenditures	\$ 16,278.20	\$ 3,441.44	\$ 7,323.06	\$ 2,924.68	\$ 1,081.87	\$ 678.49
Surplus/(Deficit)	\$ (4,800.20)	\$ 8,172.87	\$ 7,785.91	\$ 9,236.13	\$ 16,055.41	\$ 16,417.14
FUND BALANCE						
Beginning of Year	\$ -	\$ 30,819.55	\$ 38,992.42	\$ 46,778.33	\$ 56,014.46	\$ 72,069.87
End of Year	\$ 30,819.55	\$ 38,992.42	\$ 46,778.33	\$ 56,014.46	\$ 72,069.87	\$ 88,487.01

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 37's first sphere of influence on April 6, 1983. The current sphere is larger than the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 101** on page 215 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 94 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. However, LAFCO staff is recommending that the sphere boundary be expanded to address the split parcel, shown in Figure 98. The County should consider annexing the split parcel as well as 42 additional parcels currently within the CSA's sphere but outside its jurisdictional boundary in the near future. **Figure 102** on page 216 shows the proposed sphere boundary.

Figure 101: CSA 37's Current Sphere Map

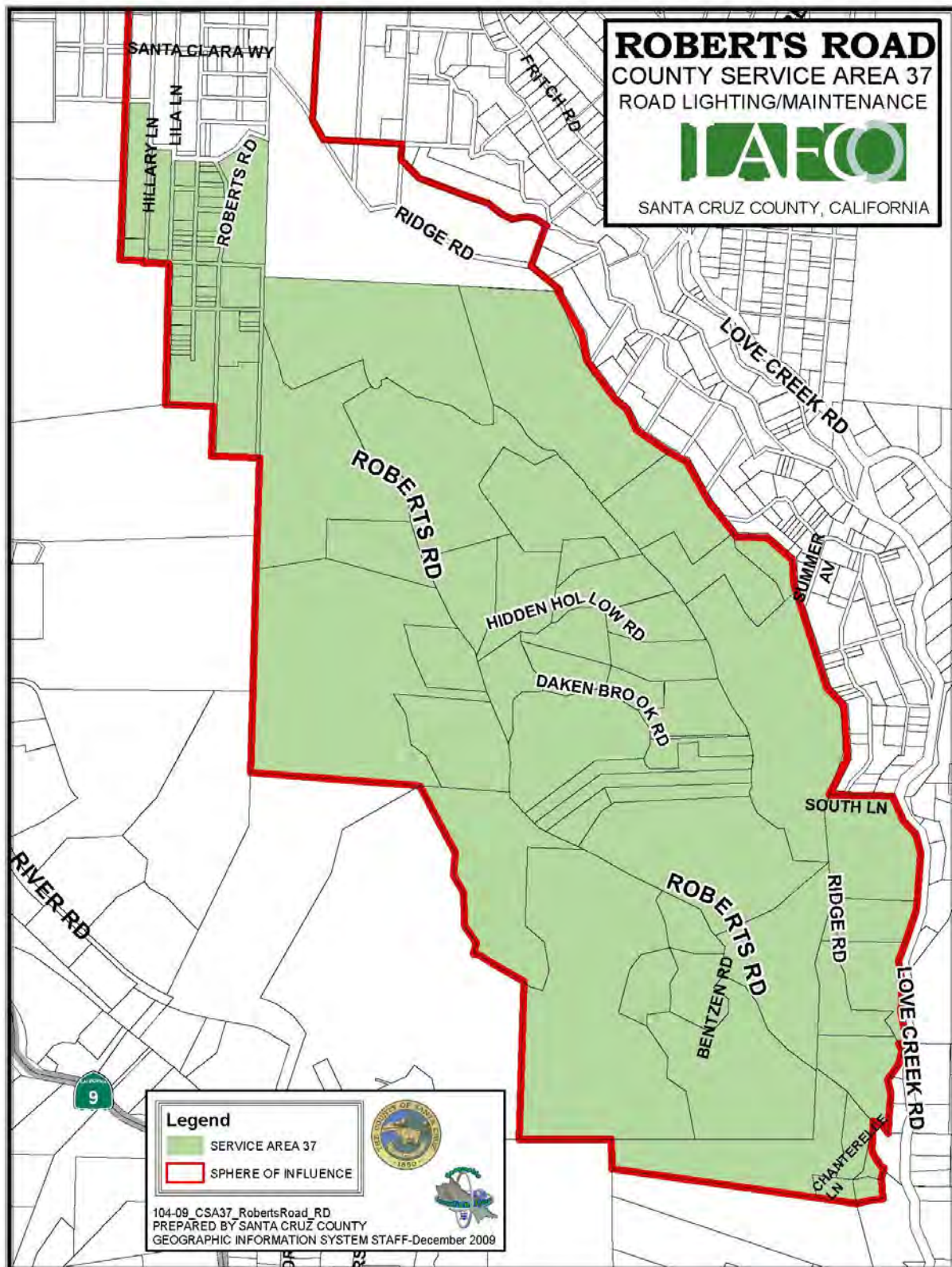
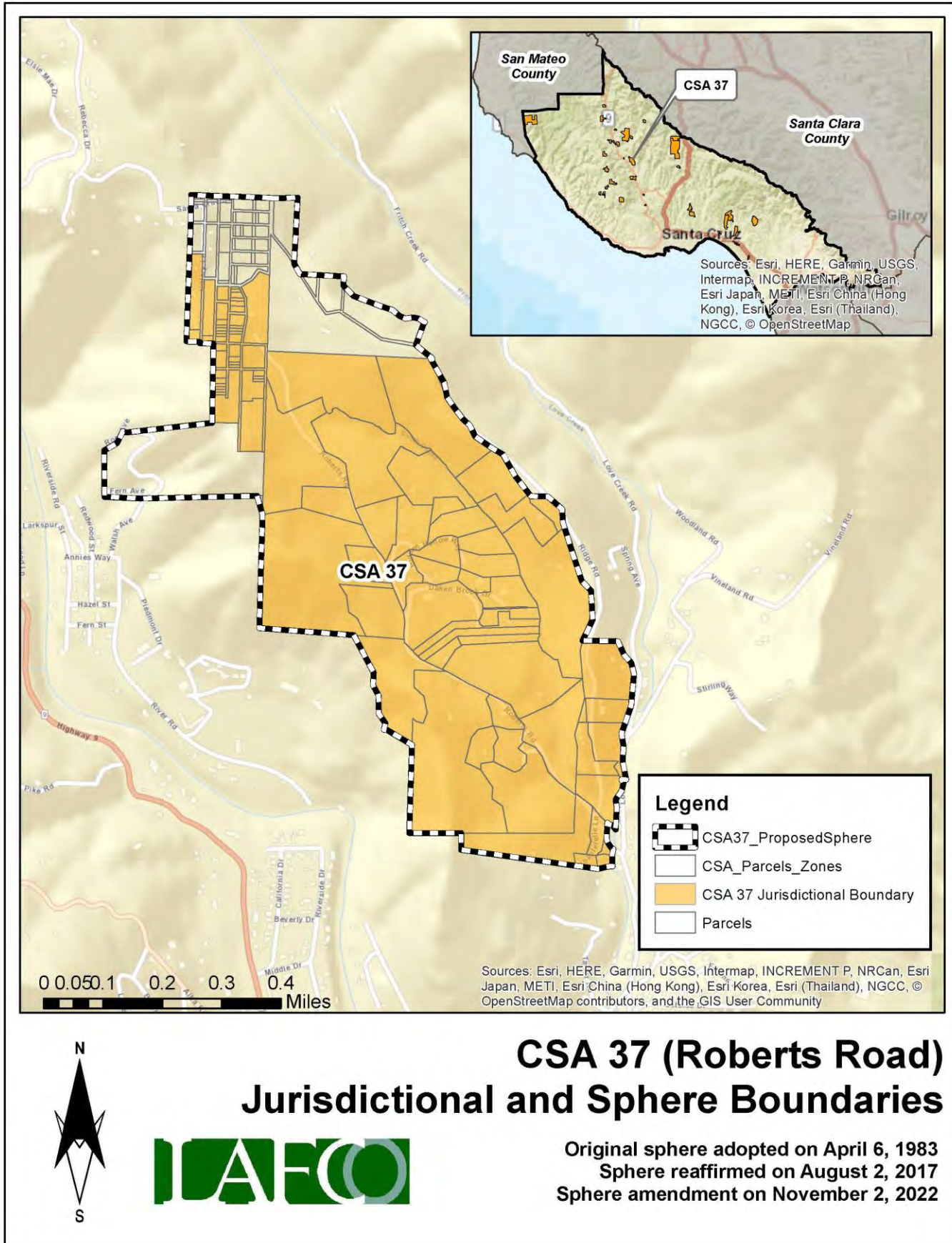


Figure 102: CSA 37's Proposed Sphere Map



District Summary

County Service Area 37	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	2.05 road miles
District Area	0.15 square miles (appx. 94 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$17,096</p> <p>Total Expenditure = \$678</p> <p>Net Position (Ending Balance) = \$88,487</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 37 in 2020 was estimated to be 79. Based on LAFCO's analysis, the population within the CSA will be approximately 82 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 37 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 37 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$88,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 37 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 37 has 94 parcels within its jurisdictional boundary and provides extended services to approximately 2.05 miles of road for the residents.

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

CSA 37 has a population of approximately 79. The constituents fund the CSA through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 39 (REED STREET)

Overview

County Service Area 39 was formed on June 1, 1983 with the purpose of providing extended maintenance to 0.07 road miles. **Appendix 20** provides a copy of the formation resolution. There is a total of 14 parcels within the CSA (totaling approximately 6 acres). **Figure 103**, on page 221, is a vicinity map depicting CSA 39's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Suburban Residential and a small portion designated as Existing Parks/Open Space. **Table 82** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 39 does not have any zones and has not collected any funding. The County has expressed interest in dissolving the CSA due to operational inactivity.

Table 82: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 39	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Change (%)</i>		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 39 was 2020 is estimated to be 30. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 83** shows the anticipated population within CSA 39. The average rate of change is 0.86%.

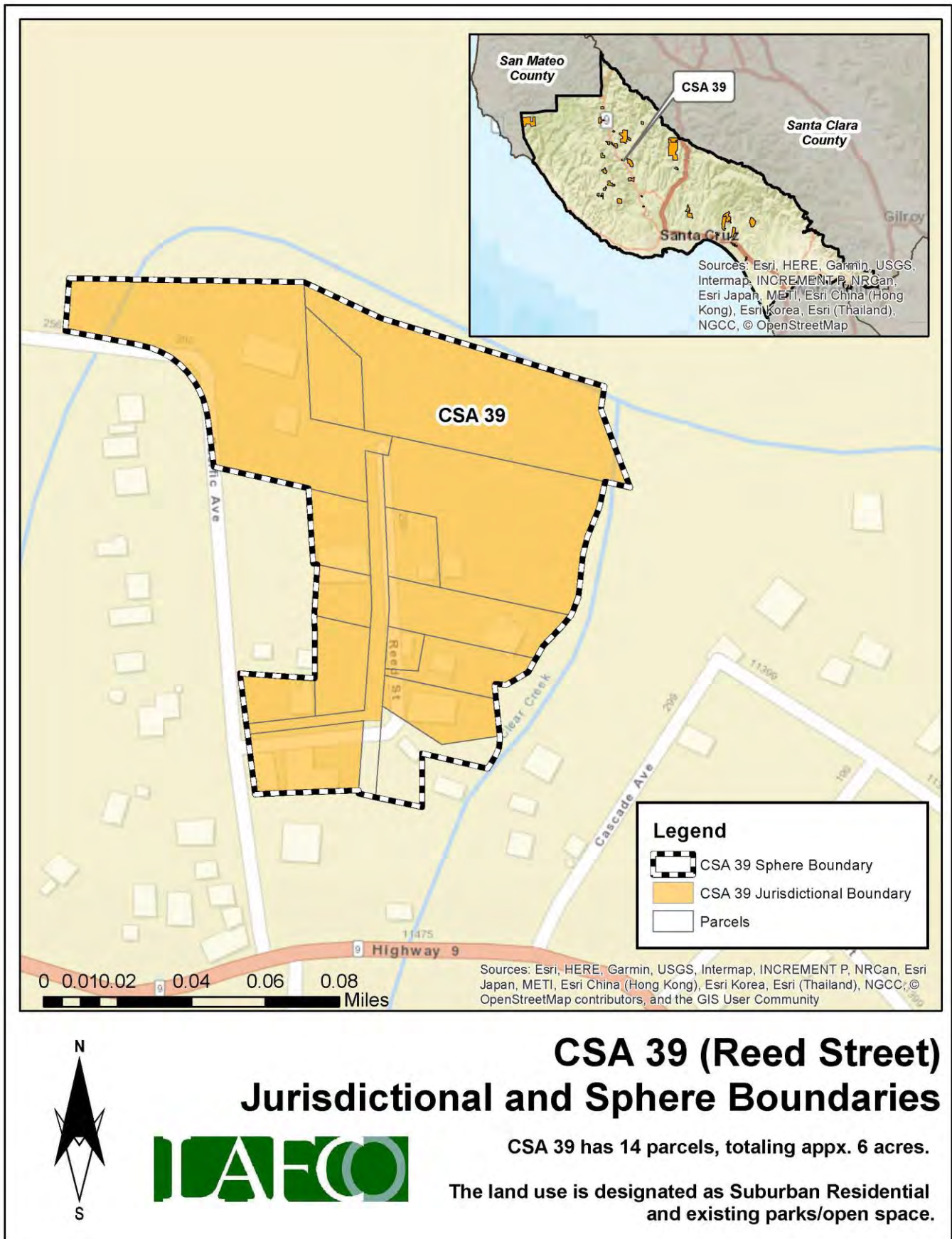
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 39. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 39 will be approximately 31 by 2040.

Table 83: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 39	30	30	31	31	31

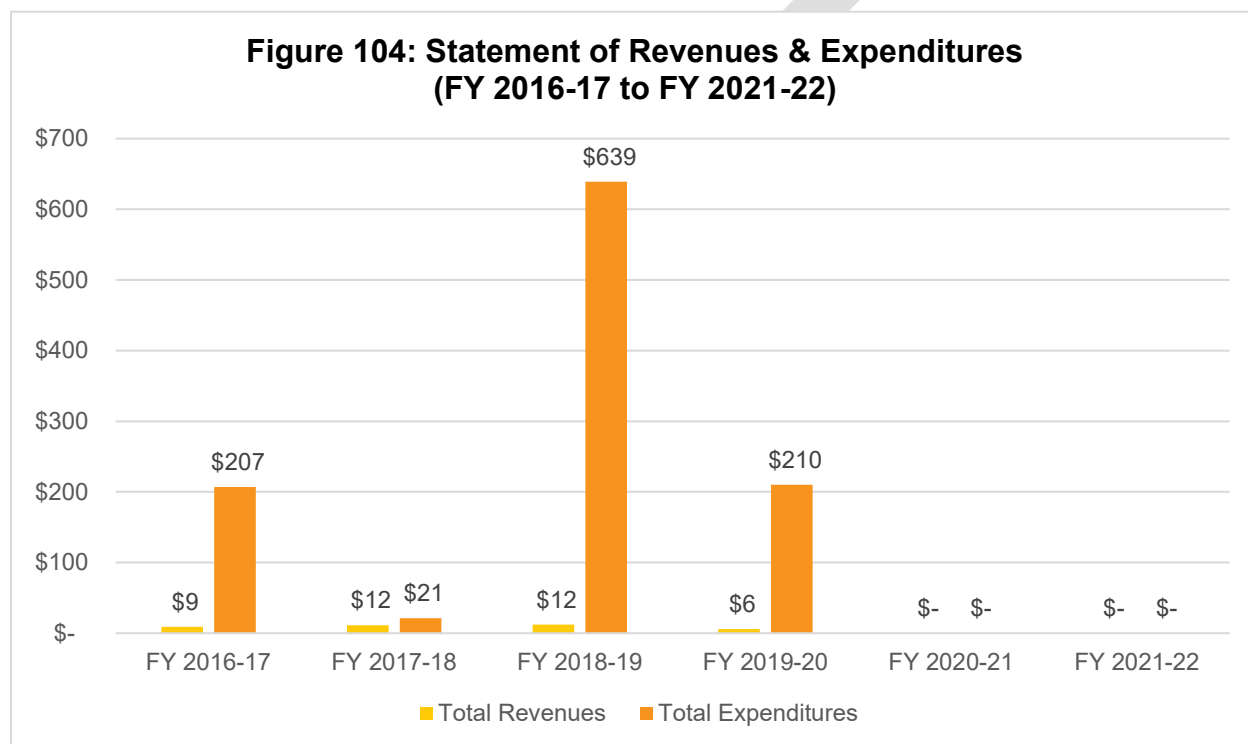
Figure 103: CSA 39's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 39's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 85** on page 223.

CSA 39 has been inactive since FY 2020-21, as shown in **Figure 104**. Prior to its inactivity, the CSA experienced an annual deficit in four consecutive years (FY 2016-17 to FY 2019-20). The County has expressed interest in dissolving the CSA due to operational inactivity.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$120. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 84**, the CSA's fund balance has declined over the years. The County has indicated that it does not anticipate any road repairs/improvements in the foreseeable future and has expressed interest in dissolving CSA 39.

Table 84: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	\$-	\$959	\$950	\$323	\$118	\$118
Ending Balance	\$959	\$950	\$323	\$118	\$118	\$118
Change (\$)		\$(10)	\$(627)	\$(204)	\$-	\$-

Table 85: Total Revenues & Expenditures

CSA 39	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 9.29	\$ 11.55	\$ 12.12	\$ 5.95	\$ -	\$ -
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 9.29	\$ 11.55	\$ 12.12	\$ 5.95	\$ -	\$ -
EXPENDITURES						
DPW Services - Reed Street	\$ 68.31	\$ 21.29	\$ 19.76	\$ 19.76	\$ -	\$ -
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ -	\$ -
Division Overhead - Admin	\$ -	\$ -	\$ 303.02	\$ 40.46	\$ -	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 66.36	\$ 25.01	\$ -	\$ -
Total Expenditures	\$ 207.06	\$ 21.29	\$ 639.14	\$ 210.23	\$ -	\$ -
Surplus/(Deficit)	\$ (197.77)	\$ (9.74)	\$ (627.02)	\$ (204.28)	\$ -	\$ -
FUND BALANCE						
Beginning of Year	\$ -	\$ 959.34	\$ 949.60	\$ 322.58	\$ 118.30	\$ 118.30
End of Year	\$ 959.34	\$ 949.60	\$ 322.58	\$ 118.30	\$ 118.30	\$ 118.30

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 39's first sphere of influence on June 1, 1983. The current sphere is slightly larger than the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 105** on page 224 shows the current sphere of influence boundary.

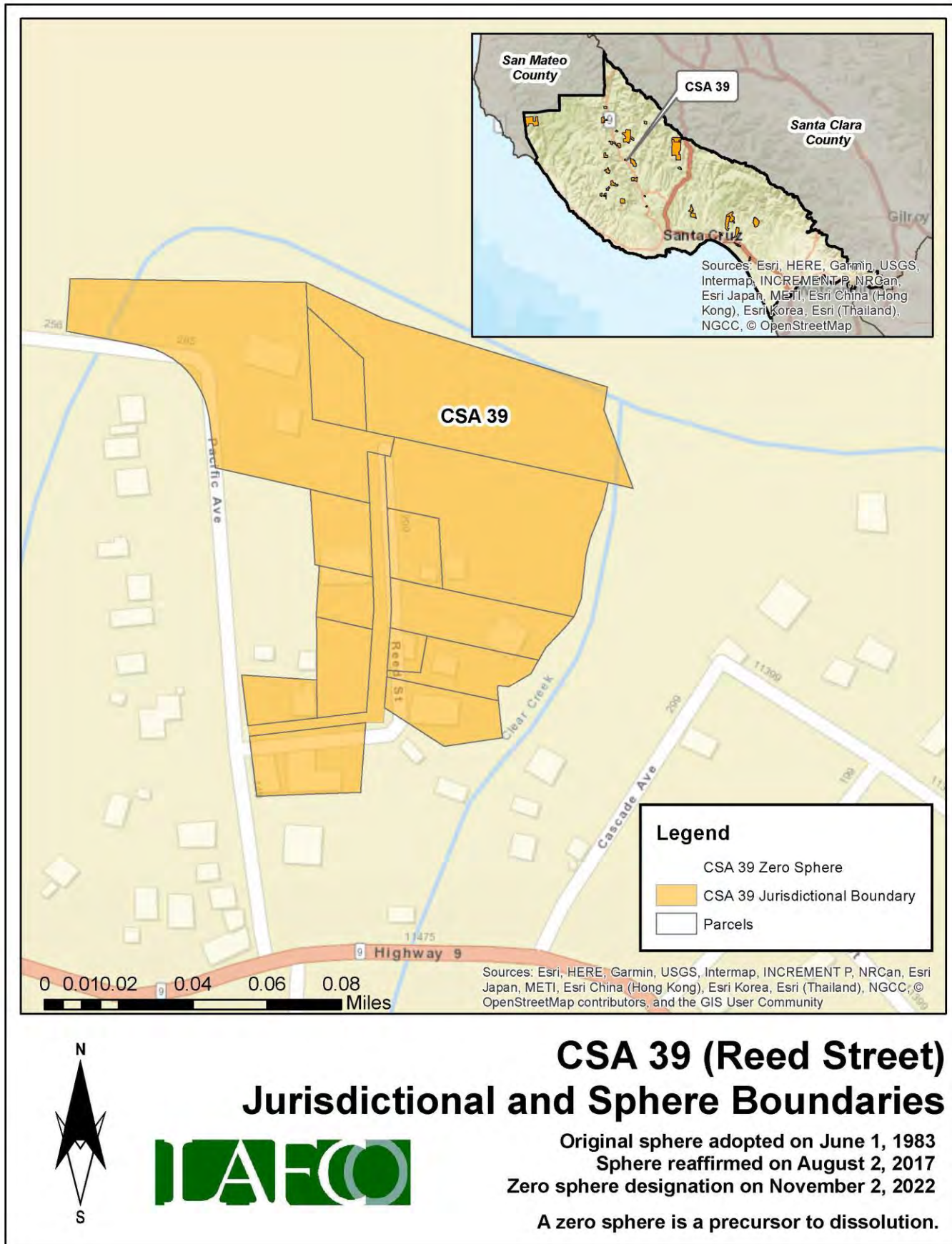
Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 14 parcels and the County has expressed interest in dissolving CSA 39. Therefore, LAFCO staff is recommending that a zero sphere be established. A zero sphere (encompassing no territory) is adopted when the Commission has determined that the public service functions of an agency are either: nonexistent, no longer needed, or should be reallocated to some other agency of government. This designation would be the preliminary step towards dissolution. **Figure 106** on page 225 shows the proposed sphere boundary.

Figure 105: CSA 39's Current Sphere Map



Figure 106: CSA 39's Proposed Sphere Map



District Summary

County Service Area 39	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.07 road miles
District Area	0.02 square miles (appx. 14 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Zero Sphere (i.e., precursor to dissolution)</p>
FY 2021-22 Audit	<p>Total Revenue = \$0</p> <p>Total Expenditure = \$0</p> <p>Net Position (Ending Balance) = \$118</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 39 in 2020 was estimated to be 30. Based on LAFCO's analysis, the population within the CSA will be approximately 31 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 39 has been inactive for over two years. The County has expressed interest in dissolving the CSA.

4. Financial ability of agencies to provide services.

CSA 39 is financially distressed. The CSA ended with a deficit in four consecutive years and has been completely inactive for the last two fiscal years. As of June 30, 2022, the total net position balance ended with approximately \$118.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Suburban Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 39 has been inactive for over two years. The County has expressed interest in dissolving the CSA.

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

CSA 39 has 14 parcels within its jurisdictional boundary and currently does not provide any road maintenance/services.

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

CSA 39 has a population of approximately 30. The constituents have not been funding the CSA in the last five years.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 40 (RALSTON WAY)

Overview

County Service Area 40 was formed on June 1, 1983 with the purpose of providing extended maintenance to 0.65 road miles. **Appendix 21** provides a copy of the formation resolution. There is a total of 18 parcels within the CSA (totaling approximately 60 acres). **Figure 107**, on page 230, is a vicinity map depicting CSA 40's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 86** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 40 has four funding zones (Zones A-D) with different rates. The rates have remained the same since FY 2017-18. **Figure 108** on page 231 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 40.

Table 86: Benefit Assessment Rates (2017 to 2021)

CSA 40	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$12.36	\$12.36	\$12.36	\$12.36	\$12.36
Zone B	\$168.00	\$168.00	\$168.00	\$168.00	\$168.00
Zone C	\$324.02	\$324.02	\$324.02	\$324.02	\$324.02
Zone D	\$440.38	\$440.38	\$440.38	\$440.38	\$440.38
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 40 in 2020 is estimated to be 9. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 87** shows the anticipated population within CSA 40. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 40. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 40 will be approximately 9 by 2040.

Table 87: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 40	9	9	9	9	9

Figure 107: CSA 40's Vicinity Map

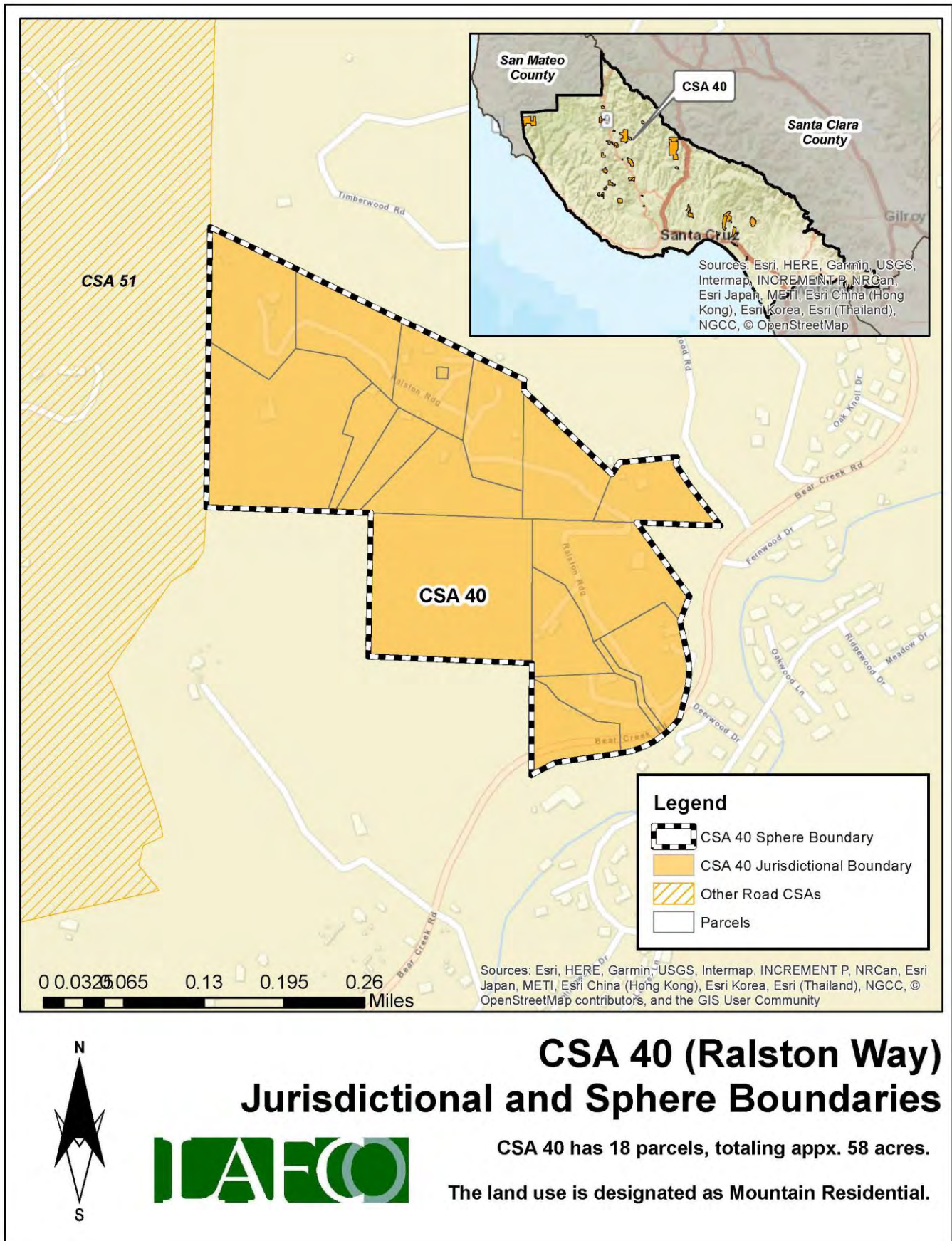
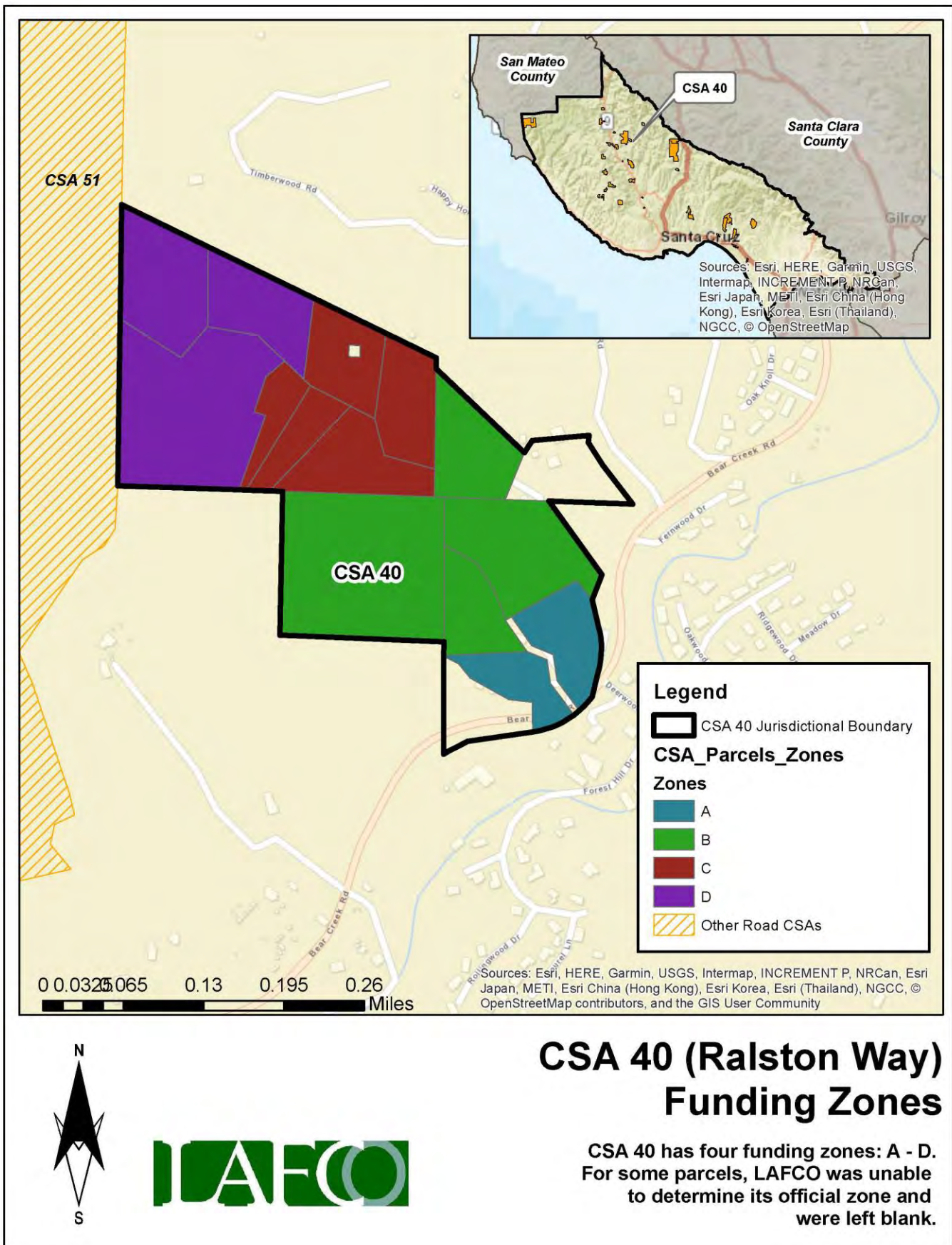


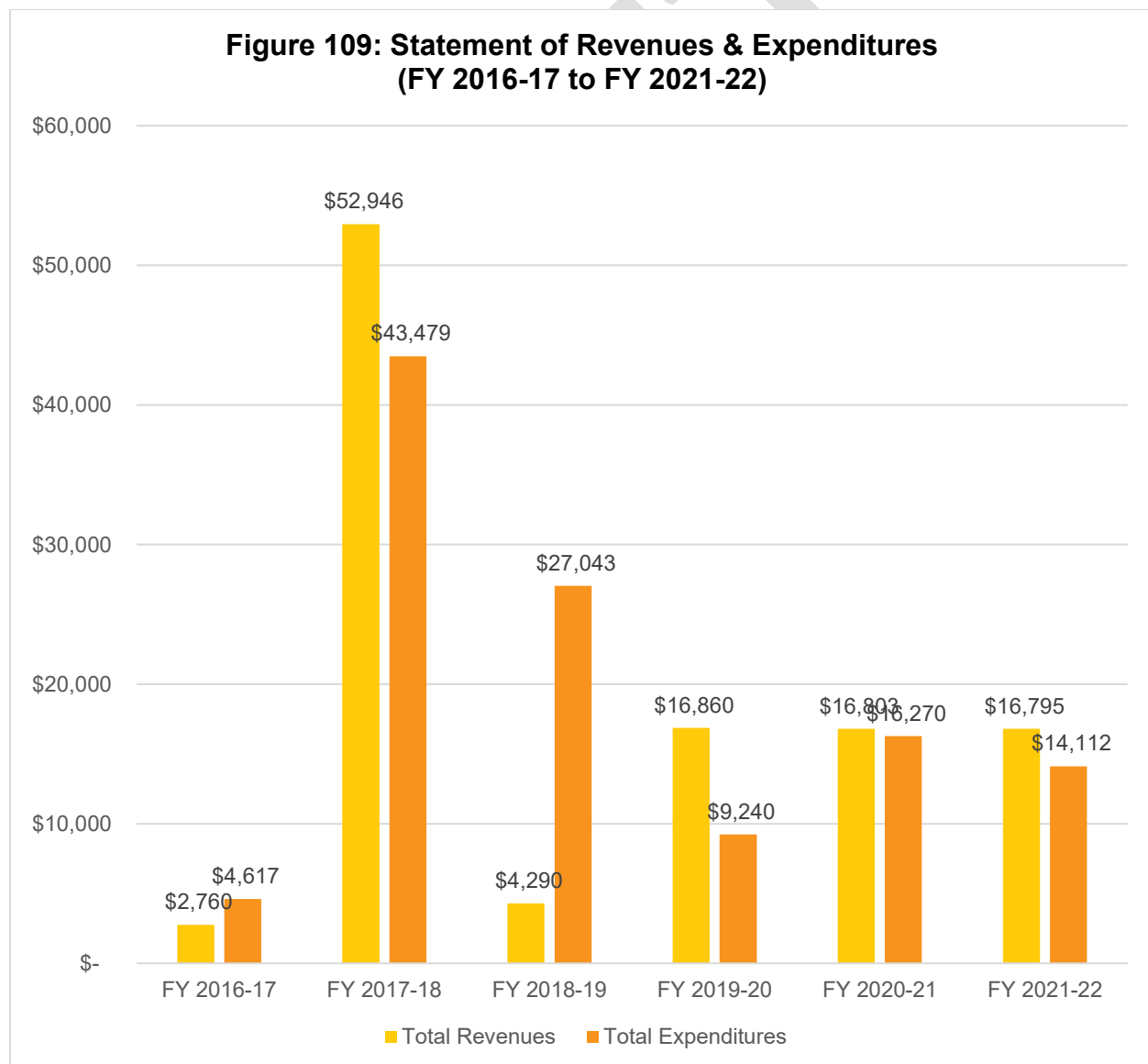
Figure 108: CSA 40's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 40's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 89** on page 234.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$16,795, representing a 0.05% decrease from the previous year (\$16,800 in FY 20-21). Total expenses for FY 2021-22 were approximately \$14,000, which decreased by 13% from the previous year (\$16,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17 and FY 2018-19, as shown in **Figure 109**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to outset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$17,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 88** and **Figure 110**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$5,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 88: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$18,957.23	\$28,424.46	\$5,672.15	\$13,291.75	\$13,824.88
Ending Balance	\$18,957	\$28,424	\$5,672	\$13,292	\$13,825	\$16,508
Change (\$)	-	\$9,467	\$(22,752)	\$7,620	\$533	\$2,683

**Figure 110: Net Position from 2016 to 2022
(Ending Balance)**

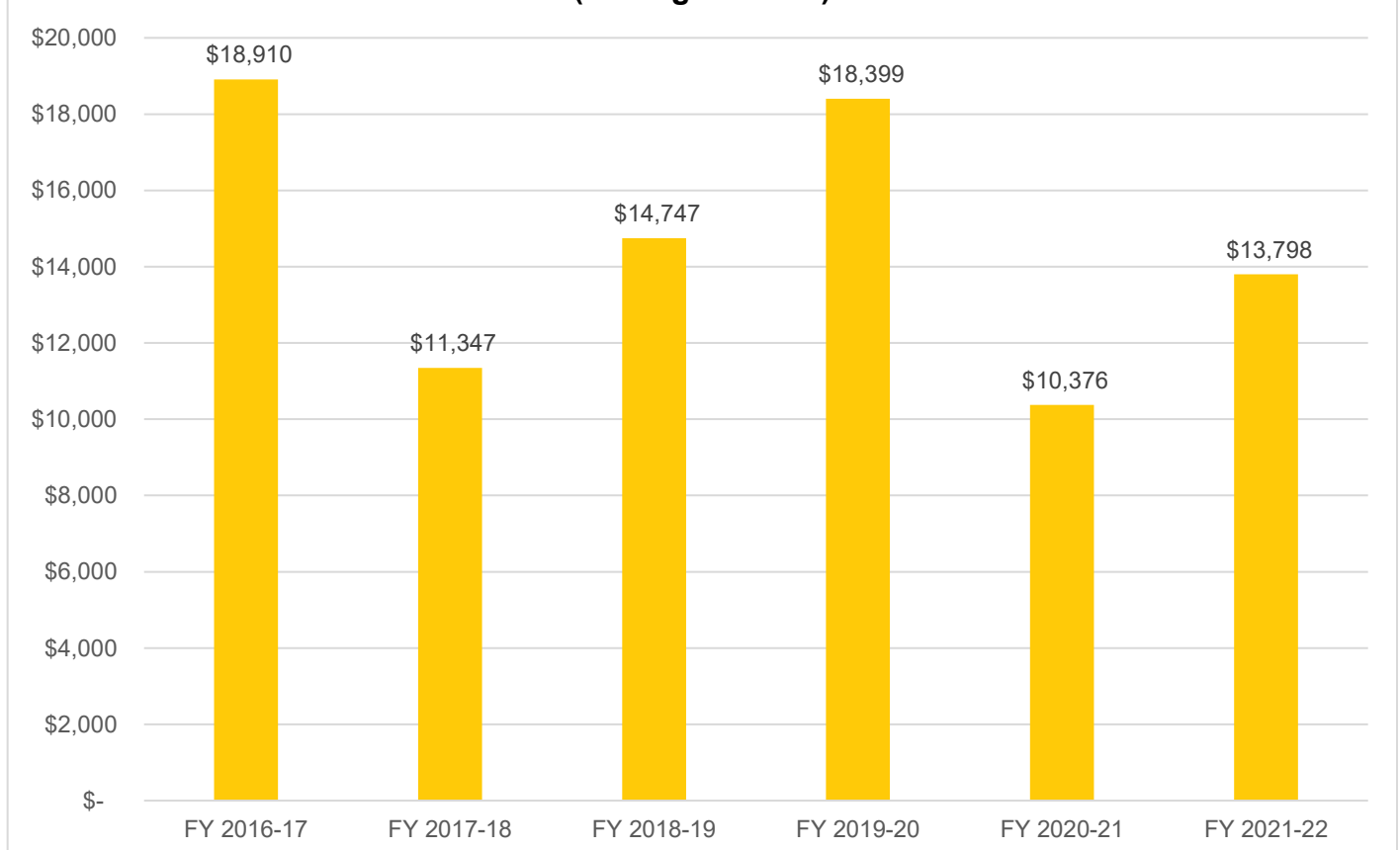


Table 89: Total Revenues & Expenditures

CSA 40	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 143.45	\$ 196.07	\$ 256.94	\$ 316.64	\$ 114.32	\$ 54.83
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 3,613.84	\$ 3,613.82	\$ 3,613.81	\$ 3,605.47	\$ 3,601.58	\$ 3,601.58
Total Revenues	\$ 3,757.29	\$ 3,809.89	\$ 3,870.75	\$ 3,922.11	\$ 3,715.90	\$ 3,656.41
EXPENDITURES						
DPW Services - Ralston Way	\$ 18.11	\$ 11,373.33	\$ 21.17	\$ 21.18	\$ 9,519.84	\$ 62.55
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 151.41	\$ 91.60	\$ 790.02	\$ 21.18
Dept Overhead Costs	\$ -	\$ -	\$ 48.17	\$ 32.11	\$ 1,304.36	\$ 25.05
Total Expenditures	\$ 156.86	\$ 11,373.33	\$ 470.75	\$ 269.89	\$ 11,739.22	\$ 233.78
Surplus/(Deficit)	\$ 3,600.43	\$ (7,563.44)	\$ 3,400.00	\$ 3,652.22	\$ (8,023.32)	\$ 3,422.63
FUND BALANCE						
Beginning of Year	\$ -	\$ 18,910.26	\$ 11,346.82	\$ 14,746.82	\$ 18,399.04	\$ 10,375.72
End of Year	\$ 18,910.26	\$ 11,346.82	\$ 14,746.82	\$ 18,399.04	\$ 10,375.72	\$ 13,798.35

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 40's first sphere of influence on June 1, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 111** on page 235 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 18 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 112** on page 236 shows the proposed sphere boundary.

Figure 111: CSA 40's Current Sphere Map

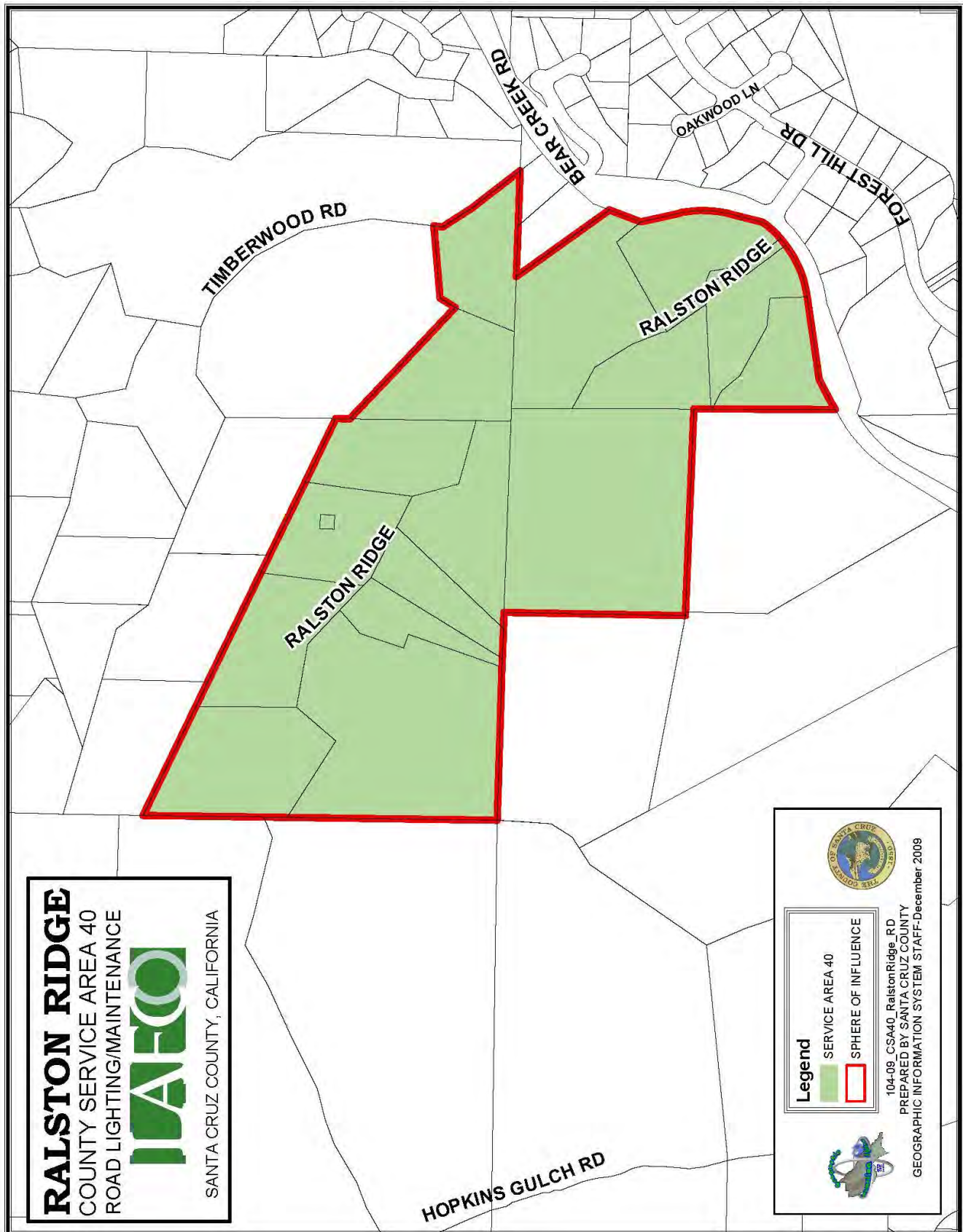
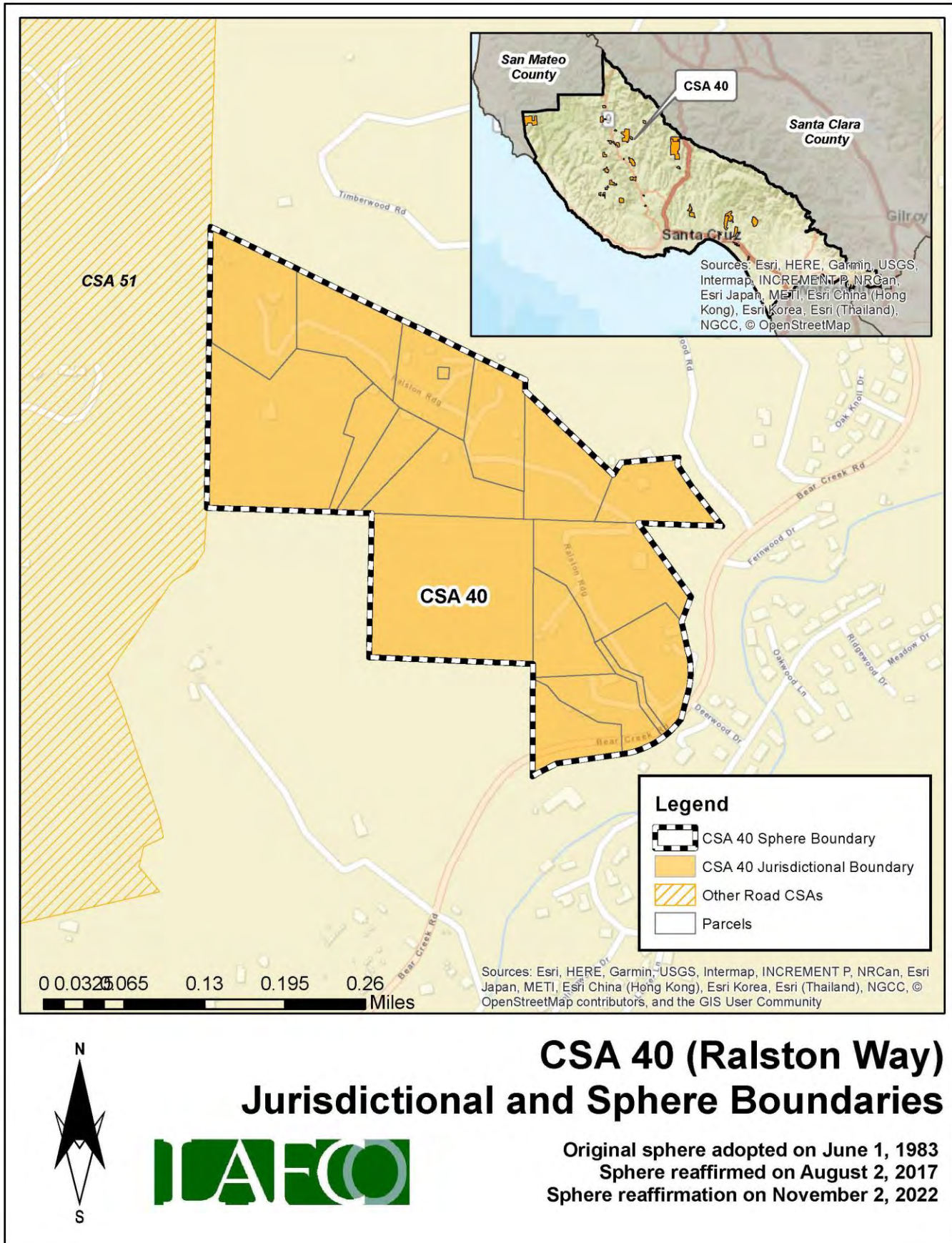


Figure 112: CSA 40's Proposed Sphere Map



District Summary

County Service Area 40	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.65 road miles
District Area	0.09 square miles (appx. 58 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$16,795</p> <p>Total Expenditure = \$14,112</p> <p>Net Position (Ending Balance) = \$16,508</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 40 in 2020 was estimated to be 9. Based on LAFCO's analysis, the population within the CSA will be approximately 9 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 40 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 40 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$17,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 40 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 40 has 18 parcels within its jurisdictional boundary and provides extended services to approximately 0.65 miles of road for the residents.

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

CSA 40 has a population of approximately 9. The constituents fund the through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 41 (LOMA PRIETA DRIVE)

Overview

County Service Area 41 was formed on August 3, 1983 with the purpose of providing extended maintenance to 1.06 road miles. **Appendix 22** provides a copy of the formation resolution. There is a total of 111 parcels within the CSA (totaling approximately 27 acres). **Figure 113**, on page 241, is a vicinity map depicting CSA 41's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Urban Low Residential. **Table 90** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 41 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 41.

Table 90: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 41	\$309.94	\$318.92	\$318.92	\$342.28	\$342.28
Change (%)		3%	0%	7%	0%

Population and Growth

Based on staff's analysis, the population of CSA 41 was 2020 is estimated to be 56. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 91** shows the anticipated population within CSA 41. The average rate of change is 0.86%.

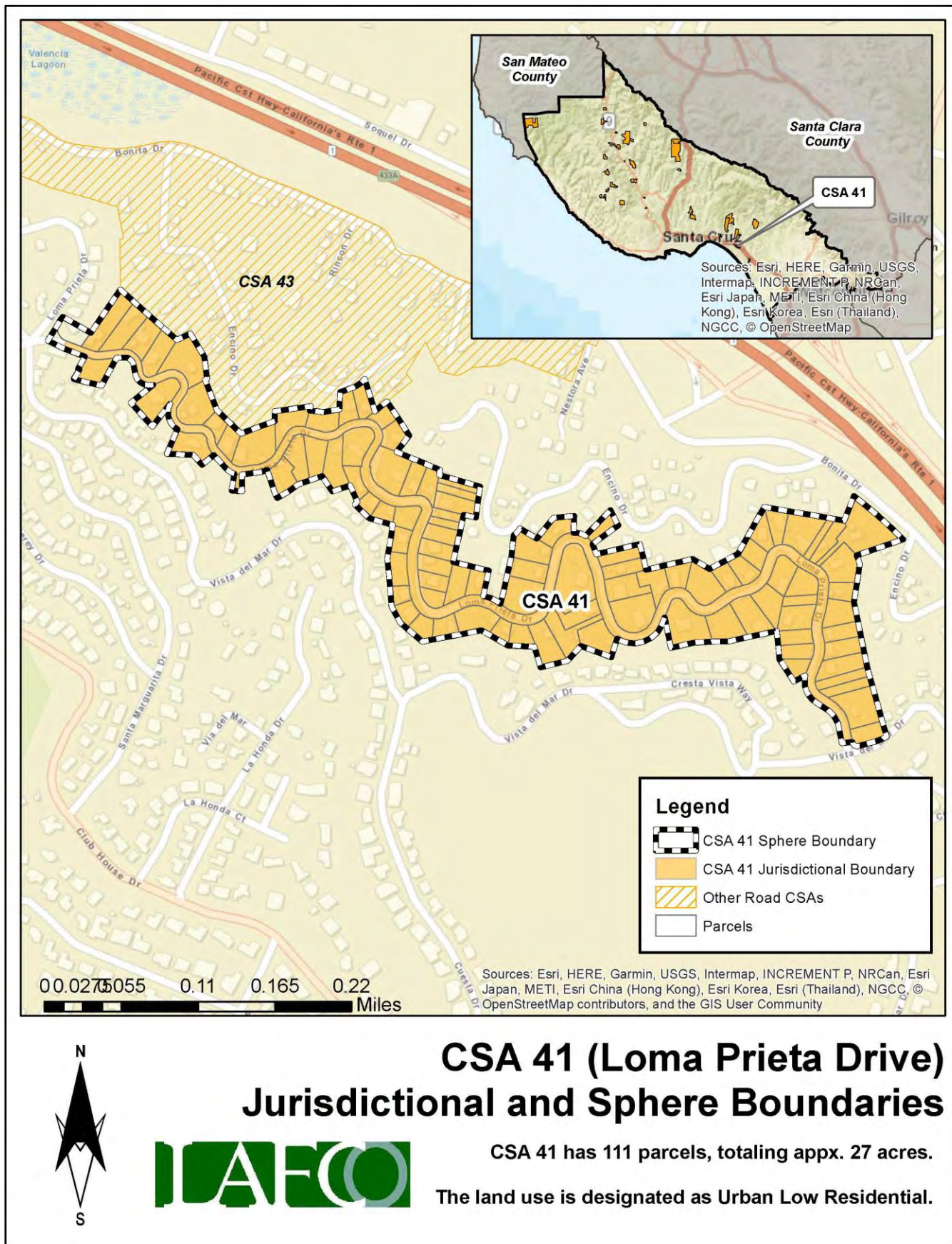
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 41. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 41 will be approximately 57 by 2040.

Table 91: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 41	56	56	56	57	57

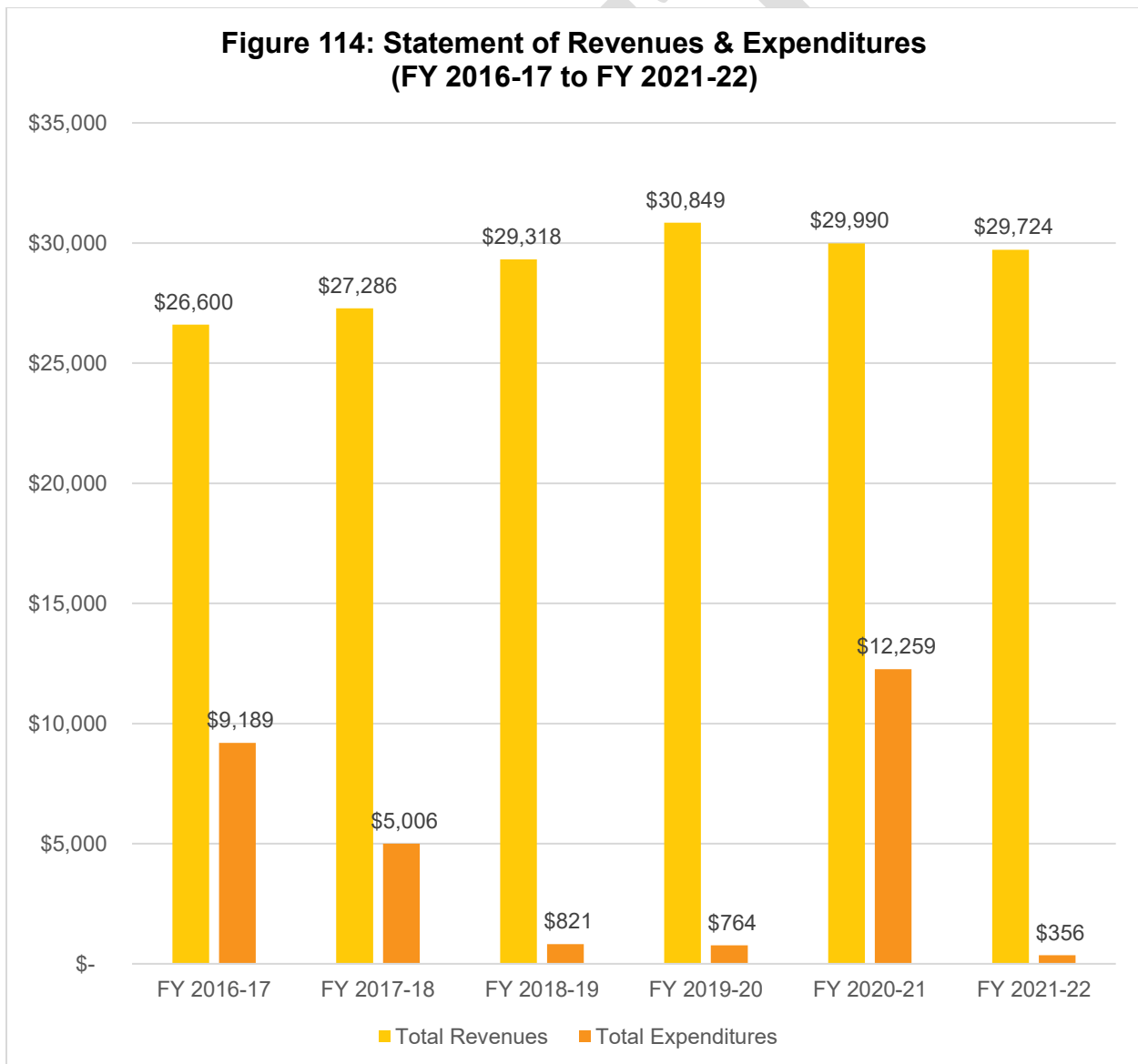
Figure 113: CSA 41's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 41's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 93** on page 244.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$29,700, representing a 0.89% decrease from the previous year (\$30,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$400, which decreased by 97% from the previous year (\$12,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, as shown in **Figure 114**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$218,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 92** and **Figure 115**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$89,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 92: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$89,214.19	\$111,494.10	\$139,991.60	\$170,076.72	\$187,807.42
Ending Balance	\$89,214	\$111,494	\$139,992	\$170,077	\$187,807	\$217,175
Change (\$)	-	\$22,280	\$28,498	\$30,085	\$17,731	\$29,368

**Figure 115: Net Position from 2016 to 2022
(Ending Balance)**

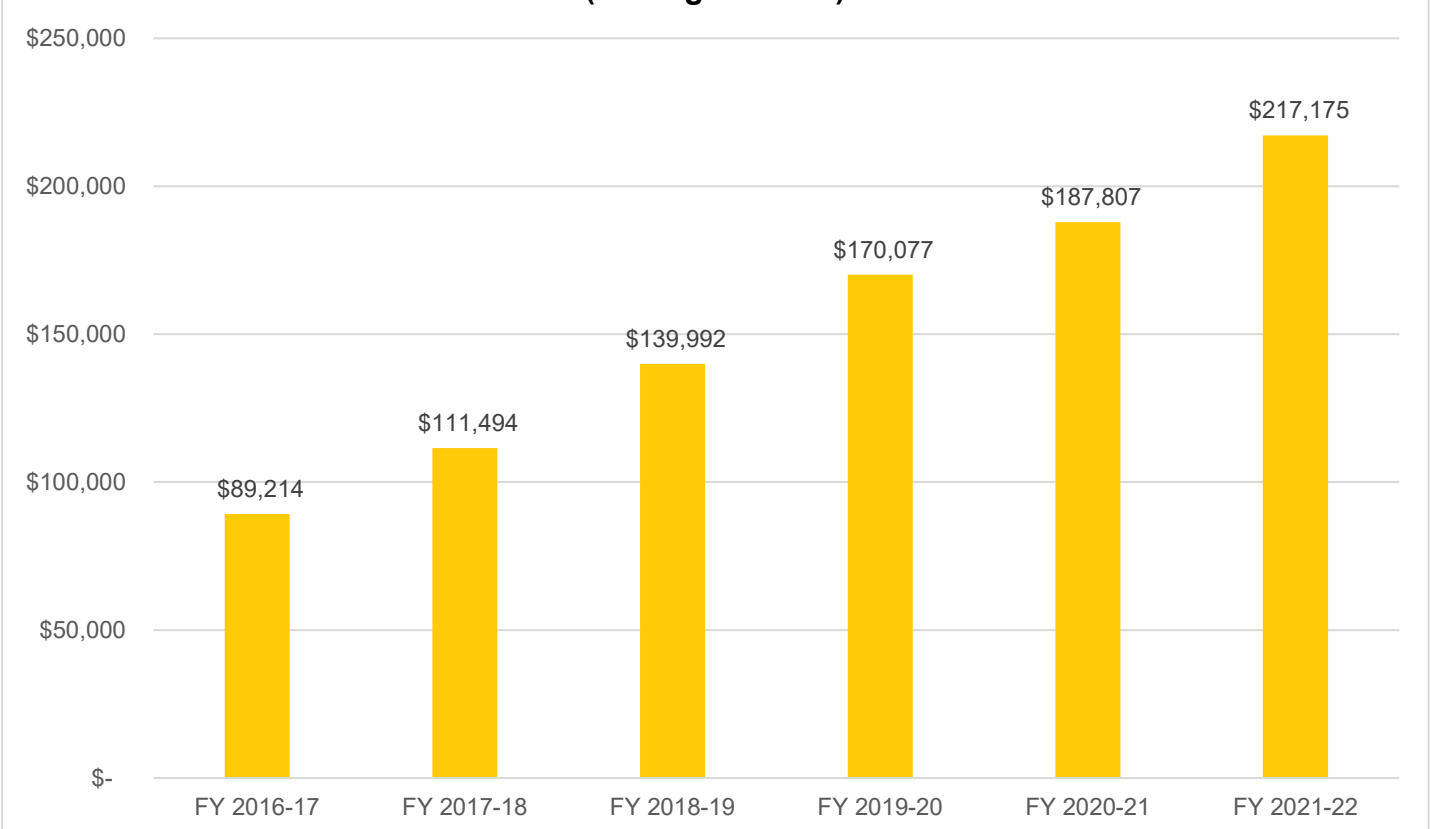


Table 93: Total Revenues & Expenditures

CSA 41	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 682.40	\$ 1,204.57	\$ 2,481.35	\$ 2,965.27	\$ 1,194.54	\$ 920.83
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 25,917.30	\$ 26,081.46	\$ 26,837.12	\$ 27,883.94	\$ 28,795.24	\$ 28,802.86
Total Revenues	\$ 26,599.70	\$ 27,286.03	\$ 29,318.47	\$ 30,849.21	\$ 29,989.78	\$ 29,723.69
EXPENDITURES						
DPW Services - Loma Prieta Drive	\$ 9,041.81	\$ 5,006.12	\$ 124.23	\$ 124.22	\$ 10,122.89	\$ 41.70
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 147.27	\$ -	\$ 280.94	\$ 148.42	\$ 149.42	\$ 152.02
Division Overhead - Admin	\$ -	\$ -	\$ 341.15	\$ 400.56	\$ 624.65	\$ 124.22
Dept Overhead Costs	\$ -	\$ -	\$ 74.65	\$ 90.89	\$ 1,362.12	\$ 38.15
Total Expenditures	\$ 9,189.08	\$ 5,006.12	\$ 820.97	\$ 764.09	\$ 12,259.08	\$ 356.09
Surplus/(Deficit)	\$ 17,410.62	\$ 22,279.91	\$ 28,497.50	\$ 30,085.12	\$ 17,730.70	\$ 29,367.60
FUND BALANCE						
Beginning of Year	\$ -	\$ 89,214.19	\$ 111,494.10	\$ 139,991.60	\$ 170,076.72	\$ 187,807.42
End of Year	\$ 89,214.19	\$ 111,494.10	\$ 139,991.60	\$ 170,076.72	\$ 187,807.42	\$ 217,175.02

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 41's first sphere of influence on August 3, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 116** on page 245 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 111 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. LAFCO staff is recommending that the sphere boundary reaffirmed. However, the County should consider annexing the single parcel currently within the CSA's sphere but outside its jurisdictional boundary. **Figure 117** on page 246 shows the proposed sphere boundary.

Figure 116: CSA 41's Current Sphere Map

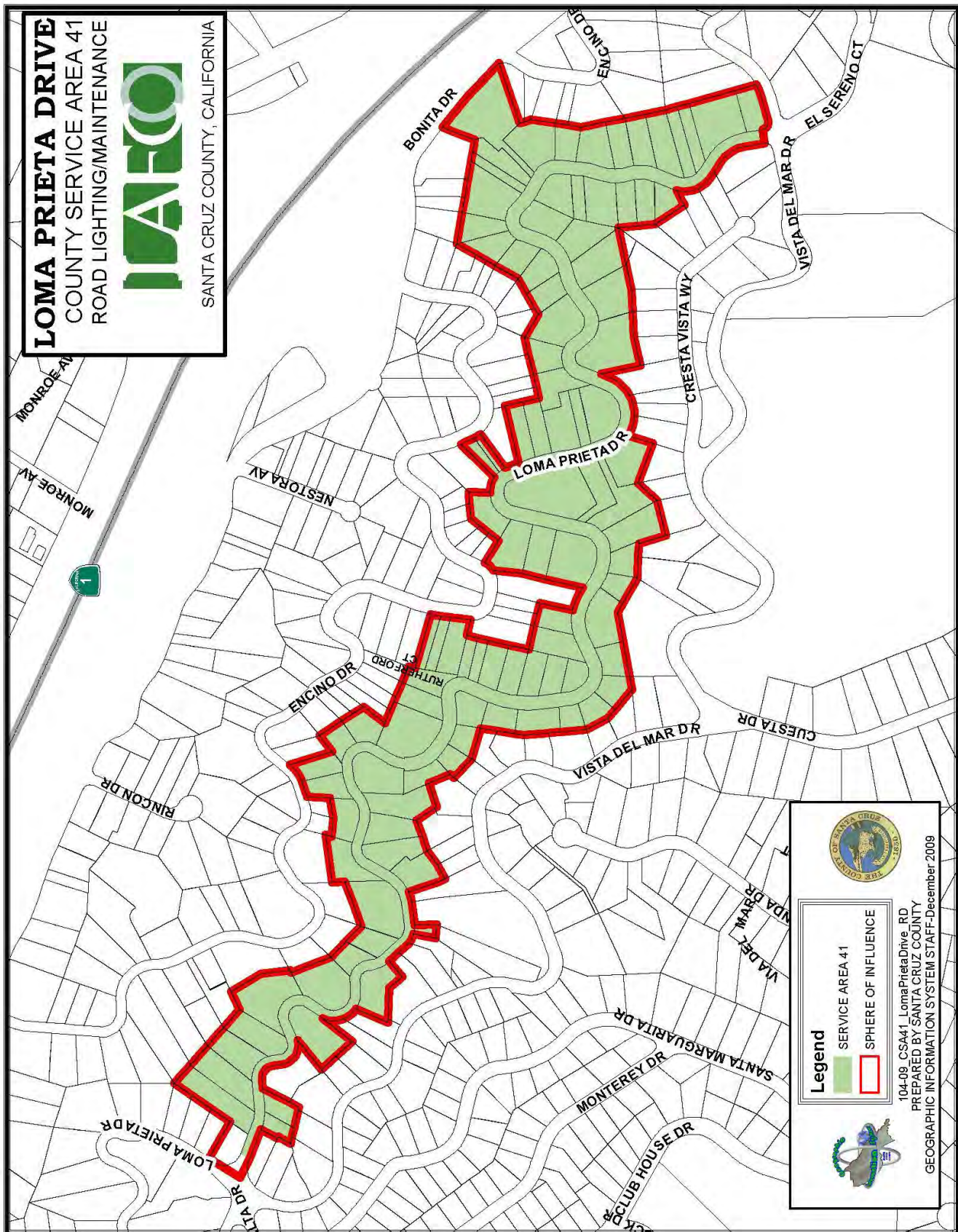
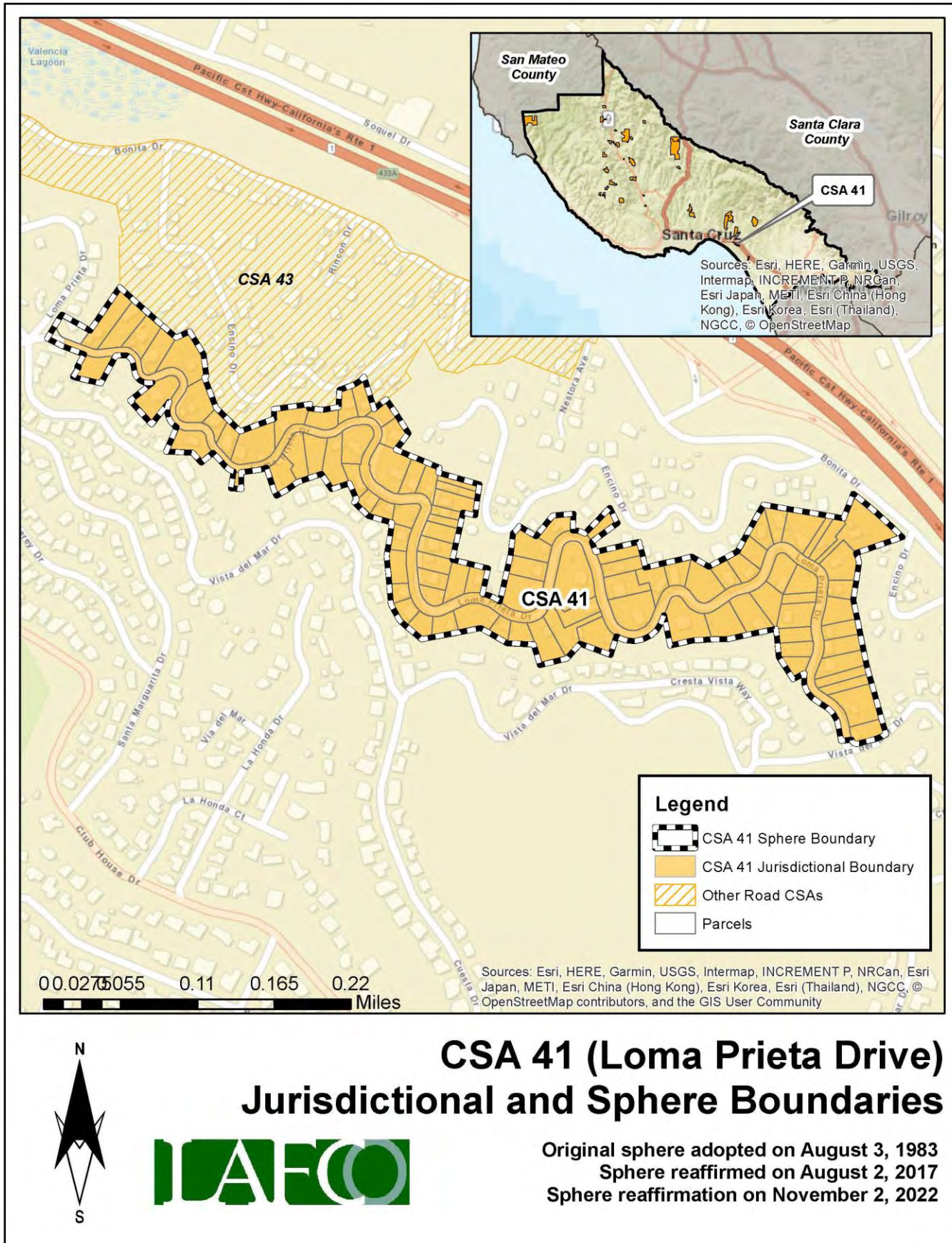


Figure 117: CSA 41's Proposed Sphere Map



District Summary

County Service Area 41	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.06 road miles
District Area	0.04 square miles (appx. 27 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$29,724</p> <p>Total Expenditure = \$356</p> <p>Net Position (Ending Balance) = \$217,175</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 41 in 2020 was estimated to be 56. Based on LAFCO's analysis, the population within the CSA will be approximately 57 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 41 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 41 is financially stable. The CSA ended with a surplus in each of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$217,175.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 41 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 41 has 111 parcels within its jurisdictional boundary and provides extended services to approximately 1.06 miles of road for the residents.

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

CSA 41 has a population of approximately 56. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 42 (SUNLIT LANE)

Overview

County Service Area 42 was formed on September 7, 1983 with the purpose of providing extended maintenance to 1.28 road miles. **Appendix 23** provides a copy of the formation resolution. There is a total of 46 parcels within the CSA (totaling approximately 172 acres). **Figure 118**, on page 251, is a vicinity map depicting CSA 42's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural and Mountain Residential. **Table 94** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 42 has three funding zones (Zones A-C) with different rates. The rates have remained the same since FY 2019-20. **Figure 119** on page 252 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 42.

Table 94: Benefit Assessment Rates (2017 to 2021)

CSA 42	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$101.70	\$101.70	\$151.70	\$151.70	\$151.70
Change (%)		0%	49%	0%	0%
Zone B	\$109.20	\$109.20	\$159.20	\$159.20	\$159.20
Change (%)		0%	46%	0%	0%
Zone C	\$117.30	\$117.30	\$167.30	\$167.30	\$167.30
Change (%)		0%	43%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 42 was 2020 is estimated to be 323. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 95** shows the anticipated population within CSA 42. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 42. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 42 will be approximately 334 by 2040.

Table 95: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 42	323	326	329	331	334

Figure 118: CSA 42's Vicinity Map

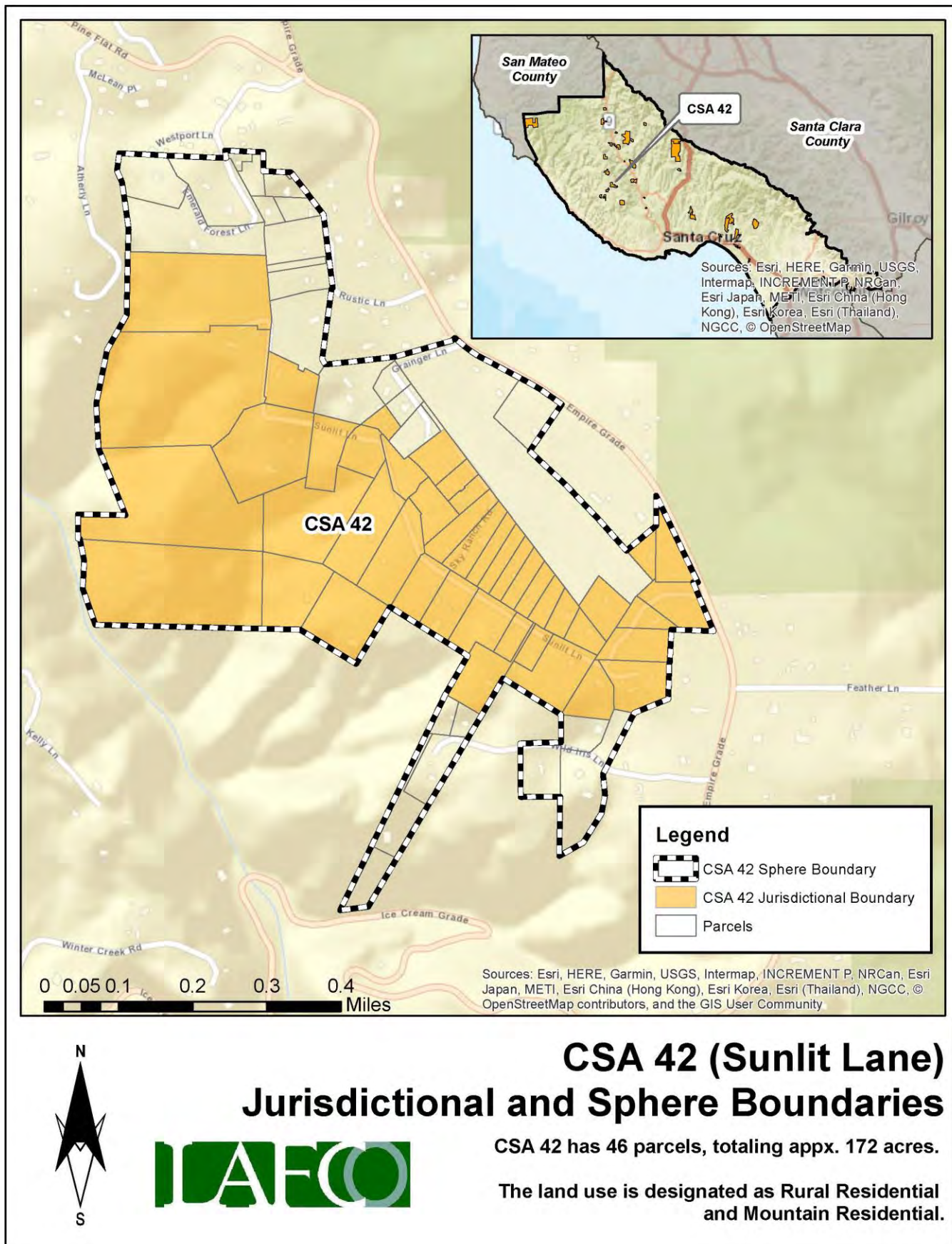
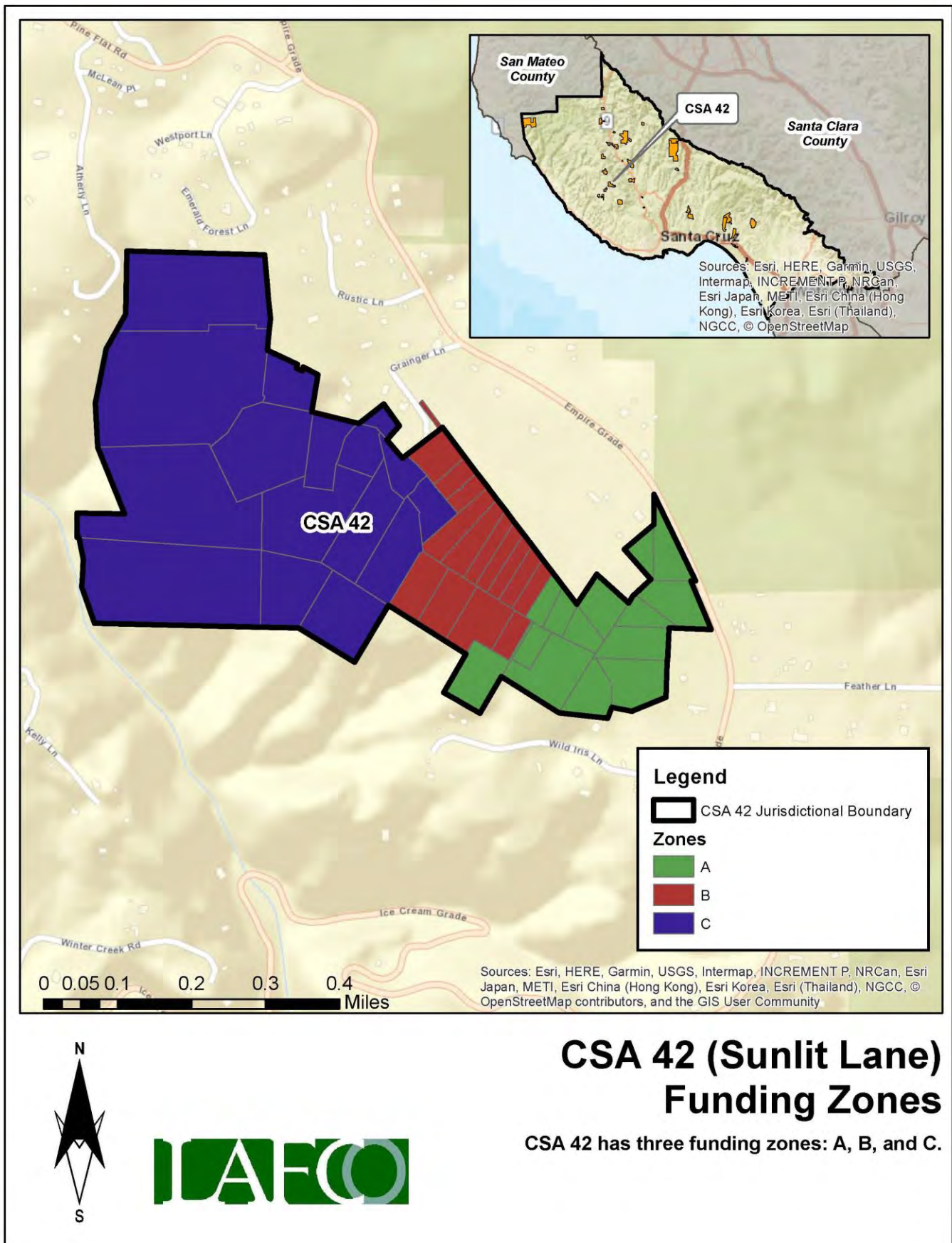


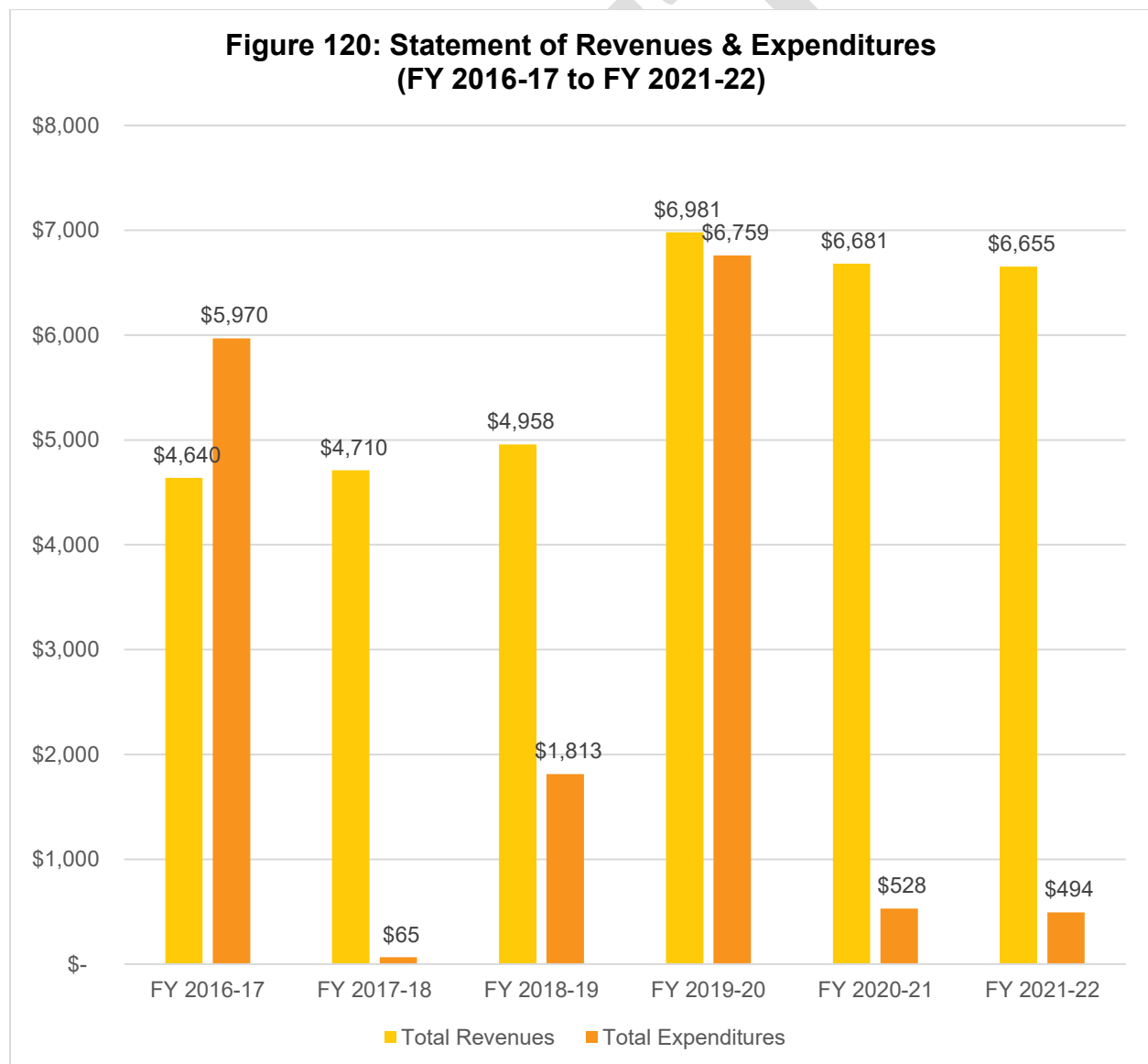
Figure 119: CSA 42's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 42's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 97** on page 255.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$6,660, representing a 0.39% decrease from the previous year (\$6,700 in FY 20-21). Total expenses for FY 2021-22 were approximately \$490, which decreased by 7% from the previous year (\$530 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17, as shown in **Figure 120**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$39,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 96** and **Figure 121**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$18,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 96: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$18,364.10	\$23,009.34	\$26,154.99	\$26,376.79	\$32,529.07
Ending Balance	\$18,364	\$23,009	\$26,155	\$26,377	\$32,529	\$38,690
Change (\$)	-	\$4,645	\$3,146	\$222	\$6,152	\$6,161

**Figure 121: Net Position from 2016 to 2022
(Ending Balance)**

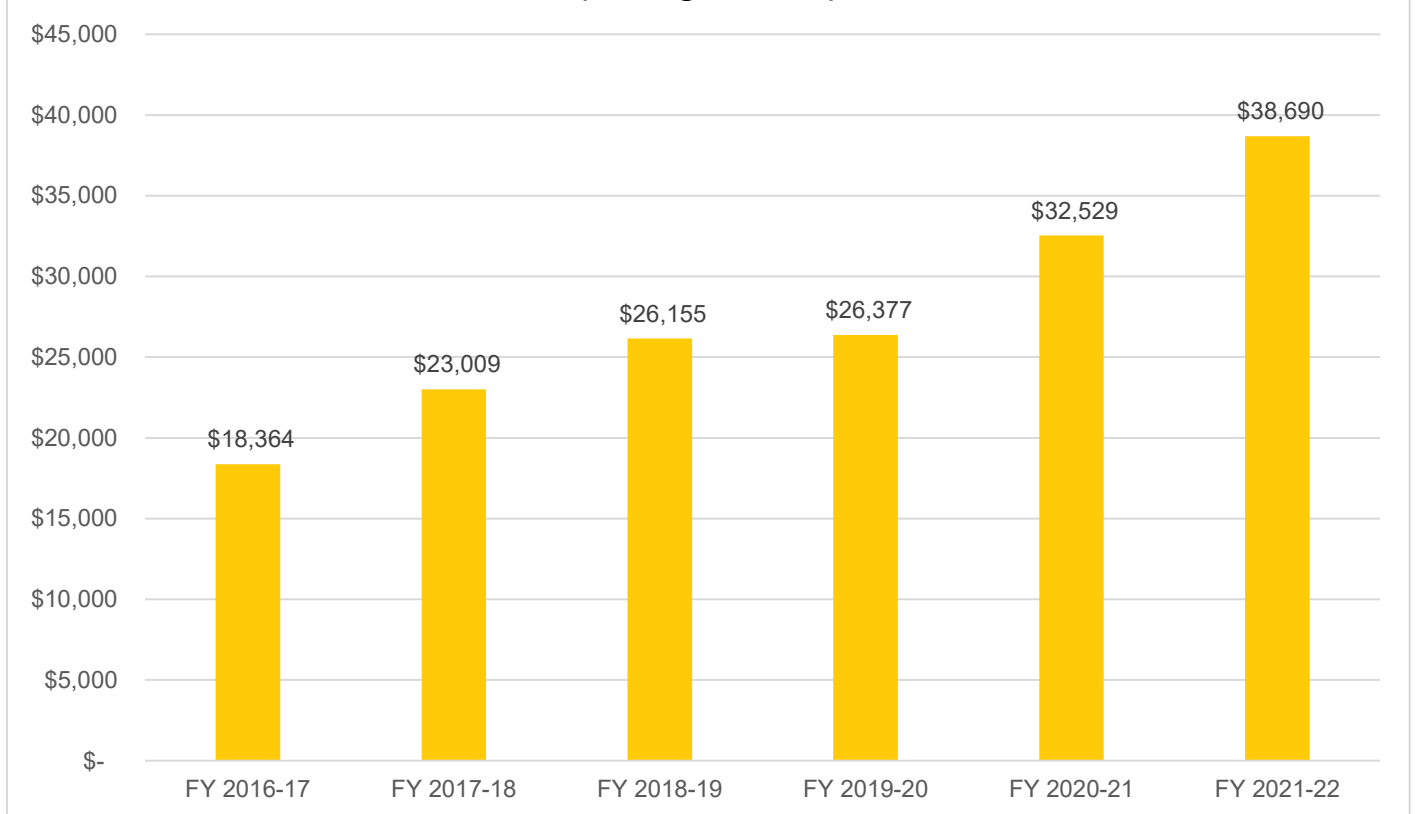


Table 97: Total Revenues & Expenditures

CSA 42	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 176.21	\$ 246.16	\$ 494.67	\$ 487.76	\$ 191.11	\$ 161.76
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 4,463.36	\$ 4,463.62	\$ 4,463.62	\$ 6,493.12	\$ 6,489.64	\$ 6,493.12
Total Revenues	\$ 4,639.57	\$ 4,709.78	\$ 4,958.29	\$ 6,980.88	\$ 6,680.75	\$ 6,654.88
EXPENDITURES						
DPW Services - Sunlit Lane	\$ 5,830.84	\$ 64.54	\$ 57.88	\$ 4,993.88	\$ 156.54	\$ 257.87
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,316.75	\$ 836.25	\$ 188.21	\$ 57.88
Dept Overhead Costs	\$ -	\$ -	\$ 188.01	\$ 803.95	\$ 58.72	\$ 52.89
Total Expenditures	\$ 5,969.59	\$ 64.54	\$ 1,812.64	\$ 6,759.08	\$ 528.47	\$ 493.64
Surplus/(Deficit)	\$ (1,330.02)	\$ 4,645.24	\$ 3,145.65	\$ 221.80	\$ 6,152.28	\$ 6,161.24
FUND BALANCE						
Beginning of Year	\$ -	\$ 18,364.10	\$ 23,009.34	\$ 26,154.99	\$ 26,376.79	\$ 32,529.07
End of Year	\$ 18,364.10	\$ 23,009.34	\$ 26,154.99	\$ 26,376.79	\$ 32,529.07	\$ 38,690.31

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 42's first sphere of influence on September 7, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 122** on page 256 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 46 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. However, the County should consider annexing the split parcel shown in Figure 119 as well as 27 additional parcels currently within the CSA's sphere but outside its jurisdictional boundary in the near future. Staff is recommending that the current sphere be reaffirmed. **Figure 123** on page 257 shows the proposed sphere boundary.

Figure 122: CSA 42's Current Sphere Map

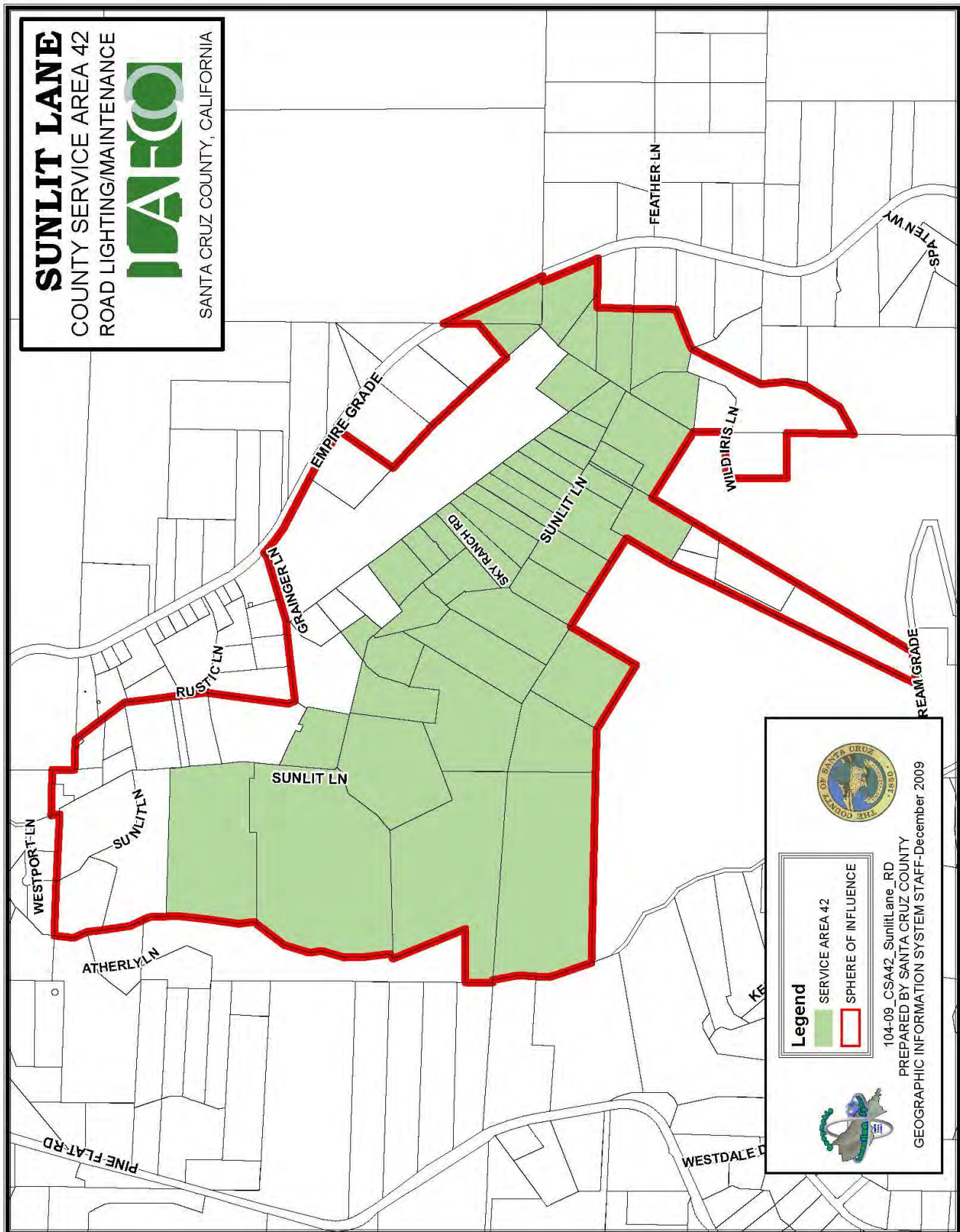
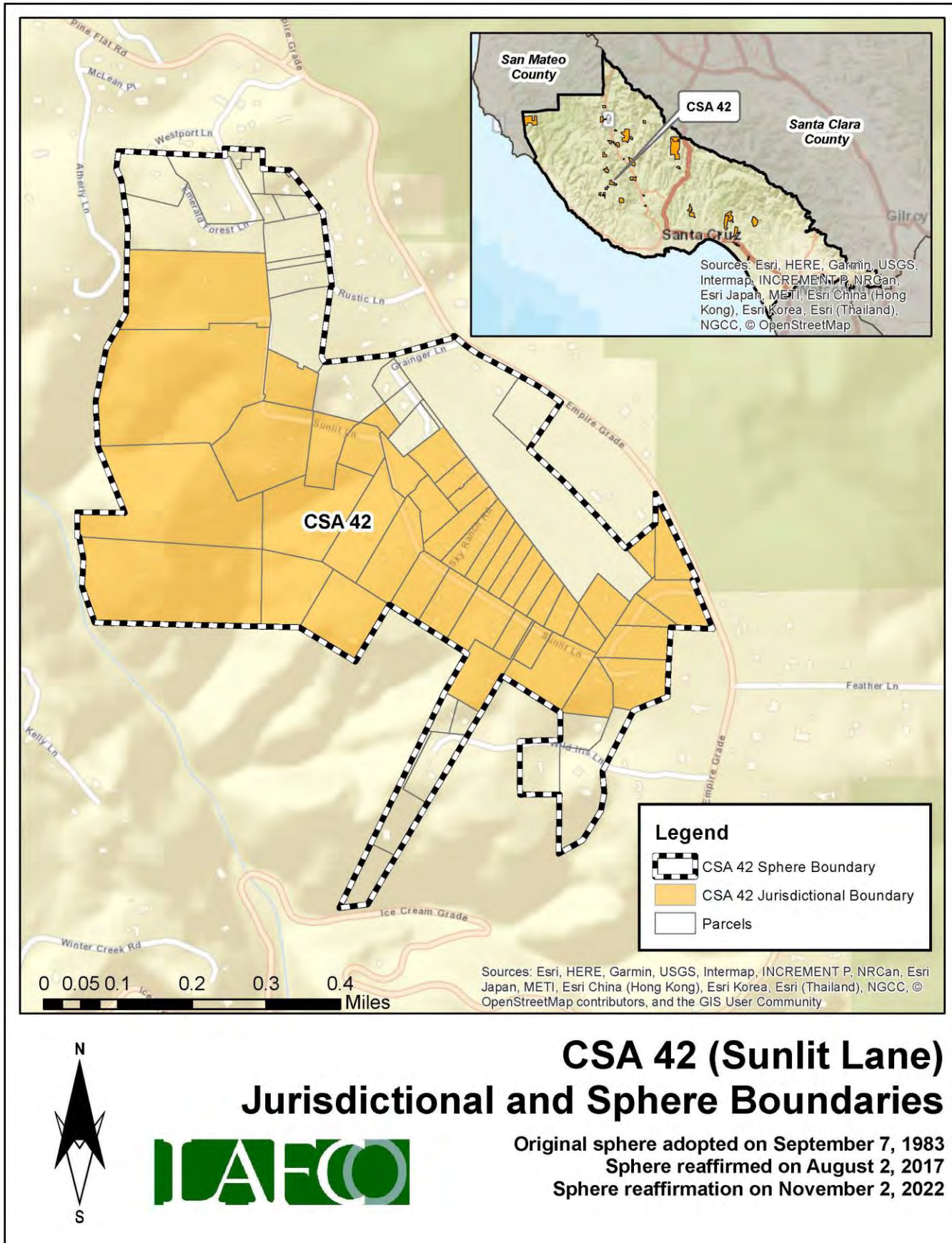


Figure 123: CSA 42's Proposed Sphere Map



District Summary

County Service Area 42	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.28 road miles
District Area	0.27 square miles (appx. 172 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$6,655</p> <p>Total Expenditure = \$494</p> <p>Net Position (Ending Balance) = \$38,690</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 42 in 2020 was estimated to be 323. Based on LAFCO's analysis, the population within the CSA will be approximately 334 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 42 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 42 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$38,690.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 42 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 42 has 46 parcels within its jurisdictional boundary and provides extended services to approximately 1.28 miles of road for the residents.

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

CSA 42 has a population of approximately 323. The constituents fund the through three zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 43 (BONITA ENCINO)

Overview

County Service Area 43 was formed on September 7, 1983 with the purpose of providing extended maintenance to 1.04 road miles. **Appendix 24** provides a copy of the formation resolution. There is a total of 93 parcels within the CSA (totaling approximately 28 acres). **Figure 124**, on page 262, is a vicinity map depicting CSA 43's current jurisdictional boundary. The only boundary change involving the CSA occurred in 1994, which annexed 14 parcels. At present, the majority of land within the CSA is designated as Urban Low Residential. **Table 98** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 43 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 43.

Table 98: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 43	\$279.50	\$279.50	\$279.50	\$279.50	\$279.50
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 43 was 2020 is estimated to be 47. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 99** shows the anticipated population within CSA 43. The average rate of change is 0.86%.

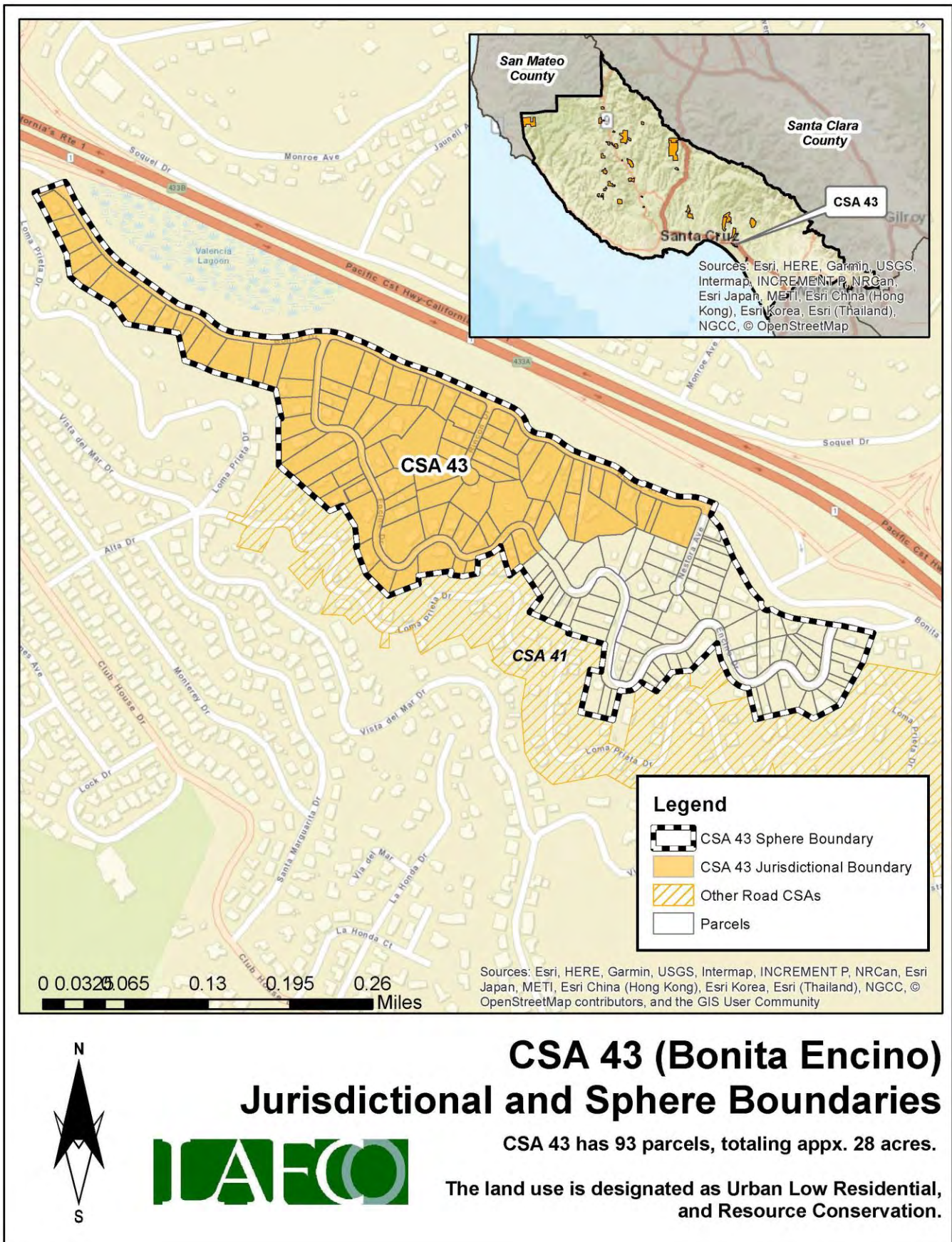
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 43. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 43 will be approximately 48 by 2040.

Table 99: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 43	47	47	47	48	48

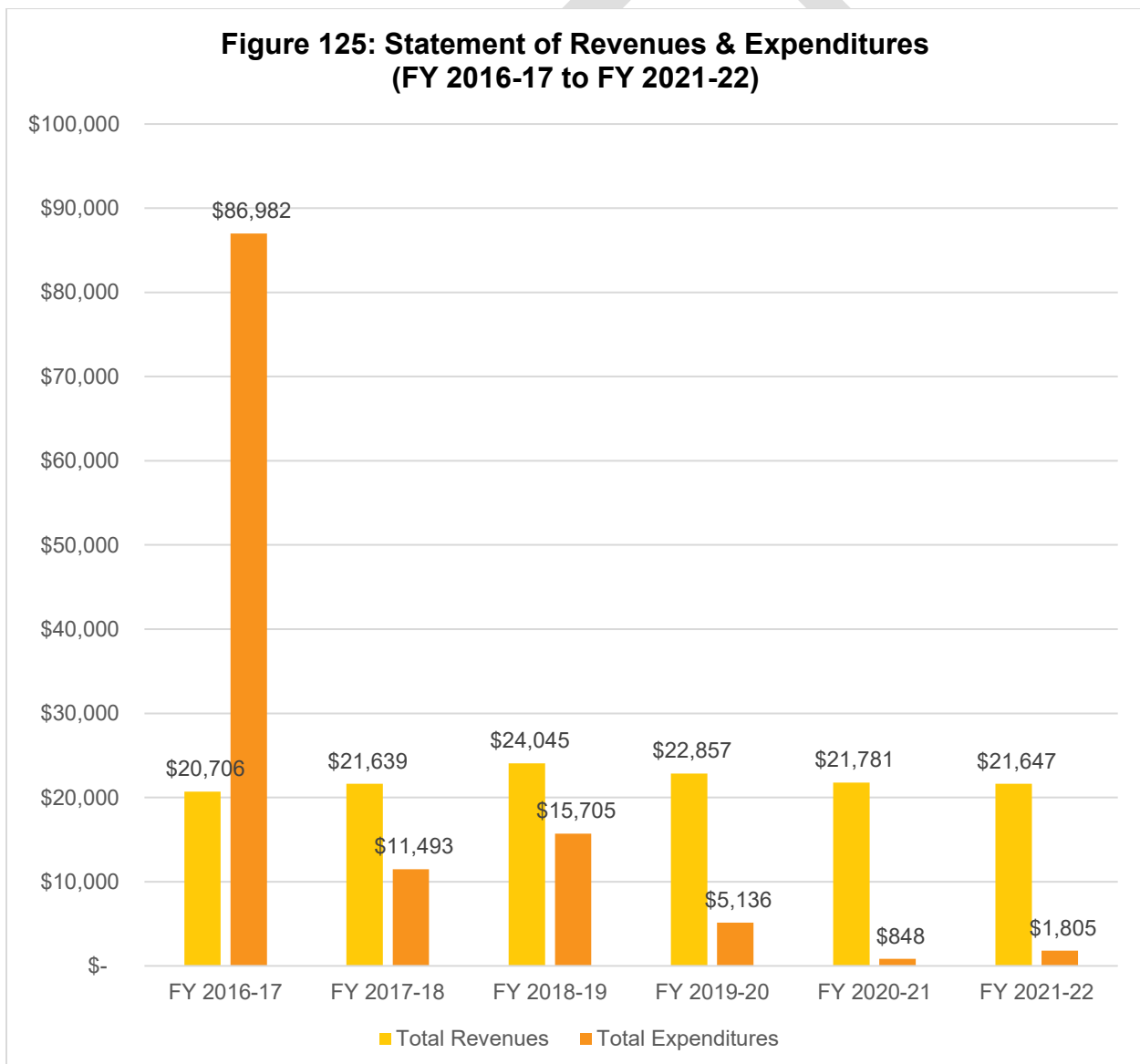
Figure 124: CSA 43's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 43's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 101** on page 265.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$21,650, representing a 0.61% decrease from the previous year (\$21,800 in FY 20-21). Total expenses for FY 2021-22 were approximately \$1,800, which increased by 113% from the previous year (\$850 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17, as shown in **Figure 125**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$146,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 100** and **Figure 126**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$68,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 100: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$68,519.00	\$78,664.22	\$87,003.60	\$104,724.44	\$125,657.53
Ending Balance	\$68,519	\$78,664	\$87,004	\$104,724	\$125,658	\$145,500
Change (\$)	-	\$10,145	\$8,339	\$17,721	\$20,933	\$19,843

**Figure 126: Net Position from 2016 to 2022
(Ending Balance)**

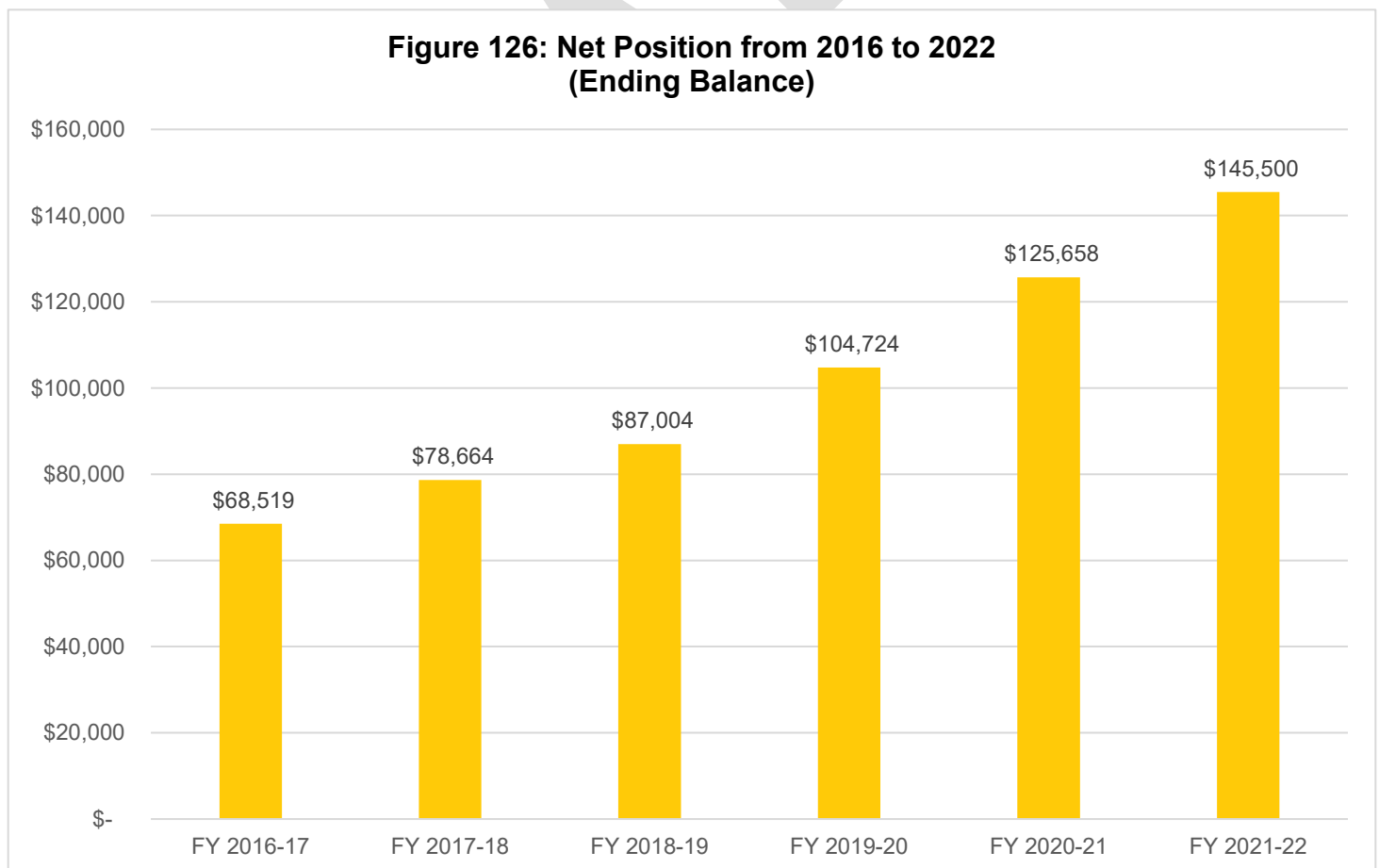


Table 101: Total Revenues & Expenditures

CSA 43	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 506.83	\$ 885.68	\$ 1,749.94	\$ 1,827.73	\$ 751.45	\$ 617.90
St-Natural Disaster Assistance	\$ -	\$ -	\$ 332.00	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ 1,210.00	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 20,199.10	\$ 20,752.88	\$ 20,752.88	\$ 21,029.58	\$ 21,029.58	\$ 21,029.58
Total Revenues	\$ 20,706	\$ 21,639	\$ 24,045	\$ 22,857	\$ 21,781	\$ 21,647
EXPENDITURES						
DPW Services - Bonita Encino Drive	\$ 86,843.00	\$ 7,482.53	\$ 10,215.58	\$ 108.70	\$ 207.36	\$ 1,153.76
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ 4,010.81	\$ -	\$ 3,650.57	\$ -	\$ 224.00
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 3,568.78	\$ 641.24	\$ 421.36	\$ 108.70
Dept Overhead Costs	\$ -	\$ -	\$ 1,671.08	\$ 610.96	\$ 94.22	\$ 193.38
Total Expenditures	\$ 86,982	\$ 11,493	\$ 15,705	\$ 5,136	\$ 848	\$ 1,805
Surplus/(Deficit)	\$ (66,275.82)	\$ 10,145.22	\$ 8,339.38	\$ 17,720.84	\$ 20,933.09	\$ 19,842.64
FUND BALANCE						
Beginning of Year	\$ -	\$ 68,519.00	\$ 78,664.22	\$ 87,003.60	\$ 104,724.44	\$ 125,657.53
End of Year	\$ 68,519	\$ 78,664	\$ 87,004	\$ 104,724	\$ 125,658	\$ 145,500

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 43's first sphere of influence on September 7, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 127** on page 266 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 93 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. LAFCO staff is recommending that the sphere boundary reaffirmed. However, the County should consider annexing the 75 parcels currently within the CSA's sphere but outside its jurisdictional boundary. **Figure 128** on page 267 shows the proposed sphere boundary.

Figure 127: CSA 43's Current Sphere Map

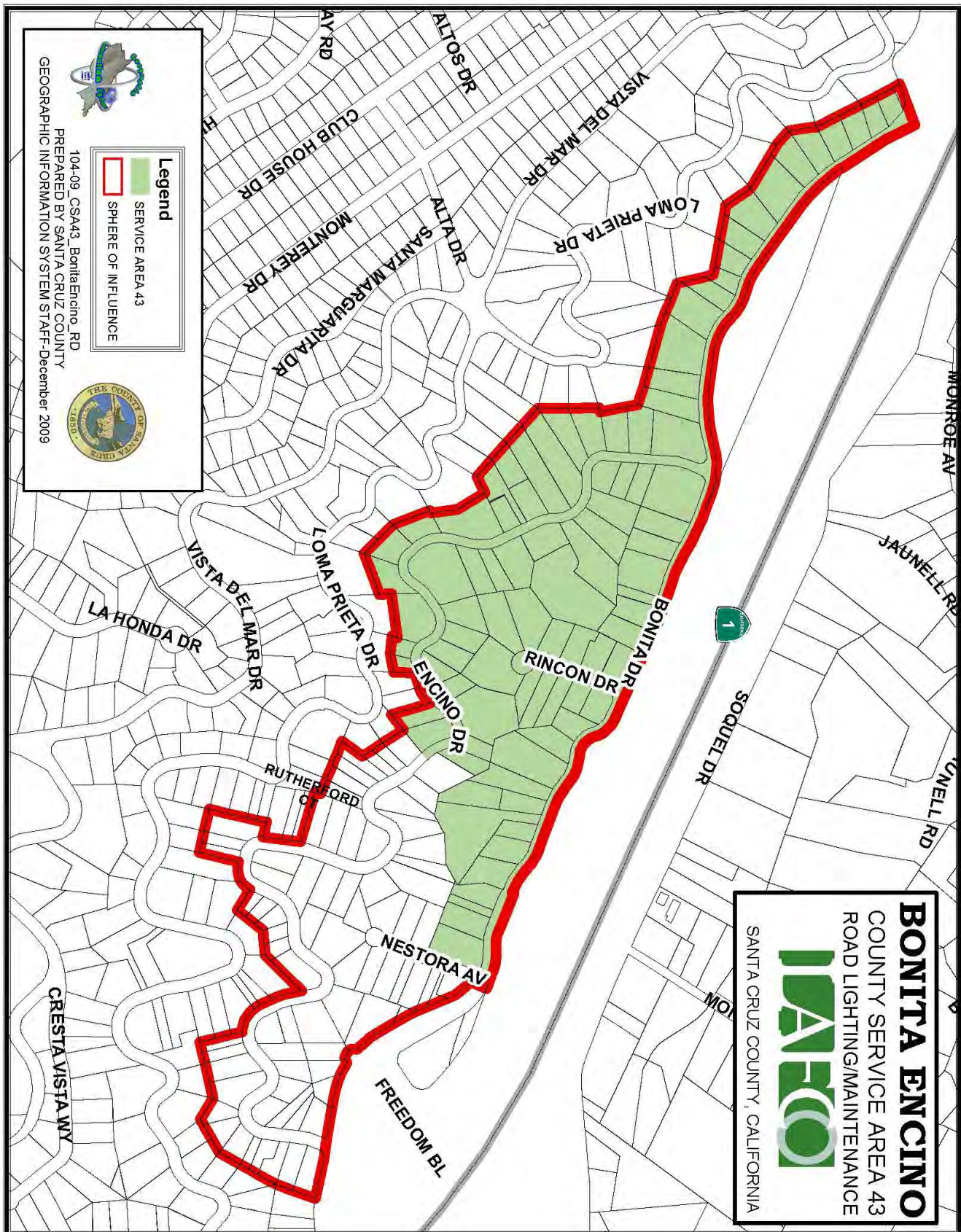
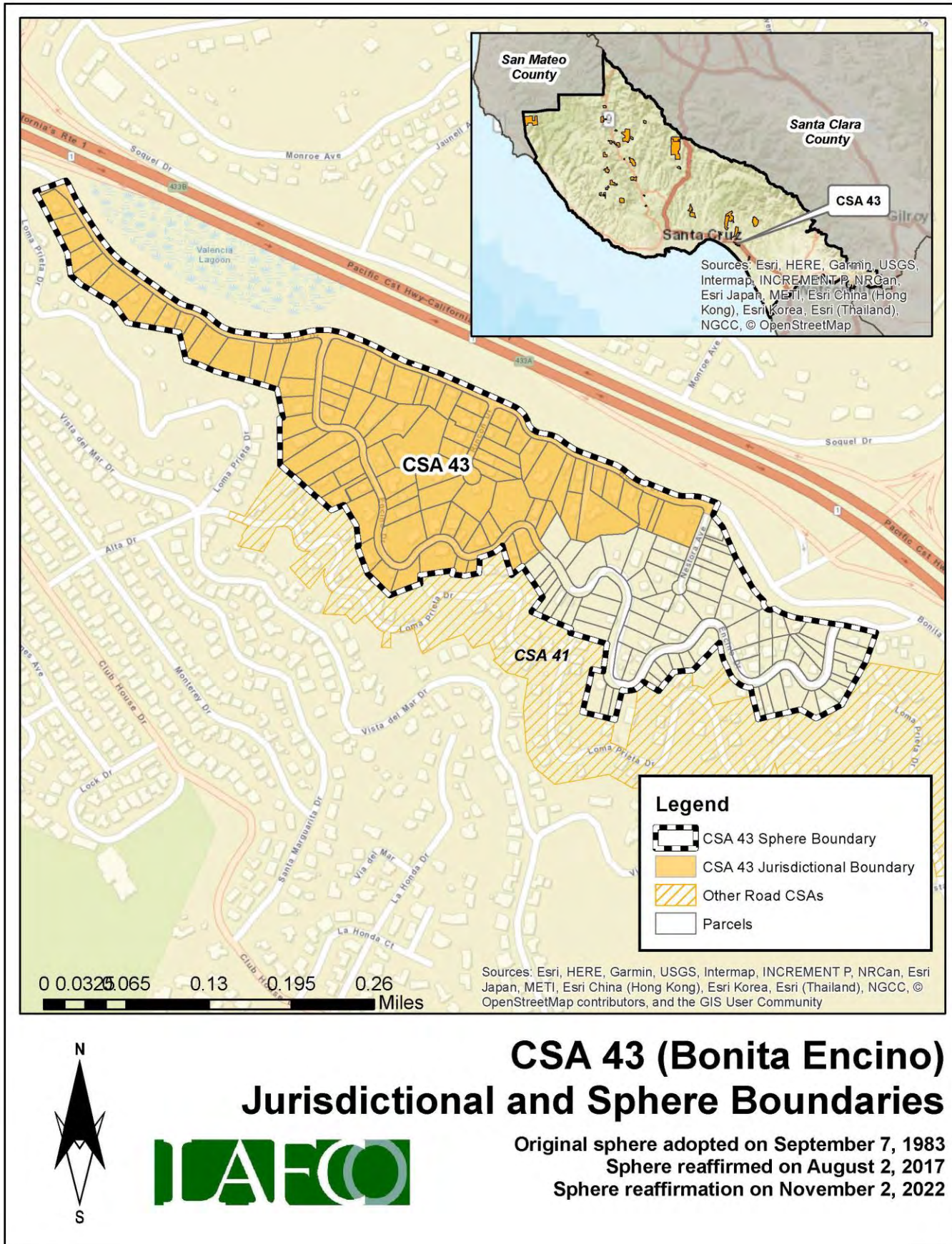


Figure 128: CSA 43's Proposed Sphere Map



District Summary

County Service Area 43	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.04 road miles
District Area	0.04 square miles (appx. 28 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$21,647</p> <p>Total Expenditure = \$1,805</p> <p>Net Position (Ending Balance) = \$145,500</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 43 in 2020 was estimated to be 47. Based on LAFCO's analysis, the population within the CSA will be approximately 48 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 43 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 43 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$146,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 43 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 43 has 93 parcels within its jurisdictional boundary and provides extended services to approximately 1.04 miles of road for the residents.

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

CSA 43 has a population of approximately 47. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 44 (SUNBEAM WOODS)

Overview

County Service Area 44 was formed on October 2, 1983 with the purpose of providing extended maintenance to 0.75 road miles. **Appendix 25** provides a copy of the formation resolution. There is a total of 63 parcels within the CSA (totaling approximately 20 acres). **Figure 129**, on page 272, is a vicinity map depicting CSA 44's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural Residential. **Table 102** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 44 does not have any zones and all constituents pay the same rate for improved parcels only. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 44.

Table 102: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 44	\$368.42	\$368.42	\$368.42	\$380.58	\$380.58
Change (%)		0%	0%	3%	0%

Population and Growth

Based on staff's analysis, the population of CSA 44 was 2020 is estimated to be 76. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 103** shows the anticipated population within CSA 44. The average rate of change is 0.86%.

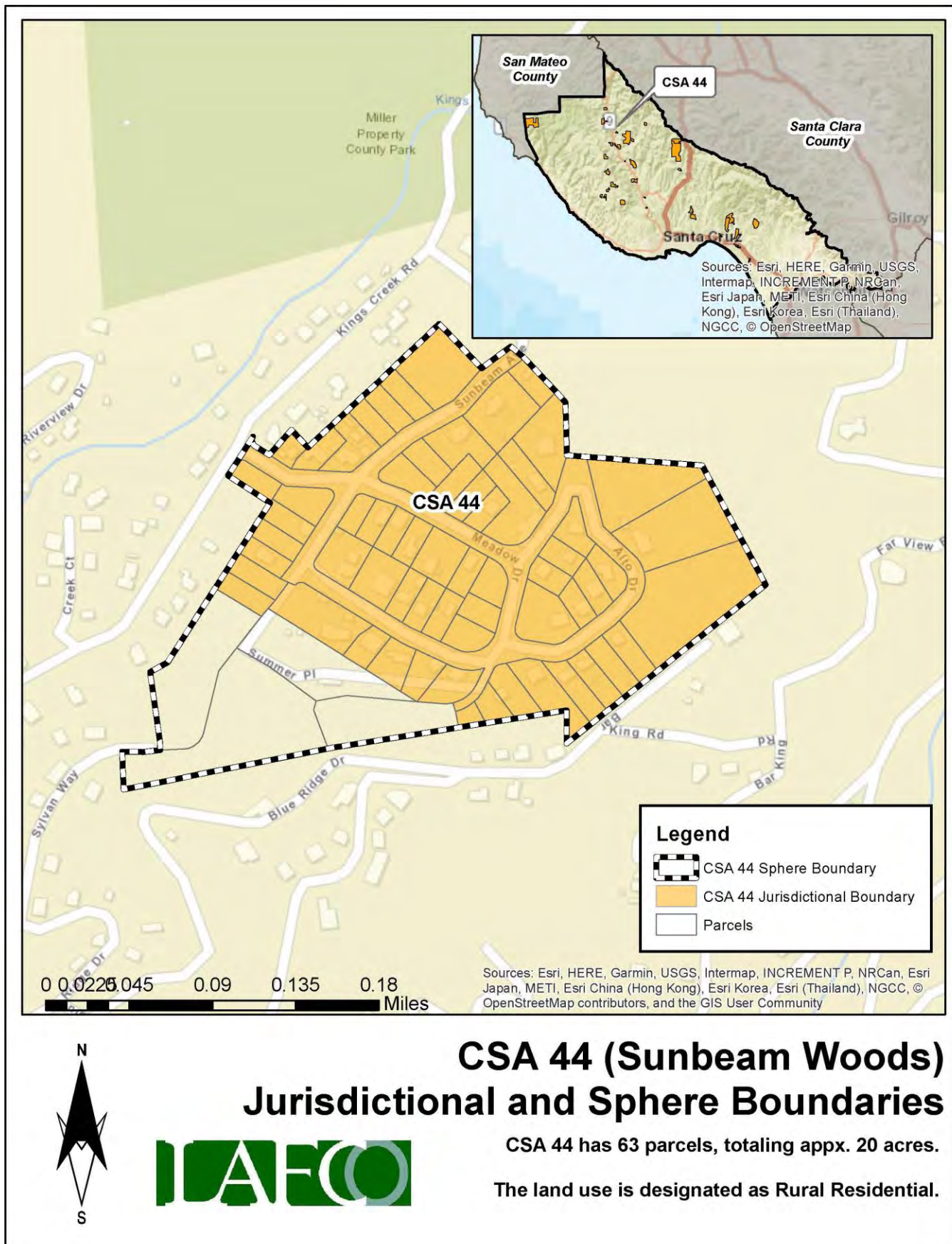
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 44. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 44 will be approximately 79 by 2040.

Table 103: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 44	76	77	77	78	79

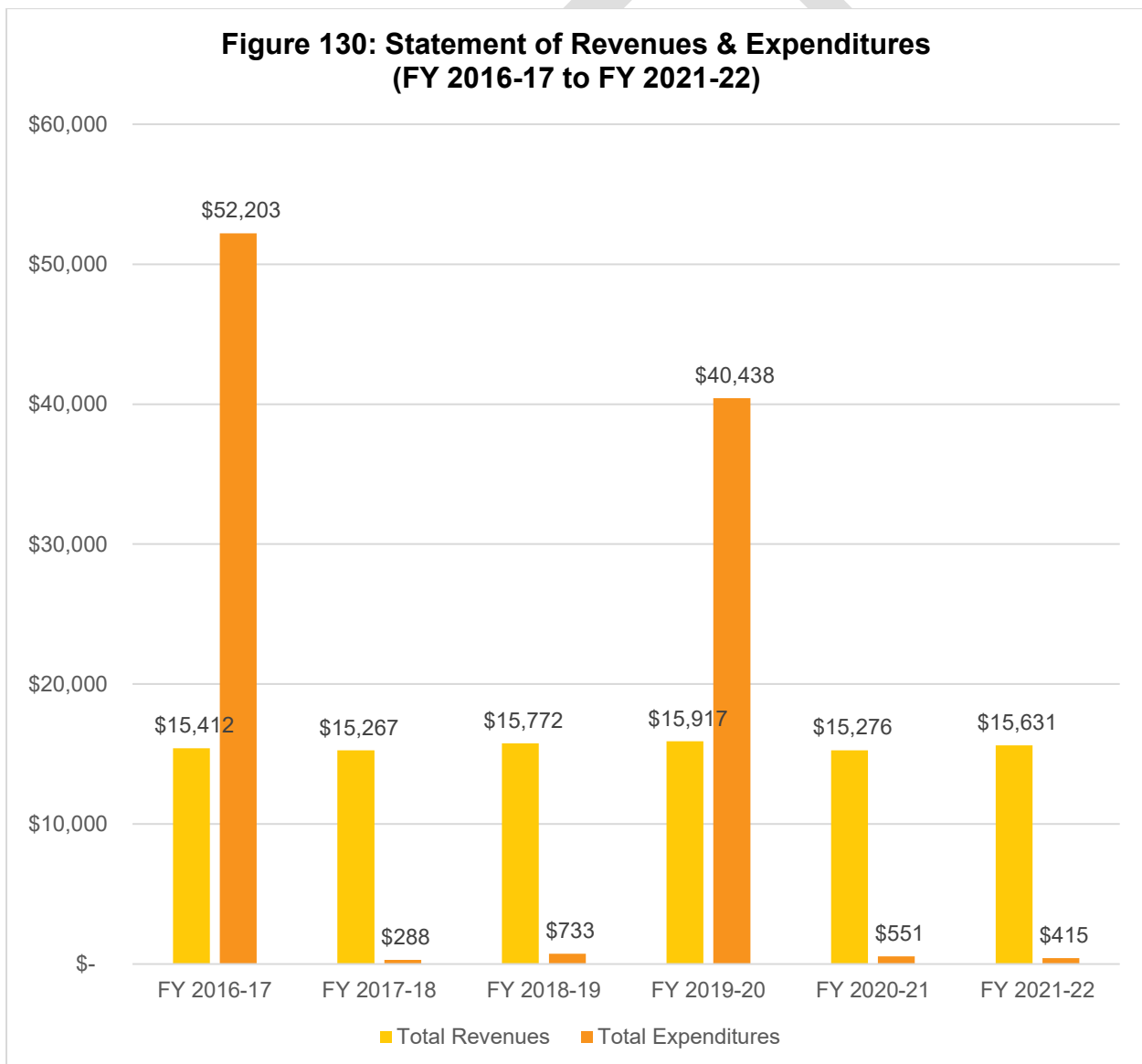
Figure 129: CSA 44's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 44's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 105** on page 275.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$15,600, representing a 2% increase from the previous year (\$15,300 in FY 20-21). Total expenses for FY 2021-22 were approximately \$415, which decreased by 25% from the previous year (\$550 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17 and FY 2019-20, as shown in **Figure 130**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$55,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 104** and **Figure 131**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$19,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 104: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$19,229.00	\$34,207.07	\$49,245.74	\$24,725.23	\$39,450.60
Ending Balance	\$19,229	\$34,207	\$49,246	\$24,725	\$39,451	\$54,666
Change (\$)	-	\$14,978	\$15,039	\$(24,521)	\$14,725	\$15,216

**Figure 131: Net Position from 2016 to 2022
(Ending Balance)**

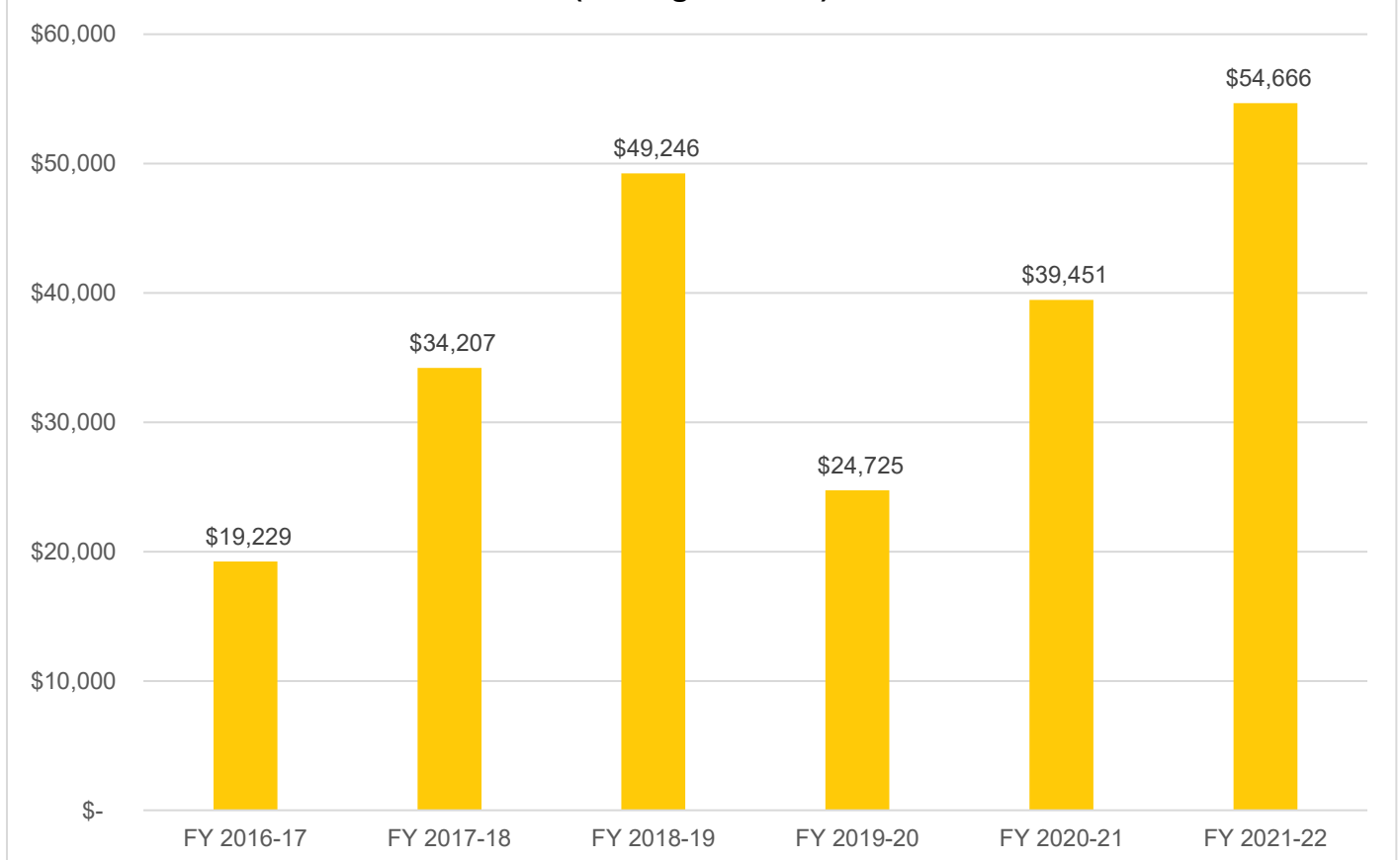


Table 105: Total Revenues & Expenditures

CSA 44	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 457.85	\$ 312.39	\$ 817.76	\$ 598.18	\$ 196.84	\$ 212.86
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 14,954.34	\$ 14,954.16	\$ 14,954.17	\$ 15,318.90	\$ 15,079.32	\$ 15,417.74
Total Revenues	\$ 15,412.19	\$ 15,266.55	\$ 15,771.93	\$ 15,917.08	\$ 15,276.16	\$ 15,630.60
EXPENDITURES						
DPW Services - Sunbeam Woods	\$ 52,064.46	\$ 288.48	\$ 57.88	\$ 34,457.88	\$ 156.54	\$ 187.64
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 353.02	\$ 1,044.95	\$ 208.05	\$ 57.88
Dept Overhead Costs	\$ -	\$ -	\$ 72.36	\$ 4,809.76	\$ 61.20	\$ 44.46
Total Expenditures	\$ 52,203.21	\$ 288.48	\$ 733.26	\$ 40,437.59	\$ 550.79	\$ 414.98
Surplus/(Deficit)	\$ (36,791.02)	\$ 14,978.07	\$ 15,038.67	\$ (24,520.51)	\$ 14,725.37	\$ 15,215.62
FUND BALANCE						
Beginning of Year	\$ -	\$ 19,229.00	\$ 34,207.07	\$ 49,245.74	\$ 24,725.23	\$ 39,450.60
End of Year	\$ 19,229.00	\$ 34,207.07	\$ 49,245.74	\$ 24,725.23	\$ 39,450.60	\$ 54,666.22

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 44's first sphere of influence on October 2, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 132** on page 276 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 63 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. LAFCO staff is recommending that the sphere boundary reaffirmed. However, the County should consider annexing the 4 parcels currently within the CSA's sphere but outside its jurisdictional boundary. **Figure 133** on page 277 shows the proposed sphere boundary.

Figure 132: CSA 44's Current Sphere Map

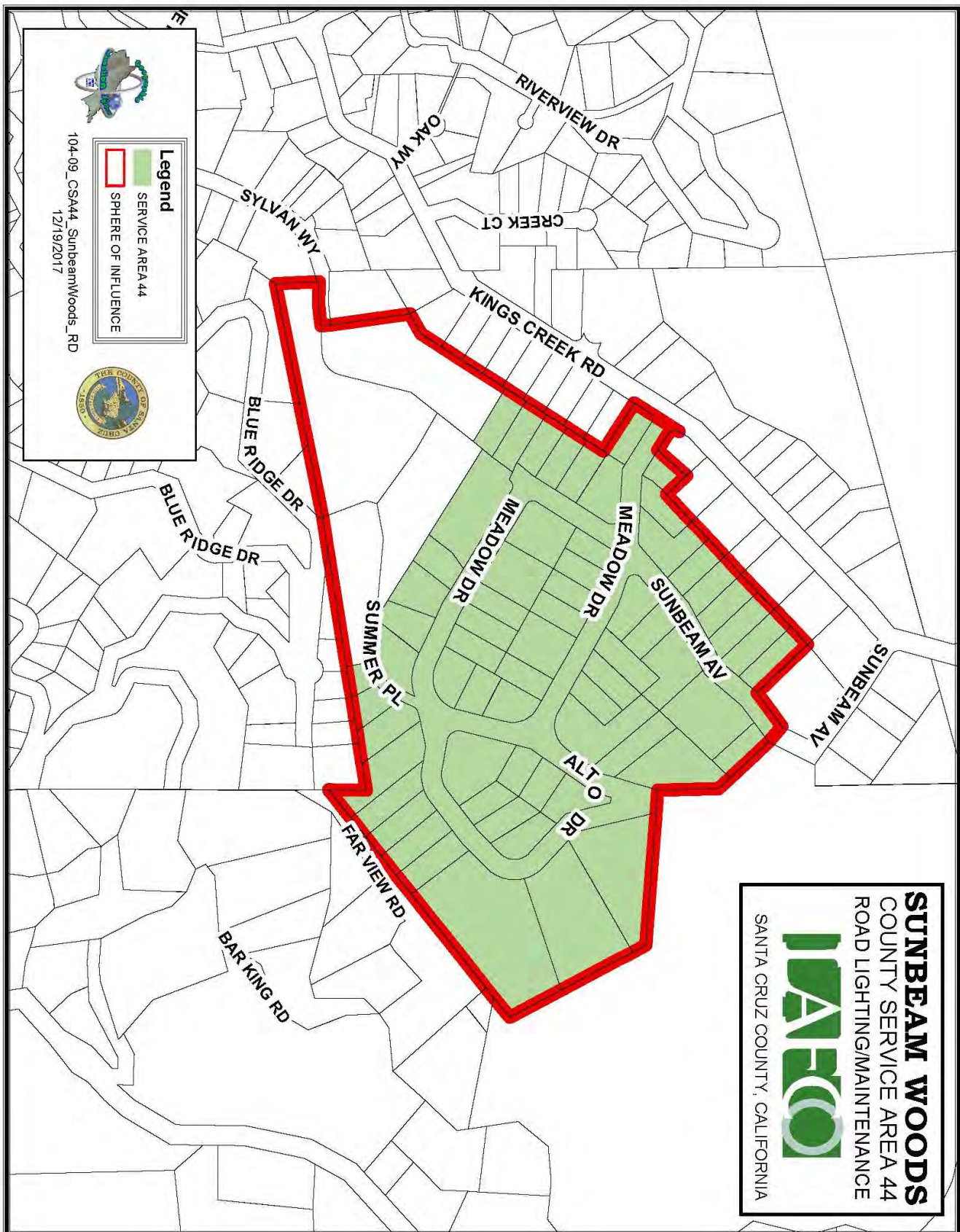
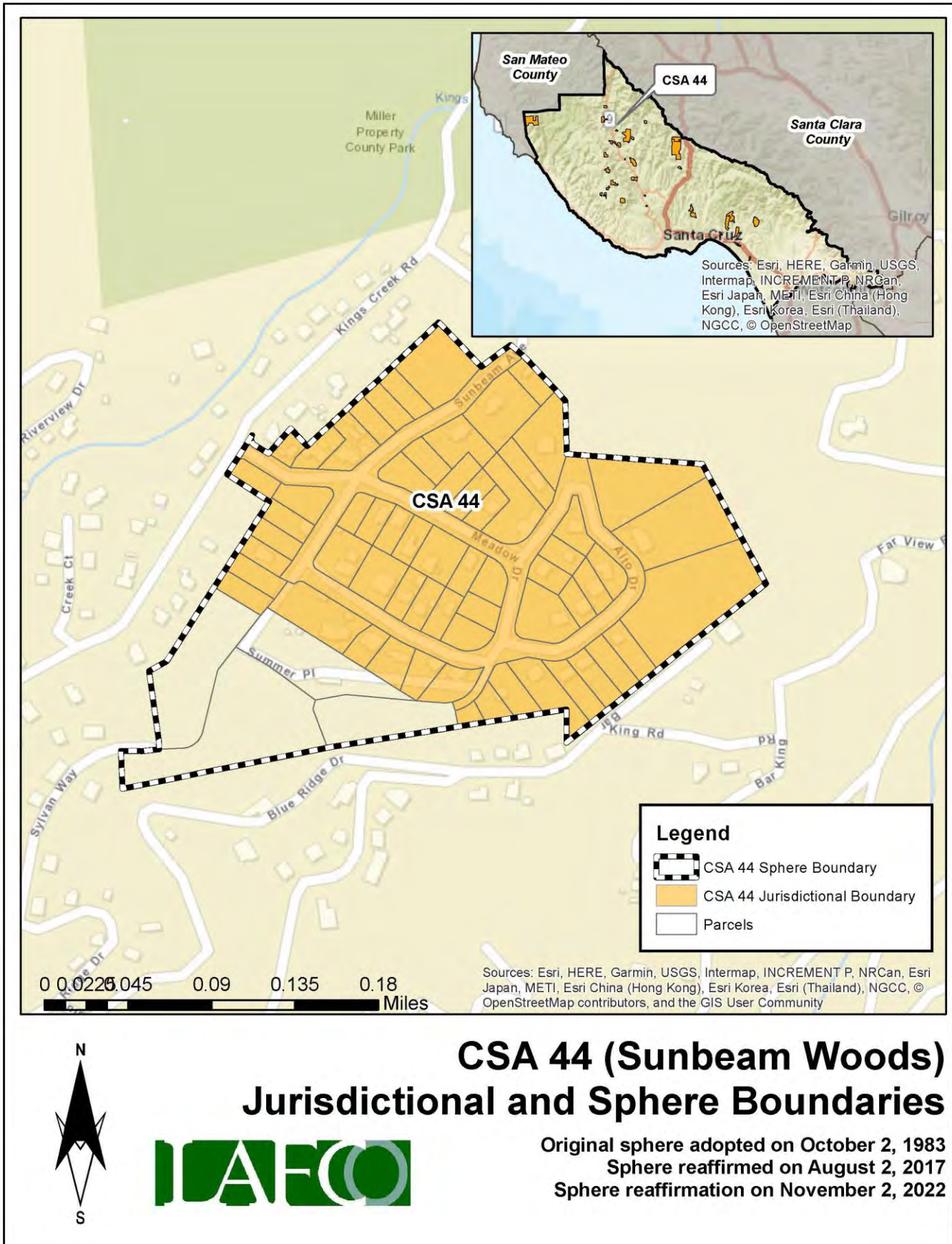


Figure 133: CSA 44's Proposed Sphere Map



District Summary

County Service Area 44	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.75 road miles
District Area	0.03 square miles (appx. 20 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$15,631</p> <p>Total Expenditure = \$415</p> <p>Net Position (Ending Balance) = \$54,666</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 44 in 2020 was estimated to be 76. Based on LAFCO's analysis, the population within the CSA will be approximately 79 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 44 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 44 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$55,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 44 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 44 has 63 parcels within its jurisdictional boundary and provides extended services to approximately 0.75 miles of road for the residents.

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

CSA 44 has a population of approximately 76. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 46 (PINECREST DRIVE)

Overview

County Service Area 46 was formed on October 2, 1983 with the purpose of providing extended maintenance to 1.67 road miles. **Appendix 26** provides a copy of the formation resolution. There is a total of 60 parcels within the CSA (totaling approximately 379 acres). **Figure 134**, on page 283, is a vicinity map depicting CSA 46's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain and Rural Residential. **Table 106** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 46 has 20 funding zones (Zones A-T). The rates have remained the same since FY 2018-19. **Figure 135** on page 284 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 46.

Table 106: Benefit Assessment Rates (2017 to 2021)

CSA 46	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$29.00	\$29.84	\$29.84	\$29.84	\$29.84
Zone B	\$39.00	\$40.12	\$40.12	\$40.12	\$40.12
Zone C	\$42.00	\$43.20	\$43.20	\$43.20	\$43.20
Zone D	\$52.00	\$53.50	\$53.50	\$53.50	\$53.50
Zone E	\$75.00	\$77.16	\$77.16	\$77.16	\$77.16
Zone F	\$83.00	\$85.40	\$85.40	\$85.40	\$85.40
Zone G	\$171.00	\$175.94	\$175.94	\$175.94	\$175.94
Zone H	\$185.00	\$190.36	\$190.36	\$190.36	\$190.36
Zone I	\$276.00	\$284.00	\$284.00	\$284.00	\$284.00
Zone J	\$303.00	\$311.78	\$311.78	\$311.78	\$311.78
Zone K	\$337.00	\$346.76	\$346.76	\$346.76	\$346.76
Zone L	\$356.00	\$366.32	\$366.32	\$366.32	\$366.32
Zone M	\$388.00	\$399.24	\$399.24	\$399.24	\$399.24
Zone N	\$389.00	\$400.28	\$400.28	\$400.28	\$400.28
Zone O	\$428.00	\$440.40	\$440.40	\$440.40	\$440.40
Zone P	\$454.00	\$467.16	\$467.16	\$467.16	\$467.16
Zone Q	\$464.00	\$477.44	\$477.44	\$477.44	\$477.44
Zone R	\$501.00	\$515.52	\$515.52	\$515.52	\$515.52
Zone S	\$528.00	\$543.30	\$543.30	\$543.30	\$543.30
Zone T	\$558.00	\$574.18	\$574.18	\$574.18	\$574.18
Change (%)		3%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 46 was 2020 is estimated to be 30. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 107** shows the anticipated population within CSA 46. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 46. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 46 will be approximately 31 by 2040.

Table 107: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 46	30	30	31	31	31

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Figure 134: CSA 46's Vicinity Map

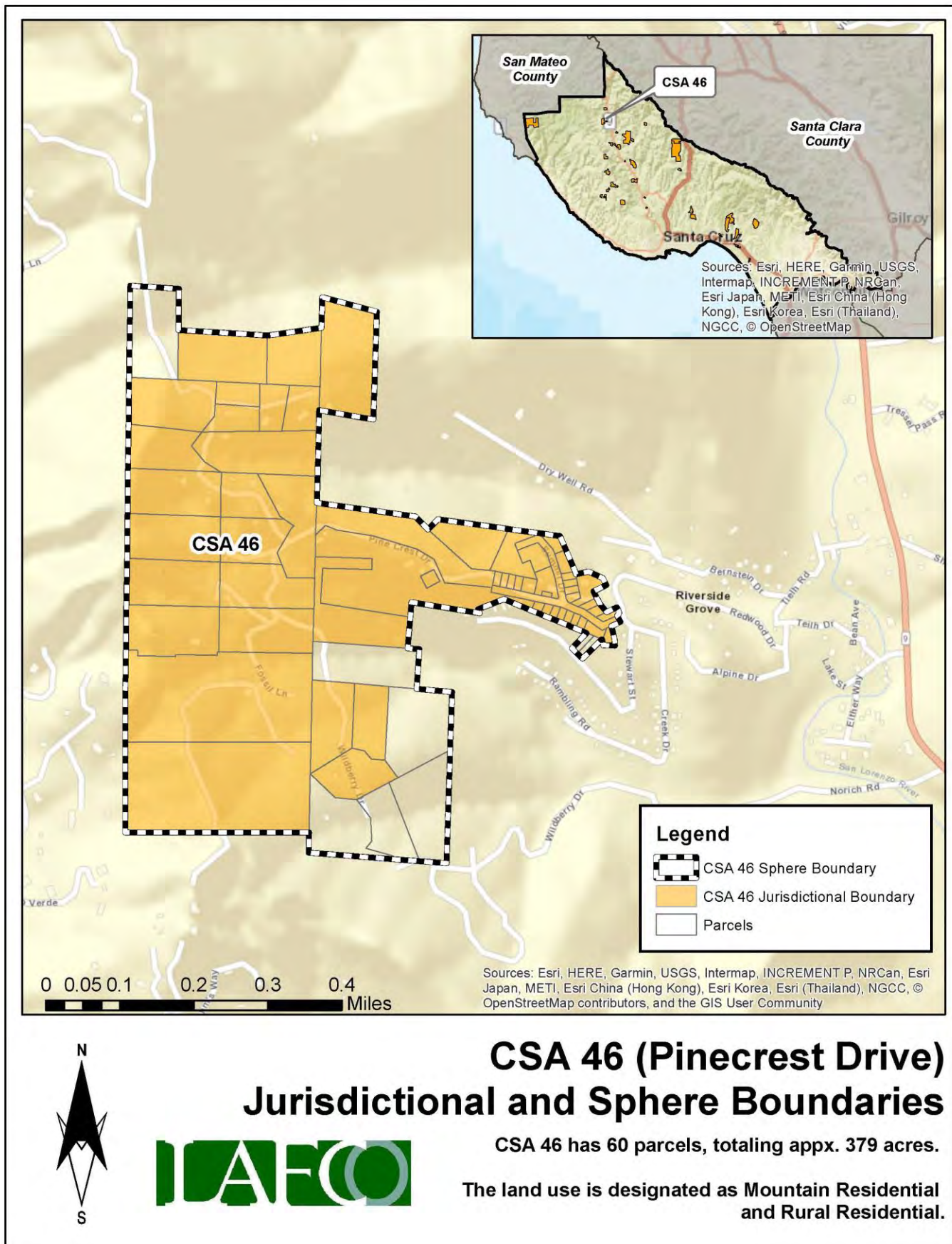
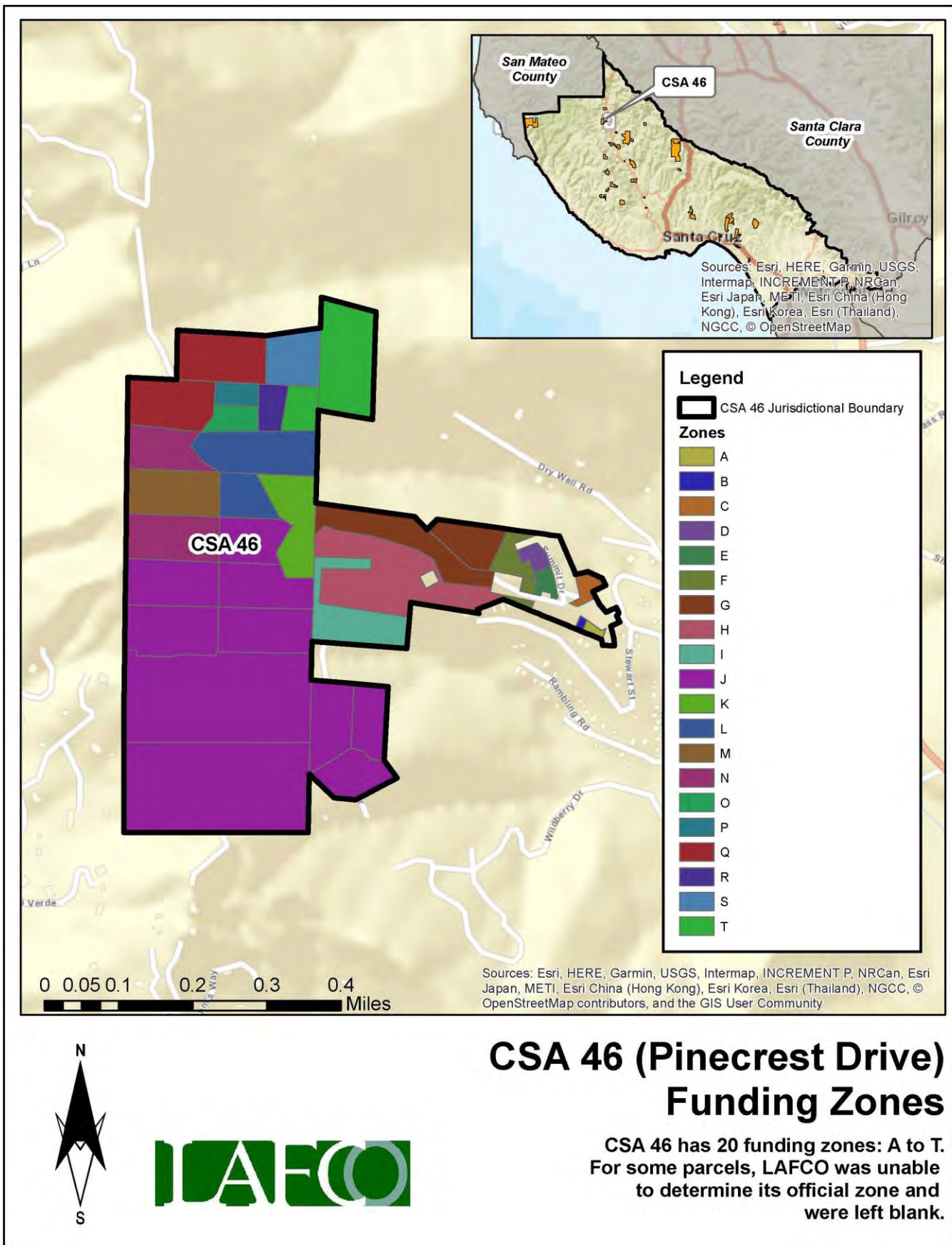


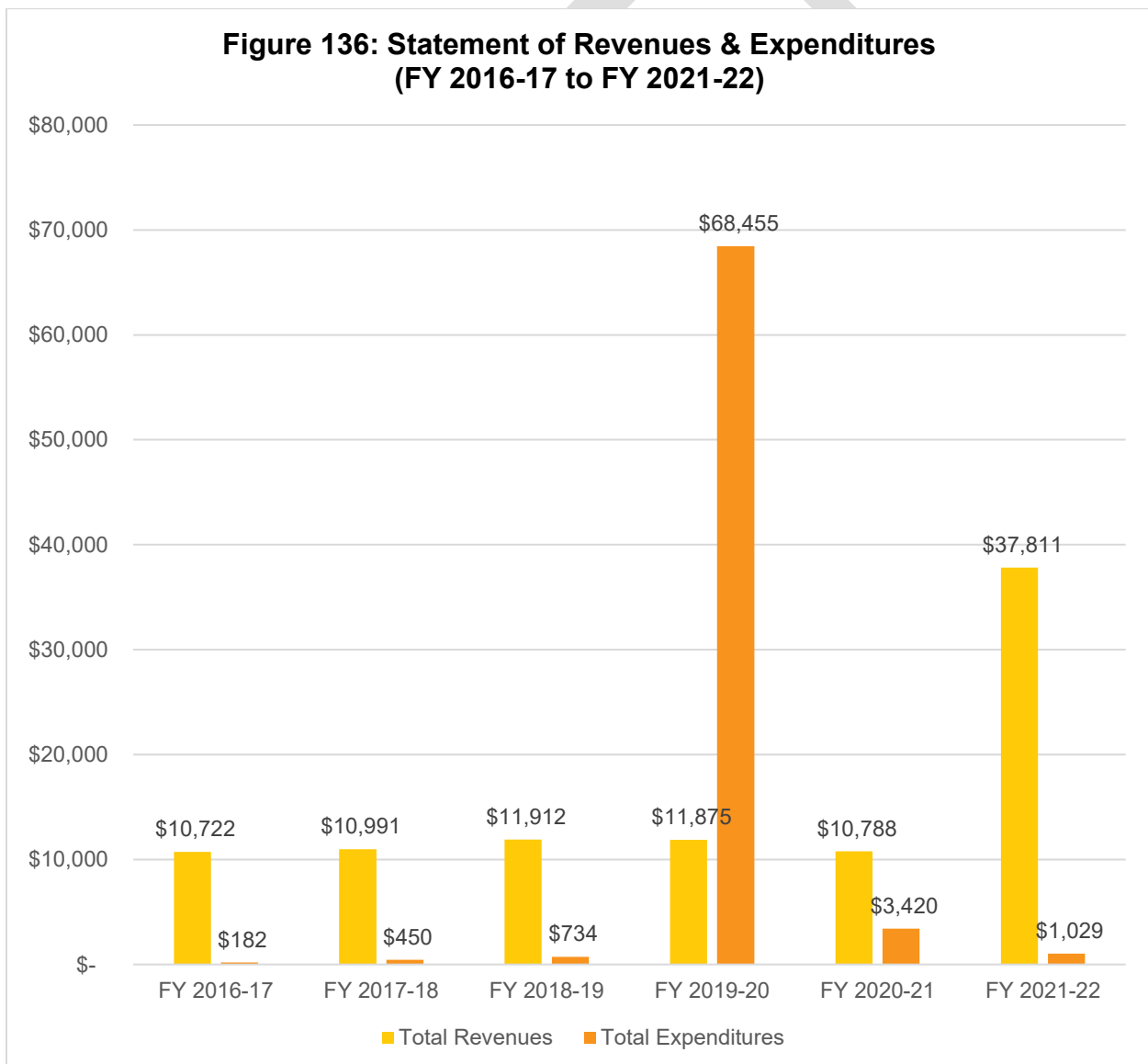
Figure 135: CSA 46's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 46's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 109** on page 287.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$38,000, representing a 250% increase from the previous year (\$11,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$1,000, which decreased by 70% from the previous year (\$3,400 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2019-20, as shown in **Figure 136**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$55,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 108** and **Figure 137**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$10,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 108: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$45,782.73	\$56,324.38	\$67,501.81	\$10,921.59	\$18,289.78
Ending Balance	\$45,783	\$56,324	\$67,502	\$10,922	\$18,290	\$55,072
Change (\$)	-	\$10,542	\$11,177	\$(56,580)	\$7,368	\$36,782

**Figure 137: Net Position from 2016 to 2022
(Ending Balance)**

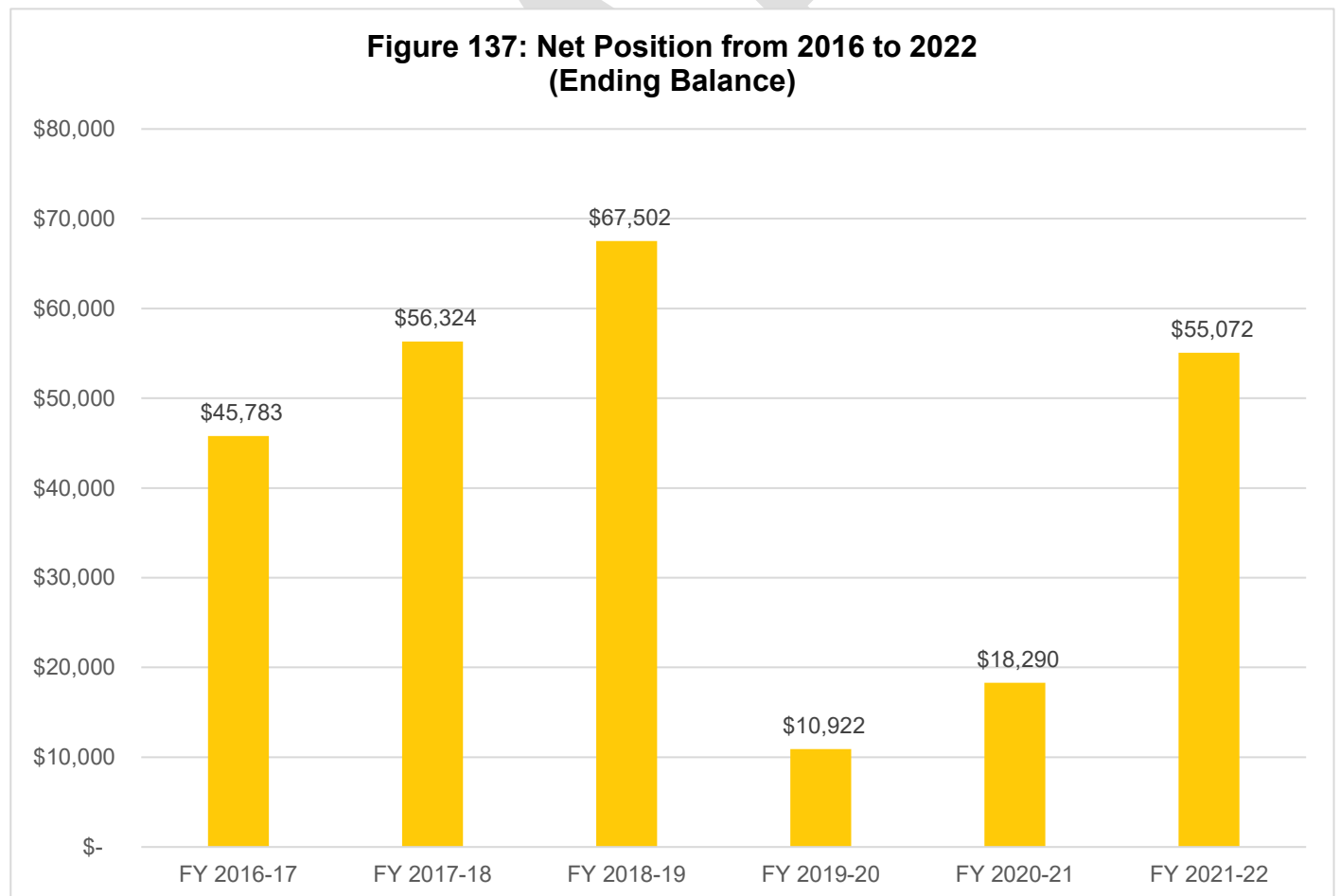


Table 109: Total Revenues & Expenditures

CSA 46	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 338.02	\$ 607.36	\$ 1,226.61	\$ 1,189.60	\$ 103.11	\$ 199.07
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,927.00
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000.00
Other Road & Street Services	\$ 10,383.88	\$ 10,384.10	\$ 10,684.95	\$ 10,684.95	\$ 10,684.95	\$ 10,684.95
Total Revenues	\$ 10,721.90	\$ 10,991.46	\$ 11,911.56	\$ 11,874.55	\$ 10,788.06	\$ 37,811.02
EXPENDITURES						
DPW Services - Pinecrest	\$ 43.48	\$ 449.81	\$ 50.82	\$ 58,850.82	\$ 1,904.23	\$ 574.72
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167.88
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 140.00
Division Overhead - Admin	\$ -	\$ -	\$ 360.10	\$ 1,336.75	\$ 1,065.20	\$ -
Dept Overhead Costs	\$ -	\$ -	\$ 73.21	\$ 8,142.20	\$ 325.44	\$ 146.03
Total Expenditures	\$ 182.23	\$ 449.81	\$ 734.13	\$ 68,454.77	\$ 3,419.87	\$ 1,028.63
Surplus/(Deficit)	\$ 10,539.67	\$ 10,541.65	\$ 11,177.43	\$ (56,580.22)	\$ 7,368.19	\$ 36,782.39
FUND BALANCE						
Beginning of Year	\$ -	\$ 45,782.73	\$ 56,324.38	\$ 67,501.81	\$ 10,921.59	\$ 18,289.78
End of Year	\$ 45,782.73	\$ 56,324.38	\$ 67,501.81	\$ 10,921.59	\$ 18,289.78	\$ 55,072.17

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 46's first sphere of influence on December 19, 1983. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 138** on page 288 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 60 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. LAFCO staff is recommending that the sphere boundary reaffirmed. However, the County should consider annexing the eight parcels currently within the CSA's sphere but outside its jurisdictional boundary. **Figure 139** on page 289 shows the proposed sphere boundary.

Figure 138: CSA 46's Current Sphere Map

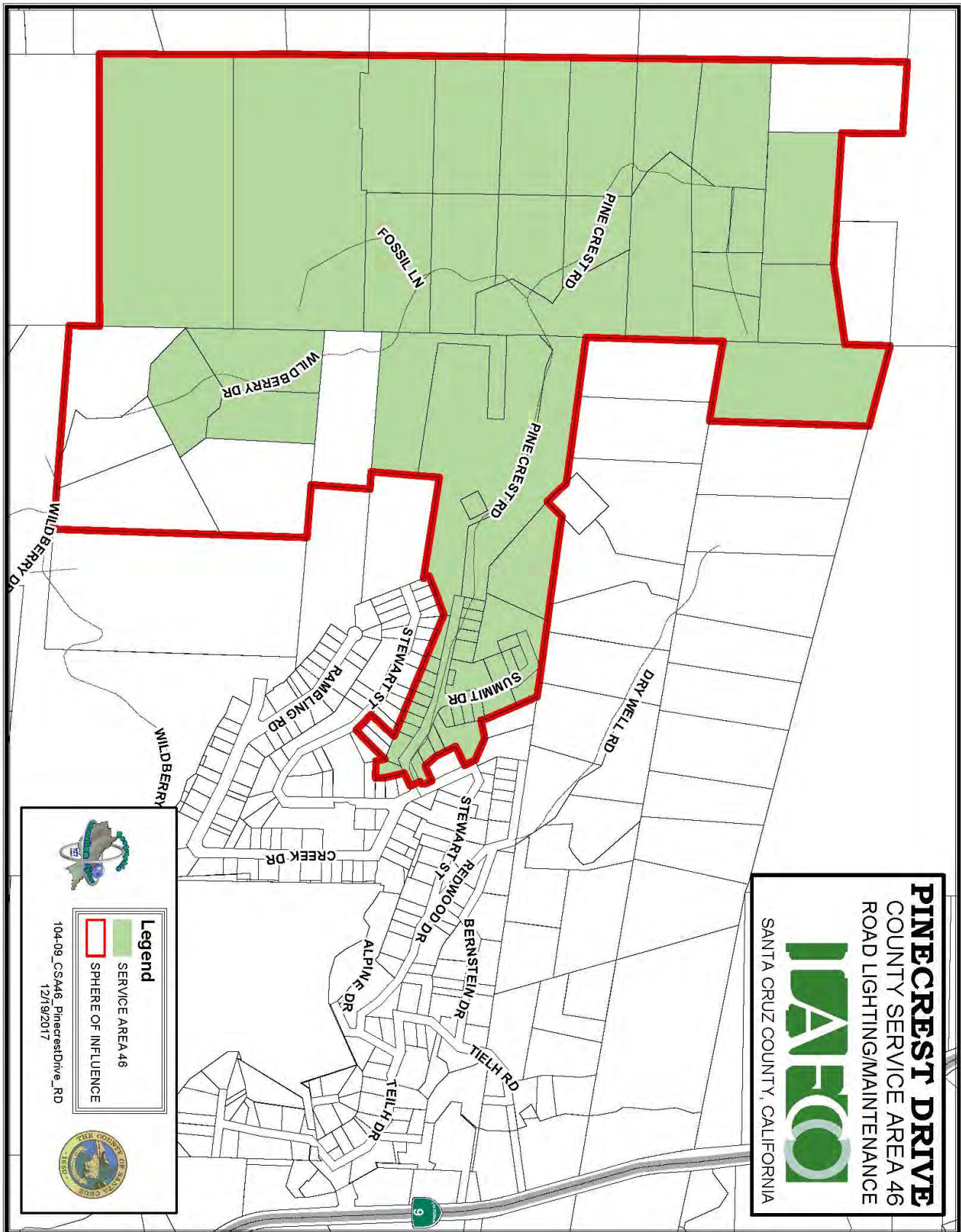
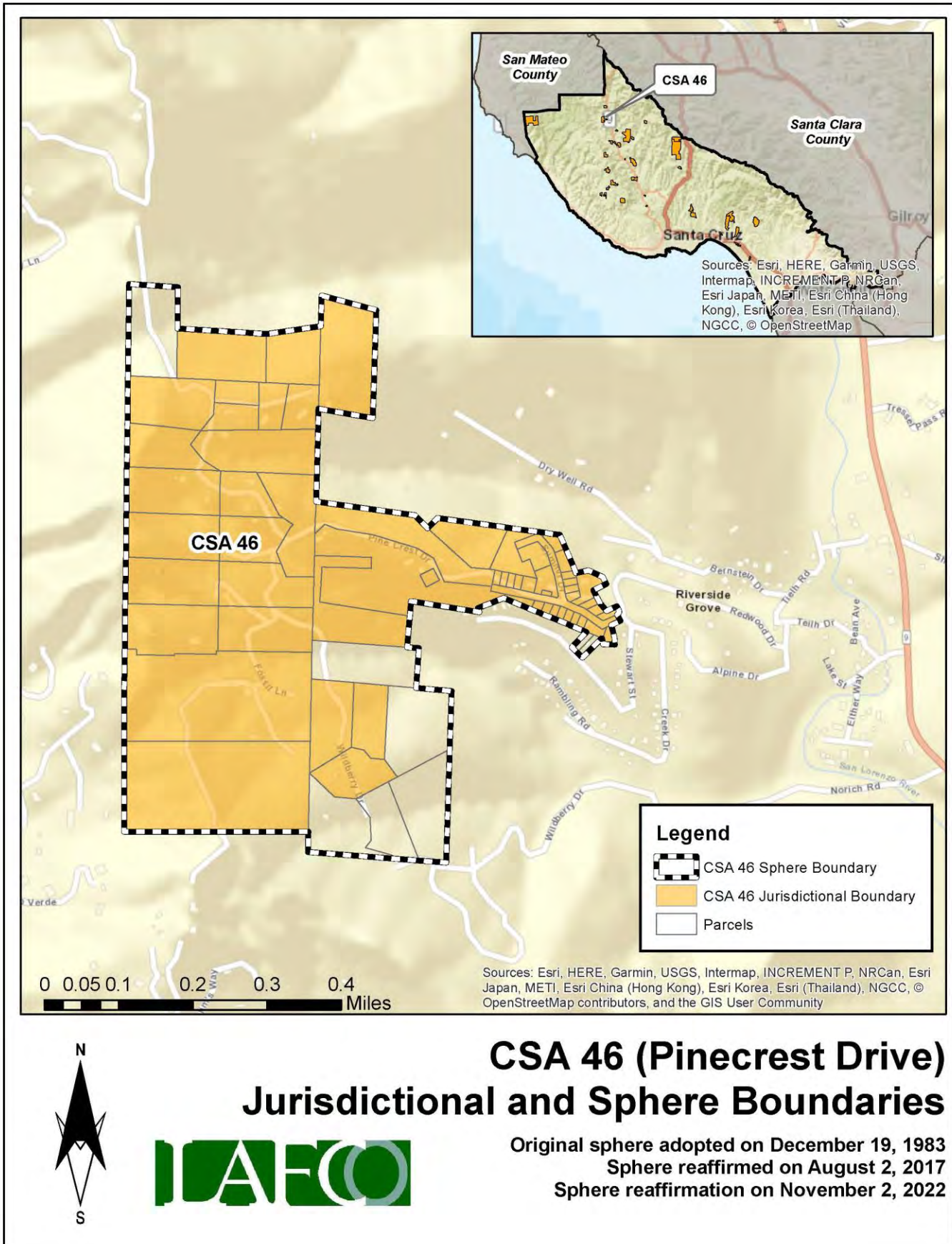


Figure 139: CSA 46's Proposed Sphere Map



District Summary

County Service Area 46	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.67 road miles
District Area	0.60 square miles (appx. 379 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$37,811</p> <p>Total Expenditure = \$1,029</p> <p>Net Position (Ending Balance) = \$55,072</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 46 in 2020 was estimated to be 30. Based on LAFCO's analysis, the population within the CSA will be approximately 31 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 46 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 46 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$55,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 46 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 46 has 60 parcels within its jurisdictional boundary and provides extended services to approximately 1.67 miles of road for the residents.

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

CSA 46 has a population of approximately 30. The constituents fund the through 20 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 47 (BRAEMOOR DRIVE)

Overview

County Service Area 47 was formed on January 9, 1985 with the purpose of providing extended maintenance to 1.29 road miles. **Appendix 27** provides a copy of the formation resolution. There is a total of 58 parcels within the CSA (totaling approximately 755 acres). **Figure 140**, on page 294, is a vicinity map depicting CSA 47's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain and Rural Residential. **Table 110** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 47 has two funding zones (Improved and Unimproved Parcels) with different rates. **Figure 141** on page 295 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 47.

Table 110: Benefit Assessment Rates (2017 to 2021)

CSA 47	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Unimproved	\$102.60	\$102.60	\$106.60	\$200.00	\$200.00
Improved	\$205.20	\$205.20	\$213.20	\$400.00	\$400.00
Change (%)		0%	4%	88%	0%

Population and Growth

Based on staff's analysis, the population of CSA 47 in 2020 is estimated to be 84. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 111** shows the anticipated population within CSA 47. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 47. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 47 will be approximately 87 by 2040.

Table 111: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 47	84	85	85	86	87

Figure 140: CSA 47's Vicinity Map

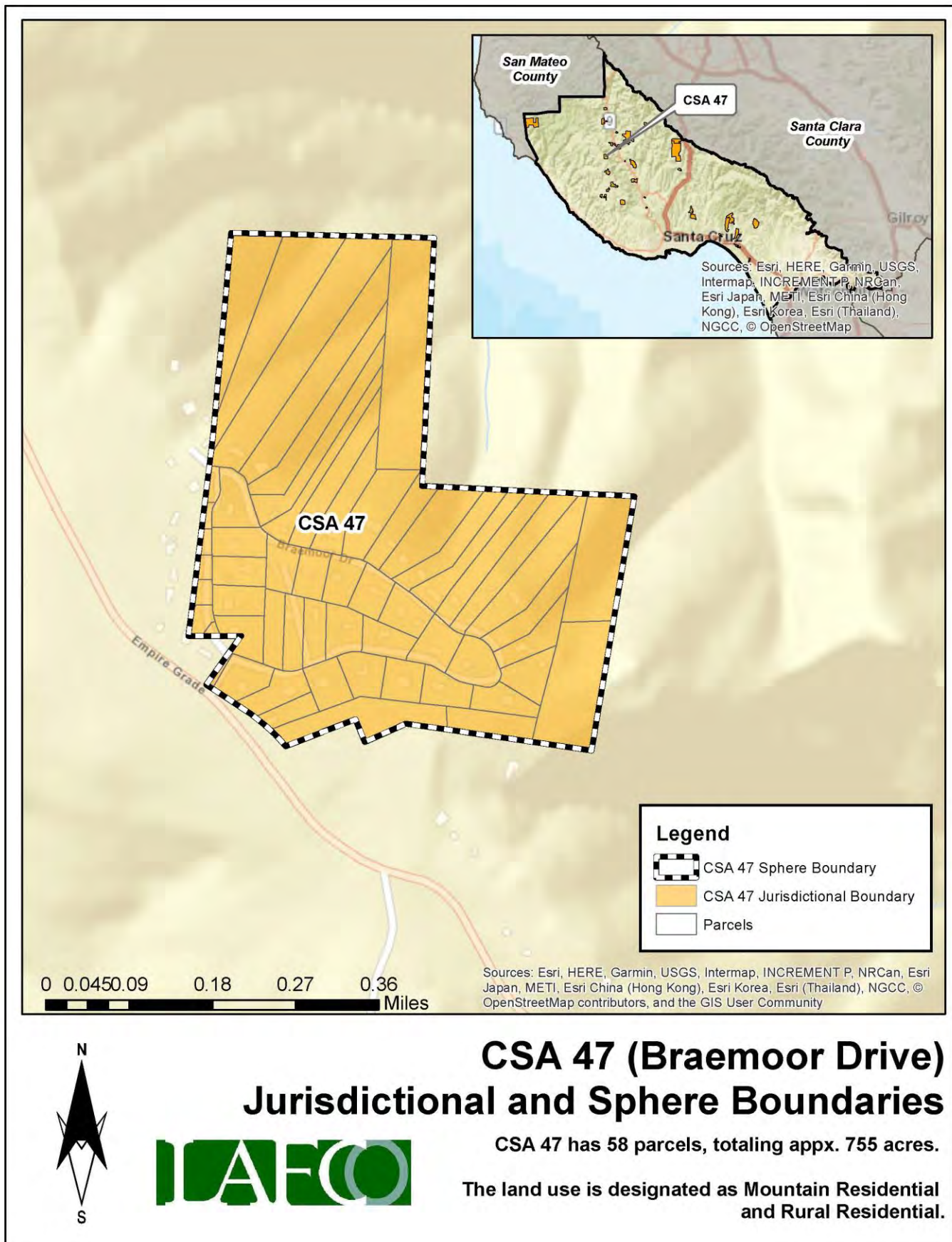
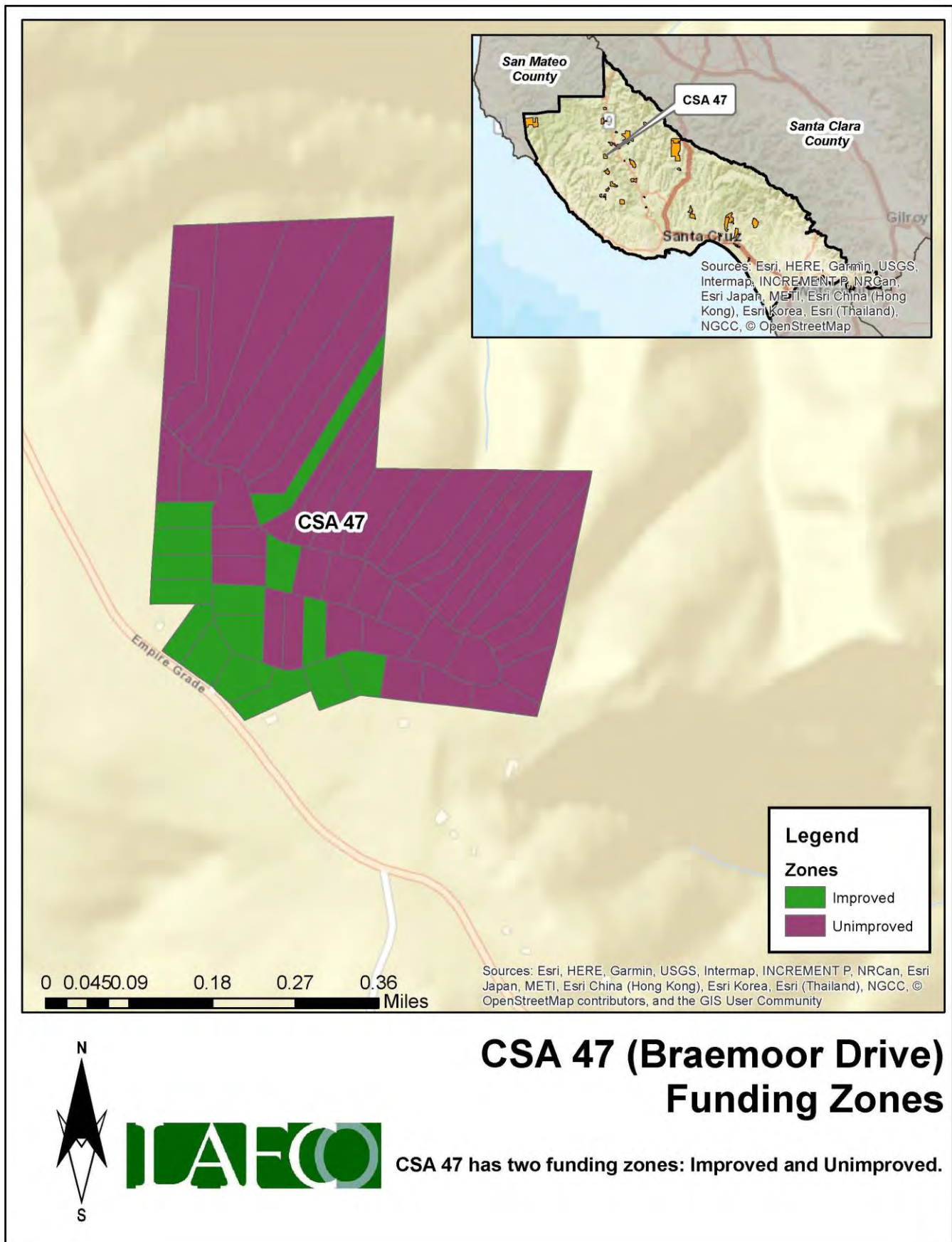


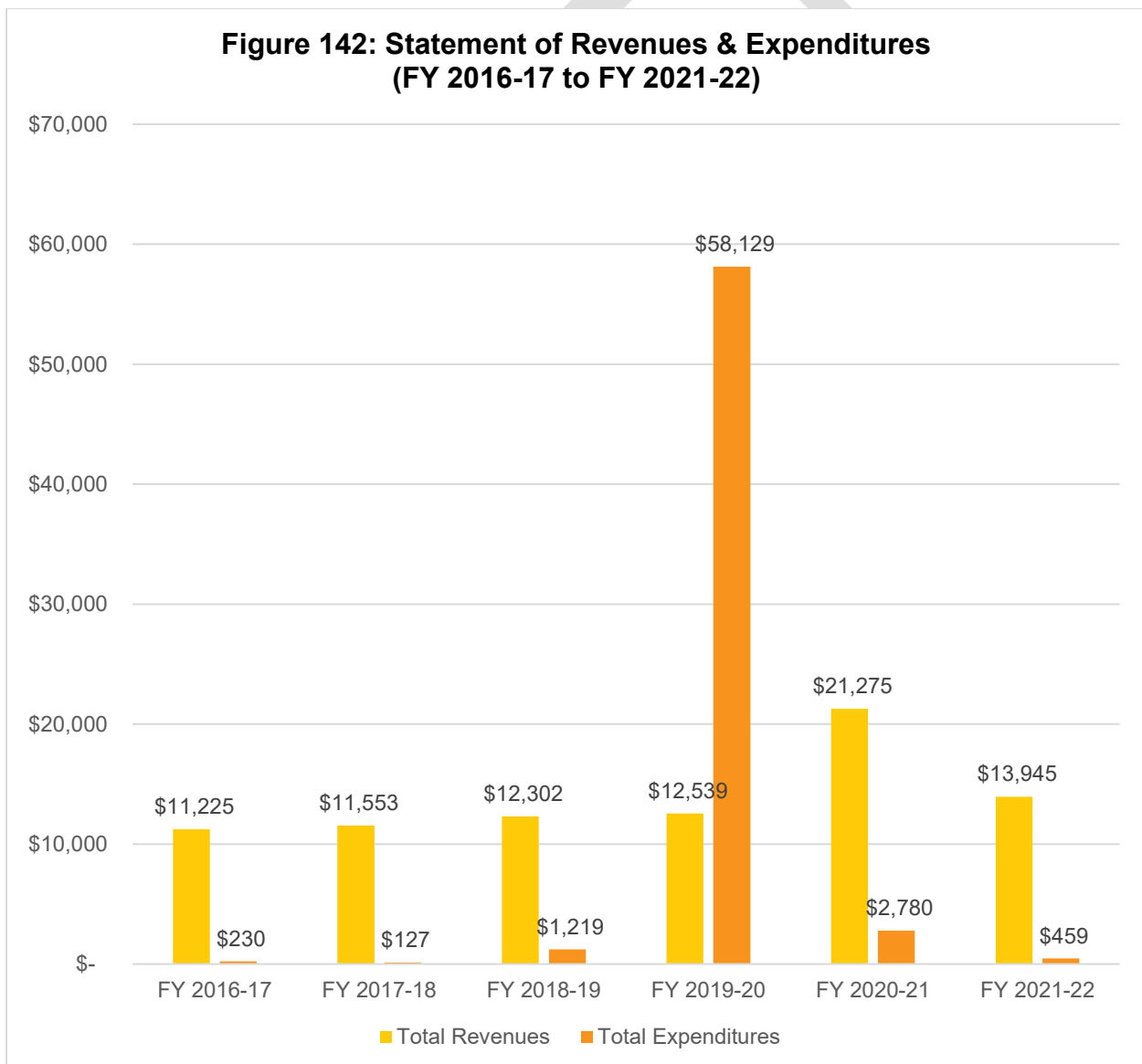
Figure 141: CSA 47's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 47's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 113** on page 298.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$14,000, representing a 34% decrease from the previous year (\$21,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$460, which decreased by 83% from the previous year (\$2,800 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2019-20, as shown in **Figure 142**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$69,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 112** and **Figure 143**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$37,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 112: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$60,211.73	\$71,638.25	\$82,721.45	\$37,131.81	\$55,626.90
Ending Balance	\$60,212	\$71,638	\$82,721	\$37,132	\$55,627	\$69,113
Change (\$)	-	\$11,427	\$11,083	\$(45,590)	\$18,495	\$13,486

**Figure 143: Net Position from 2016 to 2022
(Ending Balance)**

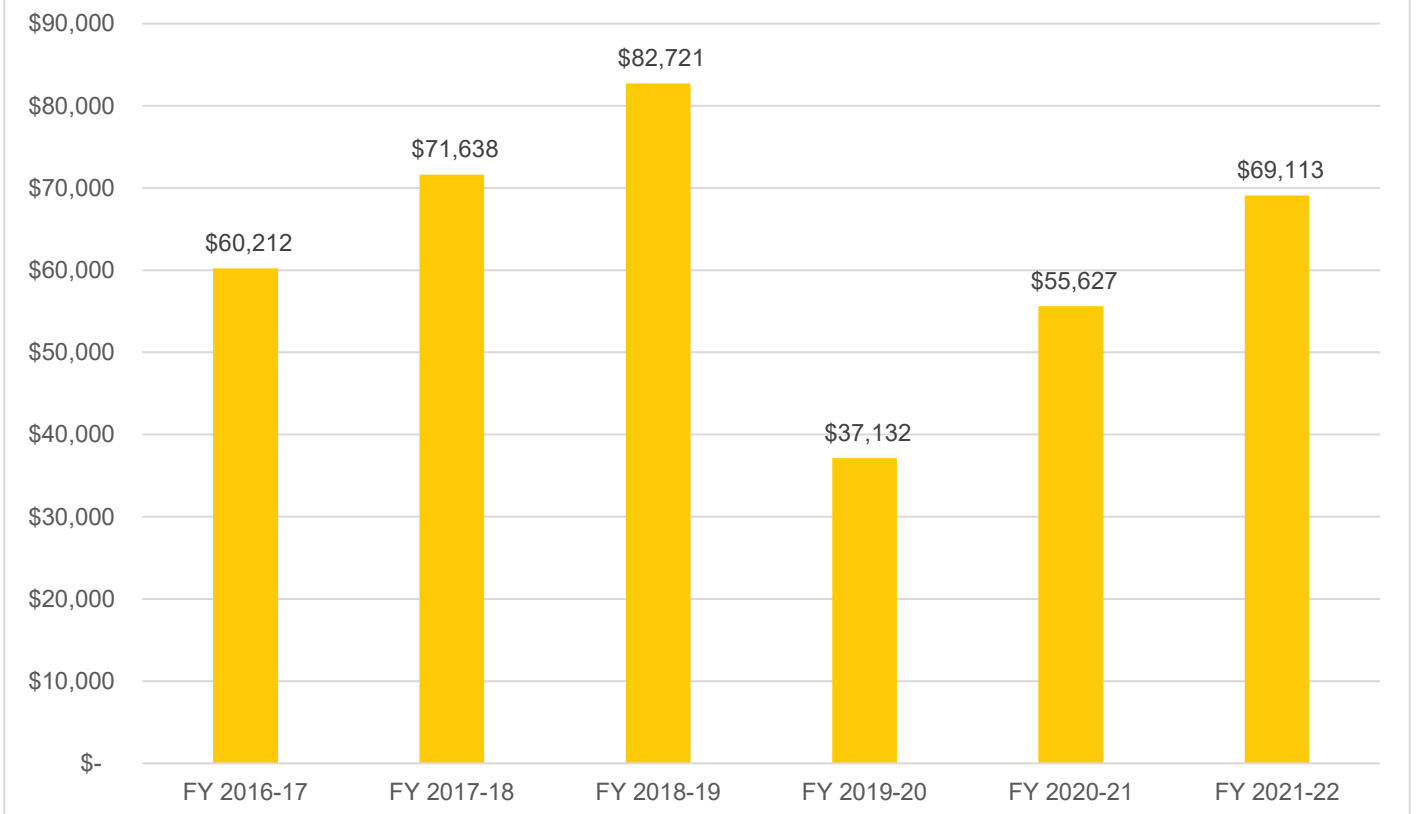


Table 113: Total Revenues & Expenditures

CSA 47	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 459.03	\$ 786.25	\$ 1,535.23	\$ 1,352.49	\$ 287.06	\$ 283.10
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 10,766.40	\$ 10,766.84	\$ 10,766.84	\$ 11,186.60	\$ 20,988.00	\$ 13,662.00
Total Revenues	\$ 11,225.43	\$ 11,553.09	\$ 12,302.07	\$ 12,539.09	\$ 21,275.06	\$ 13,945.10
EXPENDITURES						
DPW Services - Braemoor	\$ 90.93	\$ 126.57	\$ 76.23	\$ 45,276.22	\$ 1,829.33	\$ 208.49
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 770.21	\$ 5,813.52	\$ 562.78	\$ 76.22
Dept Overhead Costs	\$ -	\$ -	\$ 122.43	\$ 6,913.99	\$ 262.86	\$ 49.17
Total Expenditures	\$ 229.68	\$ 126.57	\$ 1,218.87	\$ 58,128.73	\$ 2,779.97	\$ 458.88
Surplus/(Deficit)	\$ 10,995.75	\$ 11,426.52	\$ 11,083.20	\$ (45,589.64)	\$ 18,495.09	\$ 13,486.22
FUND BALANCE						
Beginning of Year	\$ -	\$ 60,211.73	\$ 71,638.25	\$ 82,721.45	\$ 37,131.81	\$ 55,626.90
End of Year	\$ 60,211.73	\$ 71,638.25	\$ 82,721.45	\$ 37,131.81	\$ 55,626.90	\$ 69,113.12

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 47's first sphere of influence on January 9, 1985. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 144** on page 299 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 58 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 145** on page 300 shows the proposed sphere boundary.

Figure 144: CSA 47's Current Sphere Map

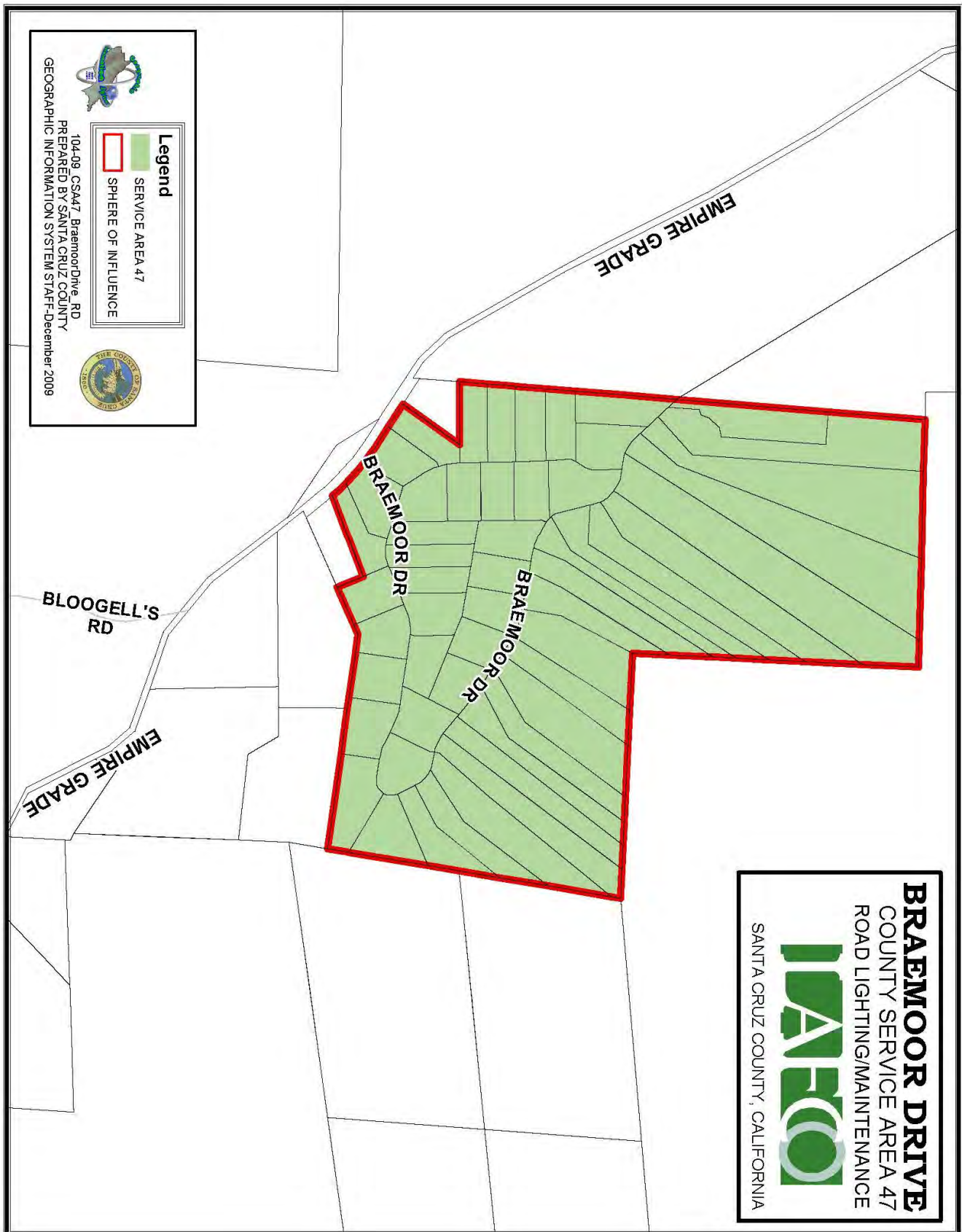
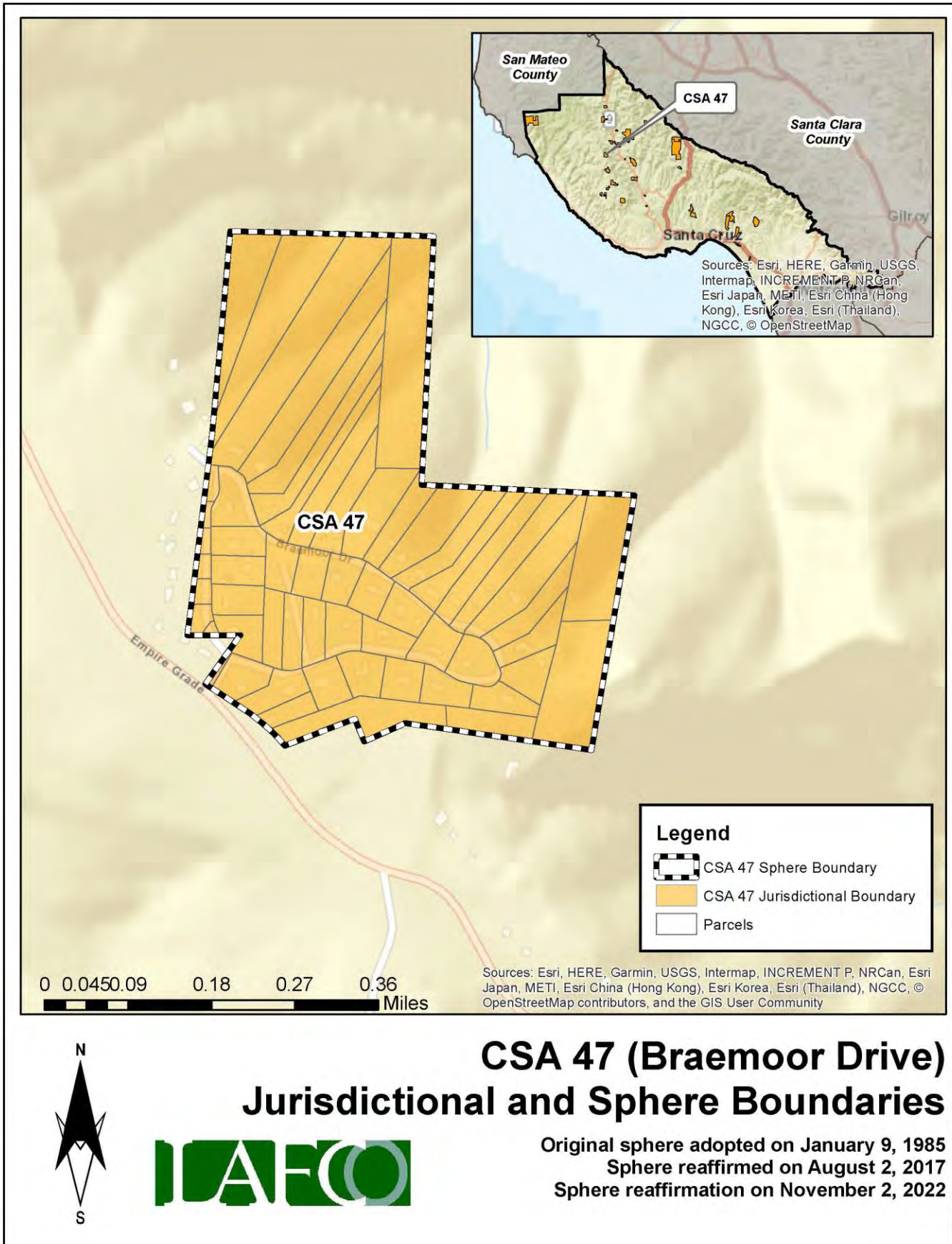


Figure 145: CSA 47's Proposed Sphere Map



District Summary

County Service Area 47	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.29 road miles
District Area	1.18 square miles (appx. 755 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$13,945</p> <p>Total Expenditure = \$459</p> <p>Net Position (Ending Balance) = \$69,113</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 47 in 2020 was estimated to be 84. Based on LAFCO's analysis, the population within the CSA will be approximately 87 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 47 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 47 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$69,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 47 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 47 has 58 parcels within its jurisdictional boundary and provides extended services to approximately 1.29 miles of road for the residents.

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

CSA 47 has a population of approximately 84. The constituents fund the through two zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 50 (THE VINEYARD)

Overview

County Service Area 50 was formed on October 7, 1987 with the purpose of providing extended maintenance to 1.65 road miles. **Appendix 28** provides a copy of the formation resolution. There is a total of 57 parcels within the CSA (totaling approximately 61 acres). **Figure 146**, on page 305, is a vicinity map depicting CSA 50's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Rural Residential. **Table 114** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 50 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 50.

Table 114: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 50	\$400.00	\$400.00	\$400.00	\$400.00	\$400.00
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 50 was 2020 is estimated to be 27. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 115** shows the anticipated population within CSA 50. The average rate of change is 0.86%.

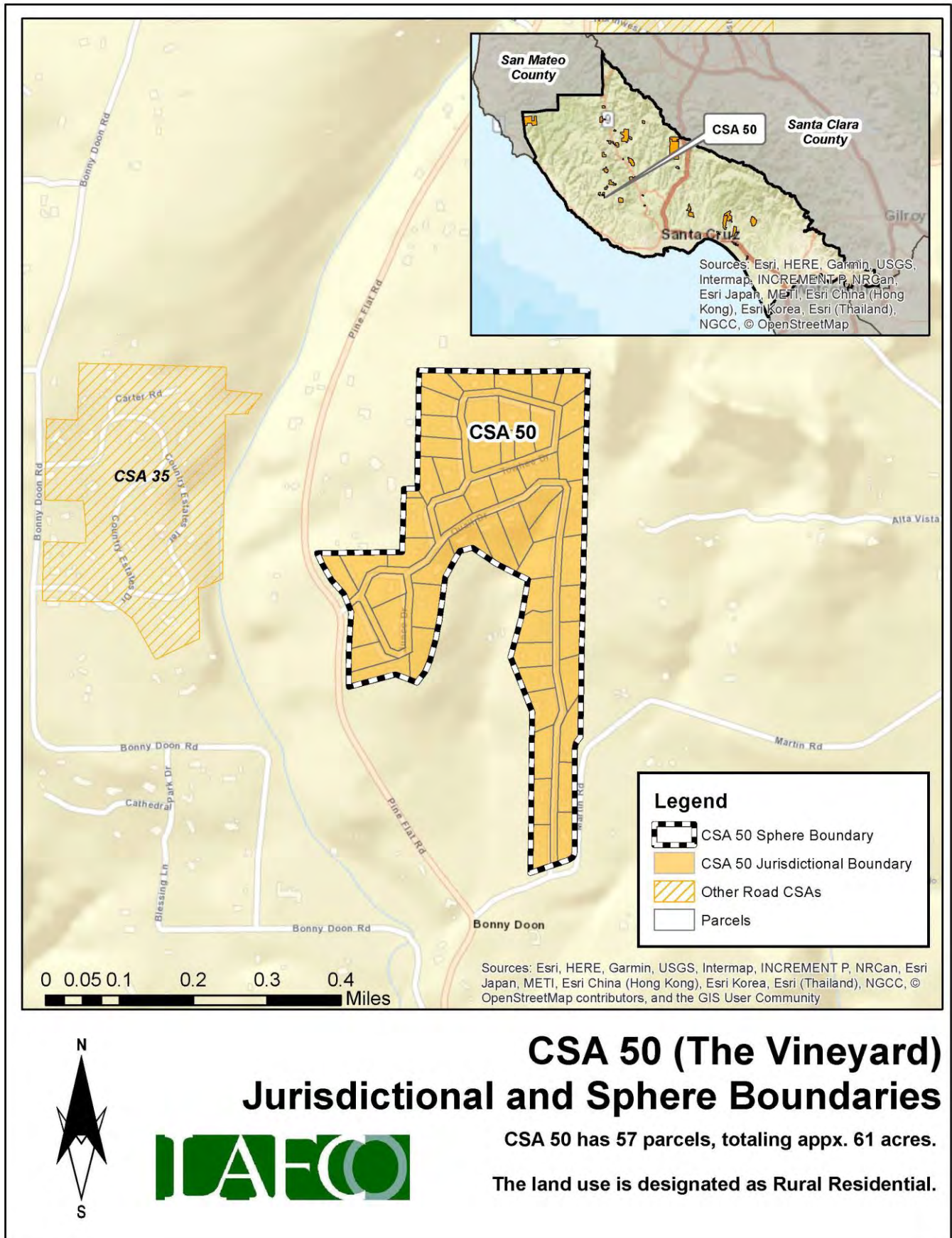
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 50. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 50 will be approximately 28 by 2040.

Table 115: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 18	27	27	27	28	28

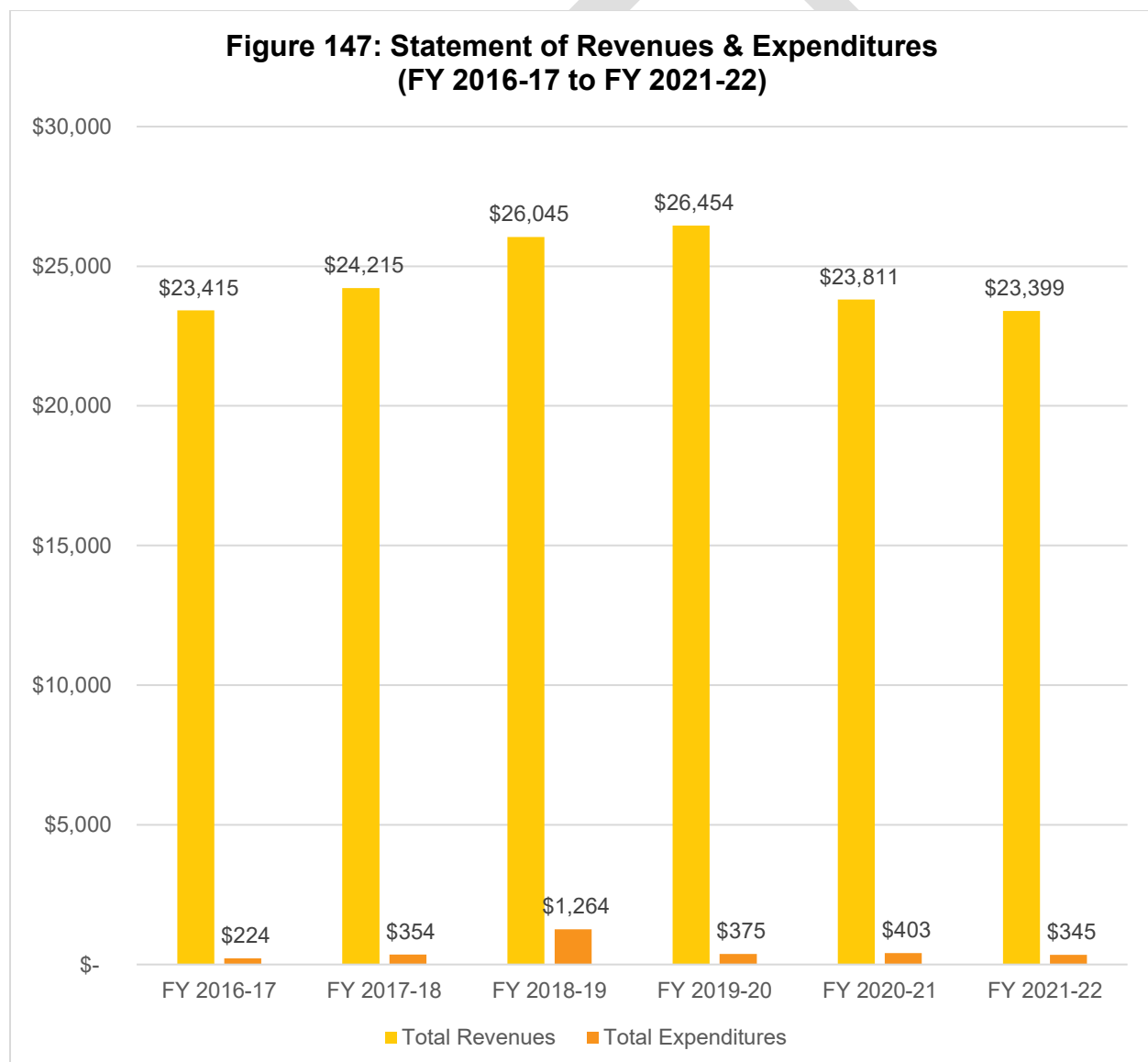
Figure 146: CSA 50's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 50's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 117** on page 308.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$23,400, representing a 2% decrease from the previous year (\$23,800 in FY 20-21). Total expenses for FY 2021-22 were approximately \$345, which decreased by 14% from the previous year (\$400 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, as shown in **Figure 147**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$280,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 116** and **Figure 148**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$158,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 116: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$158,793.11	\$182,654.16	\$207,435.22	\$233,513.94	\$256,921.32
Ending Balance	\$158,793	\$182,654	\$207,435	\$233,514	\$256,921	\$279,975
Change (\$)	-	\$23,861	\$24,781	\$26,079	\$23,407	\$23,054

**Figure 148: Net Position from 2016 to 2022
(Ending Balance)**

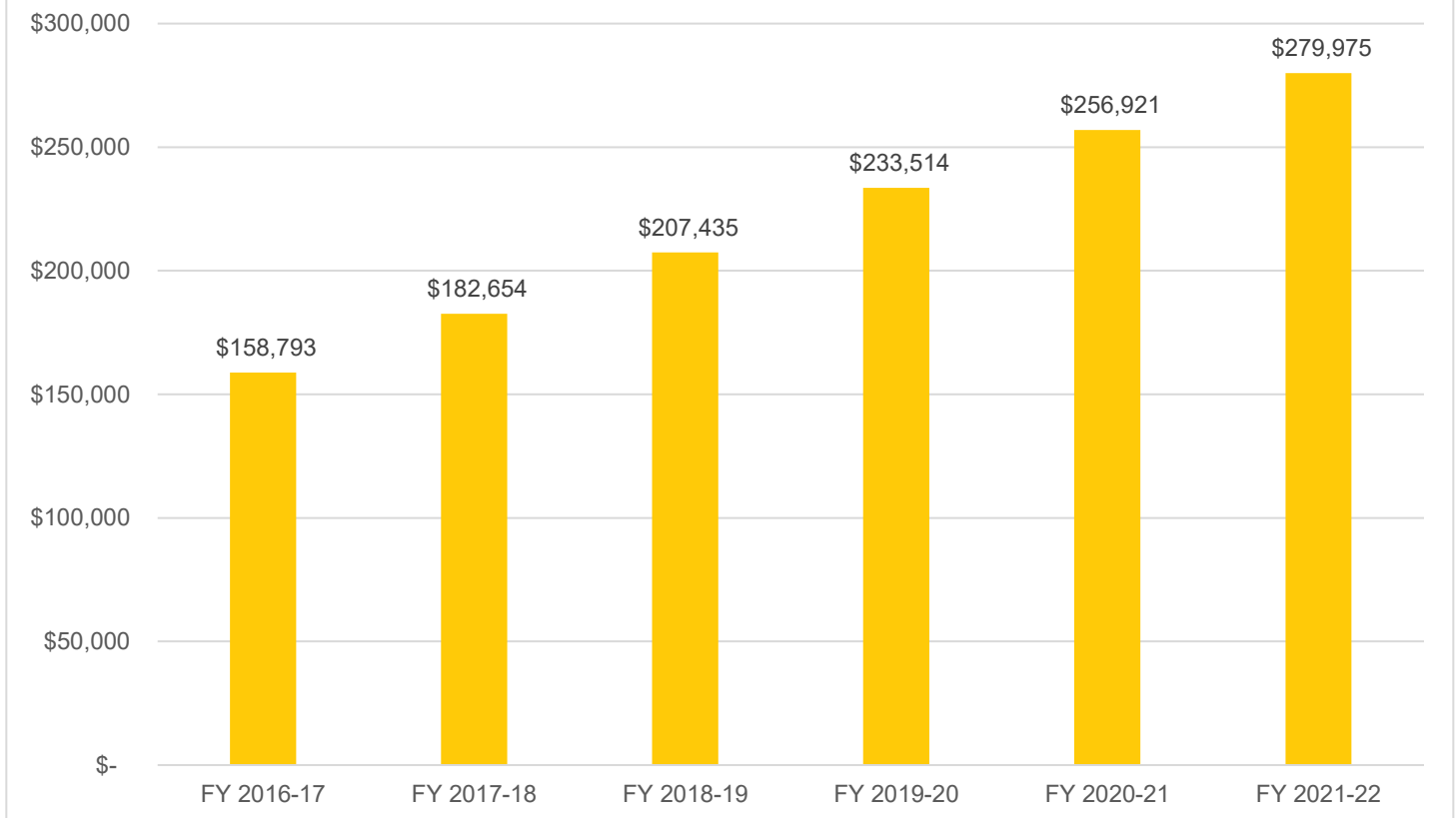


Table 117: Total Revenues & Expenditures

CSA 50	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 1,239.45	\$ 2,039.35	\$ 3,868.96	\$ 4,277.63	\$ 1,634.61	\$ 1,223.02
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 22,176.00	\$ 22,176.00	\$ 22,176.00	\$ 22,176.00	\$ 22,176.00	\$ 22,176.00
Total Revenues	\$ 23,415.45	\$ 24,215.35	\$ 26,044.96	\$ 26,453.63	\$ 23,810.61	\$ 23,399.02
EXPENDITURES						
DPW Services - Vineyard	\$ 85.26	\$ 354.30	\$ 79.05	\$ 79.06	\$ 177.72	\$ 104.25
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 129.88	\$ 131.38	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 807.90	\$ 121.38	\$ 49.33	\$ 79.06
Dept Overhead Costs	\$ -	\$ -	\$ 126.95	\$ 44.59	\$ 44.80	\$ 37.00
Total Expenditures	\$ 224.01	\$ 354.30	\$ 1,263.90	\$ 374.91	\$ 403.23	\$ 345.31
Surplus/(Deficit)	\$ 23,191.44	\$ 23,861.05	\$ 24,781.06	\$ 26,078.72	\$ 23,407.38	\$ 23,053.71
FUND BALANCE						
Beginning of Year	\$ -	\$ 158,793.11	\$ 182,654.16	\$ 207,435.22	\$ 233,513.94	\$ 256,921.32
End of Year	\$158,793.11	\$ 182,654.16	\$207,435.22	\$ 233,513.94	\$256,921.32	\$279,975.03

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 50's first sphere of influence on October 7, 1987. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 149** on page 309 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 57 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 150** on page 310 shows the proposed sphere boundary.

Figure 149: CSA 50's Current Sphere Map

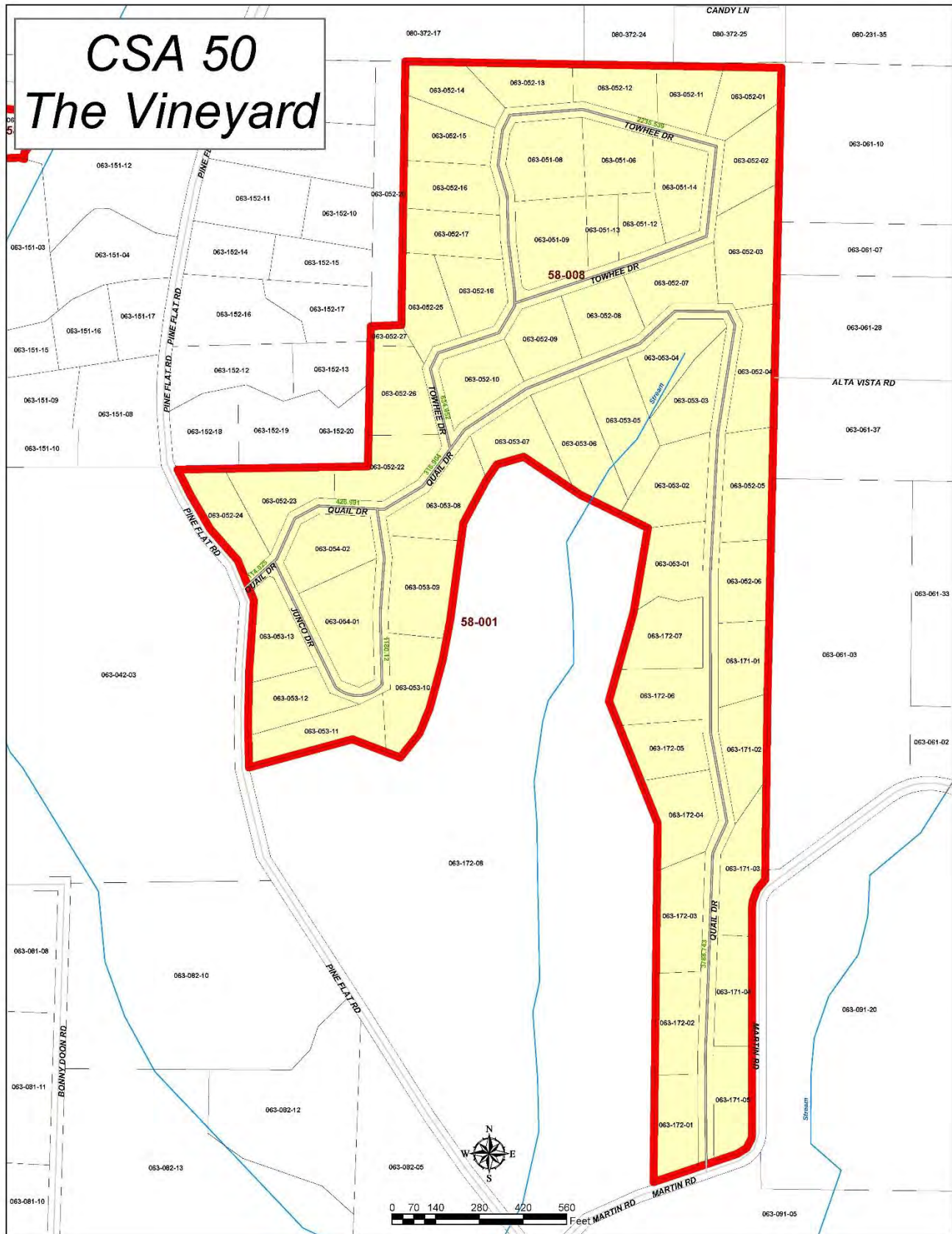
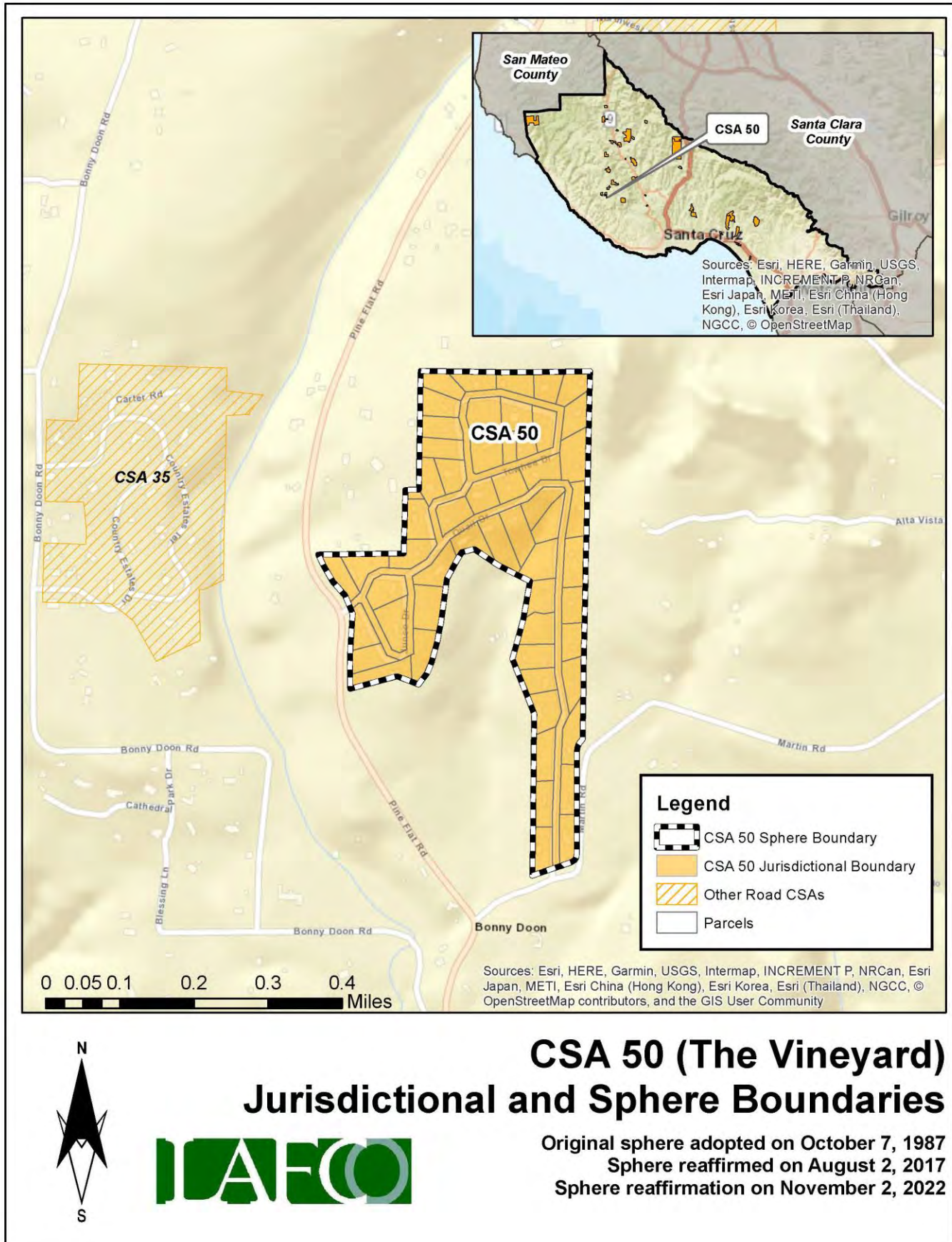


Figure 150: CSA 50's Proposed Sphere Map



District Summary

County Service Area 50	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.65 road miles
District Area	0.10 square miles (appx. 61 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$23,399</p> <p>Total Expenditure = \$345</p> <p>Net Position (Ending Balance) = \$279,975</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 50 in 2020 was estimated to be 27. Based on LAFCO's analysis, the population within the CSA will be approximately 28 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 50 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 50 is financially stable. The CSA ended with a surplus in each of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$280,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 50 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 50 has 57 parcels within its jurisdictional boundary and provides extended services to approximately 1.65 miles of road for the residents.

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

CSA 50 has a population of approximately 27. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 51 (HOPKINS GULCH ROAD)

Overview

County Service Area 51 was formed on September 6, 1989 with the purpose of providing extended maintenance to 4.07 road miles. **Appendix 29** provides a copy of the formation resolution. There is a total of 68 parcels within the CSA (totaling approximately 716 acres). **Figure 151**, on page 316, is a vicinity map depicting CSA 51's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain Residential. **Table 118** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 51 has 15 funding zones (Zones A-G for improved and unimproved parcels), including a separate rate for the excavating company. **Figure 152** on page 317 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 51.

Table 106: Benefit Assessment Rates (2017 to 2021)

CSA 51	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A (unimproved)	\$6.36	\$6.54	\$6.54	\$6.54	\$6.64
Zone A (improved)	\$25.54	\$26.28	\$26.28	\$26.28	\$26.72
Zone B (unimproved)	\$40.80	\$114.22	\$41.98	\$41.98	\$42.68
Zone B (improved)	\$163.22	\$456.94	\$167.94	\$167.94	\$170.78
Zone C (unimproved)	\$100.82	\$343.23	\$103.74	\$103.74	\$105.50
Zone C (improved)	\$403.36	\$1,373.04	\$415.04	\$415.04	\$422.08
Jackson Excavating Company	\$1,210.24	\$2,203.32	\$1,245.32	\$1,245.32	\$1,266.24
Zone D (unimproved)	\$132.04	\$374.86	\$135.86	\$135.86	\$138.16
Zone D (improved)	\$528.24	\$1,501.54	\$543.54	\$543.54	\$552.78
Zone E (unimproved)	\$144.04	\$387.69	\$148.20	\$148.20	\$150.70
Zone E (improved)	\$576.26	\$1,550.96	\$592.96	\$592.96	\$603.04
Zone F (unimproved)	\$184.88	\$429.73	\$190.24	\$190.24	\$193.46
Zone F (improved)	\$739.50	\$1,719.02	\$761.02	\$761.02	\$773.94
Zone G (unimproved)	\$240.10	\$1,021.54	\$247.06	\$247.06	\$251.26
Zone G (improved)	\$960.48	\$4,086.32	\$988.32	\$988.32	\$1,005.12
Change (%)		3%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 51 was 2020 is estimated to be 34. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 119** shows the anticipated population within CSA 51. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 51. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 51 will be approximately 35 by 2040.

Table 119: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 51	34	34	35	35	35

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Figure 151: CSA 51's Vicinity Map

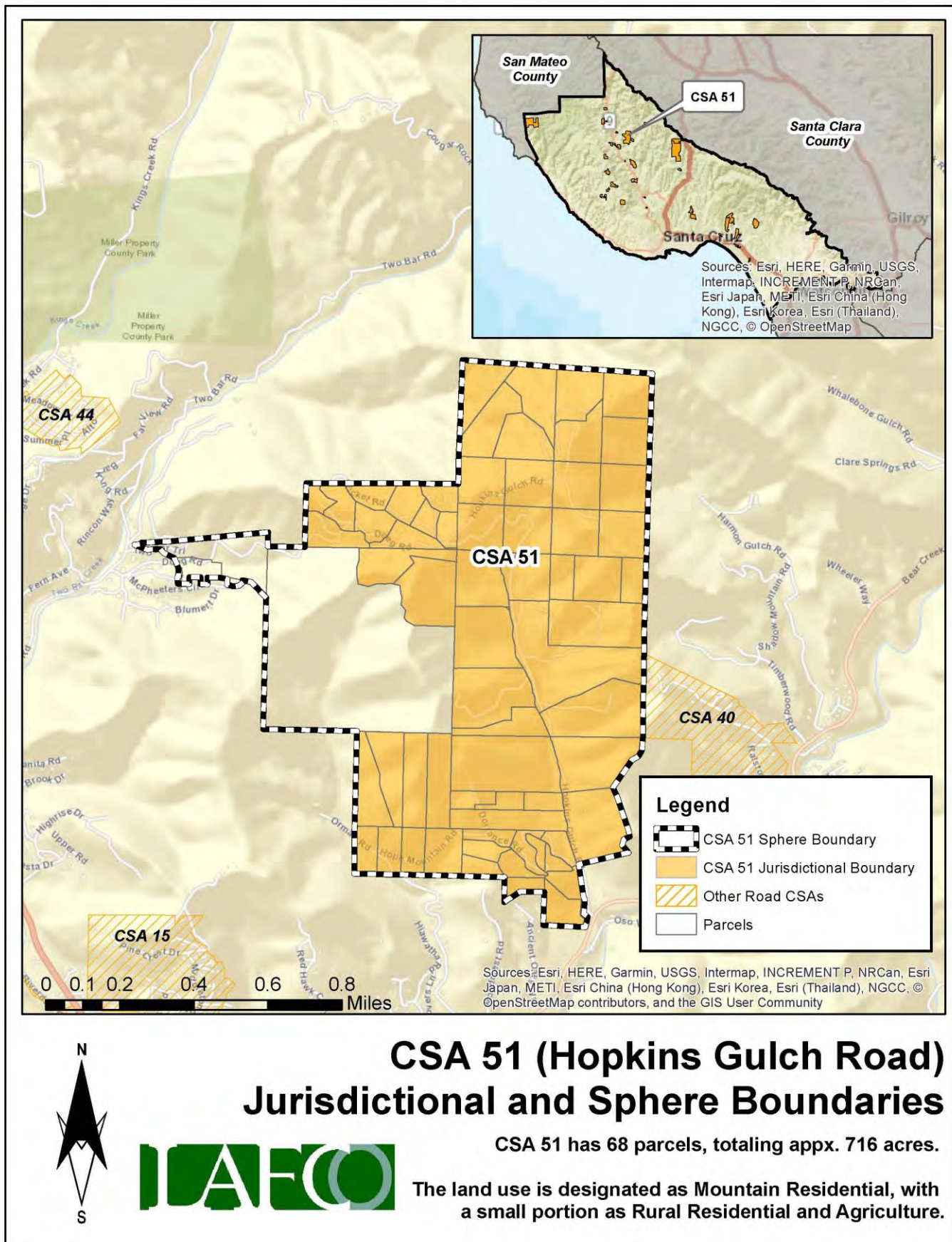
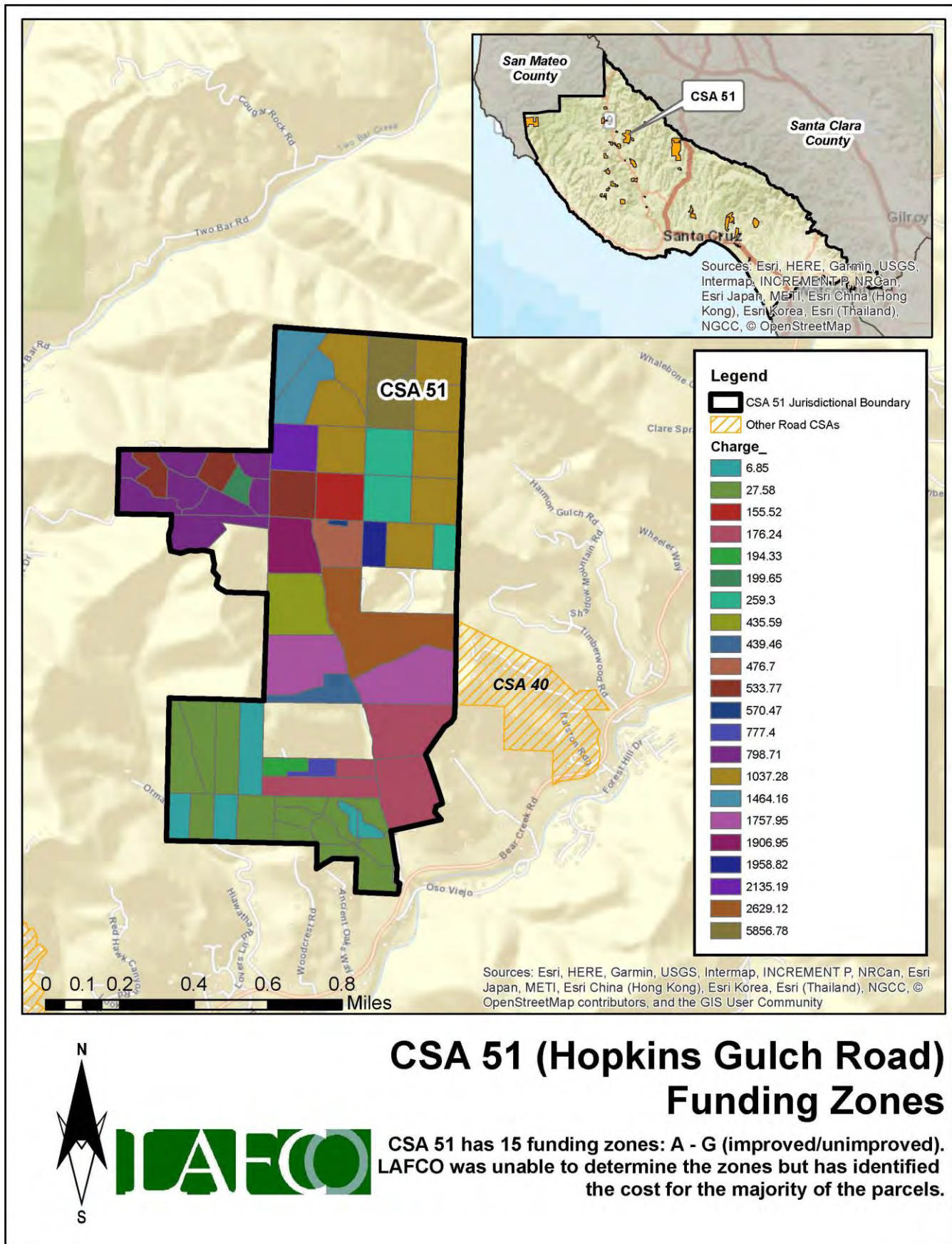


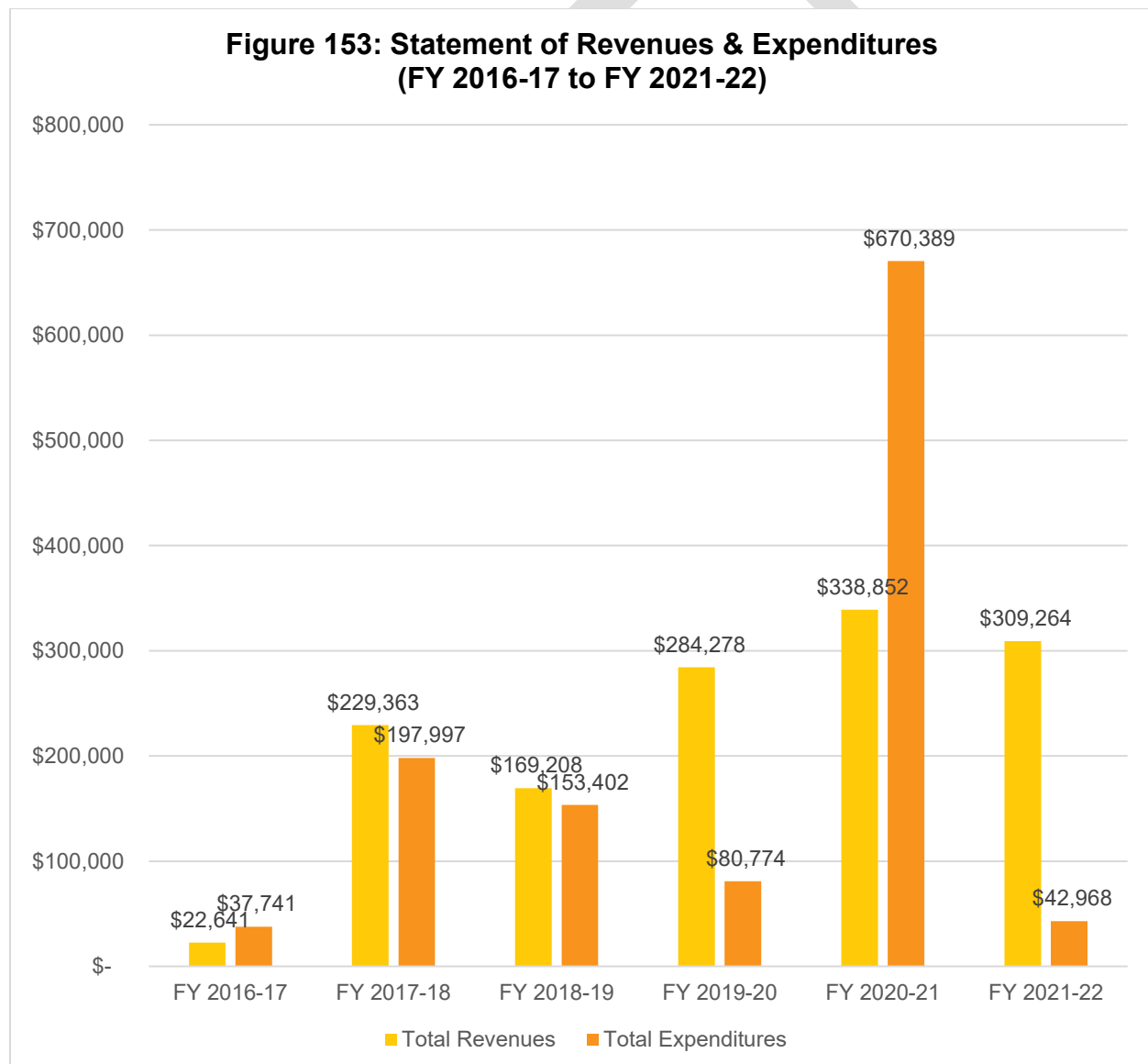
Figure 152: CSA 51's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 51's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 121** on page 320.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$309,000, representing an 8% decrease from the previous year (\$339,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$43,000, which decreased by 94% from the previous year (\$670,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17 and FY 2020-21, as shown in **Figure 153**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$189,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 120** and **Figure 154**, the CSA's fund balance has fluctuated over the years and ended in a deficit in FY 2020-21, totaling almost \$78,000. Based on this historical trend, LAFCO staff believes the positive balance may deplete unless the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 120: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$3,415.10	\$34,780.31	\$50,587.04	\$254,091.57	\$(77,444.60)
Ending Balance	\$3,415	\$34,780	\$50,587	\$254,092	\$(77,445)	\$188,851
Change (\$)	-	\$31,365	\$15,807	\$203,505	\$(331,536)	\$266,296

**Figure 154: Net Position from 2016 to 2022
(Ending Balance)**

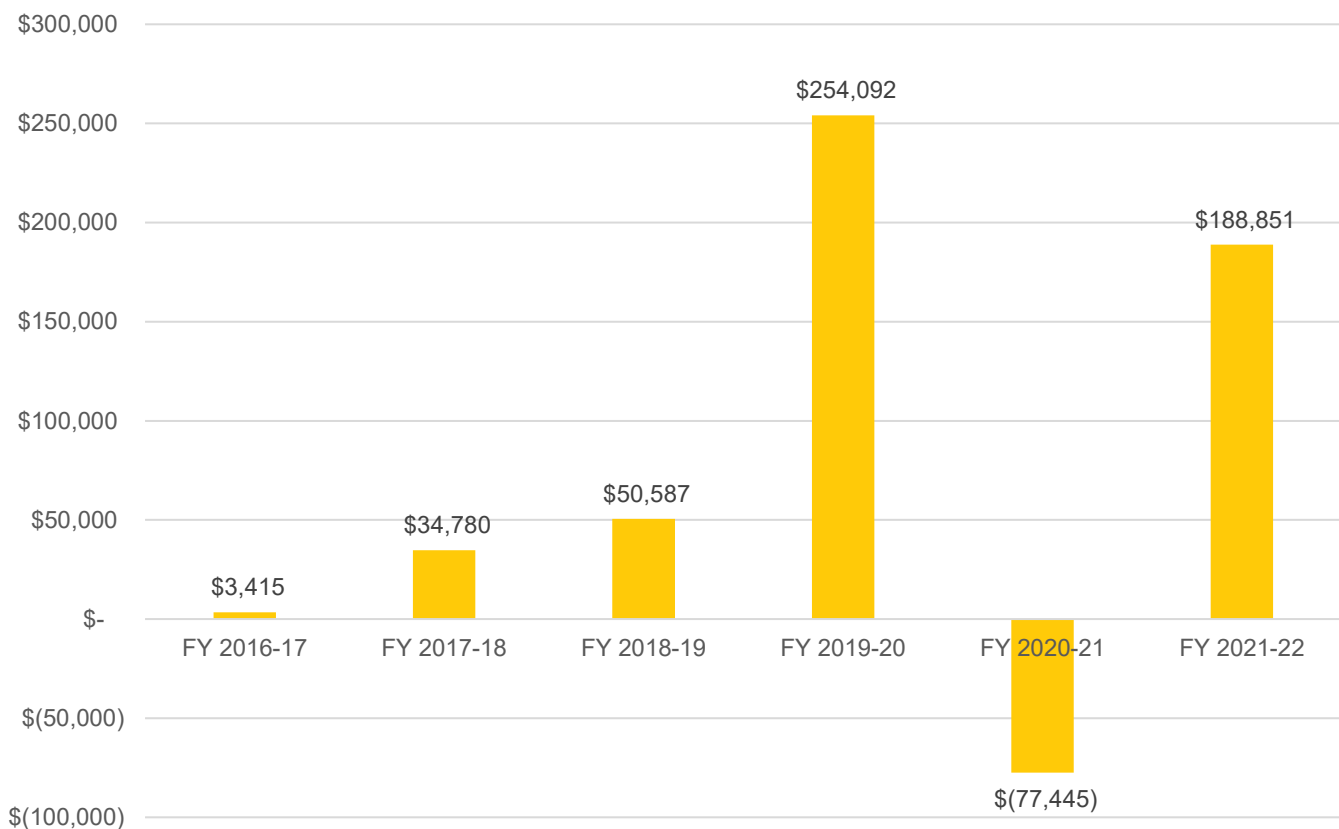


Table 121: Total Revenues & Expenditures

CSA 51	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ (2.29)	\$ (661.46)	\$ (455.04)	\$ (115.43)	\$ (661.31)	\$ (152.05)
St-Natural Disaster Assistance	\$ -	\$ 8,169.00	\$ 83,255.14	\$ 32,826.82	\$ 61,944.00	\$ 48,609.19
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ 148,532.58	\$ 8,233.67	\$ 44,190.12	\$ 225,667.70	\$ 194,437.80
Other Revenue	\$ -	\$ 50,000.00	\$ -	\$ (46,601.17)	\$ 27,585.76	\$ 27,585.83
Member Contributions	\$ -	\$ -	\$ -	\$ 229,654.57	\$ -	\$ 14,046.98
Other Road & Street Services	\$ 22,643.24	\$ 23,322.54	\$ 78,174.64	\$ 24,323.53	\$ 24,316.24	\$ 24,736.16
Total Revenues	\$ 22,640.95	\$ 229,362.66	\$ 169,208.41	\$ 284,278.44	\$ 338,852.39	\$ 309,263.91
EXPENDITURES						
DPW Services - Hopkins Gulch	\$ 37,602.25	\$ 197,997.45	\$ 122,059.93	\$ 12,231.07	\$ 31,171.13	\$ 2,123.74
FEMA Labor	\$ -	\$ -	\$ -	\$ 44,572.41	\$ 561,164.67	\$ 34,765.49
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loan	\$ -	\$ -	\$ -	\$ 2,000.00	\$ -	\$ -
Interest on Long Term Debt	\$ -	\$ -	\$ -	\$ 508.81	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 500.00	\$ 500.00
Division Overhead - Admin	\$ -	\$ -	\$ 14,991.84	\$ 12,448.40	\$ 3,448.28	\$ 1,081.05
Dept Overhead Costs	\$ -	\$ -	\$ 16,099.91	\$ 8,888.22	\$ 74,104.48	\$ 4,497.55
Total Expenditures	\$ 37,741.00	\$ 197,997.45	\$ 153,401.68	\$ 80,773.91	\$ 670,388.56	\$ 42,967.83
Surplus/(Deficit)	\$ (15,100.05)	\$ 31,365.21	\$ 15,806.73	\$ 203,504.53	\$ (331,536.17)	\$ 266,296.08
FUND BALANCE						
Beginning of Year	\$ -	\$ 3,415.10	\$ 34,780.31	\$ 50,587.04	\$ 254,091.57	\$ (77,444.60)
End of Year	\$ 3,415.10	\$ 34,780.31	\$ 50,587.04	\$ 254,091.57	\$ (77,444.60)	\$ 188,851.48

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 51's first sphere of influence on September 6, 1989. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 155** on page 321 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 68 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. LAFCO staff is recommending that the sphere boundary reaffirmed. However, the County should consider annexing the five parcels currently within the CSA's sphere but outside its jurisdictional boundary. **Figure 156** on page 322 shows the proposed sphere boundary.

Figure 155: CSA 51's Current Sphere Map

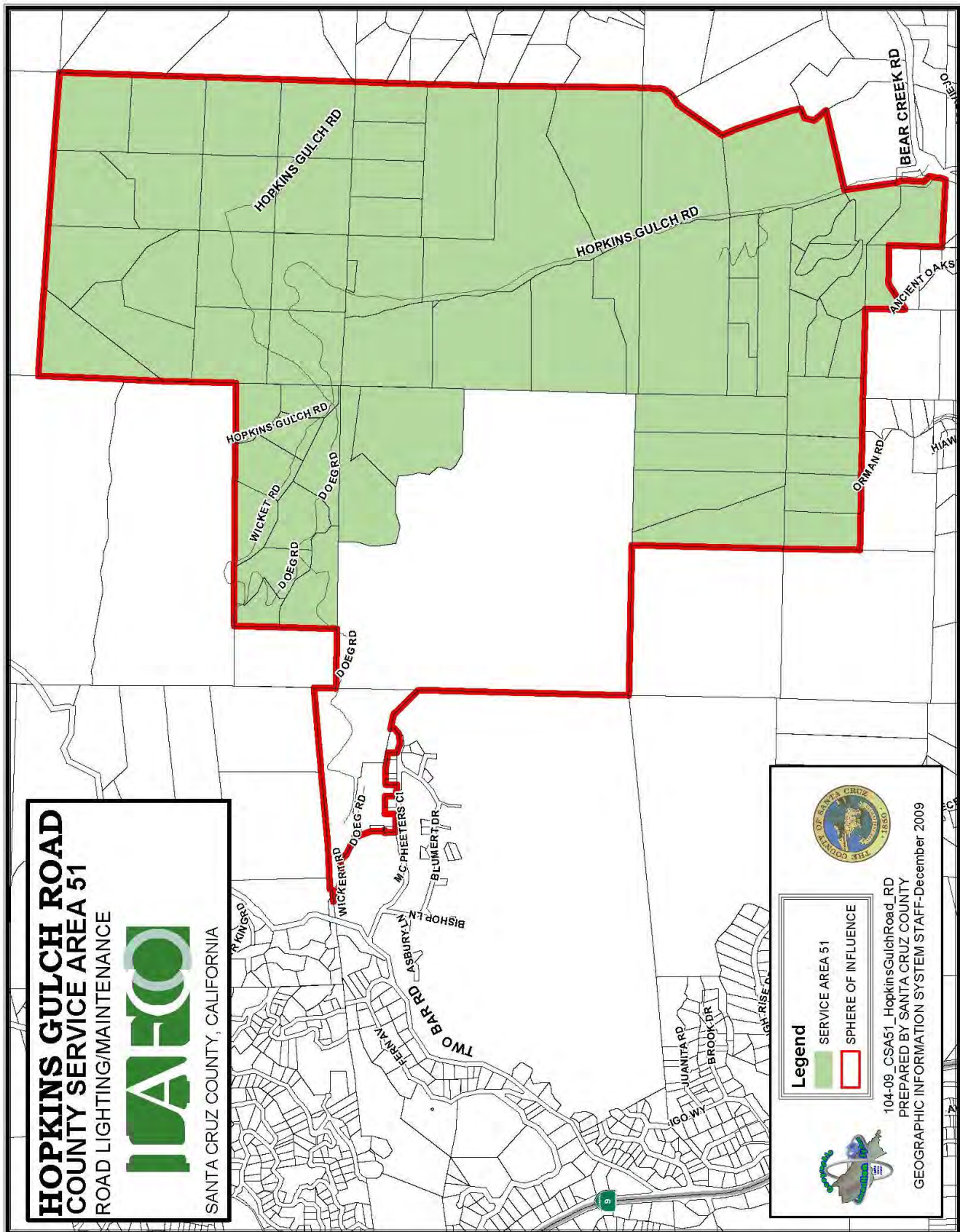
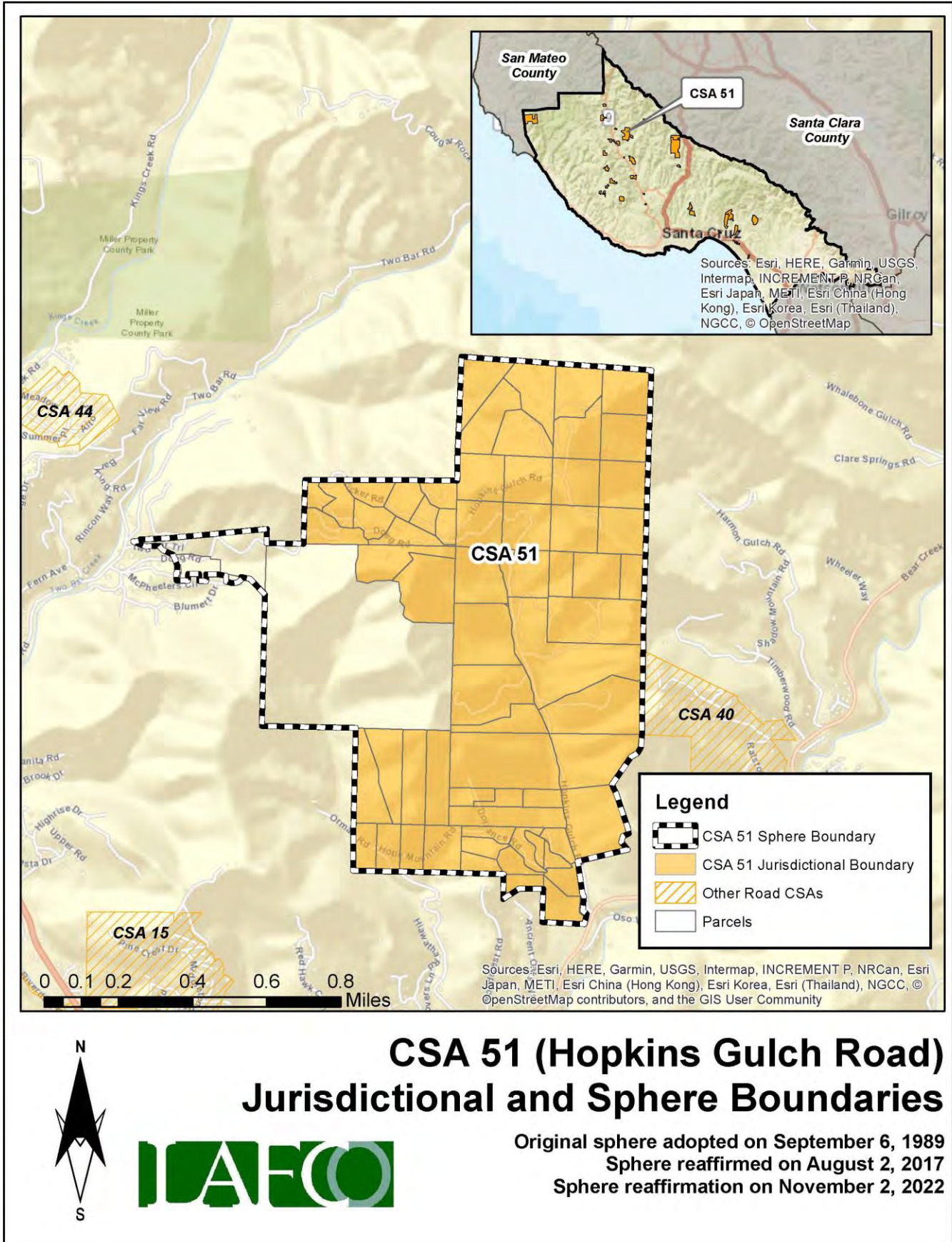


Figure 156: CSA 51's Proposed Sphere Map



District Summary

County Service Area 51	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	4.07 road miles
District Area	1.12 square miles (appx. 716 acres)
Sphere of Influence	<p>Current Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p> <p>Proposed Sphere: Larger than District (i.e., sphere boundary extends beyond the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$309,264</p> <p>Total Expenditure = \$42,968</p> <p>Net Position (Ending Balance) = \$188,851</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 51 in 2020 was estimated to be 34. Based on LAFCO's analysis, the population within the CSA will be approximately 35 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 51 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 51 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$189,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 51 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 51 has 68 parcels within its jurisdictional boundary and provides extended services to approximately 4.07 miles of road for the residents.

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

CSA 51 has a population of approximately 34. The constituents fund the through 15 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 52 (UPPER PLEASANT VALLEY ROAD)

Overview

County Service Area 52 was formed on November 7, 1990 with the purpose of providing extended maintenance to 1.58 road miles. **Appendix 30** provides a copy of the formation resolution. There is a total of 54 parcels within the CSA (totaling approximately 388 acres). **Figure 157**, on page 328, is a vicinity map depicting CSA 52's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain and Rural Residential. **Table 122** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 52 has 18 funding zones (Zones A-U) for improved parcels only. **Figure 158** on page 329 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 52.

Table 122: Benefit Assessment Rates (2017 to 2021)

CSA 52	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A (improved)	\$185.94	\$191.32	\$198.78	\$205.34	\$208.82
Zone D (improved)	\$160.10	\$164.74	\$171.16	\$176.80	\$179.80
Zone E (improved)	\$203.48	\$209.38	\$217.54	\$224.72	\$228.54
Zone F (improved)	\$83.18	\$85.58	\$88.92	\$91.84	\$93.40
Zone G (improved)	\$281.56	\$289.72	\$301.02	\$310.94	\$316.22
Zone H (improved)	\$51.52	\$53.00	\$55.06	\$56.88	\$57.84
Zone I (improved)	\$50.84	\$52.30	\$54.34	\$56.12	\$57.06
Zone J (improved)	\$118.32	\$121.74	\$126.48	\$130.64	\$132.86
Zone K (improved)	\$240.04	\$247.00	\$256.62	\$265.08	\$269.58
Zone L (improved)	\$256.90	\$264.34	\$274.64	\$283.70	\$288.52
Zone M (improved)	\$243.92	\$250.98	\$260.76	\$269.36	\$273.92
Zone N (improved)	\$223.02	\$229.48	\$238.42	\$246.28	\$250.46
Zone O (improved)	\$156.22	\$160.74	\$167.00	\$172.50	\$175.42
Zone P (improved)	\$293.00	\$301.48	\$313.24	\$323.58	\$329.08
Zone R (improved)	\$182.92	\$188.22	\$195.56	\$202.00	\$205.42
Zone S (improved)	\$118.92	\$122.36	\$127.12	\$131.30	\$133.52
Zone T (improved)	\$254.56	\$261.94	\$272.16	\$281.14	\$285.90
Zone U (improved)	\$266.98	\$274.72	\$285.42	\$294.84	\$299.84
Change (%)		3%	4%	3%	2%

Population and Growth

Based on staff's analysis, the population of CSA 52 was 2020 is estimated to be 27. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 123** shows the anticipated population within CSA 52. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 52. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 52 will be approximately 28 by 2040.

Table 123: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 52	27	27	27	28	28

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Figure 157: CSA 52's Vicinity Map

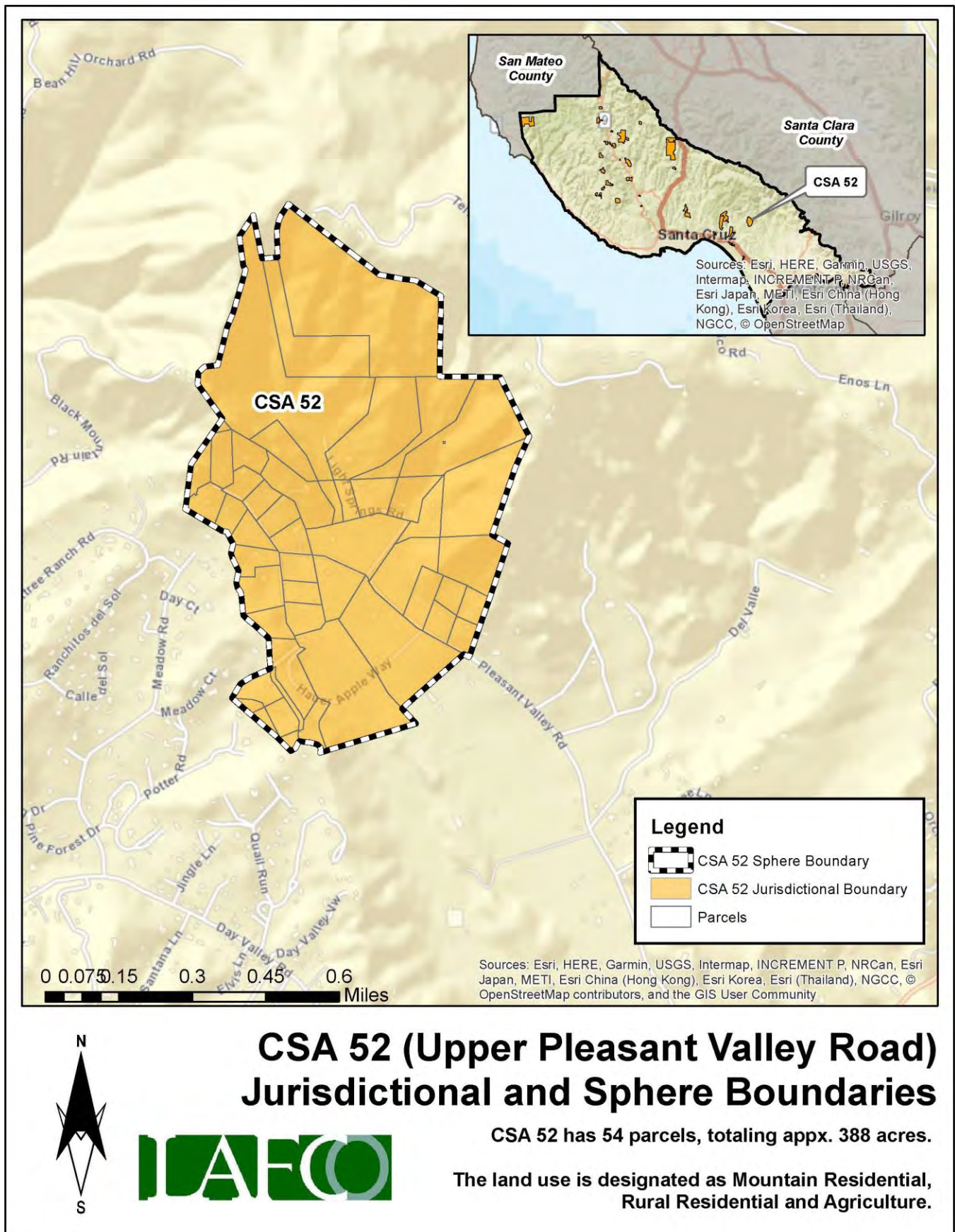
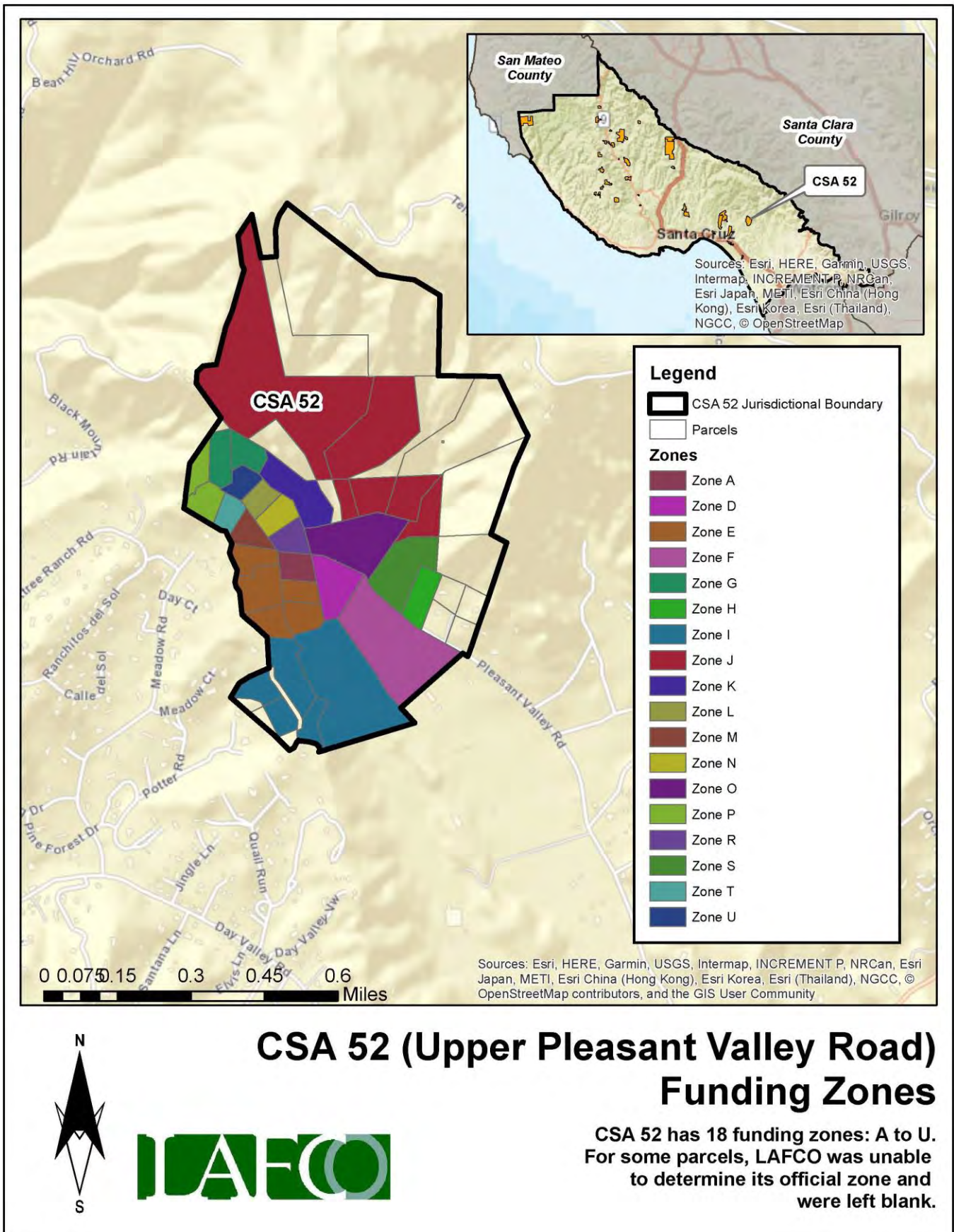


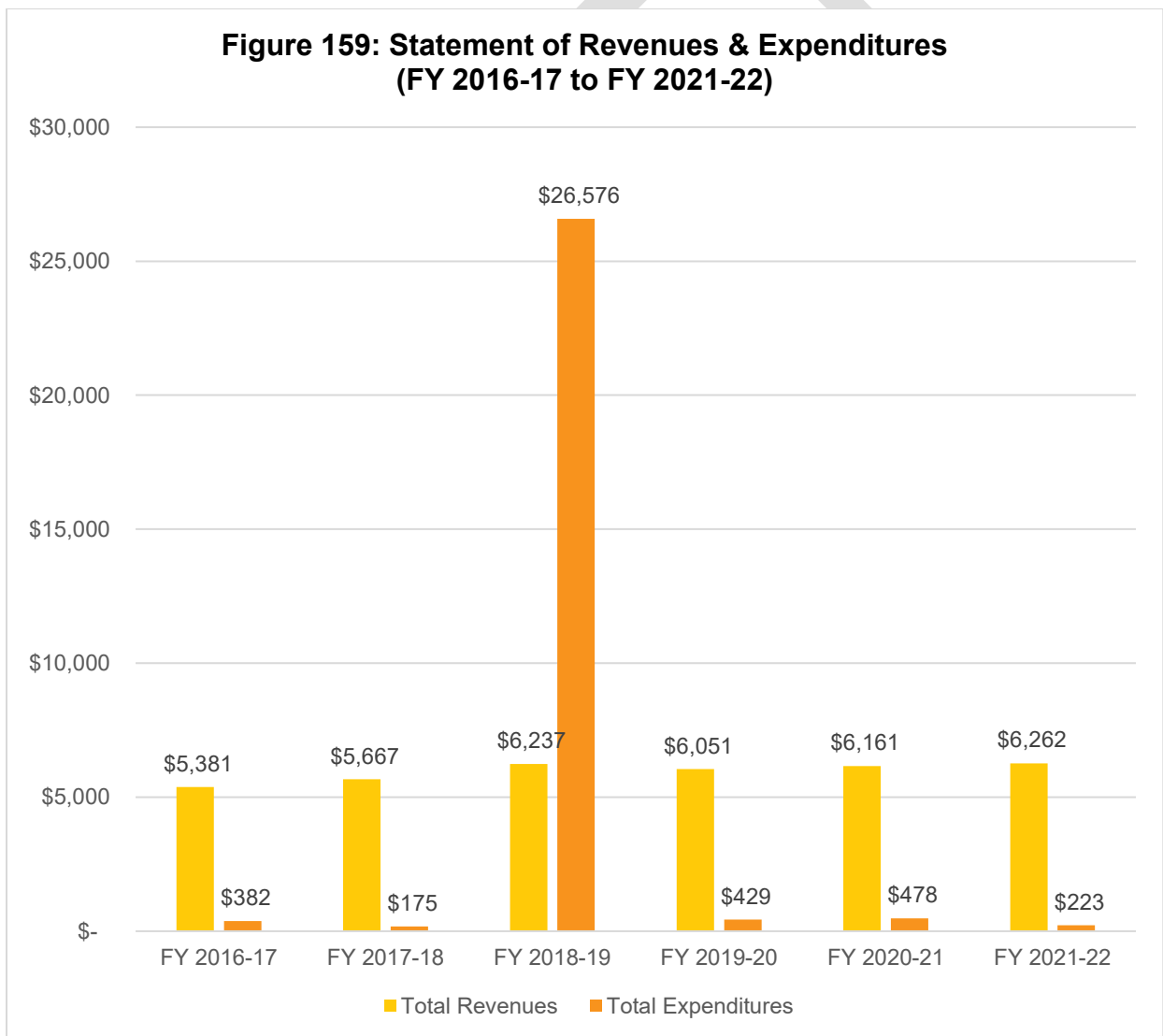
Figure 158: CSA 52's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 52's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 125** on page 332.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$6,260, representing a 1.64% increase from the previous year (\$6,160 in FY 20-21). Total expenses for FY 2021-22 were approximately \$220, which decreased by 53% from the previous year (\$480 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2018-19, as shown in **Figure 159**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$24,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 124** and **Figure 160**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$6,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 124: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$21,202.86	\$26,694.82	\$6,355.43	\$11,977.24	\$17,659.44
Ending Balance	\$21,203	\$26,695	\$6,355	\$11,977	\$17,659	\$23,698
Change (\$)	-	\$5,492	\$(20,339)	\$5,622	\$5,682	\$6,038

**Figure 160: Net Position from 2016 to 2022
(Ending Balance)**

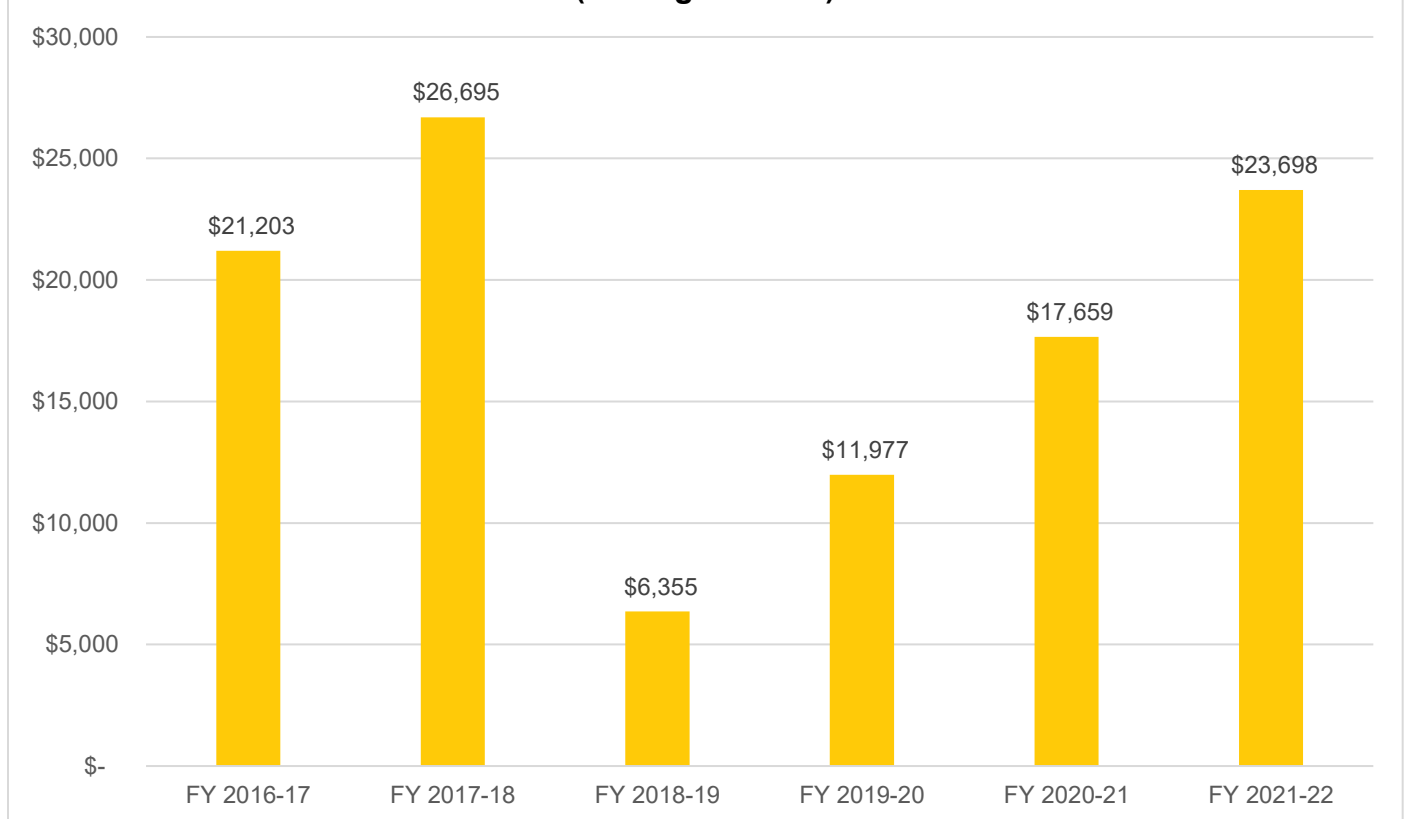


Table 125: Total Revenues & Expenditures

CSA 52	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 155.90	\$ 284.94	\$ 578.54	\$ 172.24	\$ 92.16	\$ 85.76
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 5,224.82	\$ 5,381.58	\$ 5,658.50	\$ 5,879.04	\$ 6,068.50	\$ 6,175.82
Total Revenues	\$ 5,380.72	\$ 5,666.52	\$ 6,237.04	\$ 6,051.28	\$ 6,160.66	\$ 6,261.58
EXPENDITURES						
DPW Services - Pleasant Valley	\$ 243.44	\$ 174.56	\$ 22,733.64	\$ 53.64	\$ 250.96	\$ 20.85
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 751.06	\$ 199.74	\$ 49.33	\$ 53.64
Dept Overhead Costs	\$ -	\$ -	\$ 2,841.73	\$ 51.09	\$ 53.17	\$ 23.94
Total Expenditures	\$ 382.19	\$ 174.56	\$ 26,576.43	\$ 429.47	\$ 478.46	\$ 223.43
Surplus/(Deficit)	\$ 4,998.53	\$ 5,491.96	\$ (20,339.39)	\$ 5,621.81	\$ 5,682.20	\$ 6,038.15
FUND BALANCE						
Beginning of Year	\$ -	\$ 21,202.86	\$ 26,694.82	\$ 6,355.43	\$ 11,977.24	\$ 17,659.44
End of Year	\$ 21,202.86	\$ 26,694.82	\$ 6,355.43	\$ 11,977.24	\$ 17,659.44	\$ 23,697.59

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 52's first sphere of influence on November 7, 1990. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 161** on page 333 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 54 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 162** on page 334 shows the proposed sphere boundary.

Figure 161: CSA 52's Current Sphere Map

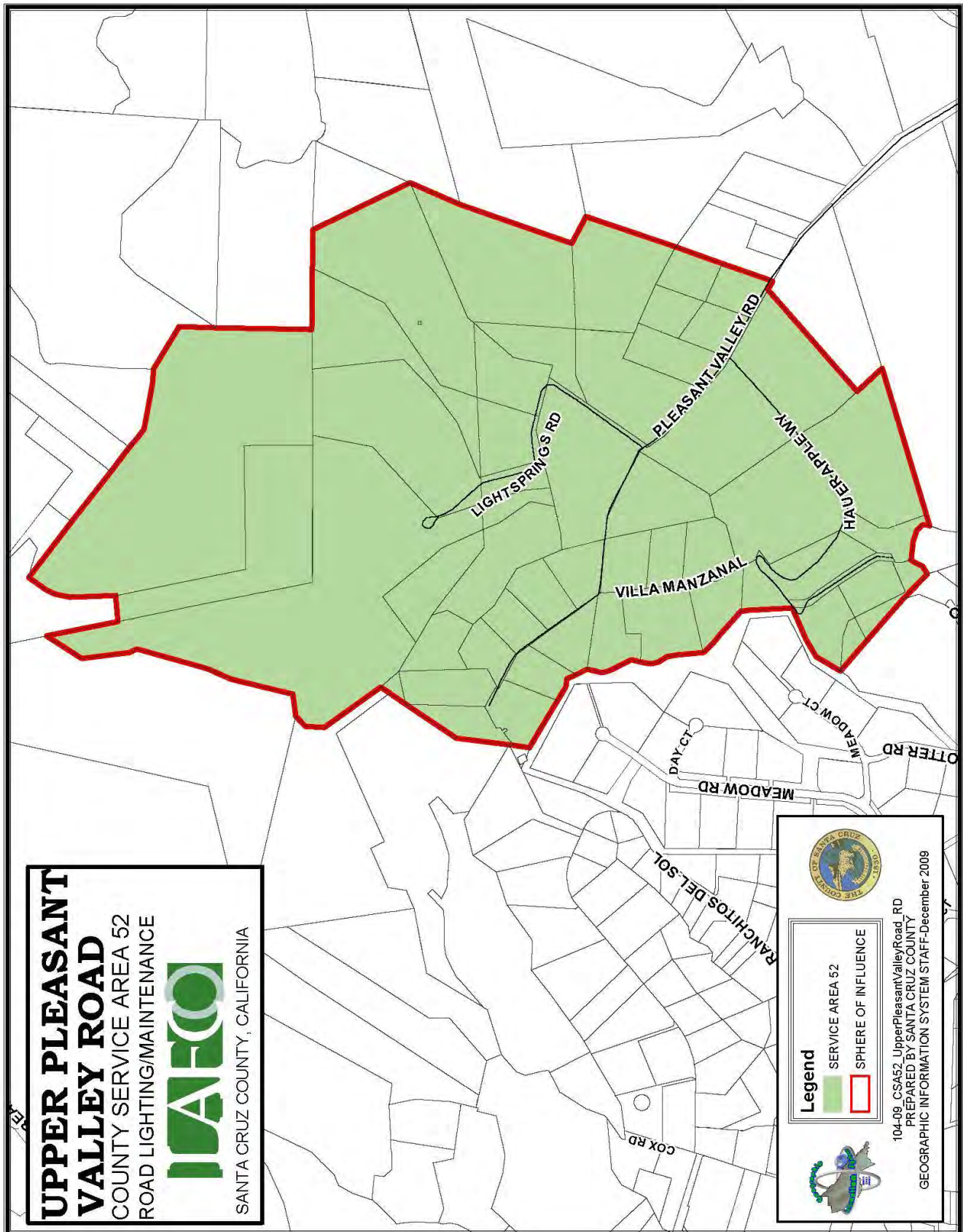
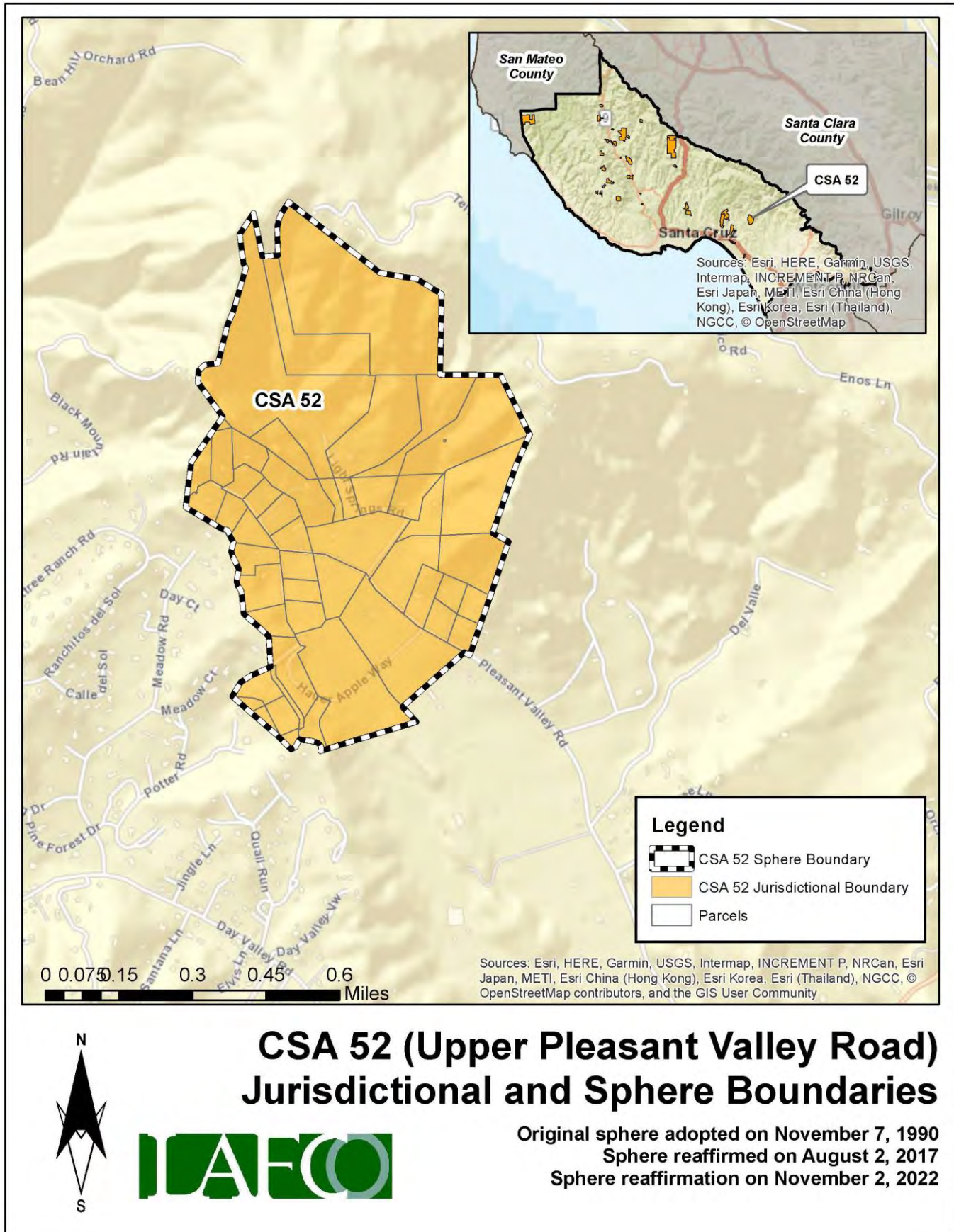


Figure 162: CSA 52's Proposed Sphere Map



District Summary

County Service Area 52	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	1.58 road miles
District Area	0.60 square miles (appx. 388 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$6,262</p> <p>Total Expenditure = \$223</p> <p>Net Position (Ending Balance) = \$23,698</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 52 in 2020 was estimated to be 27. Based on LAFCO's analysis, the population within the CSA will be approximately 28 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 52 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 52 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$24,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 52 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 52 has 54 parcels within its jurisdictional boundary and provides extended services to approximately 1.58 miles of road for the residents.

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

CSA 52 has a population of approximately 27. The constituents fund the through 18 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 55 (RIVERDALE PARK)

Overview

County Service Area 55 was formed on August 7, 1996 with the purpose of providing extended maintenance to 0.91 road miles. **Appendix 31** provides a copy of the formation resolution. There is a total of 69 parcels within the CSA (totaling approximately 35 acres). **Figure 163**, on page 340, is a vicinity map depicting CSA 55's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain and Rural Residential. **Table 126** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 55 has nine funding zones (Zones A-I). The rates have remained the same since FY 2018-19. **Figure 164** on page 341 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 55.

Table 126: Benefit Assessment Rates (2017 to 2021)

CSA 55	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone A	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Change (%)		0%	0%	0%	0%
Zone B	\$550.00	\$565.00	\$565.00	\$565.00	\$565.00
Change (%)		3%	0%	0%	0%
Zone C	\$15.00	\$580.00	\$580.00	\$580.00	\$580.00
Change (%)		3767%	0%	0%	0%
Zone D	\$40.00	\$620.00	\$620.00	\$620.00	\$620.00
Change (%)		1450%	0%	0%	0%
Zone E	\$25.00	\$605.00	\$605.00	\$605.00	\$605.00
Change (%)		2320%	0%	0%	0%
Zone F	-	\$605.00	\$605.00	\$605.00	\$605.00
Change (%)			0%	0%	0%
Zone G	-	\$620.00	\$620.00	\$620.00	\$620.00
Change (%)			0%	0%	0%
Zone H	\$60.00	\$680.00	\$680.00	\$680.00	\$680.00
Change (%)		1033%	0%	0%	0%
Zone I	\$200.00	\$215.00	\$215.00	\$215.00	\$215.00
Change (%)		8%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 55 was 2020 is estimated to be 35. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 127** shows the anticipated population within CSA 55. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 55. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 55 will be approximately 36 by 2040.

Table 127: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 55	35	35	35	35	36

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Figure 163: CSA 55's Vicinity Map

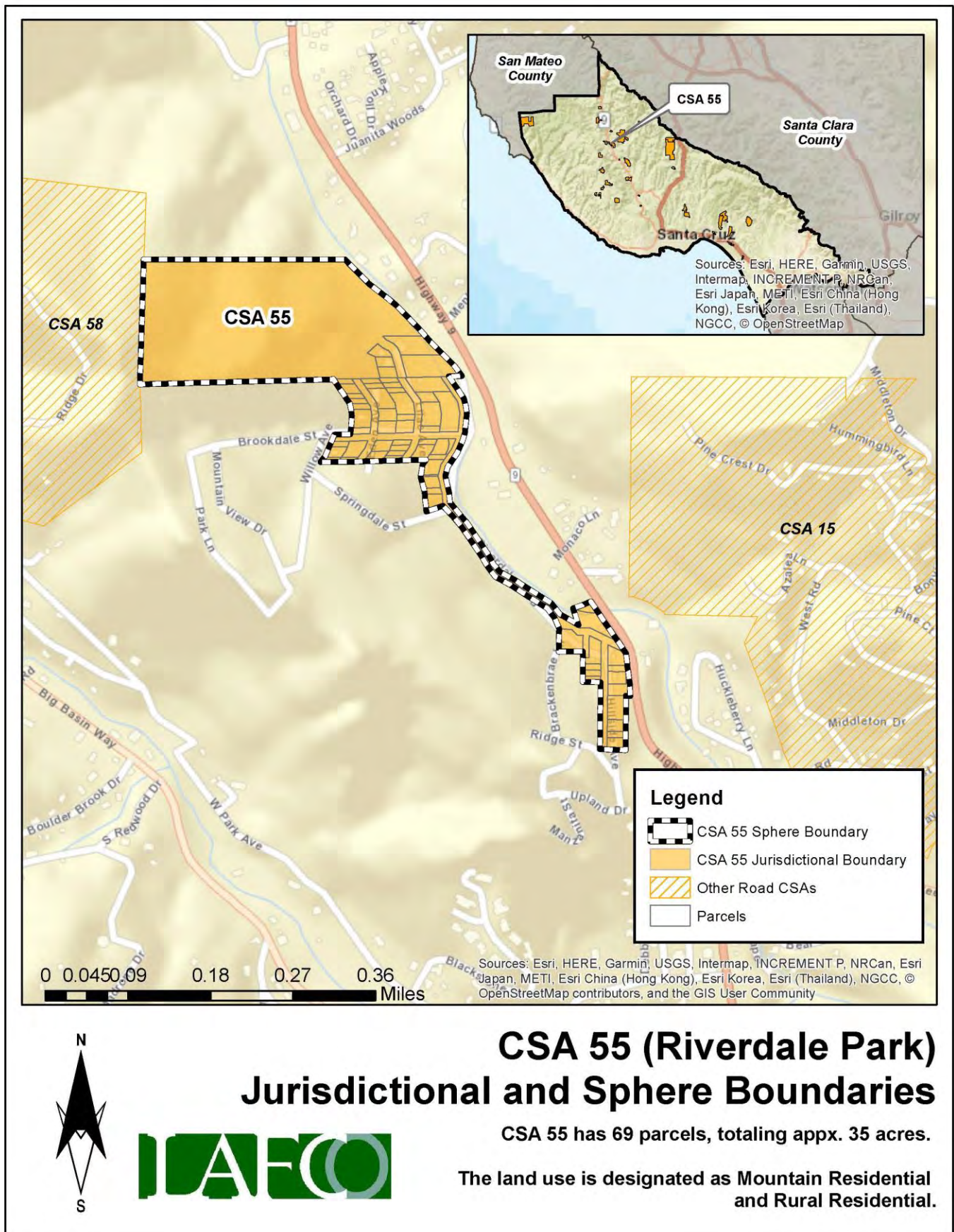
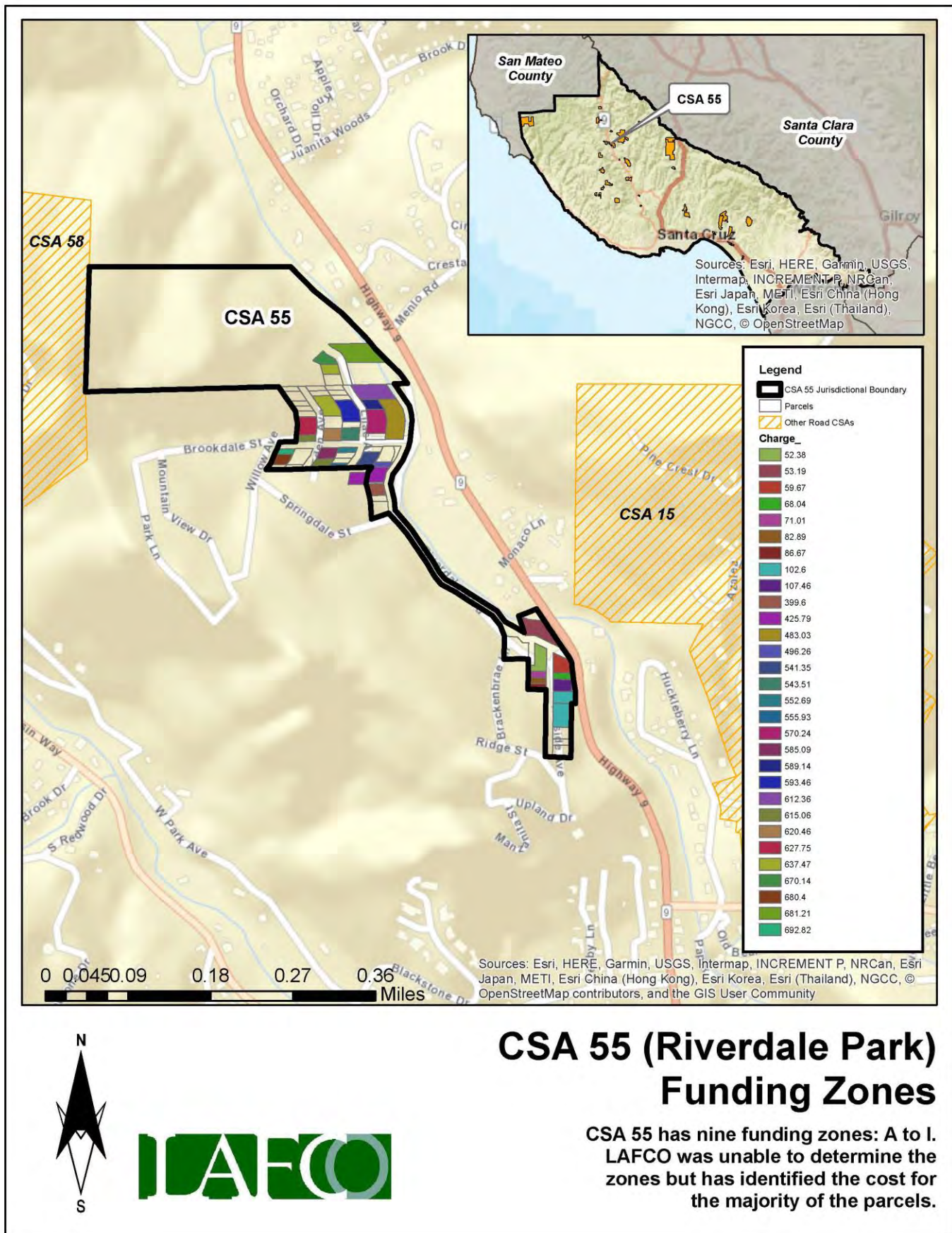


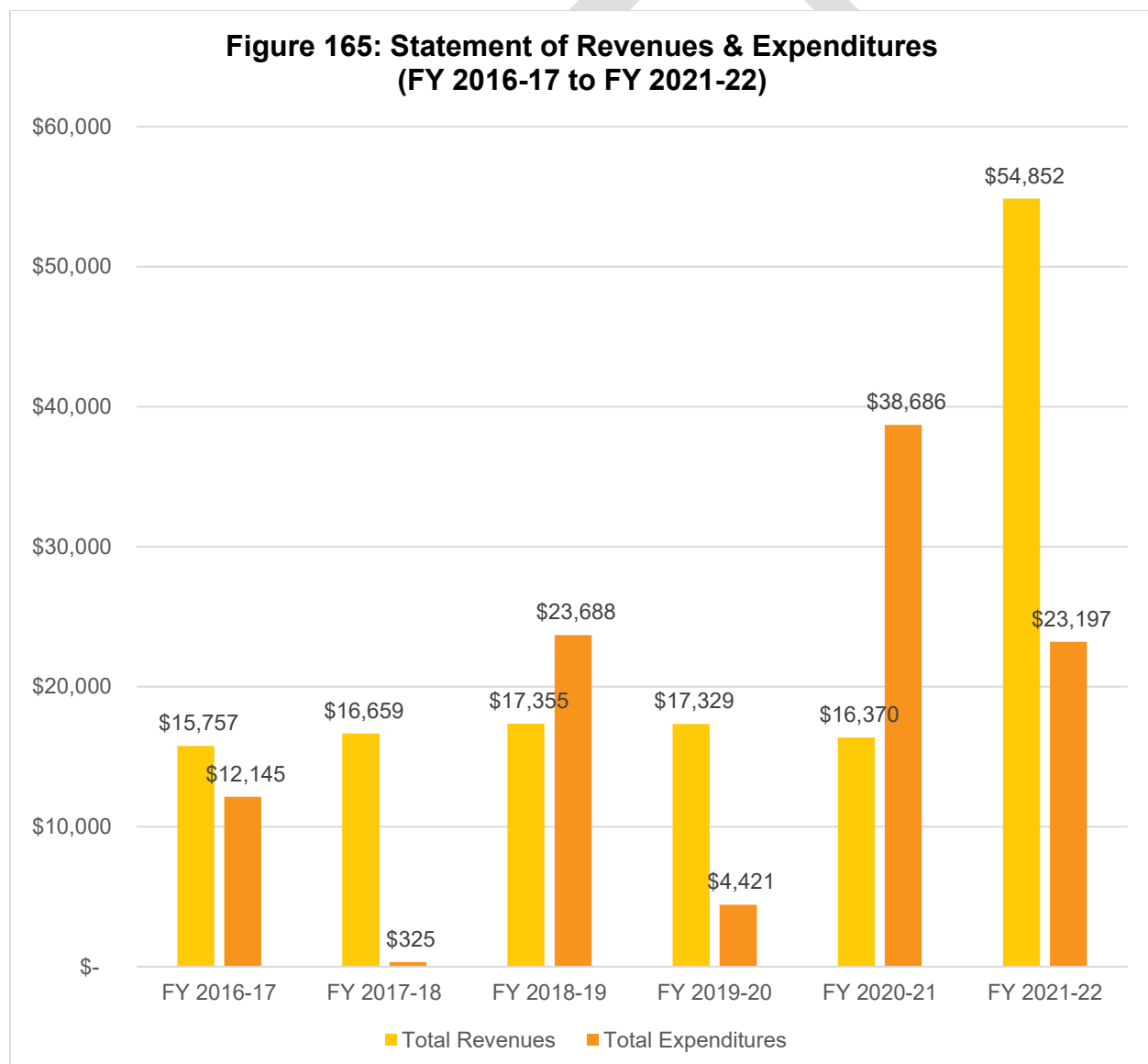
Figure 164: CSA 55's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 55's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 129** on page 344.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$55,000, representing a 235% increase from the previous year (\$16,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$23,000, which decreased by 40% from the previous year (\$39,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2018-19 and FY 2020-21, as shown in **Figure 165**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$96,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 128** and **Figure 166**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$63,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 128: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$63,353.17	\$79,686.35	\$73,352.58	\$86,261.09	\$63,945.14
Ending Balance	\$63,353	\$79,686	\$73,353	\$86,261	\$63,945	\$95,600
Change (\$)	-	\$16,333	\$(6,334)	\$12,909	\$(22,316)	\$31,655

**Figure 166: Net Position from 2016 to 2022
(Ending Balance)**

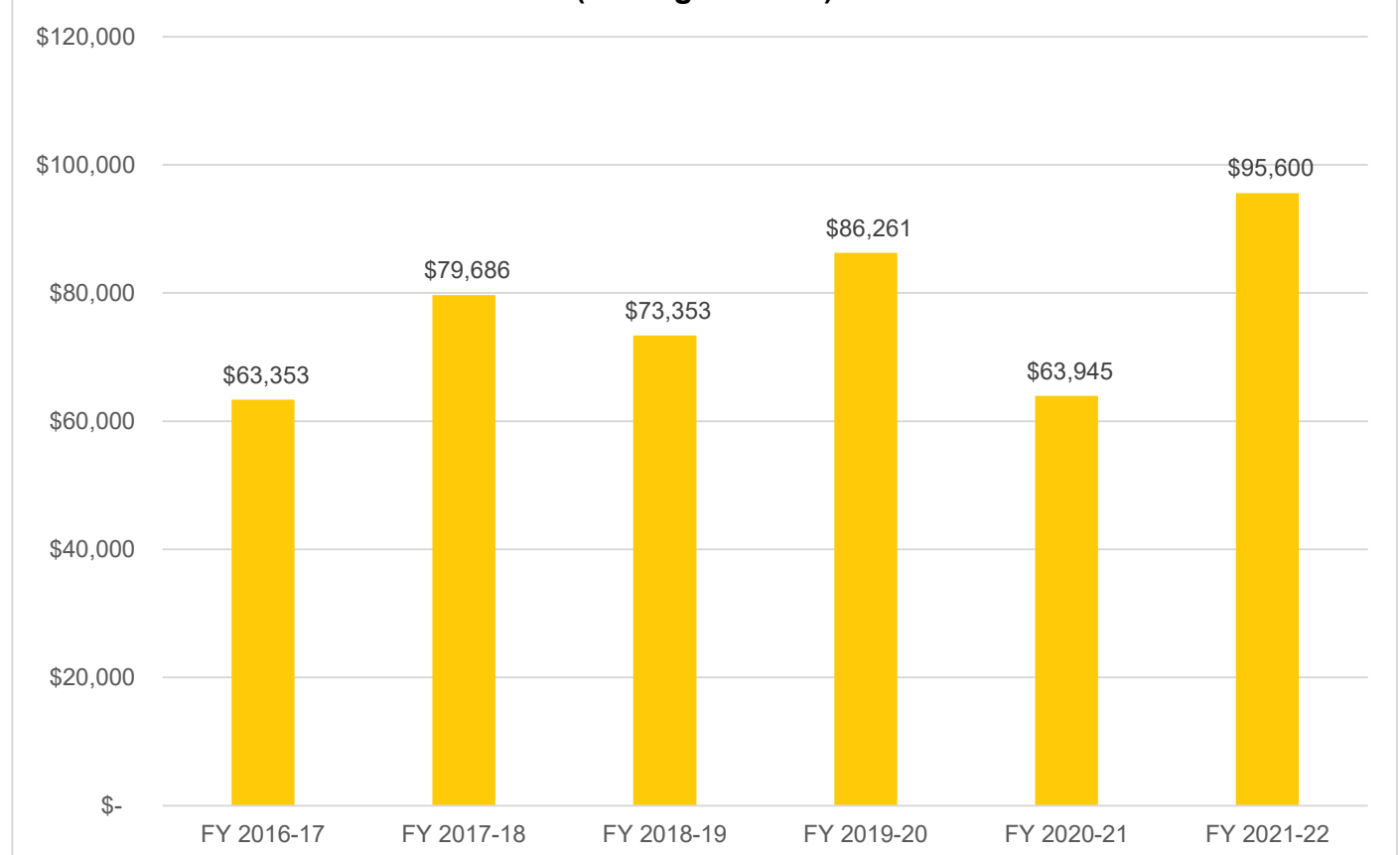


Table 129: Total Revenues & Expenditures

CSA 55	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 551.01	\$ 847.13	\$ 1,564.37	\$ 1,523.83	\$ 565.04	\$ 296.90
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,750.00
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000.00
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 15,206.20	\$ 15,811.40	\$ 15,790.35	\$ 15,805.35	\$ 15,805.35	\$ 15,805.35
Total Revenues	\$ 15,757.21	\$ 16,658.53	\$ 17,354.72	\$ 17,329.18	\$ 16,370.39	\$ 54,852.25
EXPENDITURES						
DPW Services - Riverdale Park	\$ 12,006.67	\$ 325.35	\$ 18,546.58	\$ 2,646.58	\$ 32,646.58	\$ 20,103.31
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 140.00
Division Overhead - Admin		\$ -	\$ 2,358.85	\$ 1,123.29	\$ 1,616.27	\$ 436.85
Dept Overhead Costs		\$ -	\$ 2,533.06	\$ 525.80	\$ 4,298.49	\$ 2,516.98
Total Expenditures	\$ 12,145.42	\$ 325.35	\$ 23,688.49	\$ 4,420.67	\$ 38,686.34	\$ 23,197.14
Surplus/(Deficit)	\$ 3,611.79	\$ 16,333.18	\$ (6,333.77)	\$ 12,908.51	\$ (22,315.95)	\$ 31,655.11
FUND BALANCE						
Beginning of Year	\$ -	\$ 63,353.17	\$ 79,686.35	\$ 73,352.58	\$ 86,261.09	\$ 63,945.14
End of Year	\$ 63,353.17	\$ 79,686.35	\$ 73,352.58	\$ 86,261.09	\$ 63,945.14	\$ 95,600.25

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 55's first sphere of influence on August 7, 1996. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 167** on page 345 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 69 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 168** on page 346 shows the proposed sphere boundary.

Figure 167: CSA 55's Current Sphere Map

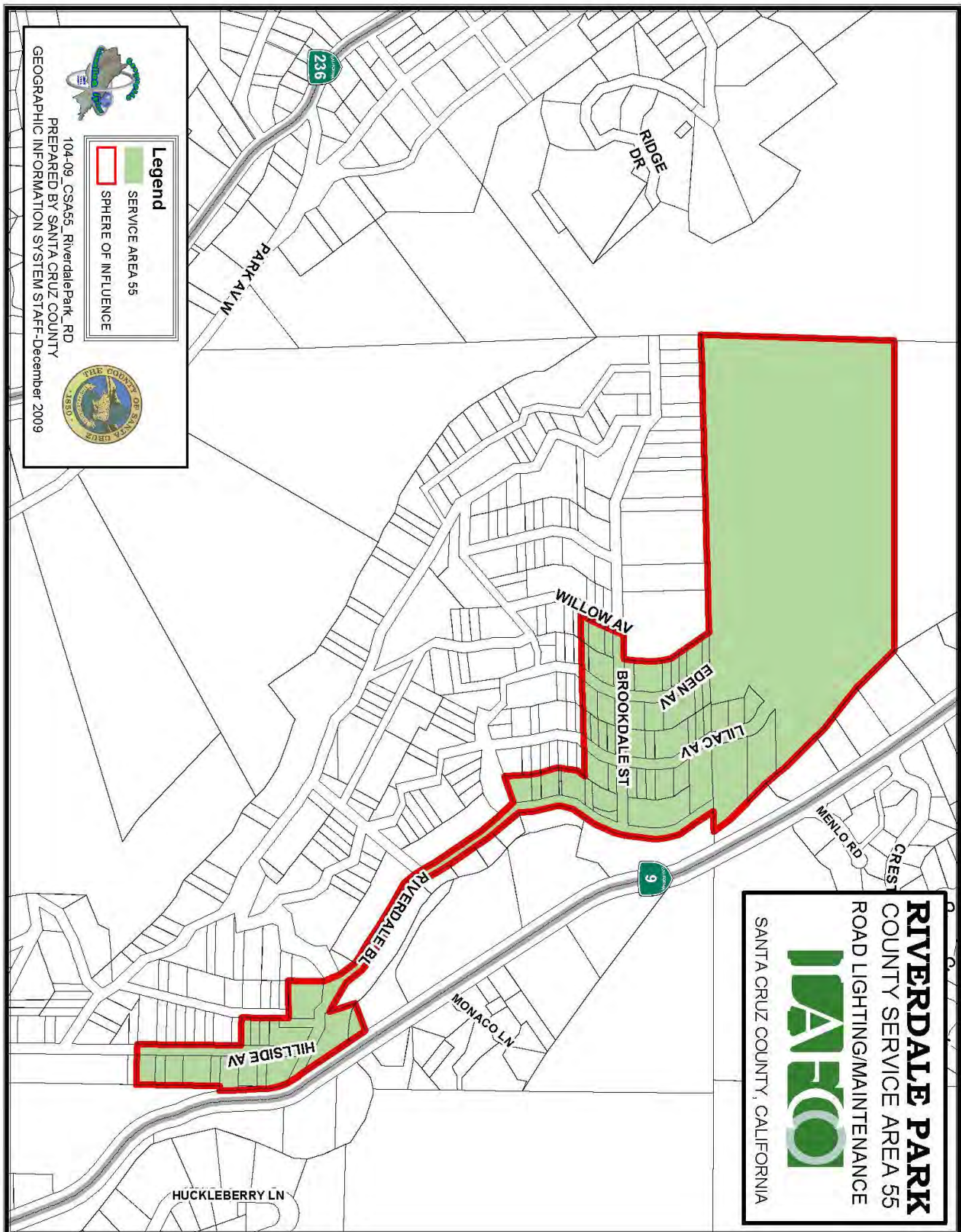
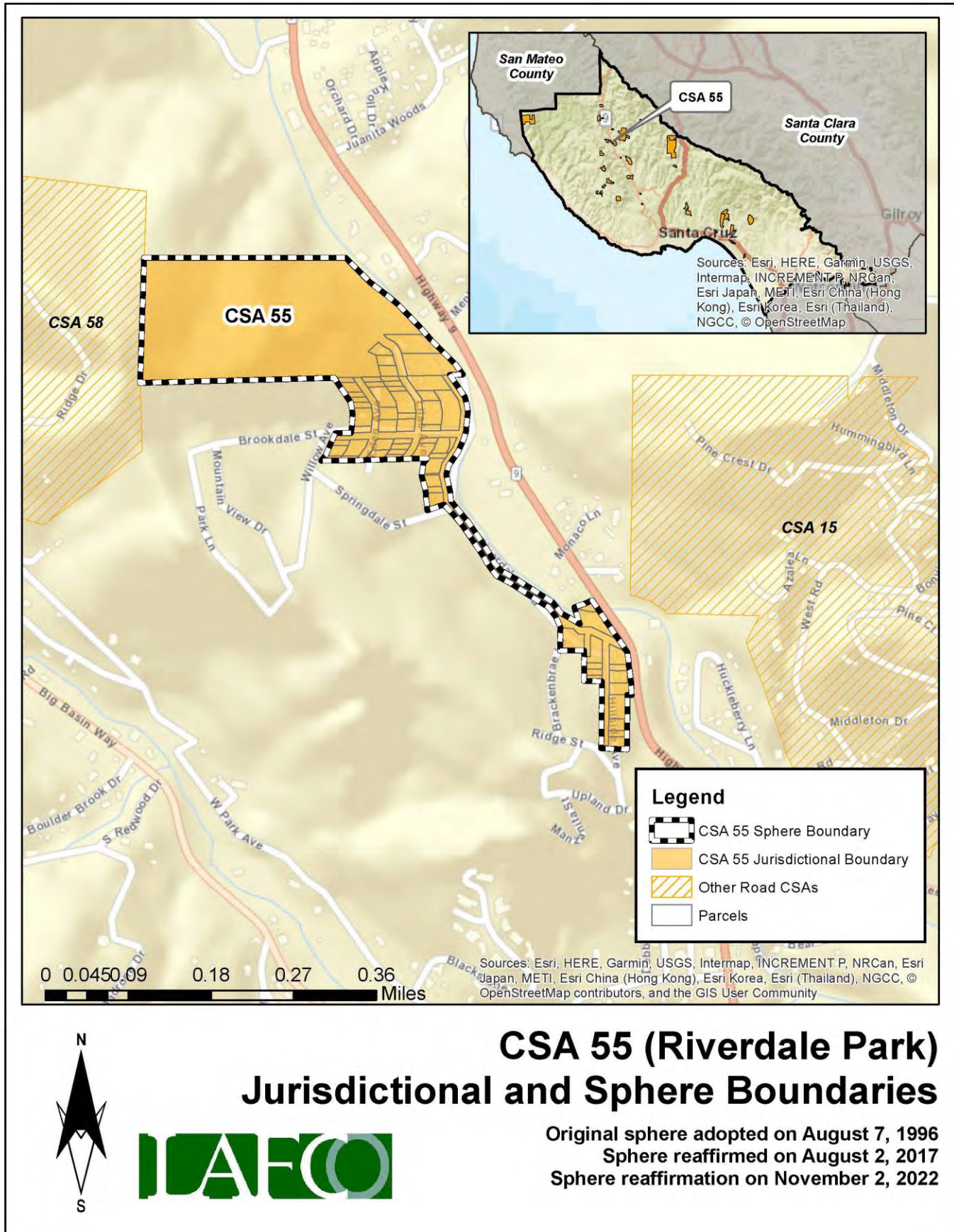


Figure 168: CSA 55's Proposed Sphere Map



District Summary

County Service Area 55	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.91 road miles
District Area	0.05 square miles (appx. 35 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$54,852</p> <p>Total Expenditure = \$23,187</p> <p>Net Position (Ending Balance) = \$95,600</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 55 in 2020 was estimated to be 35. Based on LAFCO's analysis, the population within the CSA will be approximately 36 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 55 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 55 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$96,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 55 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 55 has 69 parcels within its jurisdictional boundary and provides extended services to approximately 0.91 miles of road for the residents.

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

CSA 55 has a population of approximately 35. The constituents fund the through nine zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 56 (FELTON GROVE)

Overview

County Service Area 56 was formed on February 4, 1998 with the purpose of providing extended maintenance to 0.57 road miles. **Appendix 32** provides a copy of the formation resolution. There is a total of 56 parcels within the CSA (totaling approximately 11 acres). **Figure 169**, on page 351, is a vicinity map depicting CSA 56's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Suburban Residential. **Table 130** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 56 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 56.

Table 130: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 56	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Change (%)		0%	0%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 56 was 2020 is estimated to be 165. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 131** shows the anticipated population within CSA 56. The average rate of change is 0.86%.

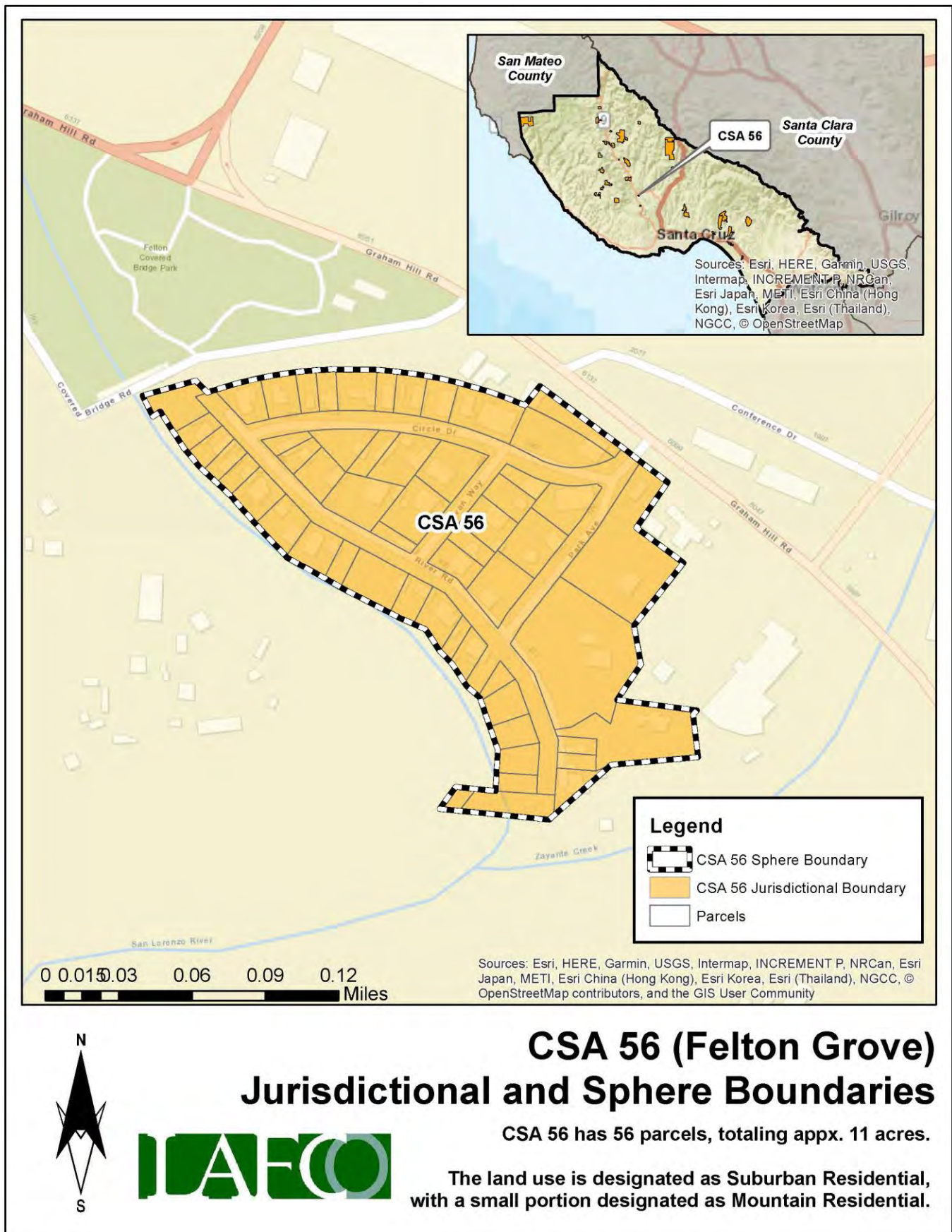
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 56. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 56 will be approximately 171 by 2040.

Table 131: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 56	165	166	168	169	171

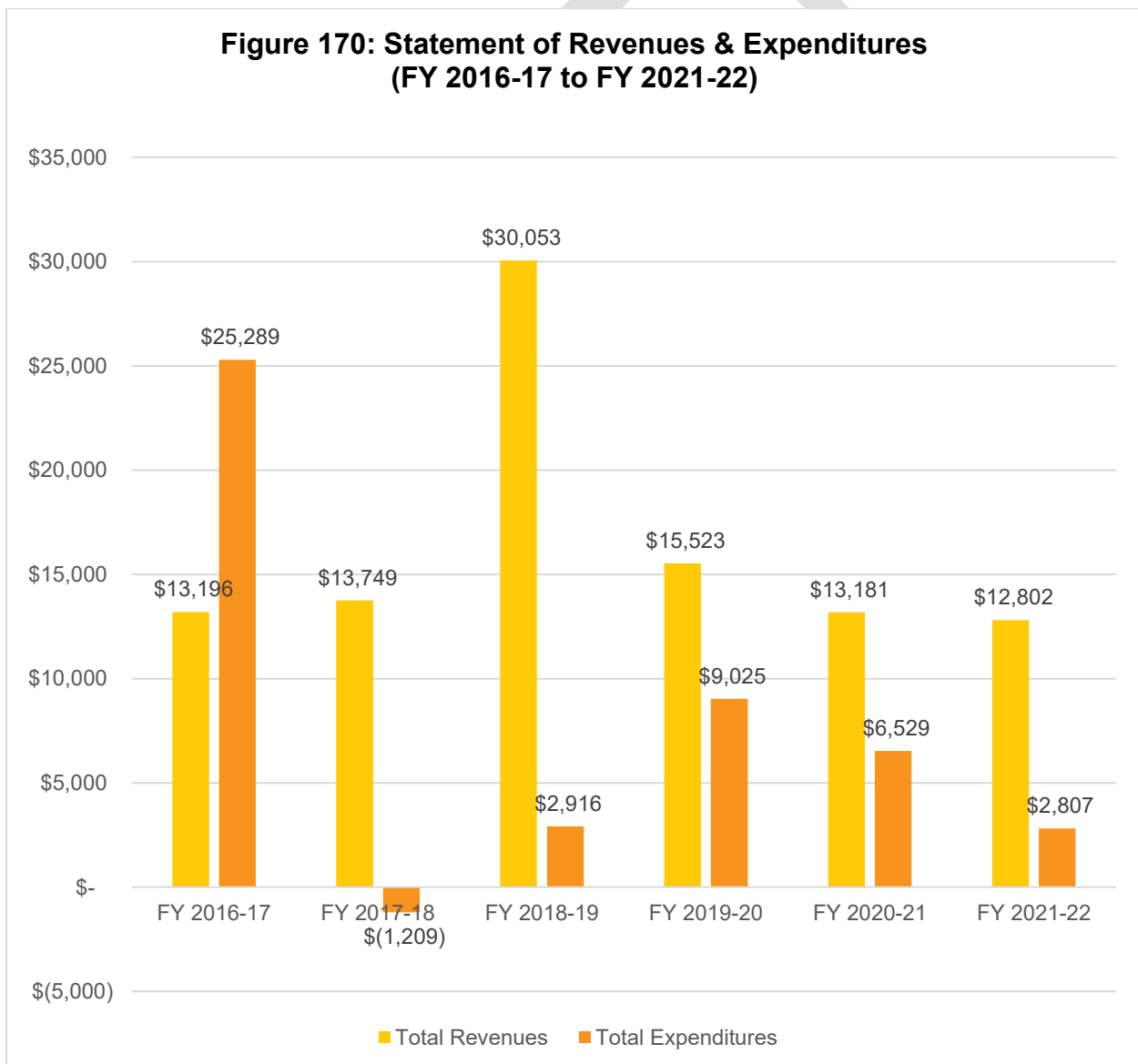
Figure 169: CSA 56's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 56's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 133** on page 354.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$12,800, representing a 3% decrease from the previous year (\$13,200 in FY 20-21). Total expenses for FY 2021-22 were approximately \$2,800, which decreased by 57% from the previous year (\$6 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17, as shown in **Figure 170**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$207,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 132** and **Figure 171**, the CSA's fund balance has increased over the years and has maintained an annual balance above \$142,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 132: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$142,162.53	\$157,120.84	\$184,258.41	\$190,756.52	\$197,408.39
Ending Balance	\$142,163	\$157,121	\$184,258	\$190,757	\$197,408	\$207,403
Change (\$)	-	\$14,958	\$27,138	\$6,498	\$6,652	\$9,994

**Figure 171: Net Position from 2016 to 2022
(Ending Balance)**



Table 133: Total Revenues & Expenditures

CSA 56	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 1,316.21	\$ 1,869.07	\$ 3,516.39	\$ 3,642.94	\$ 1,301.13	\$ 921.64
St-Natural Disaster Assistance	\$ -	\$ -	\$ 2,931.00	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ 11,726.00	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 11,880.00	\$ 11,880.00	\$ 11,880.00	\$ 11,880.00	\$ 11,880.00	\$ 11,880.00
Total Revenues	\$ 13,196.21	\$ 13,749.07	\$ 30,053.39	\$ 15,522.94	\$ 13,181.13	\$ 12,801.64
EXPENDITURES						
DPW Services - Felton Grove	\$ 22,907.08	\$ (3,462.66)	\$ 121.12	\$ 3,993.35	\$ 2,866.42	\$ 241.85
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ 2,243.31	\$ 2,253.42	\$ 2,145.00	\$ 2,102.00	\$ 2,072.00	\$ 2,072.00
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 94.55	\$ 1,731.57	\$ 740.36	\$ 67.76
Dept Overhead Costs	\$ -	\$ -	\$ 305.15	\$ 1,072.91	\$ 725.48	\$ 300.79
Total Expenditures	\$ 25,289.14	\$ (1,209.24)	\$ 2,915.82	\$ 9,024.83	\$ 6,529.26	\$ 2,807.40
Surplus/(Deficit)	\$ (12,092.93)	\$ 14,958.31	\$ 27,137.57	\$ 6,498.11	\$ 6,651.87	\$ 9,994.24
FUND BALANCE						
Beginning of Year	\$ -	\$ 142,162.53	\$ 157,120.84	\$ 184,258.41	\$ 190,756.52	\$ 197,408.39
End of Year	\$142,162.53	\$ 157,120.84	\$184,258.41	\$ 190,756.52	\$197,408.39	\$207,402.63

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 56's first sphere of influence on February 4, 1998. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 172** on page 355 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 56 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 173** on page 356 shows the proposed sphere boundary.

Figure 172: CSA 56's Current Sphere Map

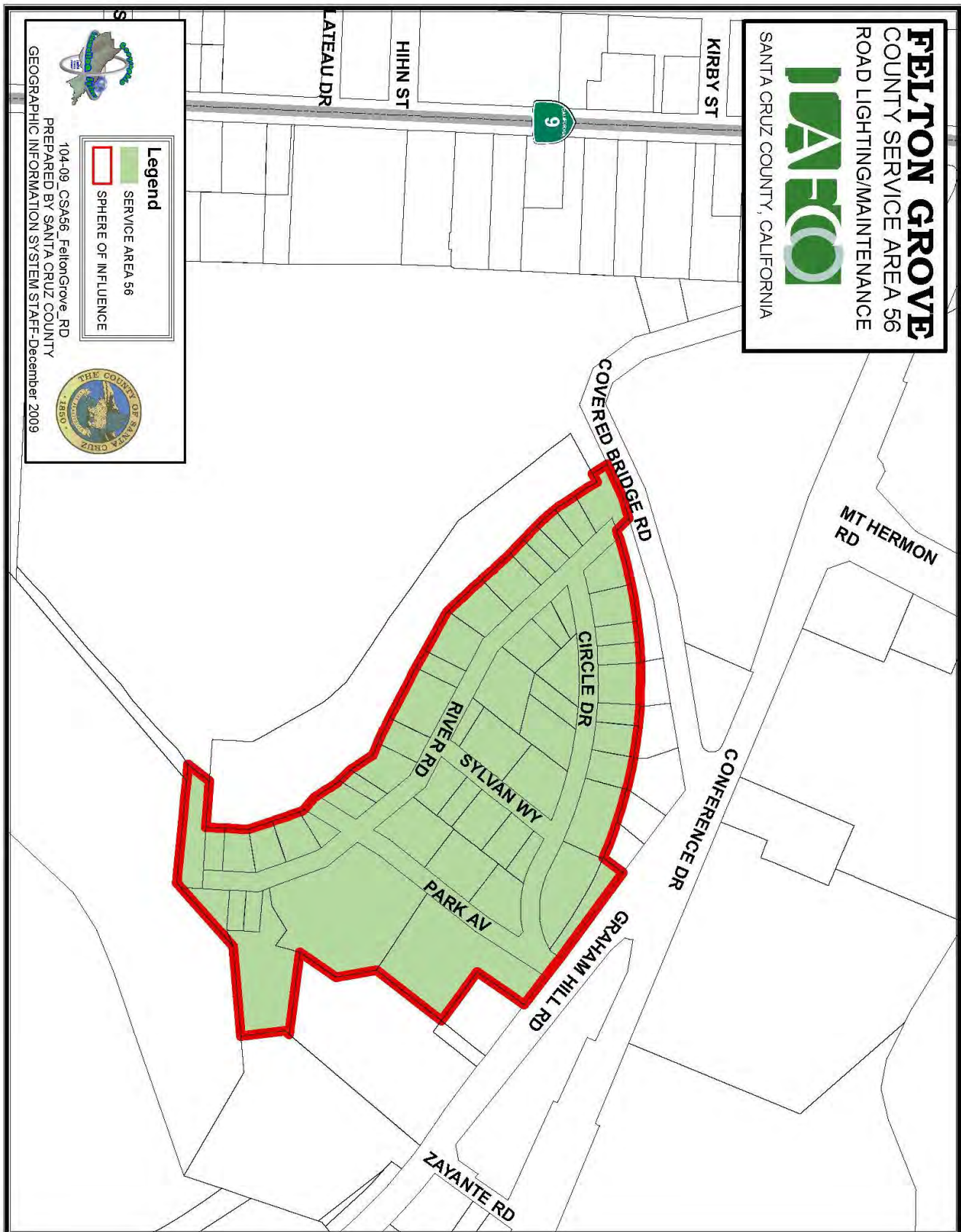
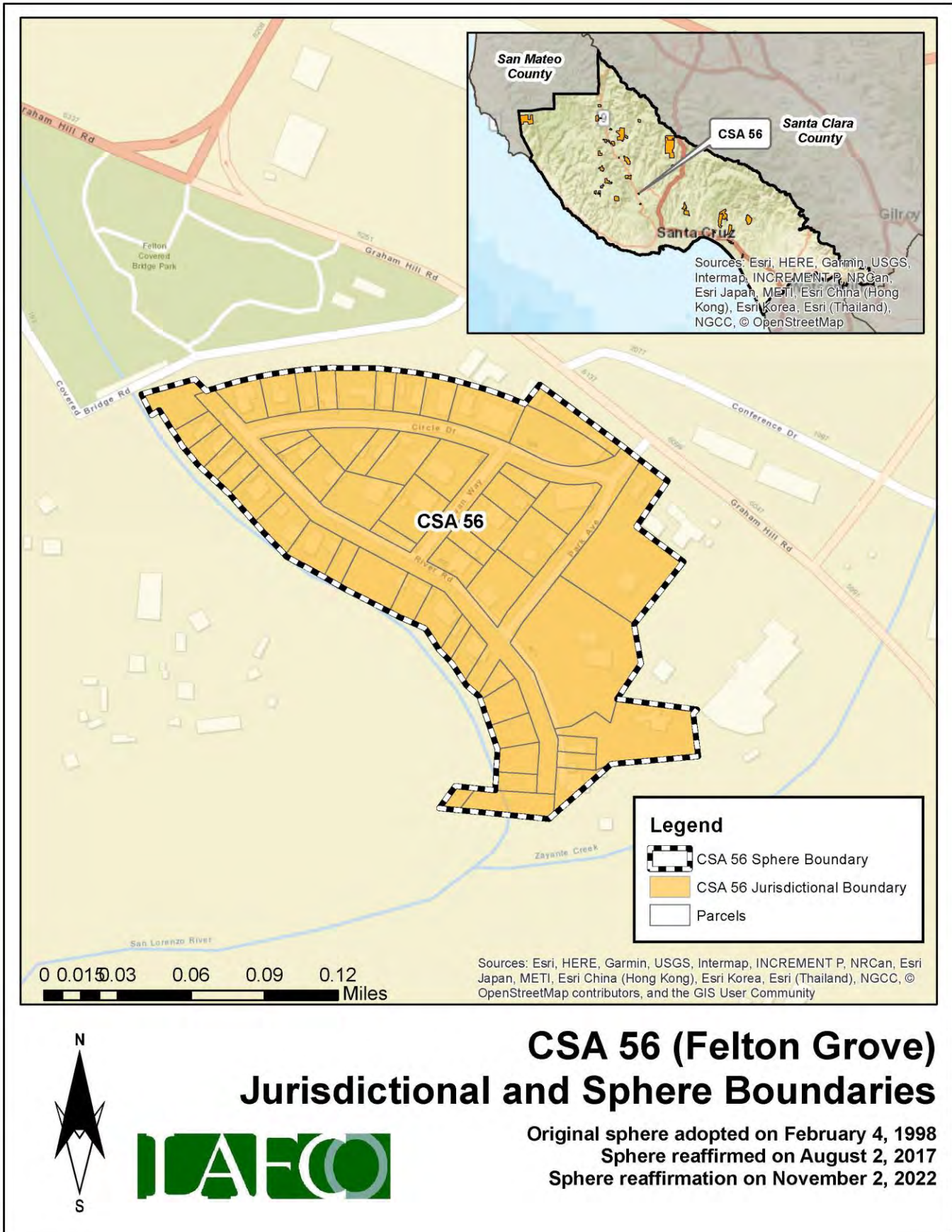


Figure 173: CSA 56's Proposed Sphere Map



District Summary

County Service Area 56	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.57 road miles
District Area	0.017 square miles (appx. 11 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$12,802</p> <p>Total Expenditure = \$2,807</p> <p>Net Position (Ending Balance) = \$207,403</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 56 in 2020 was estimated to be 165. Based on LAFCO's analysis, the population within the CSA will be approximately 171 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 56 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 56 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$207,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Suburban Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 56 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 56 has 56 parcels within its jurisdictional boundary and provides extended services to approximately 0.57 miles of road for the residents.

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

CSA 56 has a population of approximately 165. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 58 (RIDGE DRIVE)

Overview

County Service Area 58 was formed on December 5, 2001 with the purpose of providing extended maintenance to 0.30 road miles. **Appendix 33** provides a copy of the formation resolution. There is a total of 25 parcels within the CSA (totaling approximately 61 acres). **Figure 174**, on page 361, is a vicinity map depicting CSA 58's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain and Rural Residential. **Table 134** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 58 has four funding zones (Zones 1-4). **Figure 175** on page 362 shows the location of the zones. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 58.

Table 134: Benefit Assessment Rates (2017 to 2021)

CSA 58	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Zone 1	\$77.24	\$77.24	\$80.24	\$80.24	\$80.24
Change (%)		0%	4%	0%	0%
Zone 2	\$308.98	\$308.98	\$321.02	\$321.02	\$321.02
Change (%)		0%	4%	0%	0%
Zone 3	\$540.74	\$540.74	\$4,821.02	\$561.80	\$561.80
Change (%)		0%	792%	-88%	0%
Zone 4	\$772.50	\$772.50	\$5,061.80	\$802.58	\$802.58
Change (%)		0%	555%	-84%	0%

Population and Growth

Based on staff's analysis, the population of CSA 58 in 2020 is estimated to be 356. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 135** shows the anticipated population within CSA 58. The average rate of change is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 58. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 58 will be approximately 368 by 2040.

Table 135: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 58	356	359	362	365	368

Figure 174: CSA 58's Vicinity Map

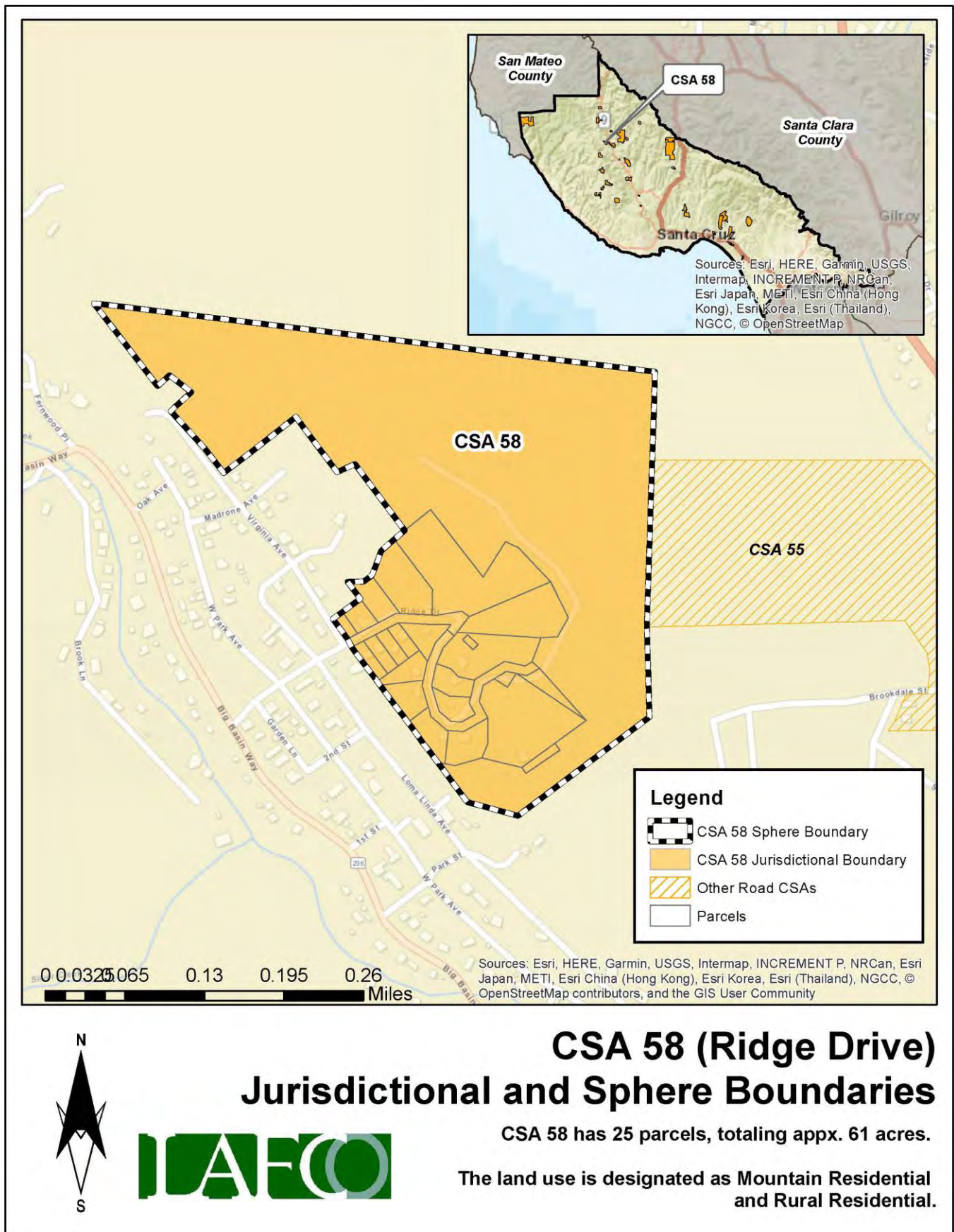
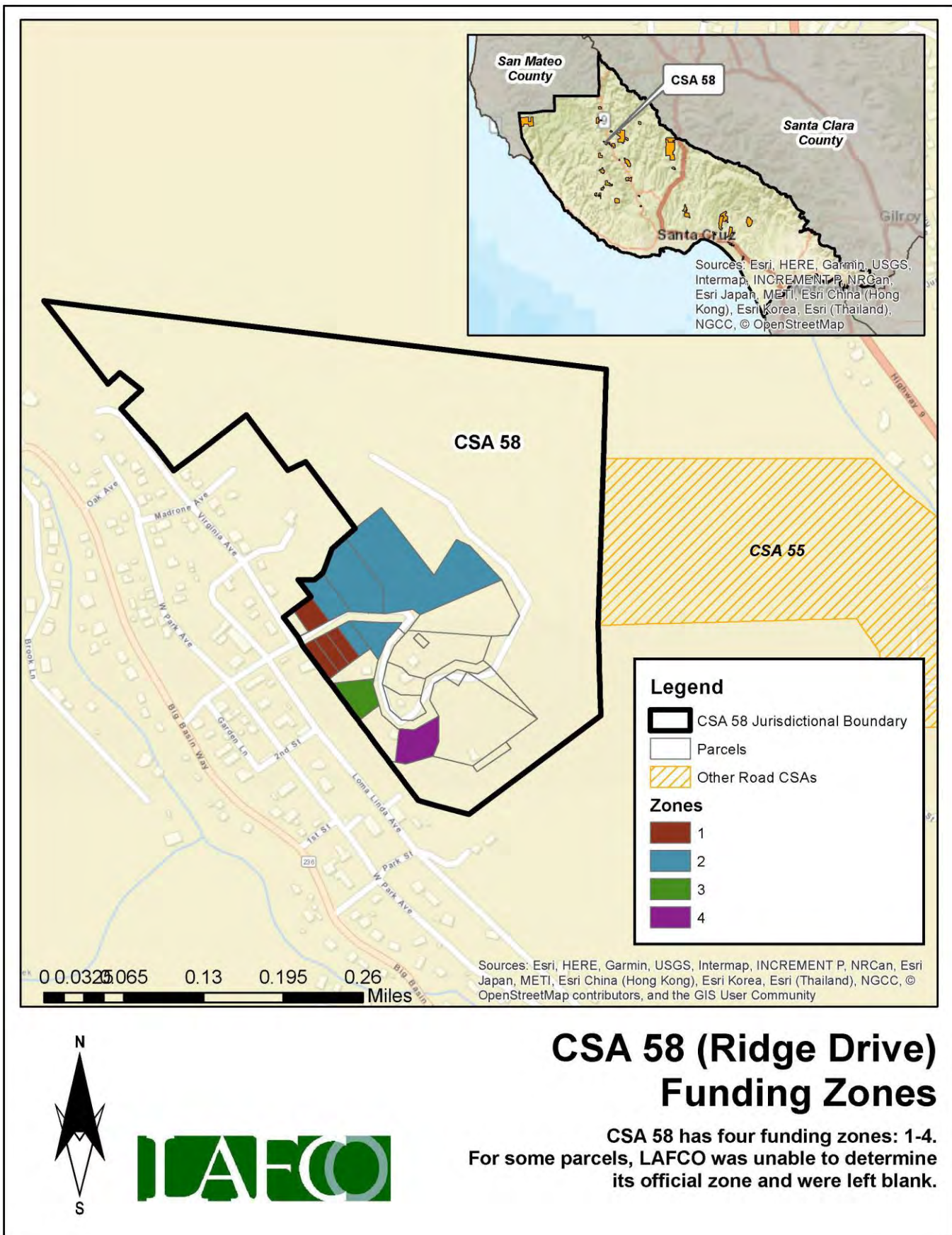


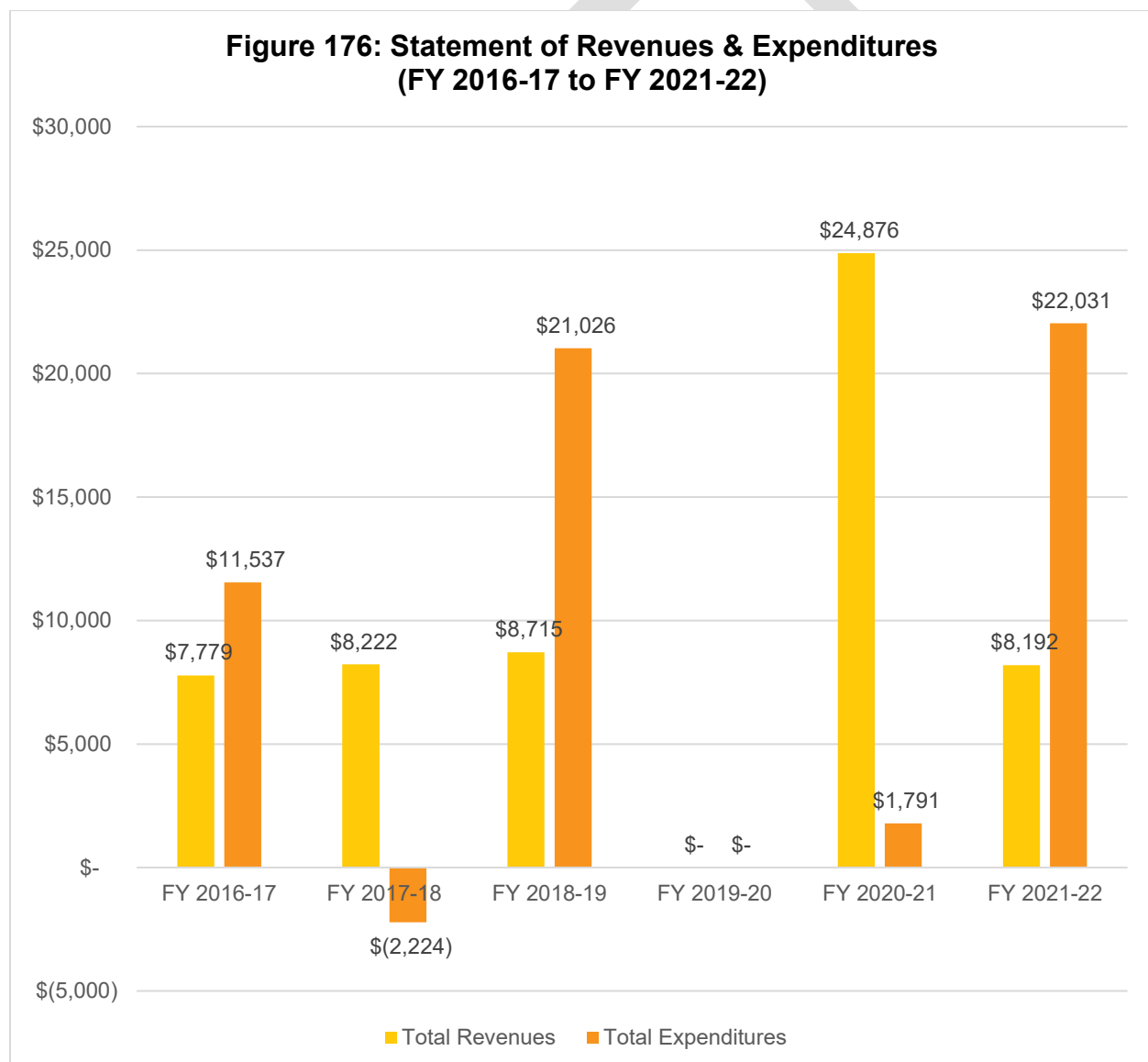
Figure 175: CSA 58's Funding Zones Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 58's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 137** on page 365.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$8,200, representing a 67% decrease from the previous year (\$25,000 in FY 20-21). Total expenses for FY 2021-22 were approximately \$22,000, which increased by 1,130% from the previous year (\$2,000 in FY 20-21). Since 2016, the CSA ended with a deficit in three of the last six fiscal years, as shown in **Figure 176**. LAFCO staff believes that the overall negative trend may continue unless the CSA's improves its ability to collect the necessary funds to outset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$51,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 136** and **Figure 177**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$41,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 136: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$43,232.56	\$53,677.72	\$41,366.55	\$41,366.55	\$64,451.14
Ending Balance	\$43,233	\$53,678	\$41,367	\$41,367	\$64,451	\$50,612
Change (\$)	-	\$10,445	\$(12,311)	\$-	\$23,085	\$(13,840)

**Figure 177: Net Position from 2016 to 2022
(Ending Balance)**

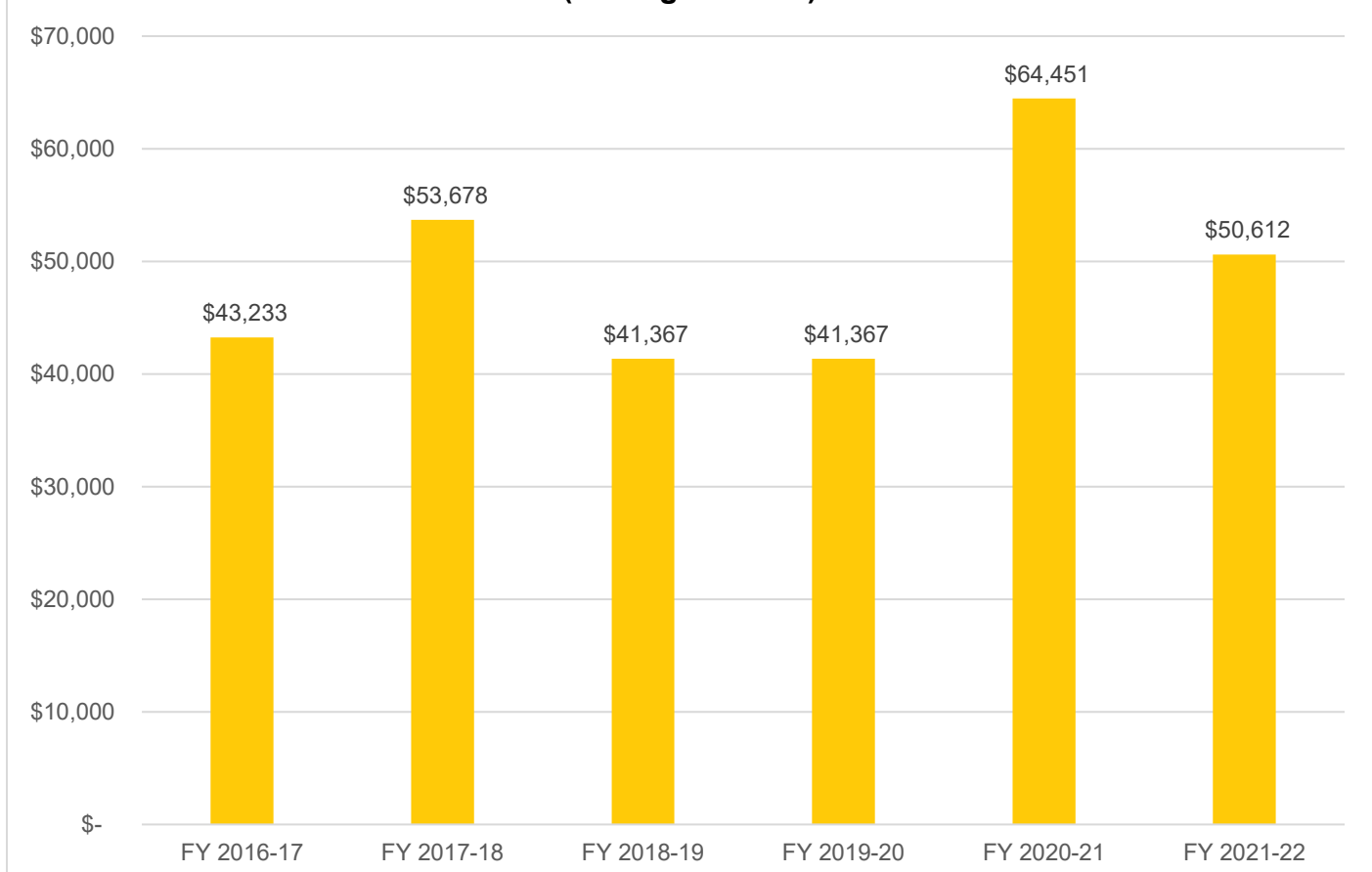


Table 137: Total Revenues & Expenditures

CSA 58	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -		\$ -	\$ -
Interest	\$ 428.01	\$ 650.38	\$ 1,144.39		\$ 410.04	\$ 325.99
St-Natural Disaster Assistance	\$ -	\$ -	\$ -		\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -		\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -		\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -		\$ 16,600.00	\$ -
Other Road & Street Services	\$ 7,350.66	\$ 7,571.18	\$ 7,570.83		\$ 7,865.93	\$ 7,865.93
Total Revenues	\$ 7,778.67	\$ 8,221.56	\$ 8,715.22	\$ -	\$ 24,875.97	\$ 8,191.92
EXPENDITURES						
DPW Services - Ridge Drive	\$ 11,397.83	\$ (2,223.60)	\$ 15,088.94		\$ 25.41	\$ 497.25
FEMA Labor	\$ -	\$ -	\$ -		\$ -	\$ 16,775.84
Insurance	\$ -	\$ -	\$ -		\$ -	\$ -
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00		\$ 232.55	\$ 140.00
Division Overhead - Admin	\$ -	\$ -	\$ 3,437.34		\$ 1,334.37	\$ 2,542.54
Dept Overhead Costs	\$ -	\$ -	\$ 2,250.11		\$ 199.05	\$ 2,075.82
Total Expenditures	\$ 11,536.58	\$ (2,223.60)	\$ 21,026.39	\$ -	\$ 1,791.38	\$ 22,031.45
Surplus/(Deficit)	\$ (3,757.91)	\$ 10,445.16	\$ (12,311.17)	\$ -	\$ 23,084.59	\$ (13,839.53)
FUND BALANCE						
Beginning of Year	\$ -	\$ 43,232.56	\$ 53,677.72	\$ 41,366.55	\$ 41,366.55	\$ 64,451.14
End of Year	\$ 43,232.56	\$ 53,677.72	\$ 41,366.55	\$ 41,366.55	\$ 64,451.14	\$ 50,611.61

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 58's first sphere of influence on December 5, 2001. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 178** on page 366 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 25 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 179** on page 367 shows the proposed sphere boundary.

Figure 178: CSA 58's Current Sphere Map

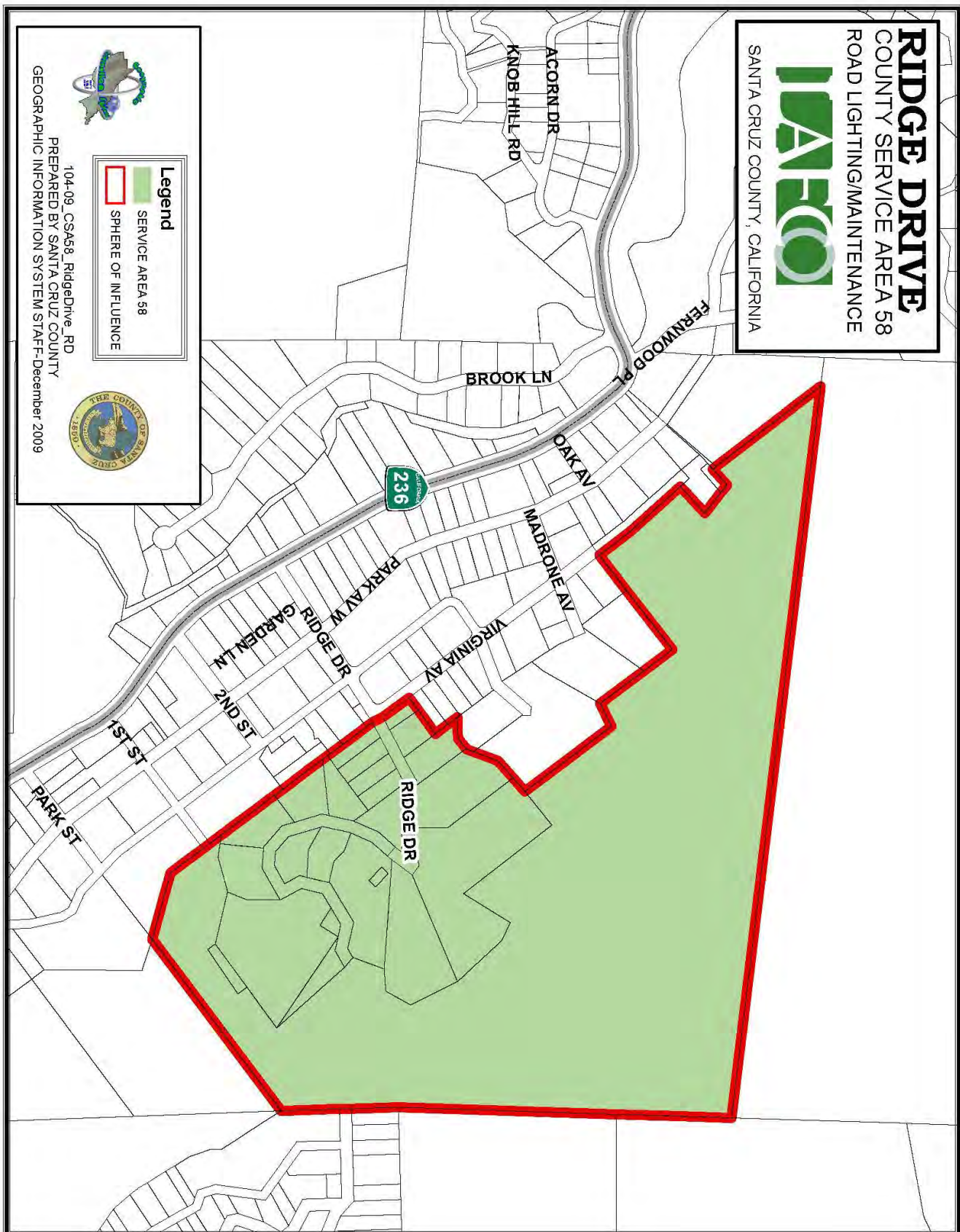
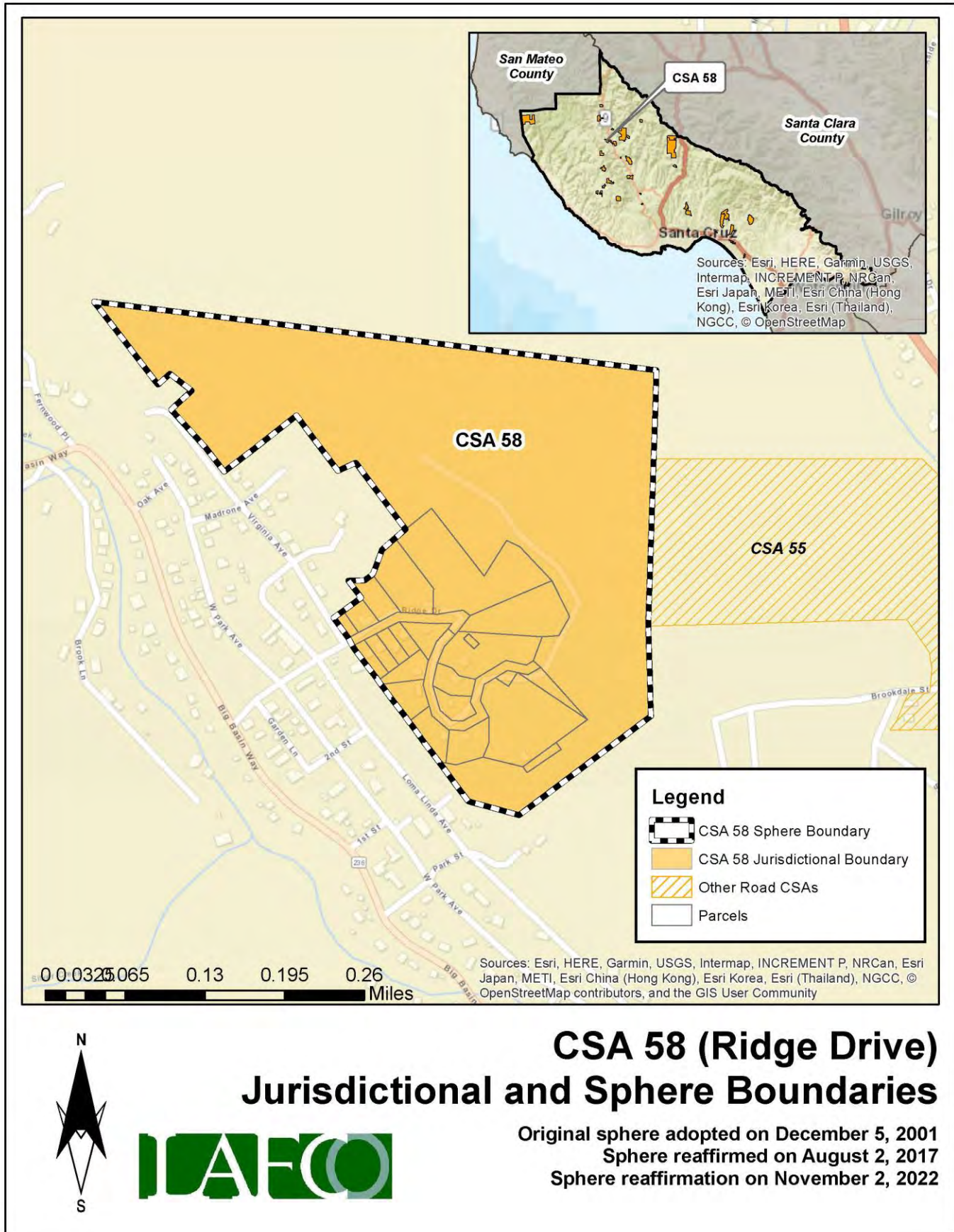


Figure 179: CSA 58's Proposed Sphere Map



District Summary

County Service Area 58	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.30 road miles
District Area	0.10 square miles (appx. 61 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$8,192</p> <p>Total Expenditure = \$22,031</p> <p>Net Position (Ending Balance) = \$50,612</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 58 in 2020 was estimated to be 356. Based on LAFCO's analysis, the population within the CSA will be approximately 368 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 58 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 58 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$51,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 58 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 58 has 25 parcels within its jurisdictional boundary and provides extended services to approximately 0.30 miles of road for the residents.

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

CSA 58 has a population of approximately 356. The constituents fund the through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

CSA 59 (MCGAFFIGAN MILL ROAD)

Overview

County Service Area 59 was formed on September 4, 2002 with the purpose of providing extended maintenance to 0.42 road miles. **Appendix 34** provides a copy of the formation resolution. There is a total of 70 parcels within the CSA (totaling approximately 53 acres). **Figure 180**, on page 372, is a vicinity map depicting CSA 59's current jurisdictional boundary. No boundary changes have occurred since its inception. At present, the majority of land within the CSA is designated as Mountain and Rural Residential. **Table 138** shows the benefit assessment rate from the last five fiscal years. As the table shows, CSA 59 does not have any zones and all constituents pay the same rate. The County currently has 2 employees assigned to manage all 34 road CSAs, including CSA 59.

Table 138: Benefit Assessment Rates (2017 to 2021)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
CSA 59	\$200.00	\$300.00	\$1,300.00	\$1,300.00	\$1,300.00
Change (%)		50%	333%	0%	0%

Population and Growth

Based on staff's analysis, the population of CSA 59 was 2020 is estimated to be 7. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 139** shows the anticipated population within CSA 59. The average rate of change is 0.86%.

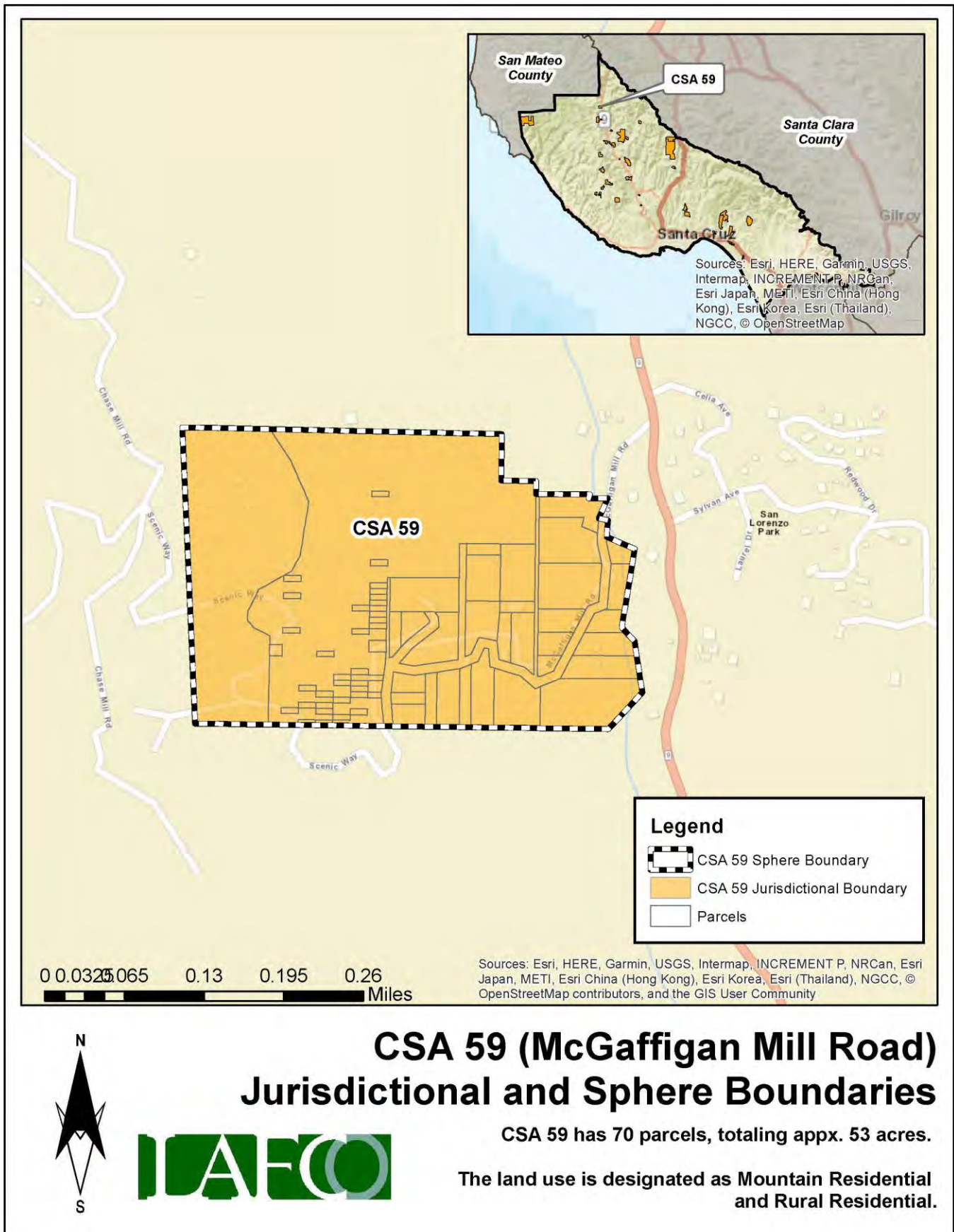
Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for CSA 59. LAFCO staff increased the CSA's 2020 population amount by 0.86% each year. Under this assumption, our projections indicate that the entire population of CSA 59 will be approximately 7 by 2040.

Table 139: Projected Population

	2020	2025	2030	2035	2040
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645
CSA 59	7	7	7	7	7

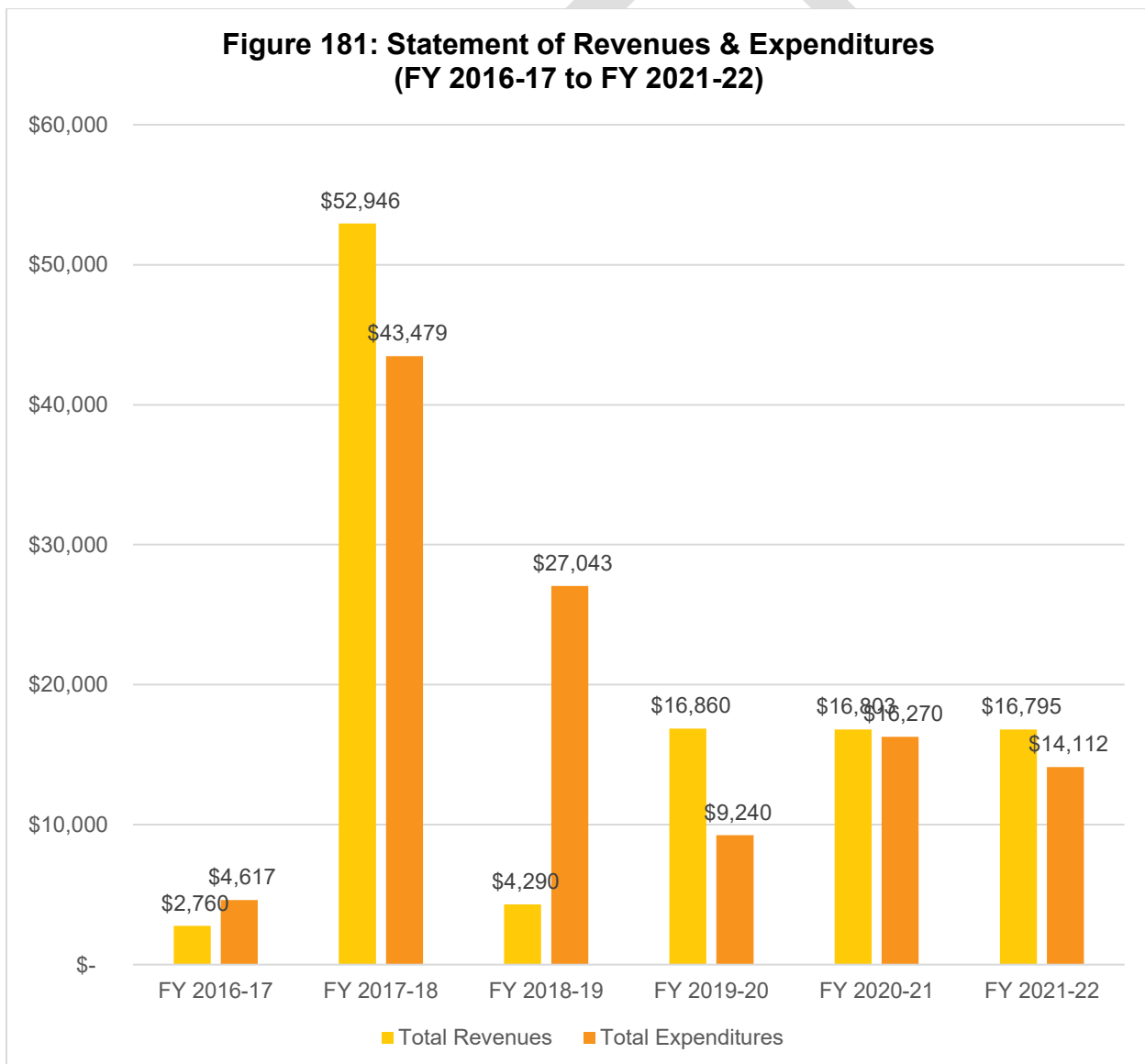
Figure 180: CSA 59's Vicinity Map



Finances

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 59's financial health from 2016 to 2022. A comprehensive analysis of the CSA's financial performance during the past six years is shown in **Table 141** on page 375.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$16,795, representing a 0.05% decrease from the previous year (\$16,800 in FY 20-21). Total expenses for FY 2021-22 were approximately \$14,000, which decreased by 13% from the previous year (\$16,000 in FY 20-21). Since 2016, the CSA ended each fiscal year with a surplus, with the exception of FY 2016-17 and FY 2018-19, as shown in **Figure 181**. LAFCO staff believes that the overall positive trend may continue based upon the CSA's ability to collect the necessary funds to offset anticipated expenses.



Fund Balance / Net Position

As of June 30, 2022, the total net position balance ended with approximately \$17,000. The following table highlights the net position balance from 2016 to 2022. As shown in **Table 140** and **Figure 182**, the CSA's fund balance has fluctuated over the years but has maintained an annual balance above \$5,000. Based on this historical trend, LAFCO staff believes the positive balance may continue if the County collects the necessary funds to offset anticipated expenses. A healthy fund balance amount will be critical in the event that the CSA faces any unintended expenses, major capital improvements projects, or emergency repairs.

Table 140: Net Position (2016 to 2022)

	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)
Beginning Balance	-	\$18,957.23	\$28,424.46	\$5,672.15	\$13,291.75	\$13,824.88
Ending Balance	\$18,957	\$28,424	\$5,672	\$13,292	\$13,825	\$16,508
Change (\$)	-	\$9,467	\$(22,752)	\$7,620	\$533	\$2,683

**Figure 182: Net Position from 2016 to 2022
(Ending Balance)**

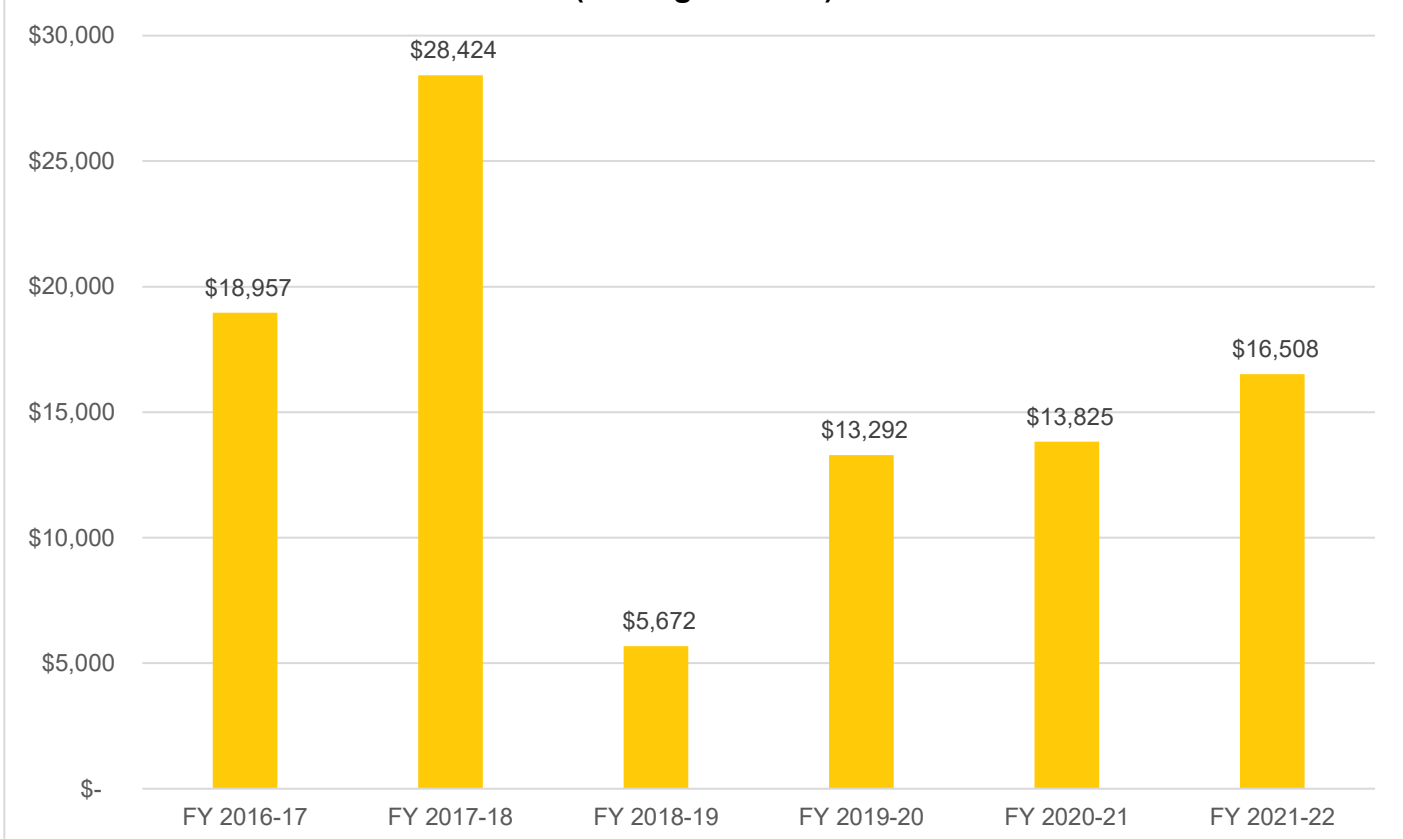


Table 141: Total Revenues & Expenditures

CSA 59	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
REVENUES						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	\$ 186.40	\$ 372.07	\$ 429.23	\$ 128.64	\$ 72.41	\$ 63.99
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners' Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ 50,000.00	\$ -	\$ -	\$ -	\$ -
Other Road & Street Services	\$ 2,574.00	\$ 2,574.00	\$ 3,861.00	\$ 16,731.00	\$ 16,731.00	\$ 16,731.00
Total Revenues	\$ 2,760.40	\$ 52,946.07	\$ 4,290.23	\$ 16,859.64	\$ 16,803.41	\$ 16,794.99
EXPENDITURES						
DPW Services - McGaffigan Road	\$ 4,477.92	\$ 43,478.84	\$ 22,041.72	\$ 114.36	\$ 15,051.31	\$ 1,778.10
FEMA Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Principal on Long Debt	\$ -	\$ -	\$ -	\$ 6,579.42	\$ -	\$ 9,959.69
Interest on Long Term Debt	\$ -	\$ -	\$ -	\$ 2,153.25	\$ -	\$ 1,683.87
Acct & Audit Fees	\$ 138.75	\$ -	\$ 250.00	\$ 125.00	\$ 125.00	\$ 125.00
Division Overhead - Admin	\$ -	\$ -	\$ 1,855.37	\$ 207.66	\$ 915.13	\$ 336.80
Dept Overhead Costs	\$ -	\$ -	\$ 2,895.45	\$ 60.35	\$ 178.84	\$ 228.37
Total Expenditures	\$ 4,616.67	\$ 43,478.84	\$ 27,042.54	\$ 9,240.04	\$ 16,270.28	\$ 14,111.83
Surplus/(Deficit)	\$ (1,856.27)	\$ 9,467.23	\$ (22,752.31)	\$ 7,619.60	\$ 533.13	\$ 2,683.16
FUND BALANCE						
Beginning of Year	\$ -	\$ 18,957.23	\$ 28,424.46	\$ 5,672.15	\$ 13,291.75	\$ 13,824.88
End of Year	\$ 18,957.23	\$ 28,424.46	\$ 5,672.15	\$ 13,291.75	\$ 13,824.88	\$ 16,508.04

Sphere of Influence

Current Sphere Boundary

Santa Cruz LAFCO adopted CSA 59's first sphere of influence on September 4, 2002. The current sphere is coterminous with the CSA's jurisdictional boundary. The last sphere update occurred in August 2017 following the last service review cycle. **Figure 183** on page 376 shows the current sphere of influence boundary.

Proposed Sphere Boundary

Based on staff's analysis, the CSA is providing services 70 parcels and the County has not expressed any interest to expand the CSA's jurisdictional or sphere boundaries. Therefore, LAFCO staff is recommending that the sphere boundary reaffirmed. **Figure 184** on page 377 shows the proposed sphere boundary.

Figure 183: CSA 59's Current Sphere Map

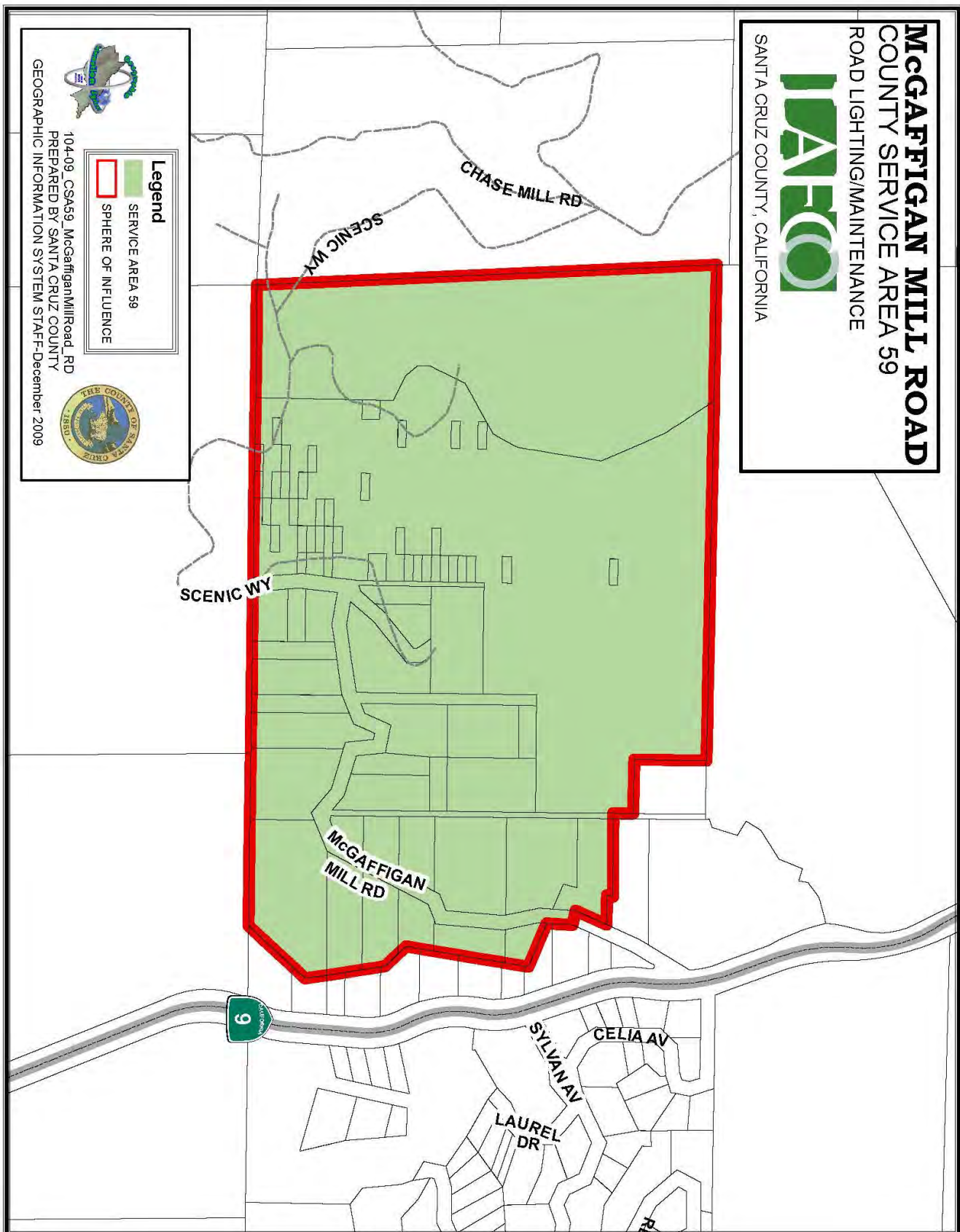
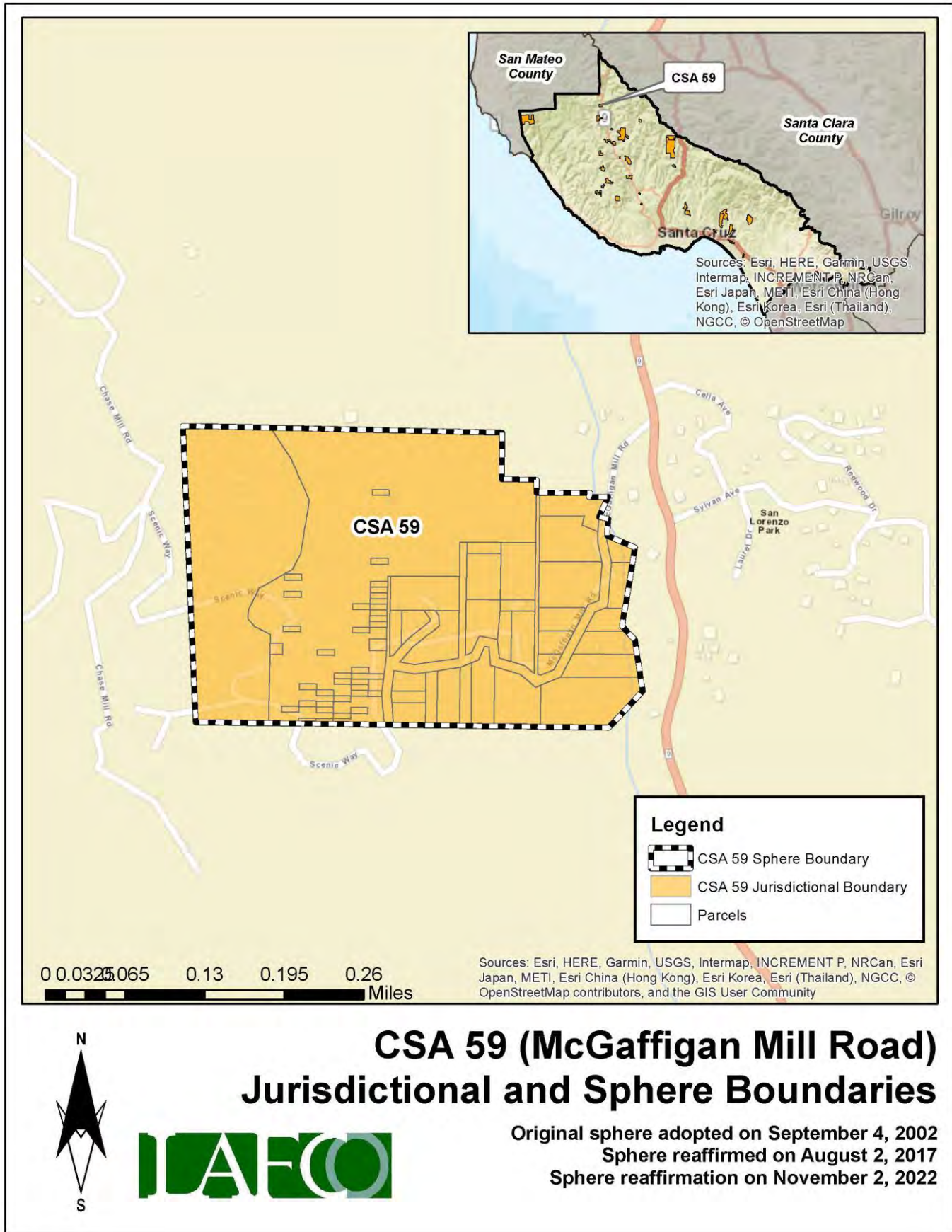


Figure 184: CSA 59's Proposed Sphere Map



District Summary

County Service Area 59	
Formation	County Service Area Law (Government Code §25210.1 et seq.)
Board of Directors	County Board of Supervisors; five members; elected at-large to four-year terms
Contact Person	Matt Machado, County Public Works Director
Employees	2 Full-Time Employees (County Public Works Department)
Road Miles	0.42 road miles
District Area	0.08 square miles (appx. 53 acres)
Sphere of Influence	<p>Current Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District (i.e., sphere boundary the same as the existing jurisdictional boundary)</p>
FY 2021-22 Audit	<p>Total Revenue = \$16,795</p> <p>Total Expenditure = \$14,112</p> <p>Net Position (Ending Balance) = \$16,508</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: dpwcsa@santacruzcounty.us</p> <p>Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	N/A

Service and Sphere Review Determinations

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The population of CSA 59 in 2020 was estimated to be 7. Based on LAFCO's analysis, the population within the CSA will be approximately 7 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 59 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 59 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$17,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 59 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 59 has 70 parcels within its jurisdictional boundary and provides extended services to approximately 0.42 miles of road for the residents.

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

CSA 59 has a population of approximately 7. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

APPENDICES

Appendix 1: CSA 13 (Hutchinson Road/Oak Flat) Formation Resolution
Appendix 2: CSA 15 (Huckleberry Woods) Formation Resolution
Appendix 3: CSA 16 (Robak Drive) Formation Resolution
Appendix 4: CSA 17 (Empire Acres) Formation Resolution
Appendix 5: CSA 18 (Whitehouse Canyon) Formation Resolution
Appendix 6: CSA 21 (Westdale Drive) Formation Resolution
Appendix 7: CSA 22 (Kelly Hill Road) Formation Resolution
Appendix 8: CSA 23 (Old Ranch Road) Formation Resolution
Appendix 9: CSA 24 (Pineridge Road) Formation Resolution
Appendix 10: CSA 25 (Viewpoint Road) Formation Resolution
Appendix 11: CSA 26 (Hidden Valley) Formation Resolution
Appendix 12: CSA 28 (Lomond Terrace) Formation Resolution
Appendix 13: CSA 30 (Glenwood Acres) Formation Resolution
Appendix 14: CSA 32 (View Circle) Formation Resolution
Appendix 15: CSA 33 (Redwood Drive) Formation Resolution
Appendix 16: CSA 34 (Larsen Road) Formation Resolution
Appendix 17: CSA 35 (Country Estates) Formation Resolution
Appendix 18: CSA 36 (Forest Glen) Formation Resolution
Appendix 19: CSA 37 (Roberts Road) Formation Resolution
Appendix 20: CSA 39 (Reed Street) Formation Resolution
Appendix 21: CSA 40 (Ralston Way) Formation Resolution
Appendix 22: CSA 41 (Loma Prieta Drive) Formation Resolution
Appendix 23: CSA 42 (Sunlit Lane) Formation Resolution
Appendix 24: CSA 43 (Bonito-Encino) Formation Resolution
Appendix 25: CSA 44 (Sunbeam Woods) Formation Resolution
Appendix 26: CSA 46 (Pinecrest Drive) Formation Resolution
Appendix 27: CSA 47 (Braemoor Drive) Formation Resolution
Appendix 28: CSA 50 (The Vineyard) Formation Resolution
Appendix 29: CSA 51 (Hopkins Gulch) Formation Resolution
Appendix 30: CSA 52 (Upper Pleasant Valley) Formation Resolution
Appendix 31: CSA 55 (Riverdale Park) Formation Resolution
Appendix 32: CSA 56 (Felton Grove) Formation Resolution
Appendix 33: CSA 58 (Ridge Drive) Formation Resolution
Appendix 34: CSA 59 (McGaffigan Mill Road) Formation Resolution

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento CA 95814

From: (Public Agency)
Santa Cruz Local Agency Formation Commission
701 Ocean Street, Room 318-D
Santa Cruz CA 95060

To: ☒ Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: Countywide Service & Sphere Review for Road County Service Areas

Project Location: Enhanced road maintenance services are provided by 34 county service areas ("CSAs") located throughout Santa Cruz County: CSAs 13, 15, 16, 17, 18, 21, 22, 23, 24, 25, 26, 28, 30, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 46, 47, 50, 51, 52, 55, 56, 58, and 59. A vicinity map depicting the CSAs' jurisdictional boundaries is attached (refer to Attachment A).

Project Location City: N/A

Project Location County: Santa Cruz County

Description of Nature, Purpose, and Beneficiaries of Project: The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence of all cities and districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code section 56430). Santa Cruz LAFCO has prepared a municipal service review, and sphere of influence update for the 34 CSAs in Santa Cruz County. The purpose of the report is to ensure the effectiveness and efficiency in the delivery of public services by the agencies, in accordance with the statutory requirements outlined in the Cortese-Knox-Hertzberg Act.

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County. The LAFCO public hearing on this proposal is scheduled for 9:00 a.m. on November 2, 2022.

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
☐ Categorical Exemption: State type and section number
☐ Statutory Exemptions: State code number
☒ Other: The activity is not a project subject to CEQA.

Reason Why Project is Exempt: The LAFCO action does not change the services or the planned service area of the City. There is no possibility that the activity may have a significant impact on the environment--State CEQA Guidelines Section 15061(b)(3).

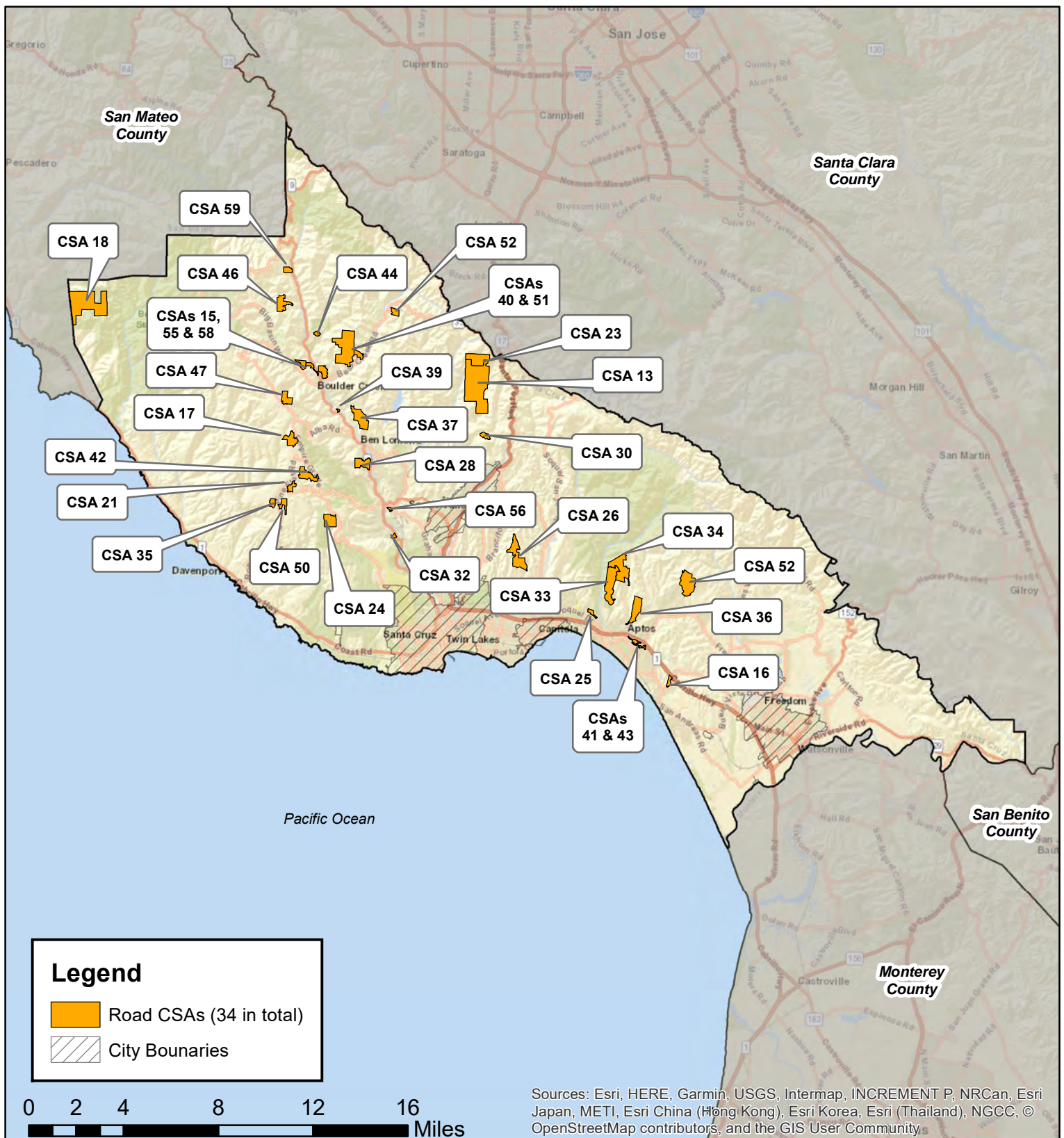
Lead Agency Contact Person: Joe A. Serrano

Area Code/Phone Extension: 831-454-2055

Signature: 
Joe A. Serrano, Executive Officer

Date: October 11, 2022

☒ Signed by Lead Agency



Countywide Service and Sphere Review for Road County Service Areas

Vicinity map created on September 19, 2022



**NOTICE OF PUBLIC HEARING
LOCAL AGENCY FORMATION COMMISSION**

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, November 2, 2022, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold a public hearing on the following:

- **Countywide Service and Sphere Review for Road County Service Areas (LAFCO Project No. SSR 22-14):** Consideration of a service and sphere review for 34 road-related county service areas. These dependent special districts are located throughout Santa Cruz County. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for this report.

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders and Assembly Bill 361, which suspend certain requirements of the Ralph M. Brown Act. Members of the public are encouraged to participate remotely. Instructions to participate remotely are available in the Agenda and Agenda Packet: <https://santacruzlafco.org/meetings/>

During the meeting, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO's staff at (831) 454-2055 or from LAFCO's website at www.santacruzlafco.org. LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at least 48 hours in advance of the meeting to make arrangements.

A handwritten signature in blue ink, appearing to read 'Joe A. Serrano'.

Joe A. Serrano
Executive Officer
Date: October 11, 2022

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-14

On the motion of Commissioner
duly seconded by Commissioner
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE 2022 SERVICE AND SPHERE OF INFLUENCE REVIEW
FOR THE ROAD COUNTY SERVICE AREAS

The Local Agency Formation Commission of Santa Cruz County (the "Commission") does hereby resolve, determine, and order as follows:

1. In accordance with Government Code Sections 56425, 56427, and 56430, the Commission has initiated and conducted the 2022 Countywide Service and Sphere of Influence Review for the 34 County Service Areas ("CSAs"): 13, 15, 16, 17, 18, 21, 22, 23, 24, 25, 26, 28, 30, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 46, 47, 50, 51, 52, 55, 56, 58, and 59.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission of the service and sphere of influence review in the form and manner prescribed by law.
3. The Commission held a public hearing on November 2, 2022, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. This approval of the 2022 Countywide Road CSAs Service and Sphere of Influence Review is exempt under the California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines Section 15061(b)(3) because this Commission action does not change the services or the planned service area of the subject agency. There is no possibility that the activity may have a significant impact on the environment. This action qualifies for a Notice of Exemption under CEQA.
5. The Commission hereby approves the 2022 Countywide Road CSAs Service and Sphere of Influence Review.
6. The Commission hereby approves the Service Review Determinations, as shown on Exhibit 1, 4, 7, 10, 13, 16, 19, 22, 25, 28, 31, 34, 37, 40, 43, 46, 49, 52, 55, 58, 61, 64, 67, 70, 73, 76, 79, 82, 85, 88, 91, 94, 97, and 100.

7. The Commission hereby approves the Sphere of Influence Determinations, as shown on Exhibit 2, 5, 8, 11, 14, 17, 20, 23, 26, 29, 32, 35, 38, 41, 44, 47, 50, 53, 56, 59, 62, 65, 68, 71, 74, 77, 80, 83, 86, 89, 92, 95, 98, and 101.
8. The Commission hereby reaffirms the Sphere of Influence Maps, as shown in Exhibit 3, 6, 9, 12, 15, 18, 21, 24, 27, 30, 33, 36, 39, 42, 45, 48, 51, 54, 57, 60, 63, 66, 69, 72, 75, 78, 81, 84, 87, 90, 93, 96, 99, and 102.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 2nd day of November 2022.

AYES:

NOES:

ABSTAIN:

RACHÉL LATHER, CHAIRPERSON

Attest:

Joe A. Serrano
Executive Officer

Approved as to form:

Joshua Nelson
LAFCO Counsel

EXHIBIT 1
COUNTY SERVICE AREA 13
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 13 in 2020 was estimated to be 555. Based on LAFCO's analysis, the population within the CSA will be approximately 574 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 13 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 13 is financially sound. The CSA ended with a surplus in five of the last six fiscal years during 2016 to 2022. As of June 30, 2022, the total net position balance ended with approximately \$894,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 2
COUNTY SERVICE AREA 13
2022 SPHERE OF INFLUENCE DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 13 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 13 has 195 parcels within its jurisdictional boundary and provides extended services to approximately 12 miles of road for the residents.

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

CSA 13 has a population of approximately 555. The constituents fund the CSA through three zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 3 **COUNTY SERVICE AREA 13** **SPHERE OF INFLUENCE MAP**

LAFCO reaffirms sphere boundary (coterminous sphere).

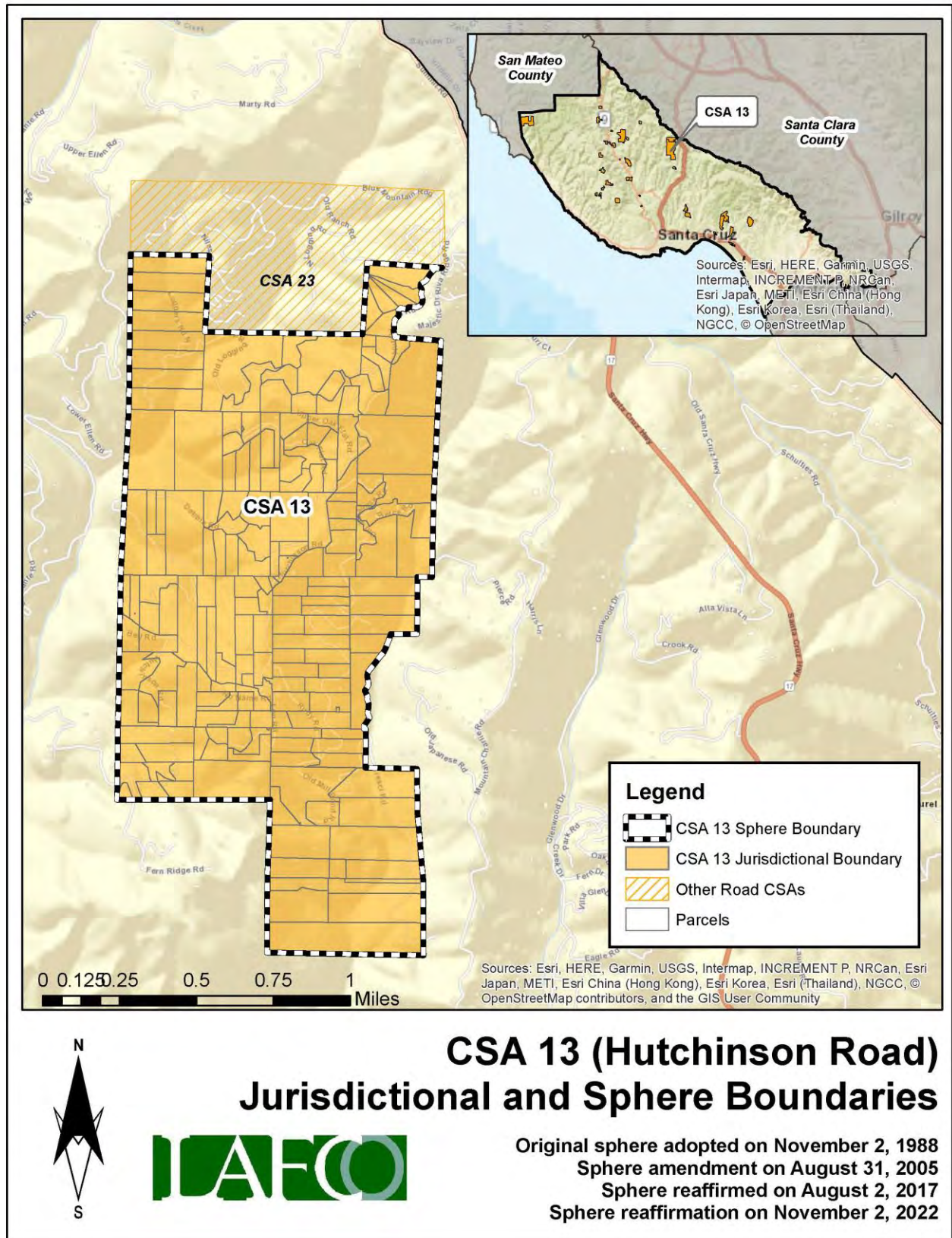


EXHIBIT 4
COUNTY SERVICE AREA 15
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 15 in 2020 was estimated to be 73. Based on LAFCO's analysis, the population within the CSA will be approximately 76 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 15 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 15 is financially sound. The CSA ended with a surplus during the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$257,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 5
COUNTY SERVICE AREA 15
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 15 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 15 has 84 parcels within its jurisdictional boundary and provides extended services to specific road miles within the community. However, the length of road miles was unavailable during LAFCO's analysis.

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

CSA 15 has a population of approximately 73. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 6 COUNTY SERVICE AREA 15 SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

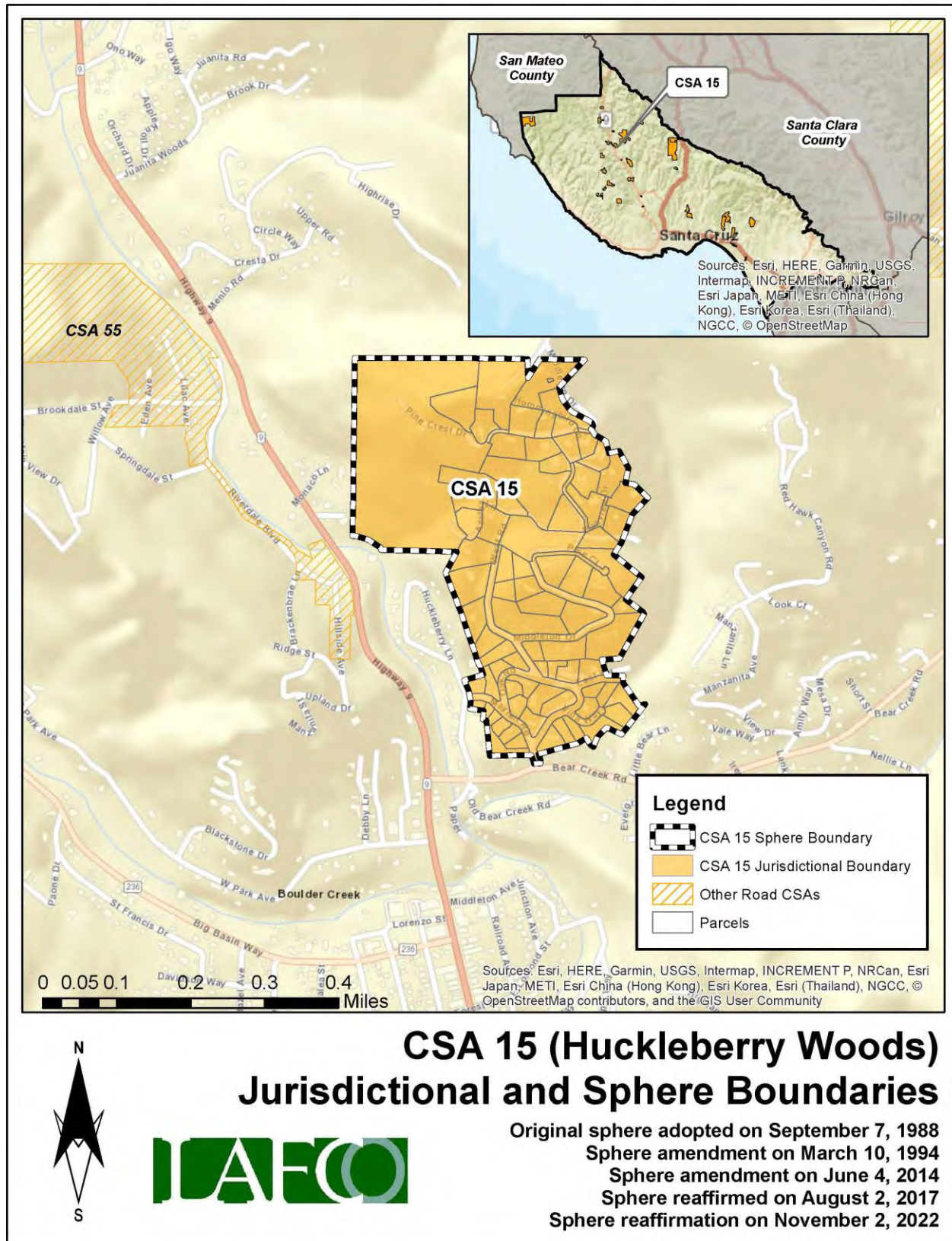


EXHIBIT 7
COUNTY SERVICE AREA 16
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 16 in 2020 was estimated to be 105. Based on LAFCO's analysis, the population within the CSA will be approximately 109 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 16 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 16 is financially sound. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$20,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 8
COUNTY SERVICE AREA 16
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 16 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 16 has 78 parcels within its jurisdictional boundary and provides extended services to approximately 0.97 miles of road for the residents.

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

CSA 16 has a population of approximately 105. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 9
COUNTY SERVICE AREA 16
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

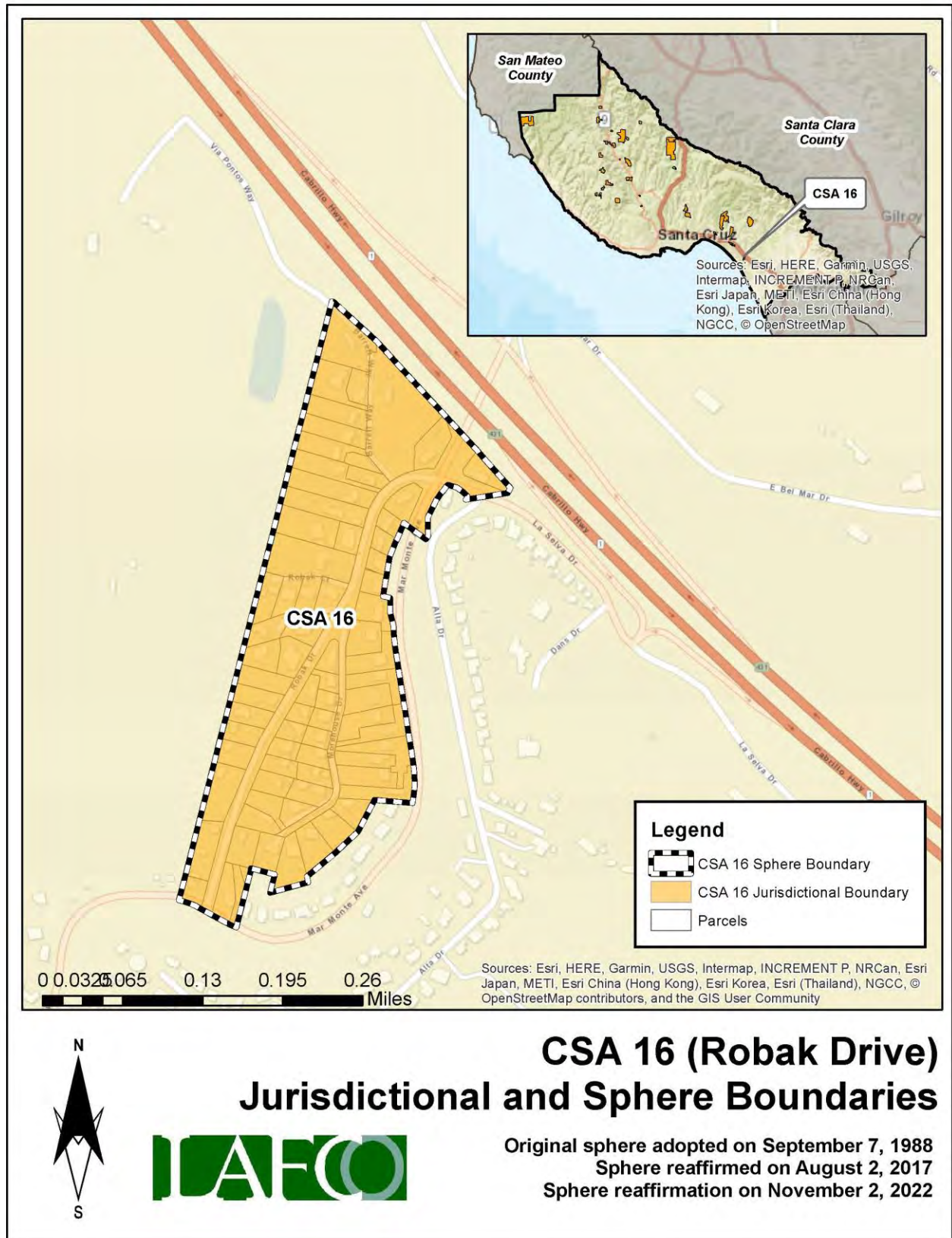


EXHIBIT 10
COUNTY SERVICE AREA 17
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 17 in 2020 was estimated to be 19. Based on LAFCO's analysis, the population within the CSA will be approximately 20 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 17 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 17 is financially distressed. The CSA ended with a deficit in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$114,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 11
COUNTY SERVICE AREA 17
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 17 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 17 has 67 parcels within its jurisdictional boundary and provides extended services to approximately 1.52 miles of road for the residents.

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

CSA 17 has a population of approximately 19. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 12
COUNTY SERVICE AREA 17
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

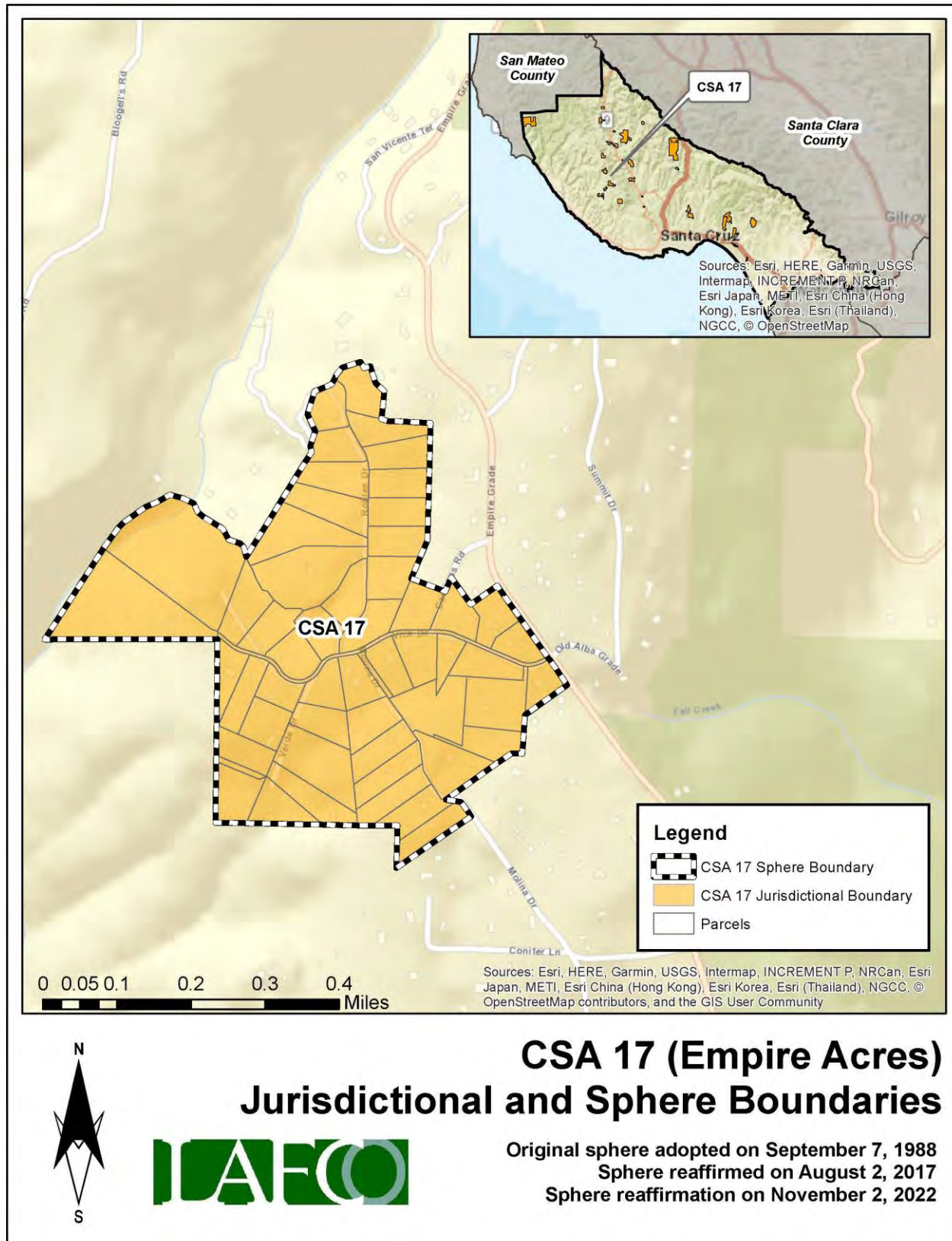


EXHIBIT 13
COUNTY SERVICE AREA 18
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 18 in 2020 was estimated to be 8. Based on LAFCO's analysis, the population within the CSA will be approximately 8 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 18 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 18 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$51,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 14
COUNTY SERVICE AREA 18
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 18 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 18 has 54 parcels within its jurisdictional boundary and provides extended services to approximately 3.67 miles of road for the residents.

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

CSA 18 has a population of approximately 8. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 15
COUNTY SERVICE AREA 18
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

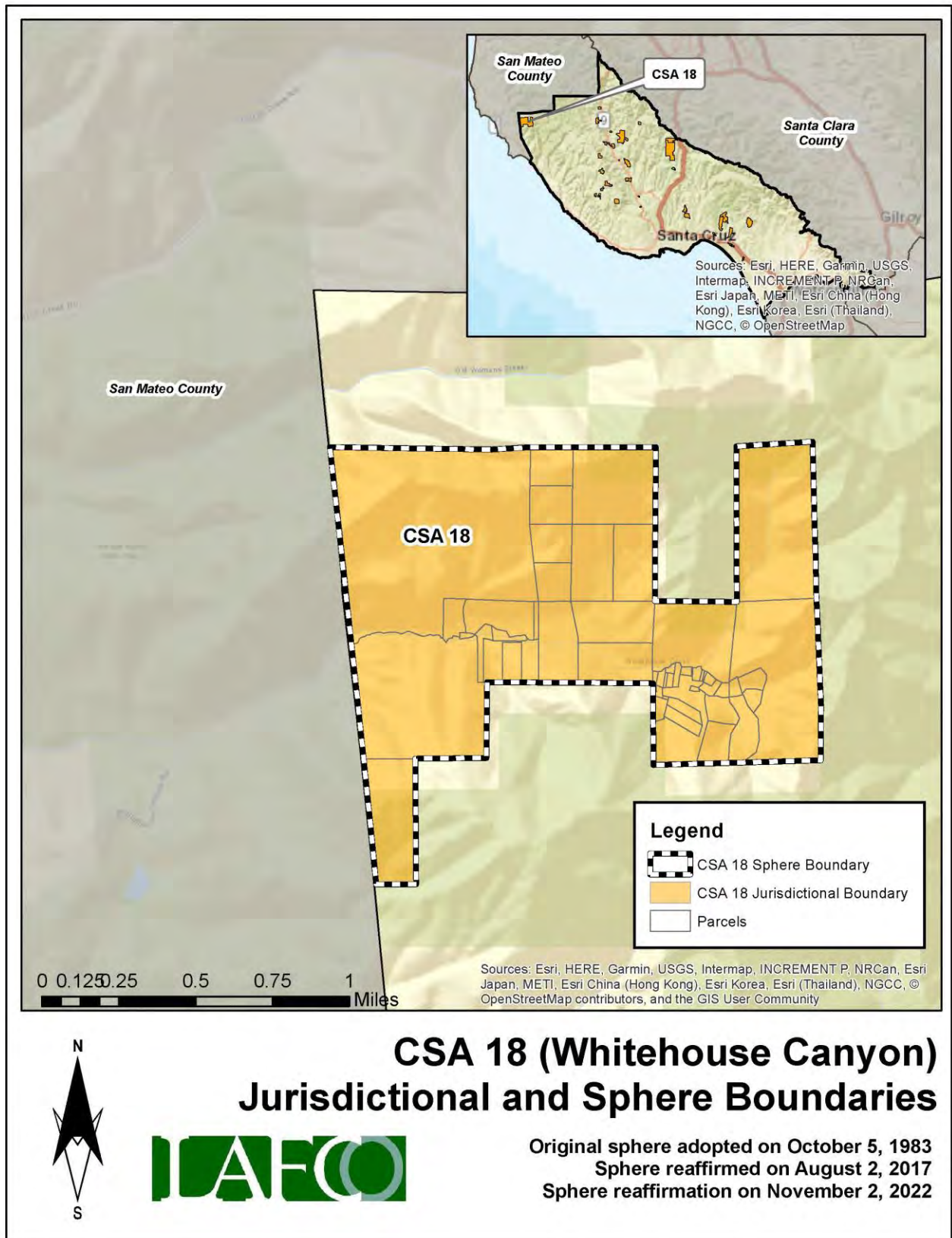


EXHIBIT 16
COUNTY SERVICE AREA 21
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 21 in 2020 was estimated to be 69. Based on LAFCO's analysis, the population within the CSA will be approximately 71 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 21 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 21 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$50,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 17
COUNTY SERVICE AREA 21
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 21 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 21 has 39 parcels within its jurisdictional boundary and provides extended services to approximately 0.88 miles of road for the residents.

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

CSA 21 has a population of approximately 69. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 18
COUNTY SERVICE AREA 21
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

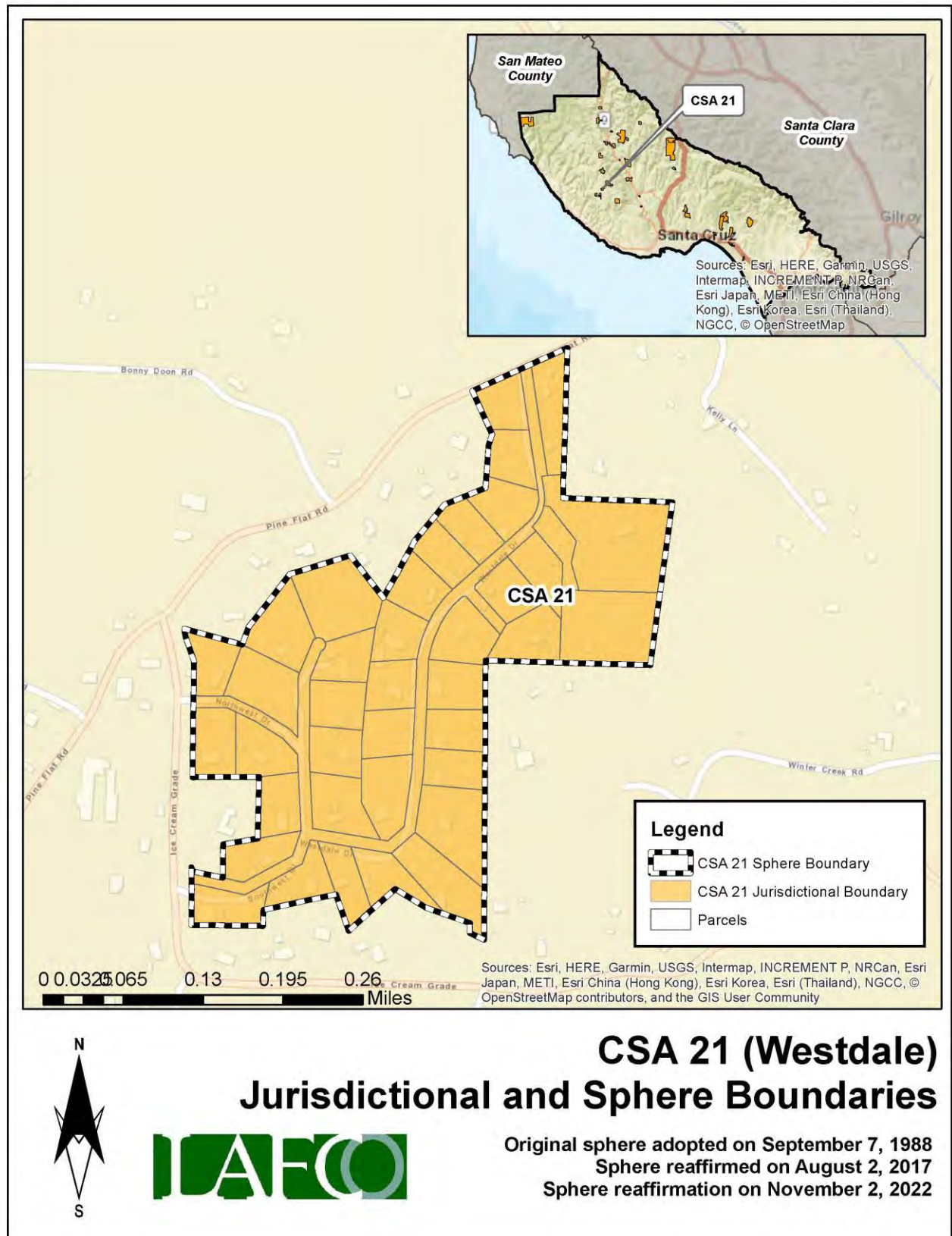


EXHIBIT 19
COUNTY SERVICE AREA 22
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 22 in 2020 was estimated to be 10. Based on LAFCO's analysis, the population within the CSA will be approximately 10 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 22 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 22 is financially distressed. The CSA ended with a deficit in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$808.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 20
COUNTY SERVICE AREA 22
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 22 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 22 has 20 parcels within its jurisdictional boundary and provides extended services to approximately 0.88 miles of road for the residents.

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

CSA 22 has a population of approximately 10. The constituents fund the CSA through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 21
COUNTY SERVICE AREA 22
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

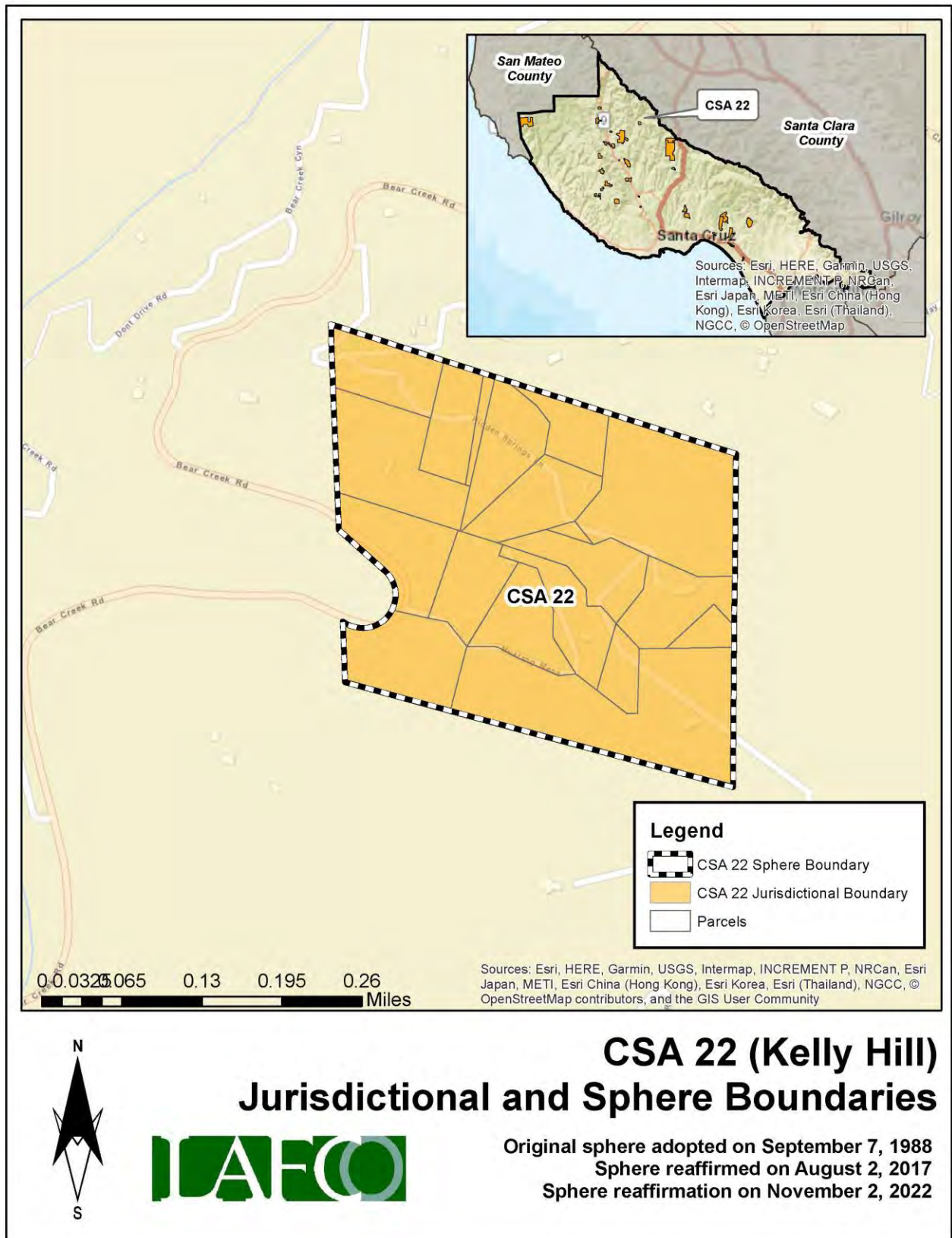


EXHIBIT 22
COUNTY SERVICE AREA 23
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 23 in 2020 was estimated to be 179. Based on LAFCO's analysis, the population within the CSA will be approximately 185 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 23 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 23 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$118,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 23
COUNTY SERVICE AREA 23
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 23 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 23 has 44 parcels within its jurisdictional boundary and provides extended services to approximately 2.99 miles of road for the residents.

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

CSA 23 has a population of approximately 179. The constituents fund the CSA through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 24

COUNTY SERVICE AREA 23

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

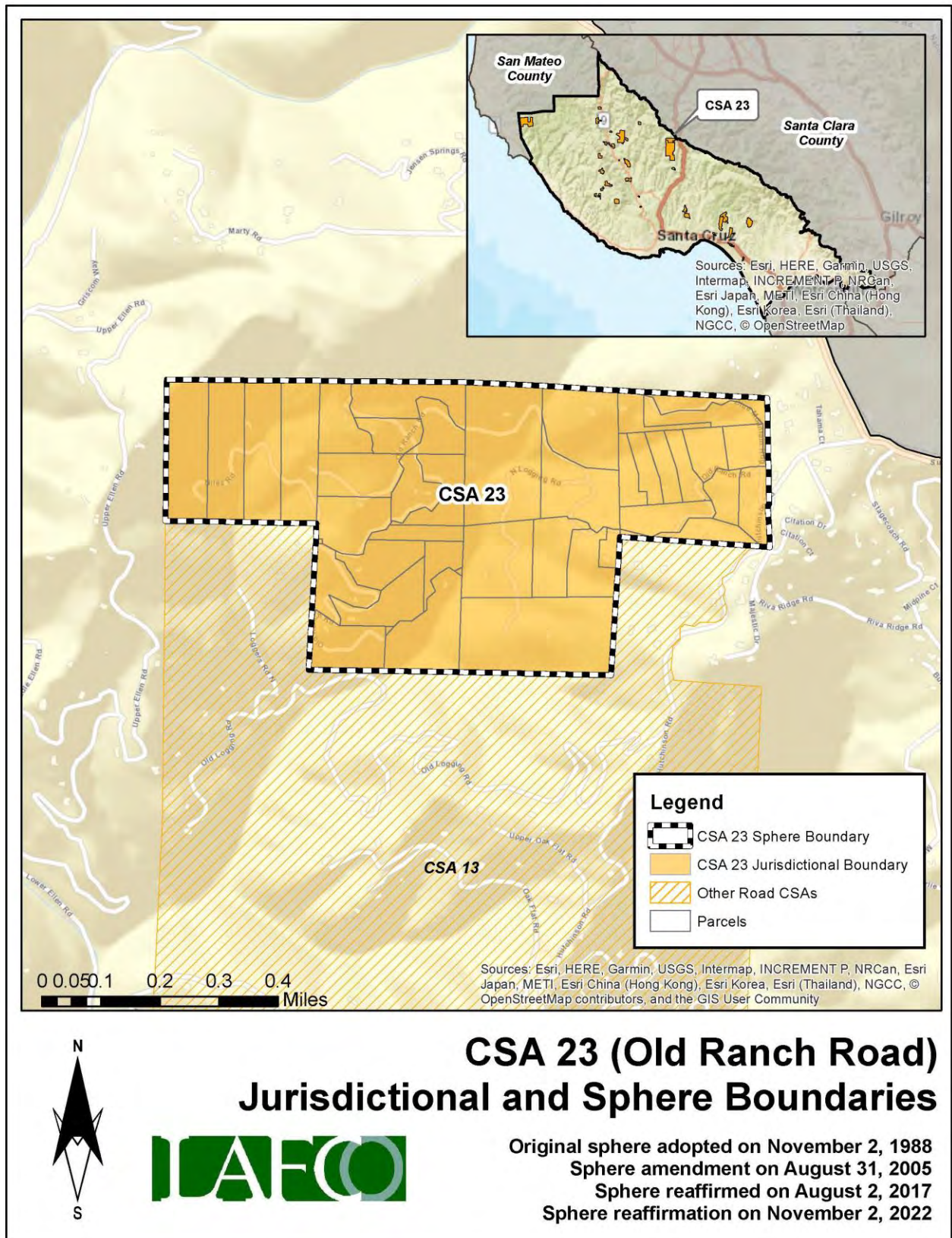


EXHIBIT 25
COUNTY SERVICE AREA 24
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 24 in 2020 was estimated to be 50. Based on LAFCO's analysis, the population within the CSA will be approximately 51 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 24 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 24 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$73,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 26
COUNTY SERVICE AREA 24
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 24 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 24 has 100 parcels within its jurisdictional boundary and provides extended services to approximately 2.34 miles of road for the residents.

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

CSA 24 has a population of approximately 50. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 27
COUNTY SERVICE AREA 24
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

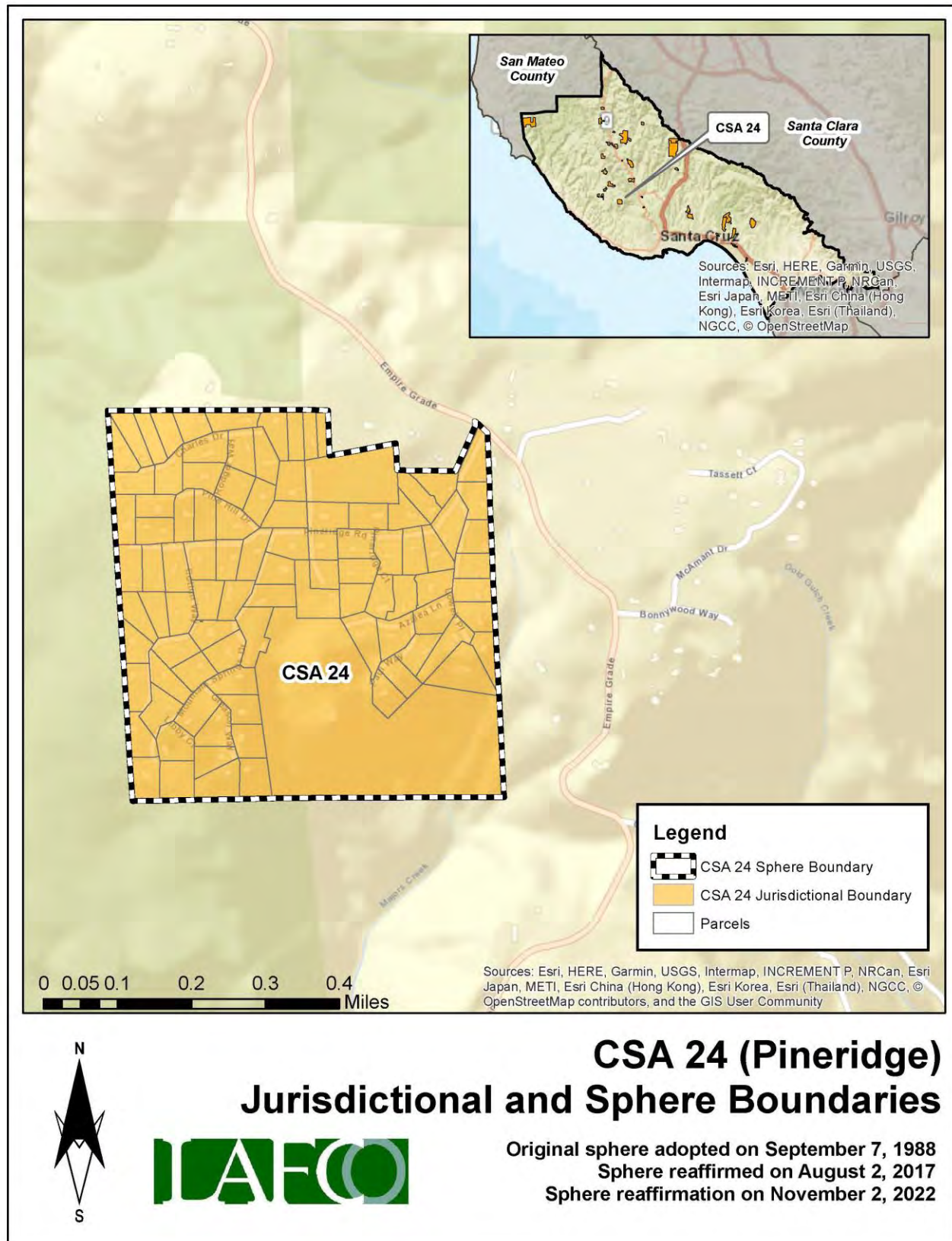


EXHIBIT 28
COUNTY SERVICE AREA 25
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 25 in 2020 was estimated to be 29. Based on LAFCO's analysis, the population within the CSA will be approximately 29 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 25 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 25 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$106,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 29
COUNTY SERVICE AREA 25
2022 SPHERE OF INFLUENCE DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 25 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 25 has 57 parcels within its jurisdictional boundary and provides extended services to approximately 0.54 miles of road for the residents.

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

CSA 25 has a population of approximately 29. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 30
COUNTY SERVICE AREA 25
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

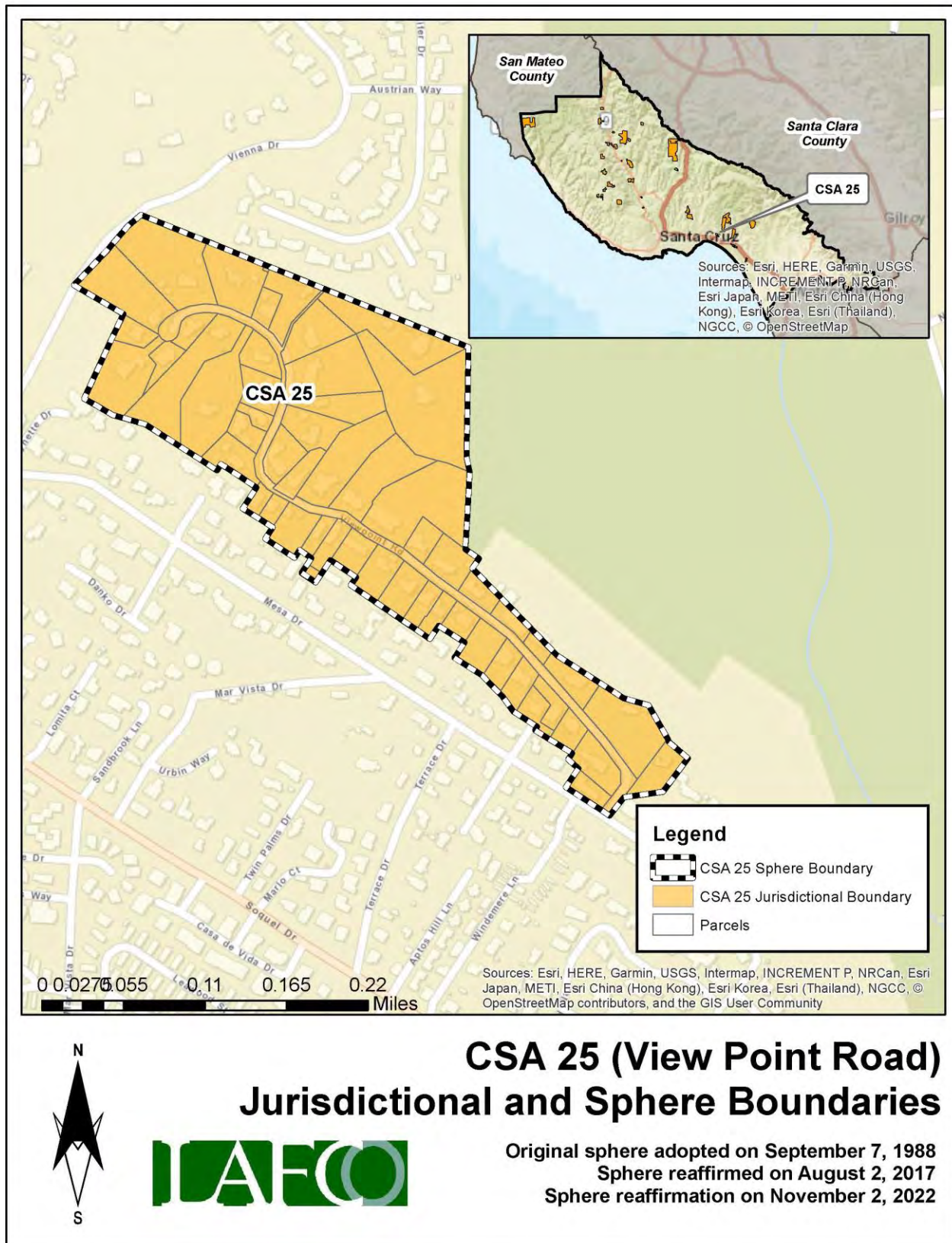


EXHIBIT 31
COUNTY SERVICE AREA 26
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 26 in 2020 was estimated to be 46. Based on LAFCO's analysis, the population within the CSA will be approximately 47 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 26 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 26 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$185,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 32
COUNTY SERVICE AREA 26
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 26 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 26 has 91 parcels within its jurisdictional boundary and provides extended services to approximately 2.82 miles of road for the residents.

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

CSA 26 has a population of approximately 46. The constituents fund the CSA through 17 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 33 **COUNTY SERVICE AREA 26** **SPHERE OF INFLUENCE MAP**

LAFCO expands sphere boundary (larger-than-district sphere).

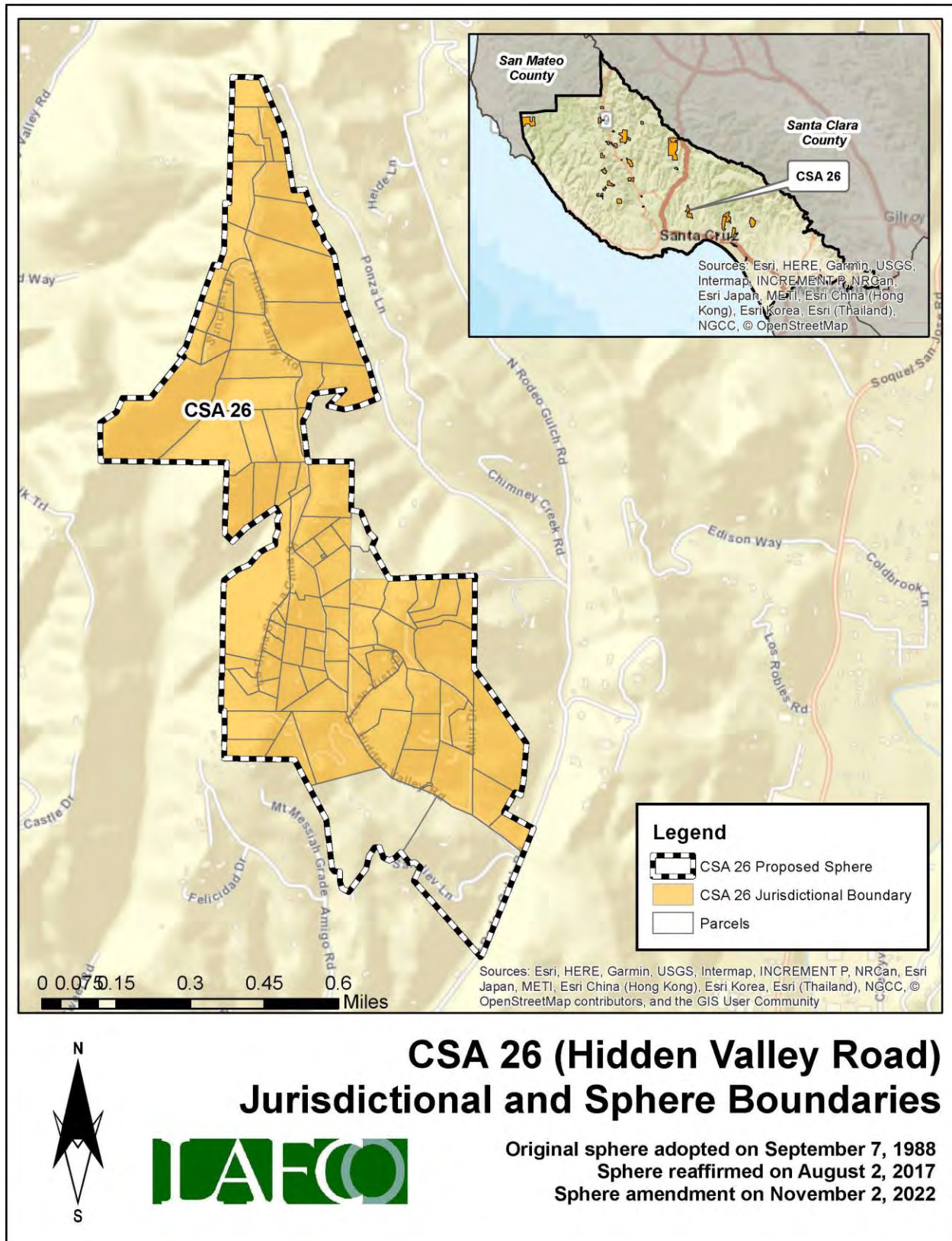


EXHIBIT 34
COUNTY SERVICE AREA 28
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 28 in 2020 was estimated to be 349. Based on LAFCO's analysis, the population within the CSA will be approximately 361 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 28 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 28 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$144,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 35
COUNTY SERVICE AREA 28
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 28 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 28 has 94 parcels within its jurisdictional boundary and provides extended services to approximately 2.77 miles of road for the residents.

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

CSA 28 has a population of approximately 349. The constituents fund the CSA through two zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 37
COUNTY SERVICE AREA 30
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 30 in 2020 was estimated to be 13. Based on LAFCO's analysis, the population within the CSA will be approximately 13 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 30 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 30 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$66,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 38
COUNTY SERVICE AREA 30
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 30 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 30 has 26 parcels within its jurisdictional boundary and provides extended services to approximately 0.89 miles of road for the residents.

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

CSA 30 has a population of approximately 13. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 39
COUNTY SERVICE AREA 30
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

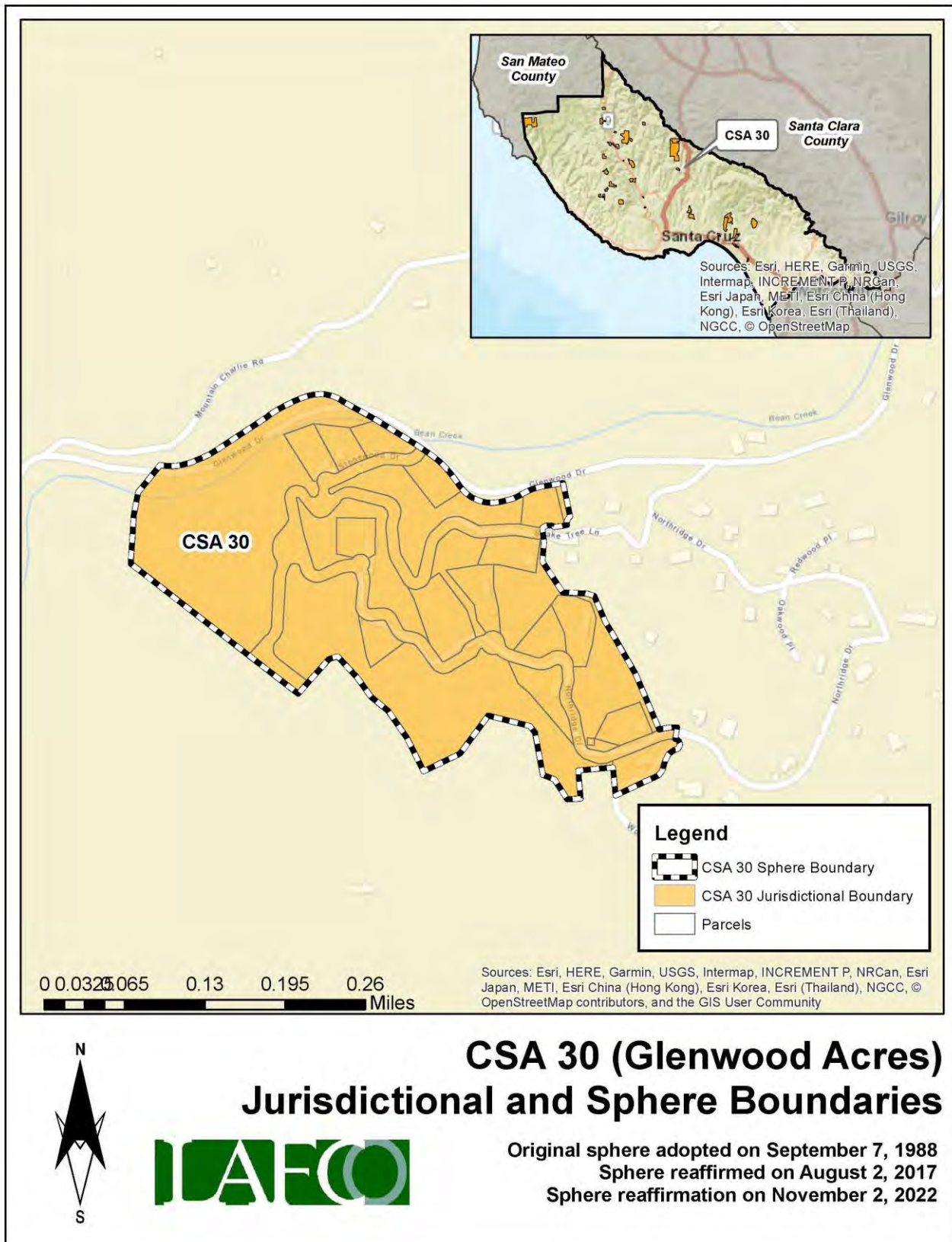


EXHIBIT 40
COUNTY SERVICE AREA 32
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 32 in 2020 was estimated to be 16. Based on LAFCO's analysis, the population within the CSA will be approximately 17 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 32 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 32 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$10,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 41
COUNTY SERVICE AREA 32
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Suburban Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 32 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 32 has 11 parcels within its jurisdictional boundary and provides extended services to approximately 0.55 miles of road for the residents.

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

CSA 32 has a population of approximately 16. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 42

COUNTY SERVICE AREA 32

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

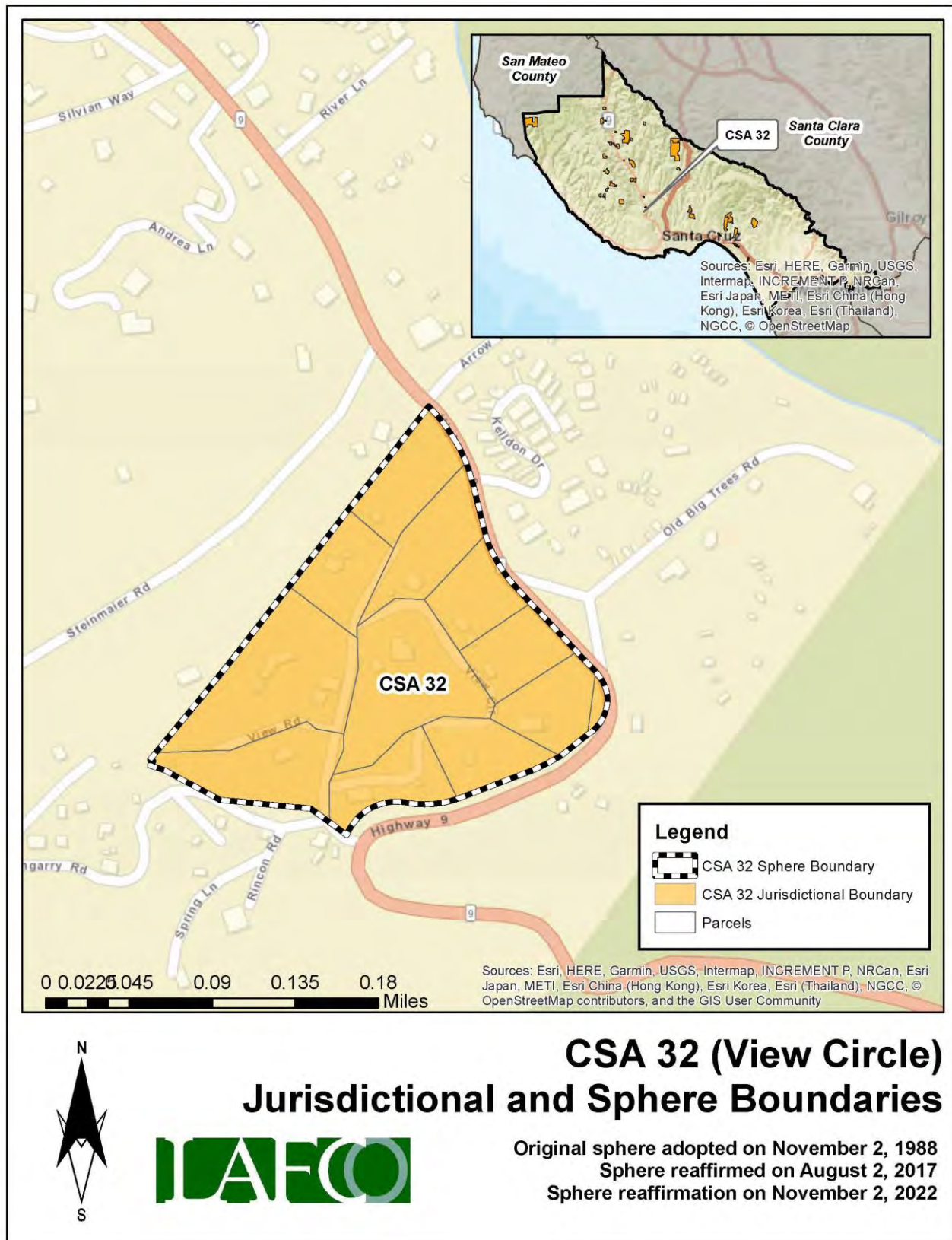


EXHIBIT 43
COUNTY SERVICE AREA 33
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 33 in 2020 was estimated to be 60. Based on LAFCO's analysis, the population within the CSA will be approximately 62 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 33 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 33 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$153,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 44
COUNTY SERVICE AREA 33
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 33 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 33 has 286 parcels within its jurisdictional boundary and provides extended services to approximately 6.31 miles of road for the residents.

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

CSA 33 has a population of approximately 60. The constituents fund the CSA through 11 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 45

COUNTY SERVICE AREA 33

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

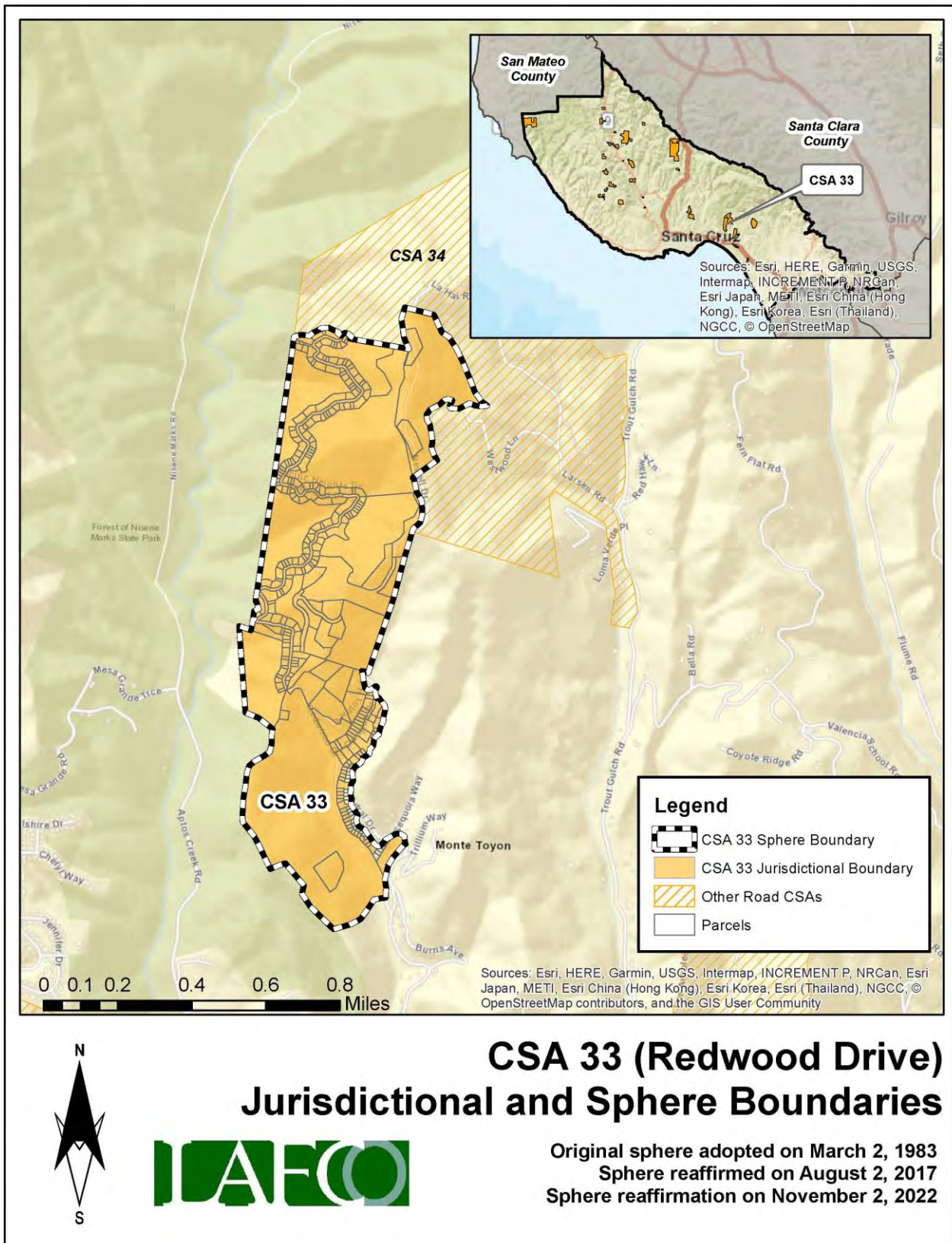


EXHIBIT 46
COUNTY SERVICE AREA 34
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 34 in 2020 was estimated to be 29. Based on LAFCO's analysis, the population within the CSA will be approximately 29 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 34 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 34 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$65,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 47
COUNTY SERVICE AREA 34
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential, Rural Residential, and Agriculture. The CSA's customer base is predominantly single-family residential.

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

CSA 34 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 34 has 57 parcels within its jurisdictional boundary and provides extended services to approximately 2.31 miles of road for the residents.

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

CSA 34 has a population of approximately 29. The constituents fund the CSA through three zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 48
COUNTY SERVICE AREA 34
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

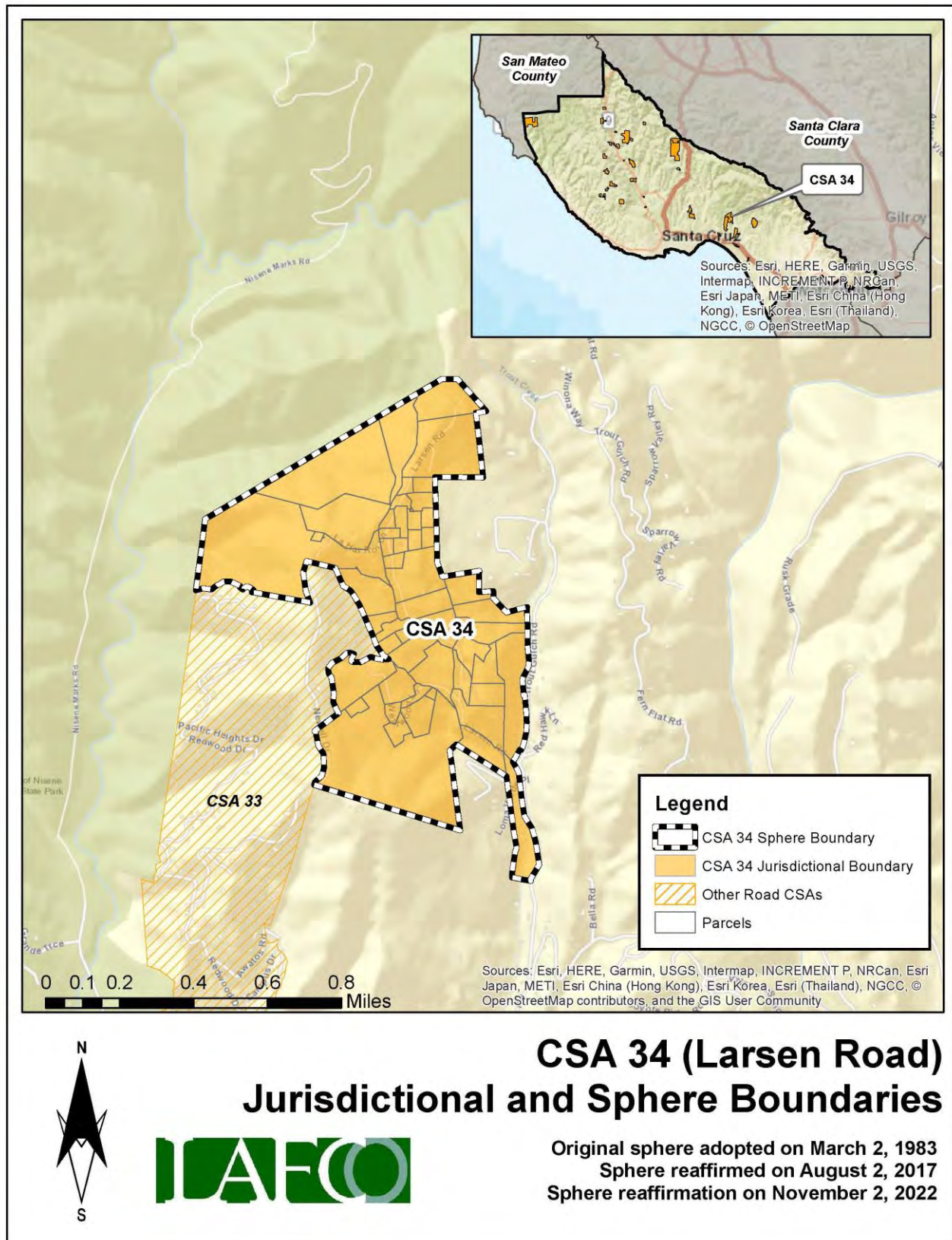


EXHIBIT 49
COUNTY SERVICE AREA 35
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 35 in 2020 was estimated to be 61. Based on LAFCO's analysis, the population within the CSA will be approximately 63 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 35 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 35 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$71,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 50
COUNTY SERVICE AREA 35
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 35 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 35 has 33 parcels within its jurisdictional boundary and provides extended services to approximately 1.18 miles of road for the residents.

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

CSA 35 has a population of approximately 61. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 51

COUNTY SERVICE AREA 35

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

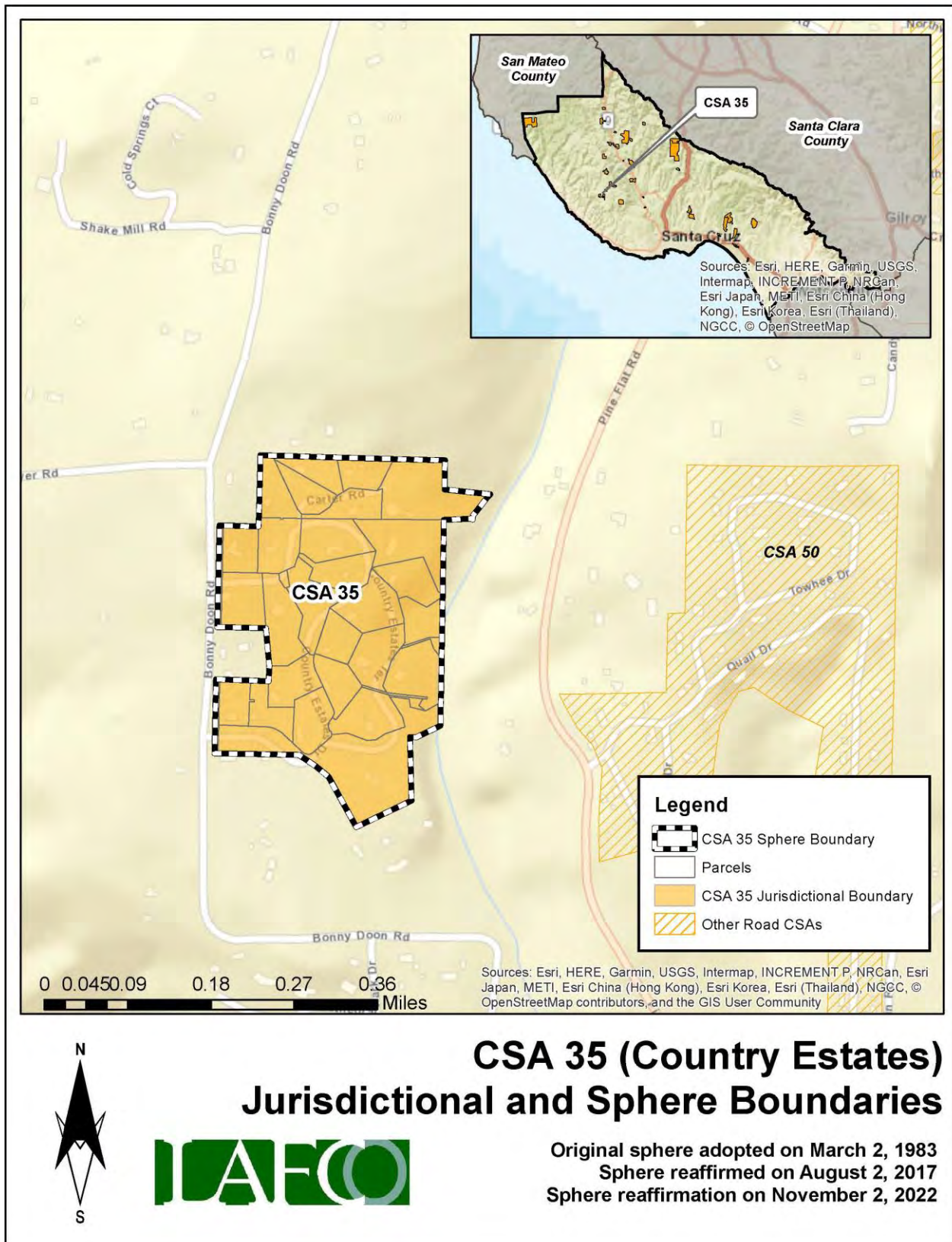


EXHIBIT 52
COUNTY SERVICE AREA 36
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 36 in 2020 was estimated to be 393. Based on LAFCO's analysis, the population within the CSA will be approximately 407 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 36 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 36 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$253,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 53
COUNTY SERVICE AREA 36
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 36 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 36 has 77 parcels within its jurisdictional boundary and provides extended services to approximately 2.23 miles of road for the residents.

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

CSA 36 has a population of approximately 393. The constituents fund the CSA through six zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 54

COUNTY SERVICE AREA 36

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

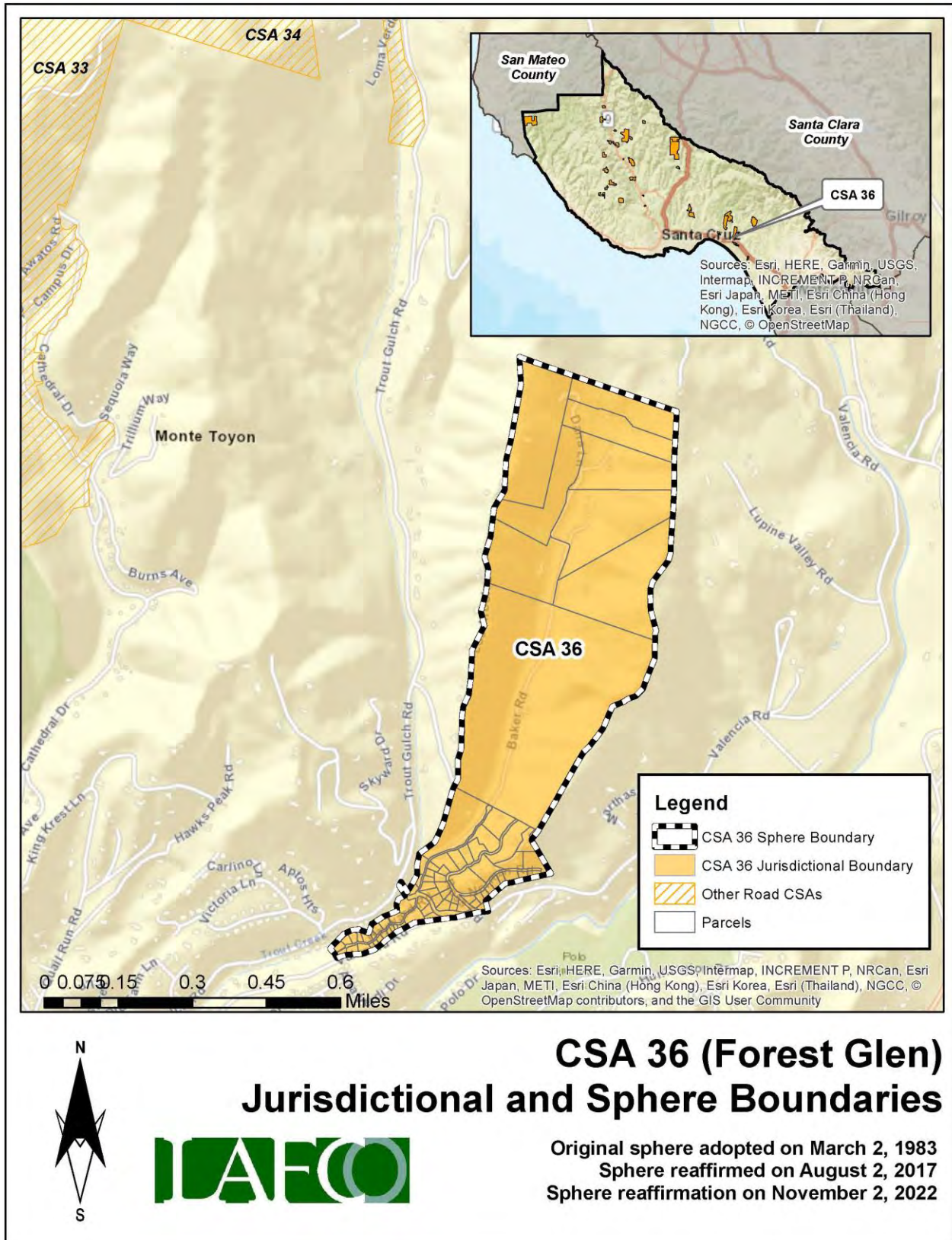


EXHIBIT 55
COUNTY SERVICE AREA 37
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 37 in 2020 was estimated to be 79. Based on LAFCO's analysis, the population within the CSA will be approximately 82 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 37 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 37 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$88,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 56
COUNTY SERVICE AREA 37
2022 SPHERE OF INFLUENCE DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 37 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 37 has 94 parcels within its jurisdictional boundary and provides extended services to approximately 2.05 miles of road for the residents.

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

CSA 37 has a population of approximately 79. The constituents fund the CSA through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 57

COUNTY SERVICE AREA 37

SPHERE OF INFLUENCE MAP

LAFCO expands sphere boundary (larger-than-district sphere).

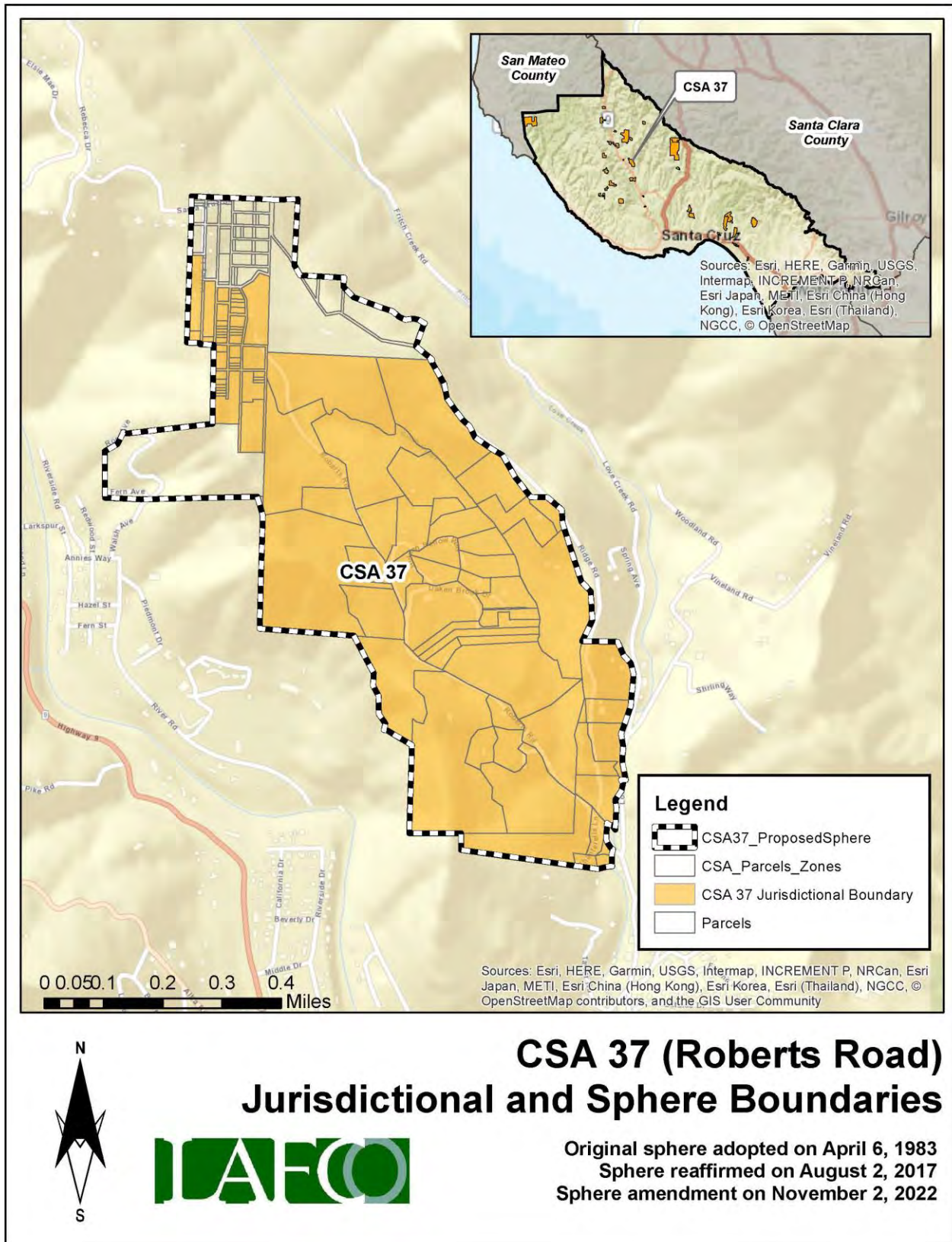


EXHIBIT 58
COUNTY SERVICE AREA 39
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 39 in 2020 was estimated to be 30. Based on LAFCO's analysis, the population within the CSA will be approximately 31 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 39 has been inactive for over two years. The County has expressed interest in dissolving the CSA.

4. Financial ability of agencies to provide services.

CSA 39 is financially distressed. The CSA ended with a deficit in four consecutive years and has been completely inactive for the last two fiscal years. As of June 30, 2022, the total net position balance ended with approximately \$118.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 59
COUNTY SERVICE AREA 39
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Suburban Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 39 has been inactive for over two years. The County has expressed interest in dissolving the CSA.

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

CSA 39 has 14 parcels within its jurisdictional boundary and currently does not provide any road maintenance/services.

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

CSA 39 has a population of approximately 30. The constituents have not been funding the CSA in the last five years.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 60
COUNTY SERVICE AREA 39
SPHERE OF INFLUENCE MAP

LAFCO adopts a zero sphere boundary (precursor to dissolution).

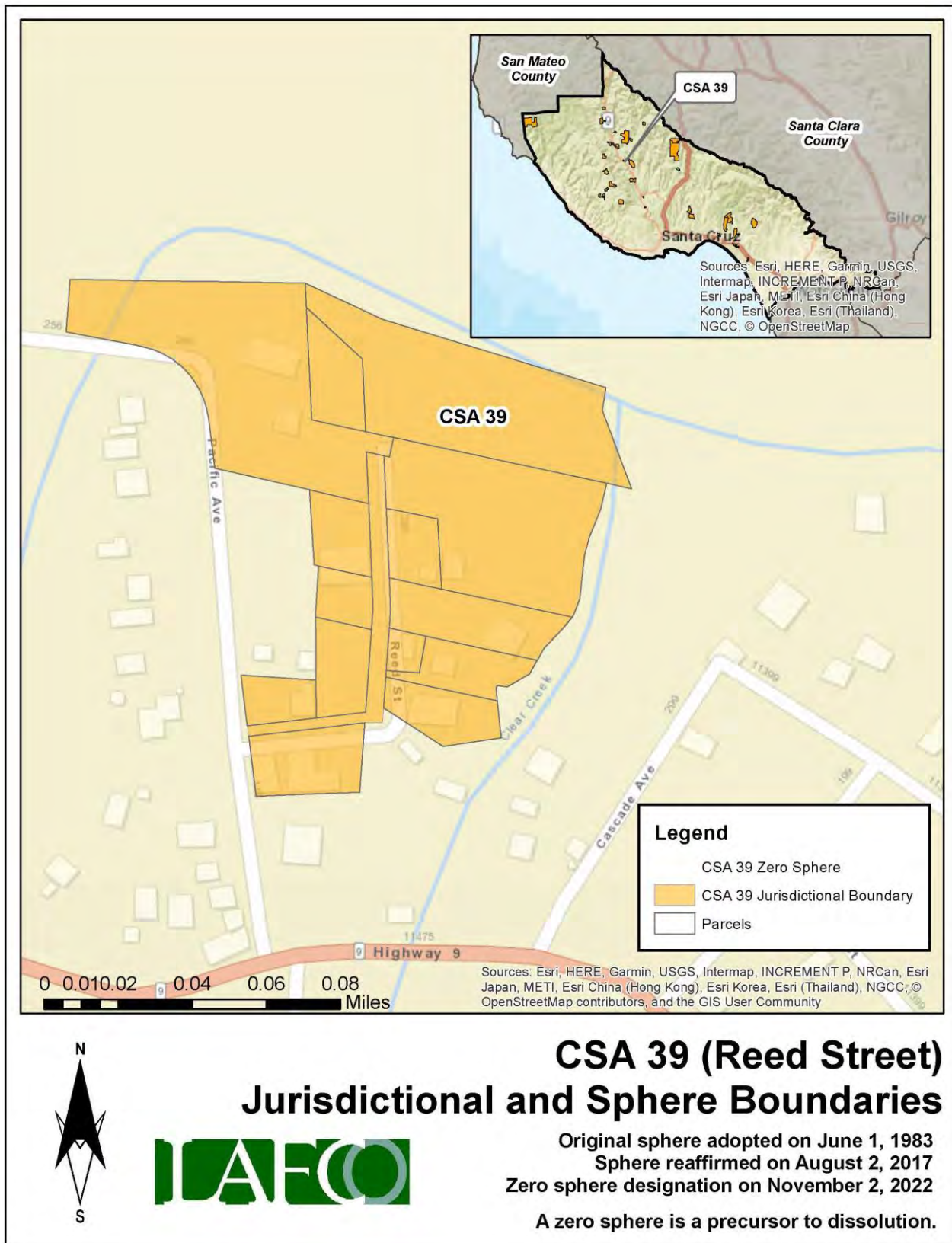


EXHIBIT 61
COUNTY SERVICE AREA 40
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 40 in 2020 was estimated to be 9. Based on LAFCO's analysis, the population within the CSA will be approximately 9 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 40 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 40 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$17,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 62
COUNTY SERVICE AREA 40
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 40 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 40 has 18 parcels within its jurisdictional boundary and provides extended services to approximately 0.65 miles of road for the residents.

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

CSA 40 has a population of approximately 9. The constituents fund the through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 63

COUNTY SERVICE AREA 40

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

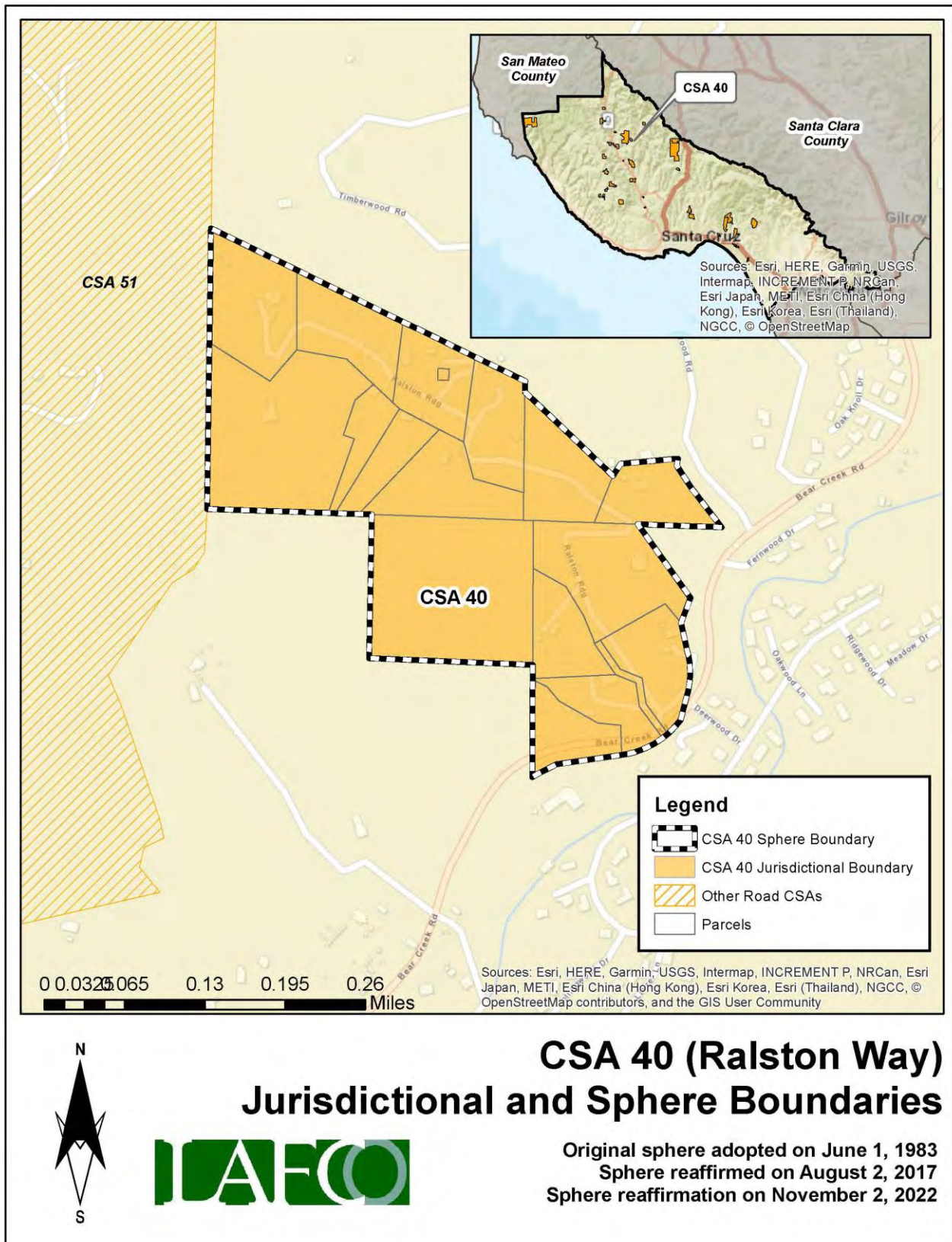


EXHIBIT 64
COUNTY SERVICE AREA 41
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 41 in 2020 was estimated to be 56. Based on LAFCO's analysis, the population within the CSA will be approximately 57 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 41 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 41 is financially stable. The CSA ended with a surplus in each of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$217,175.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 65
COUNTY SERVICE AREA 41
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 41 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 41 has 111 parcels within its jurisdictional boundary and provides extended services to approximately 1.06 miles of road for the residents.

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

CSA 41 has a population of approximately 56. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 66

COUNTY SERVICE AREA 41

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (larger-than-district sphere).

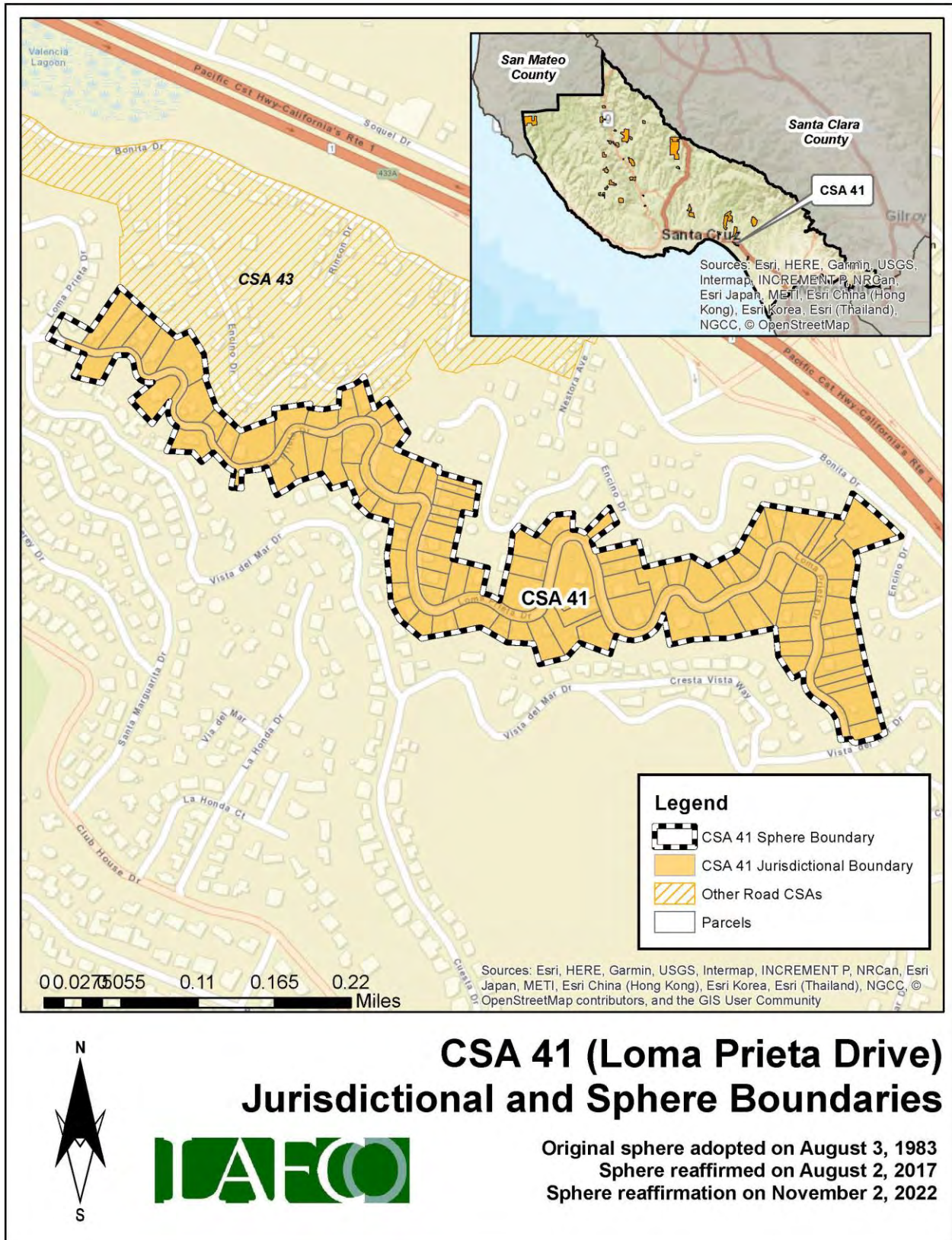


EXHIBIT 67
COUNTY SERVICE AREA 42
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 42 in 2020 was estimated to be 323. Based on LAFCO's analysis, the population within the CSA will be approximately 334 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 42 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 42 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$38,690.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 68
COUNTY SERVICE AREA 42
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural and Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 42 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 42 has 46 parcels within its jurisdictional boundary and provides extended services to approximately 1.28 miles of road for the residents.

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

CSA 42 has a population of approximately 323. The constituents fund the through three zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 69
COUNTY SERVICE AREA 42
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (larger-than-district sphere).

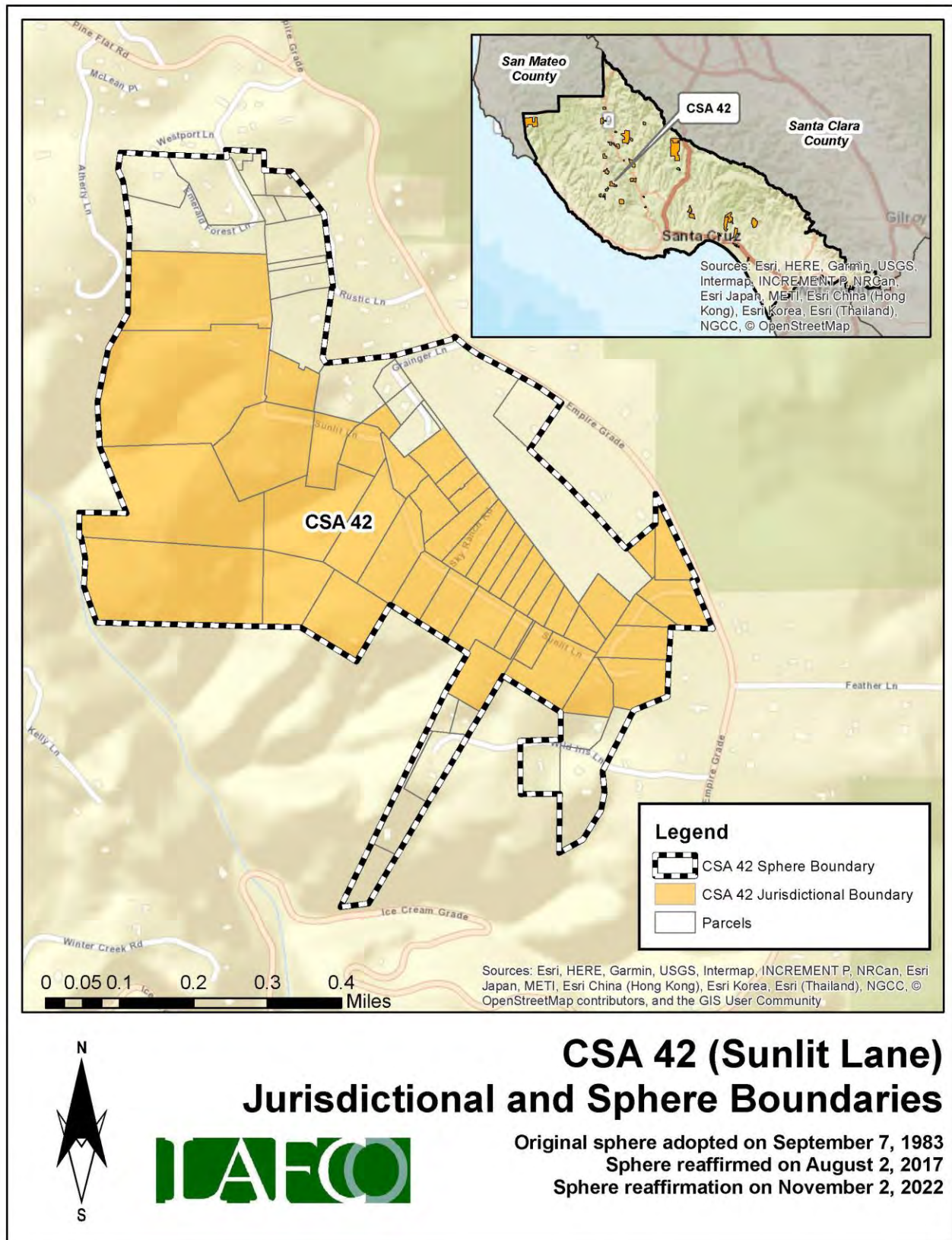


EXHIBIT 70
COUNTY SERVICE AREA 43
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 43 in 2020 was estimated to be 47. Based on LAFCO's analysis, the population within the CSA will be approximately 48 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 43 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 43 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$146,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 71
COUNTY SERVICE AREA 43
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Urban Low Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 43 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 43 has 93 parcels within its jurisdictional boundary and provides extended services to approximately 1.04 miles of road for the residents.

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

CSA 43 has a population of approximately 47. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 72
COUNTY SERVICE AREA 43
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (larger-than-district sphere).

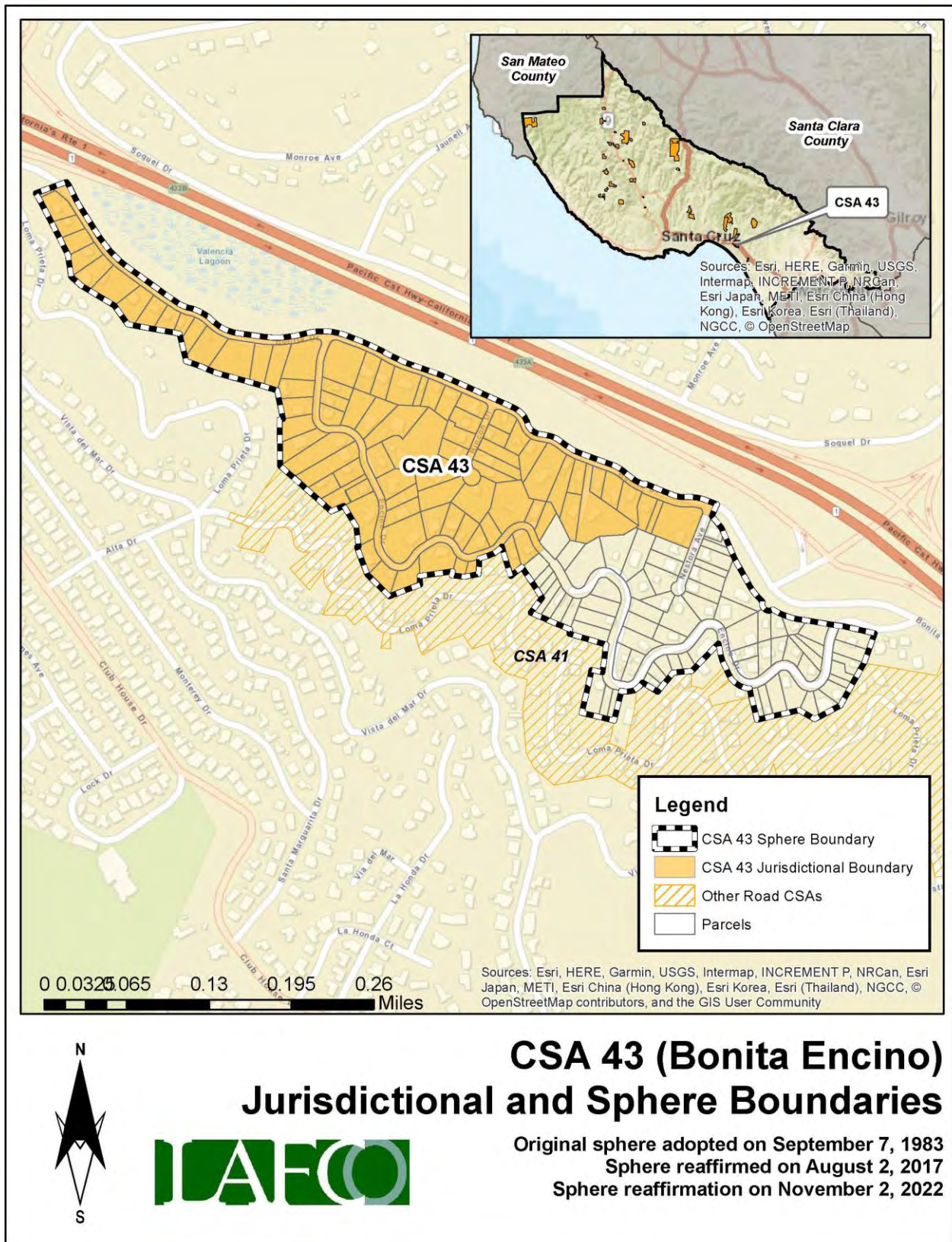


EXHIBIT 73
COUNTY SERVICE AREA 44
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 44 in 2020 was estimated to be 76. Based on LAFCO's analysis, the population within the CSA will be approximately 79 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 44 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 44 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$55,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 74
COUNTY SERVICE AREA 44
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 44 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 44 has 63 parcels within its jurisdictional boundary and provides extended services to approximately 0.75 miles of road for the residents.

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

CSA 44 has a population of approximately 76. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 75
COUNTY SERVICE AREA 44
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (larger-than-district sphere).

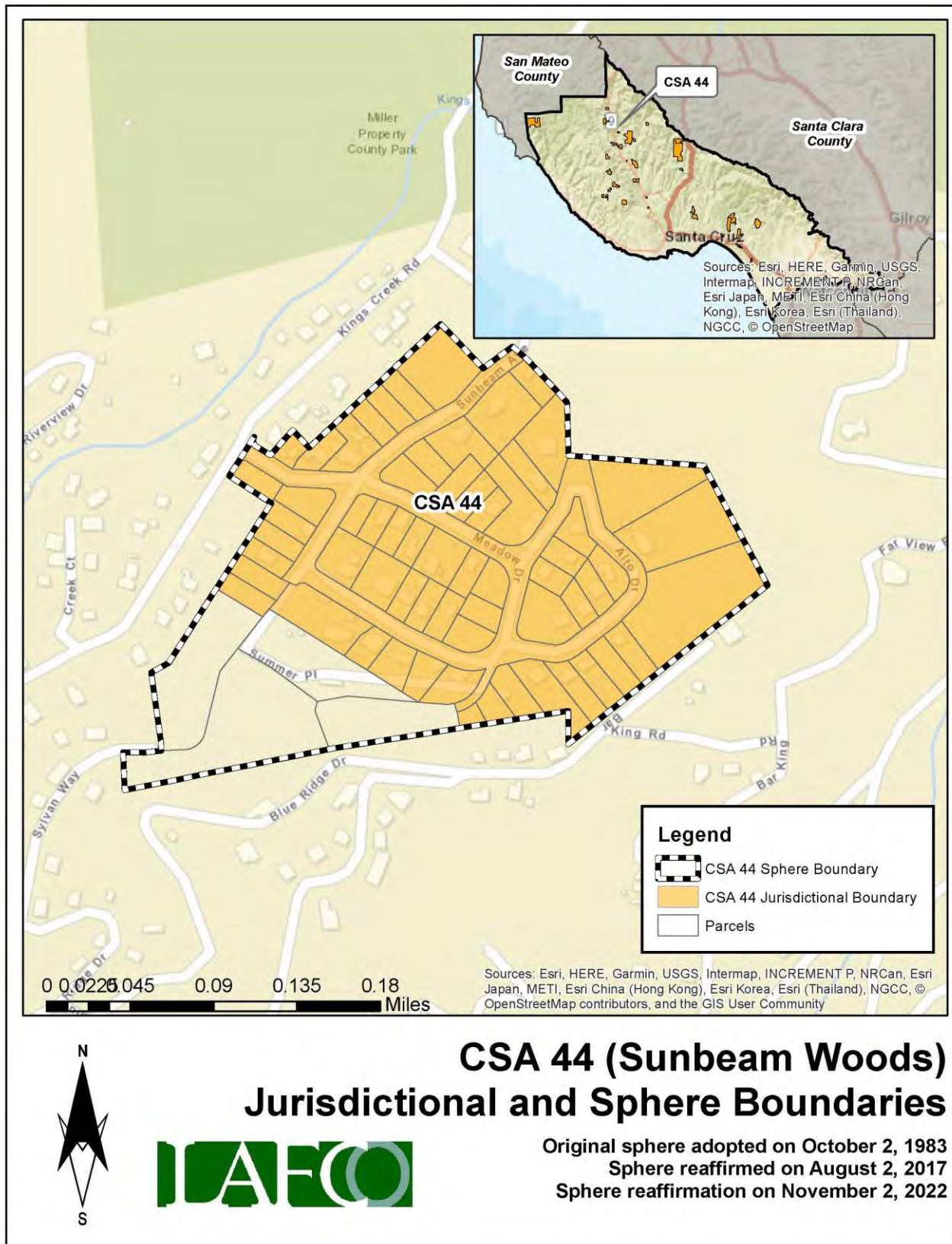


EXHIBIT 76
COUNTY SERVICE AREA 46
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 46 in 2020 was estimated to be 30. Based on LAFCO's analysis, the population within the CSA will be approximately 31 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 46 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 46 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$55,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 77
COUNTY SERVICE AREA 46
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 46 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 46 has 60 parcels within its jurisdictional boundary and provides extended services to approximately 1.67 miles of road for the residents.

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

CSA 46 has a population of approximately 30. The constituents fund the through 20 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 78

COUNTY SERVICE AREA 46

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (larger-than-district sphere).

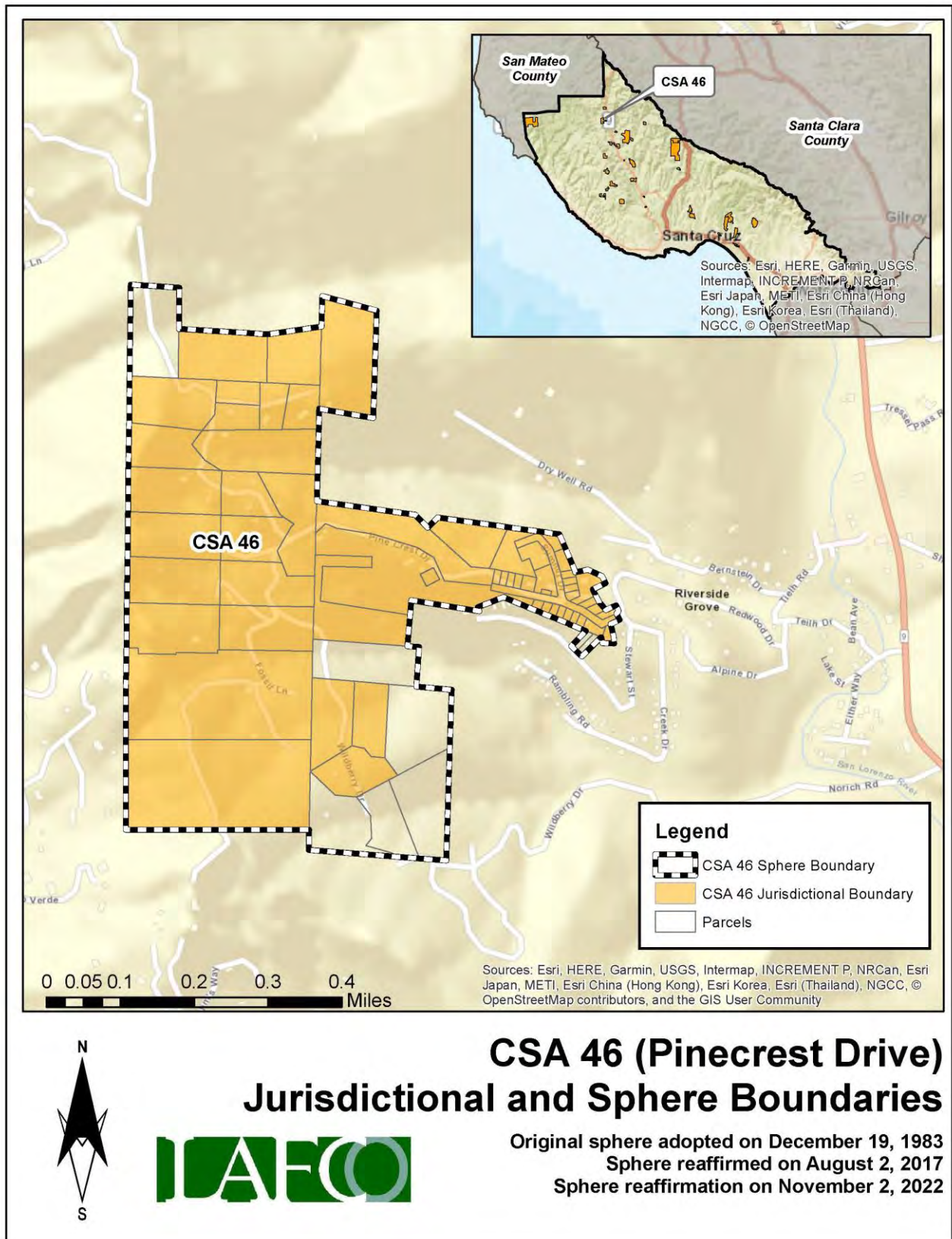


EXHIBIT 79
COUNTY SERVICE AREA 47
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 47 in 2020 was estimated to be 84. Based on LAFCO's analysis, the population within the CSA will be approximately 87 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 47 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 47 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$69,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 80
COUNTY SERVICE AREA 47
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 47 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 47 has 58 parcels within its jurisdictional boundary and provides extended services to approximately 1.29 miles of road for the residents.

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

CSA 47 has a population of approximately 84. The constituents fund the through two zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 81
COUNTY SERVICE AREA 47
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

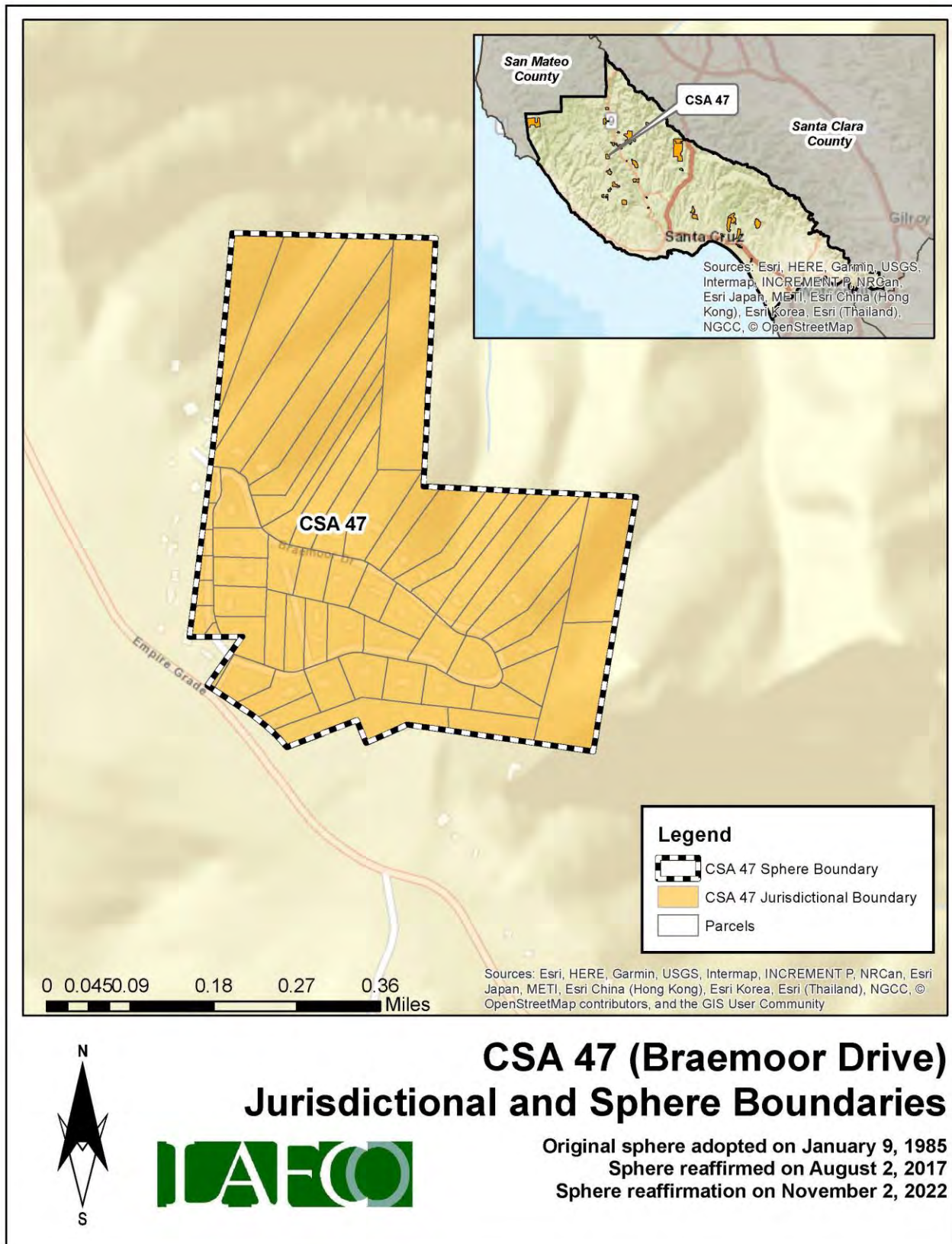


EXHIBIT 82
COUNTY SERVICE AREA 50
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 50 in 2020 was estimated to be 27. Based on LAFCO's analysis, the population within the CSA will be approximately 28 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 50 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 50 is financially stable. The CSA ended with a surplus in each of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$280,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 83
COUNTY SERVICE AREA 50
2022 SPHERE OF INFLUENCE DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 50 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 50 has 57 parcels within its jurisdictional boundary and provides extended services to approximately 1.65 miles of road for the residents.

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

CSA 50 has a population of approximately 27. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 84
COUNTY SERVICE AREA 50
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

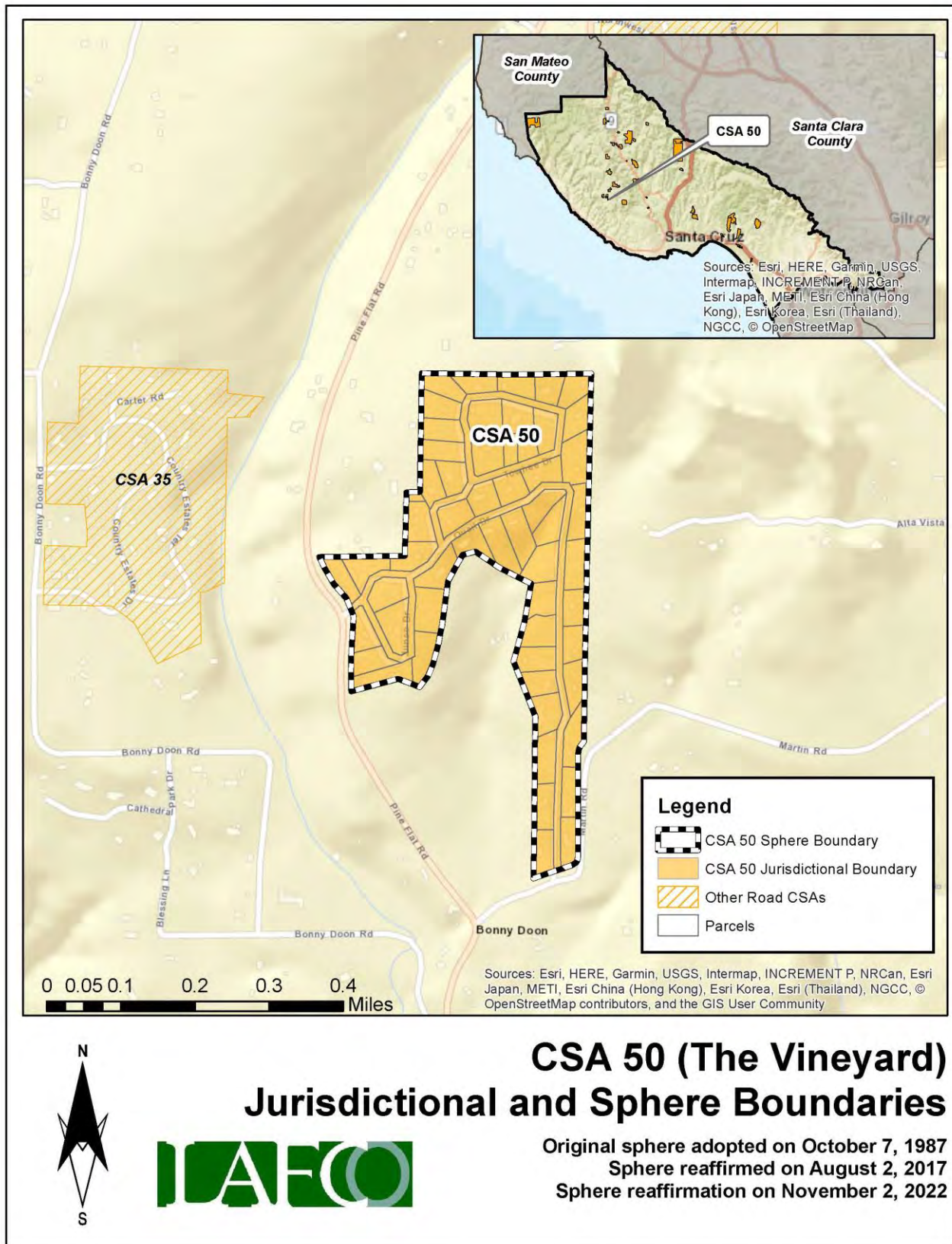


EXHIBIT 85
COUNTY SERVICE AREA 51
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 51 in 2020 was estimated to be 34. Based on LAFCO's analysis, the population within the CSA will be approximately 35 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 51 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 51 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$189,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 86
COUNTY SERVICE AREA 51
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 51 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 51 has 68 parcels within its jurisdictional boundary and provides extended services to approximately 4.07 miles of road for the residents.

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

CSA 51 has a population of approximately 34. The constituents fund the through 15 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 87
COUNTY SERVICE AREA 51
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (larger-than-district sphere).

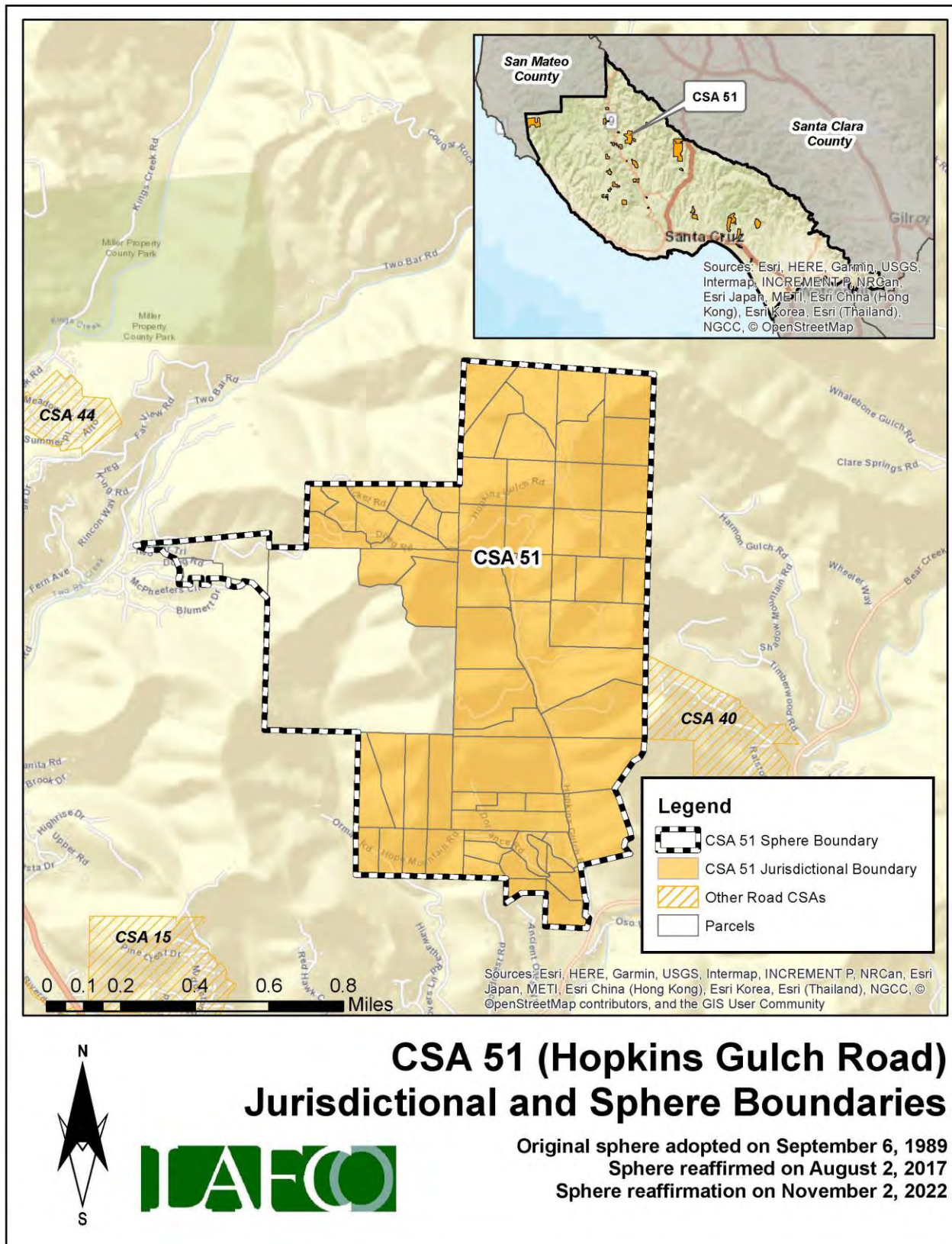


EXHIBIT 88
COUNTY SERVICE AREA 52
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 52 in 2020 was estimated to be 27. Based on LAFCO's analysis, the population within the CSA will be approximately 28 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 52 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 52 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$24,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 89
COUNTY SERVICE AREA 52
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 52 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 52 has 54 parcels within its jurisdictional boundary and provides extended services to approximately 1.58 miles of road for the residents.

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

CSA 52 has a population of approximately 27. The constituents fund the through 18 zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 90
COUNTY SERVICE AREA 52
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

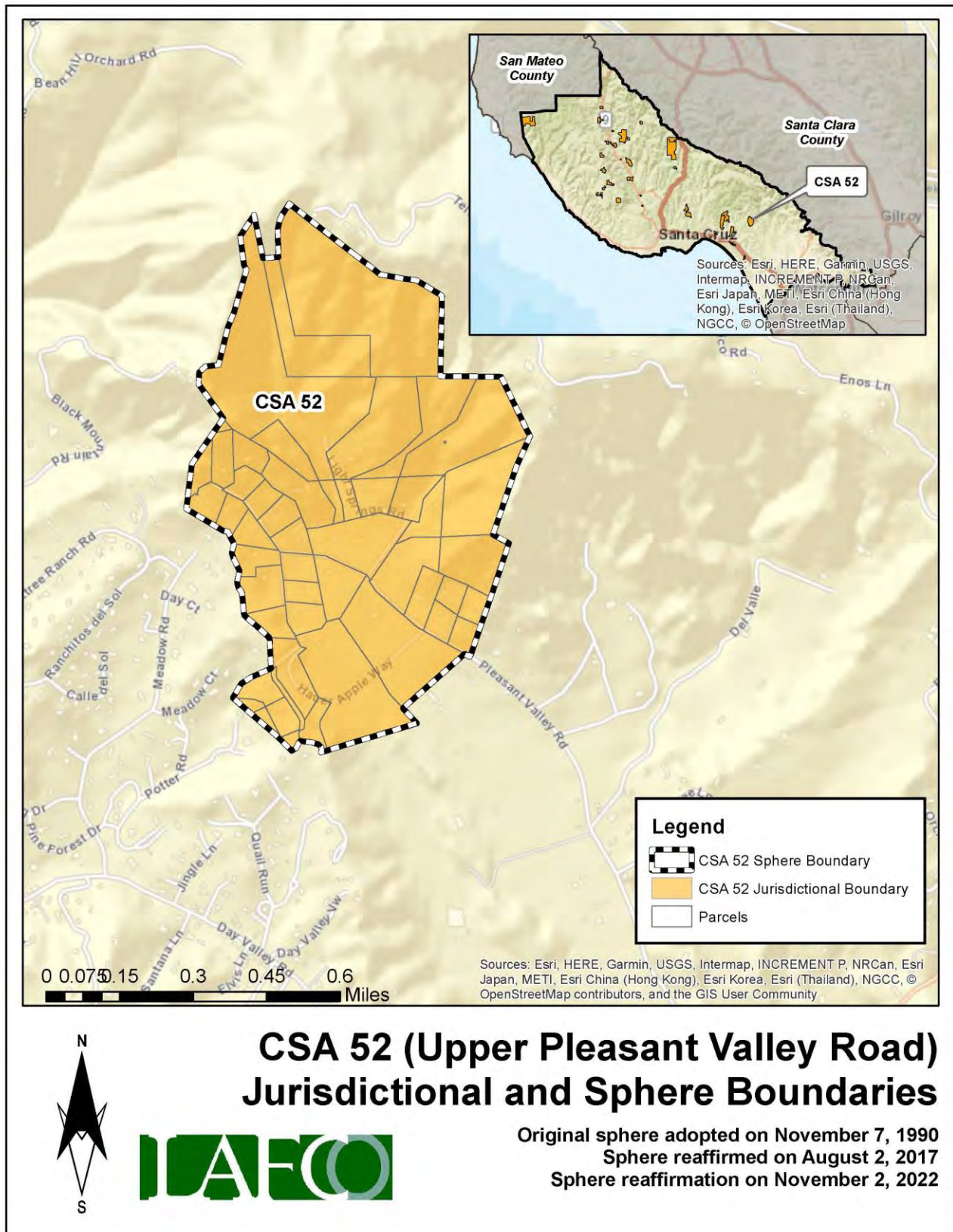


EXHIBIT 91
COUNTY SERVICE AREA 55
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 55 in 2020 was estimated to be 35. Based on LAFCO's analysis, the population within the CSA will be approximately 36 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 55 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 55 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$96,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 92
COUNTY SERVICE AREA 55
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 55 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 55 has 69 parcels within its jurisdictional boundary and provides extended services to approximately 0.91 miles of road for the residents.

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

CSA 55 has a population of approximately 35. The constituents fund the through nine zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 93
COUNTY SERVICE AREA 55
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

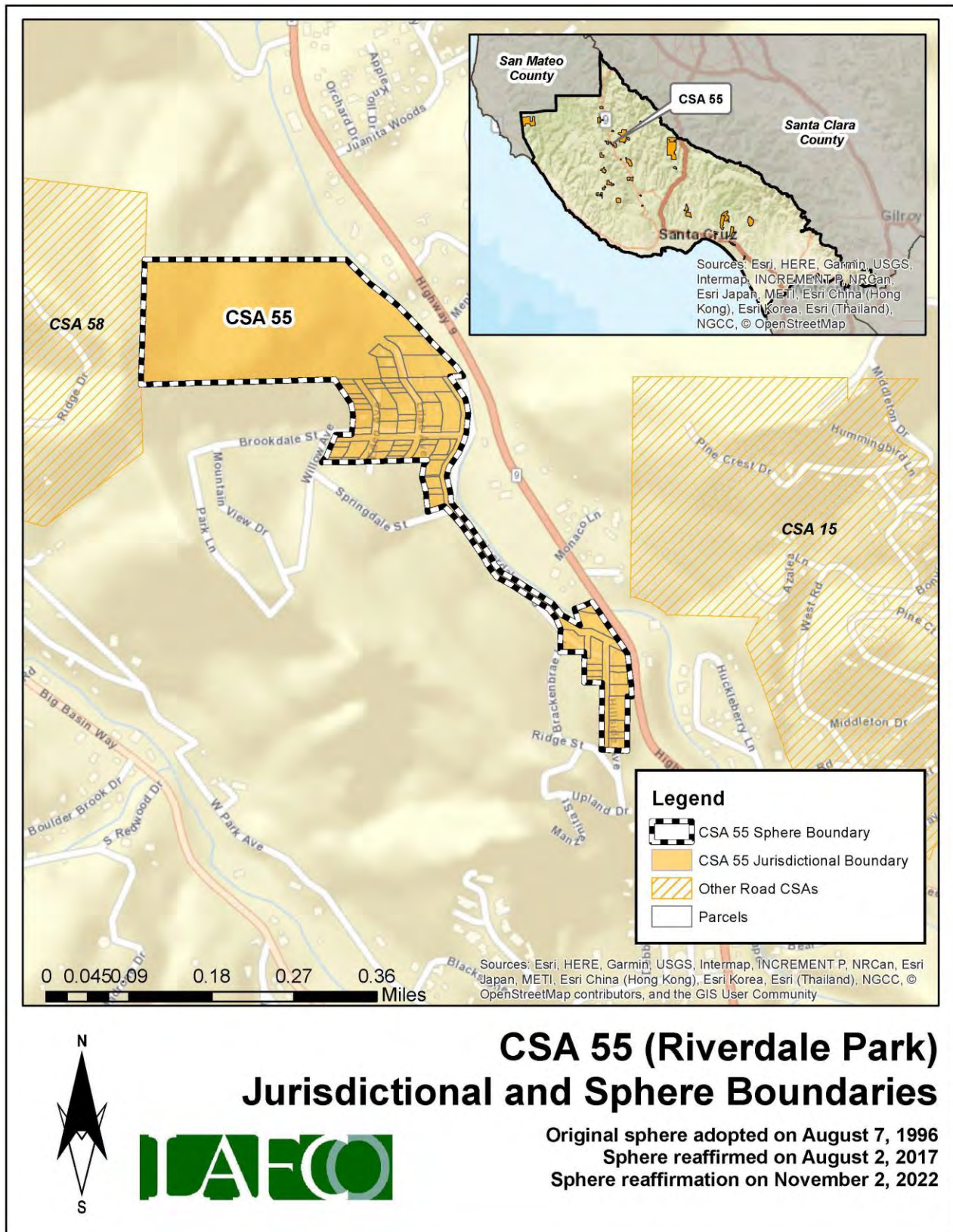


EXHIBIT 94
COUNTY SERVICE AREA 56
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 56 in 2020 was estimated to be 165. Based on LAFCO's analysis, the population within the CSA will be approximately 171 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 56 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 56 is financially stable. The CSA ended with a surplus in five of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$207,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 95
COUNTY SERVICE AREA 56
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Suburban Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 56 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 56 has 56 parcels within its jurisdictional boundary and provides extended services to approximately 0.57 miles of road for the residents.

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

CSA 56 has a population of approximately 165. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 96
COUNTY SERVICE AREA 56
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

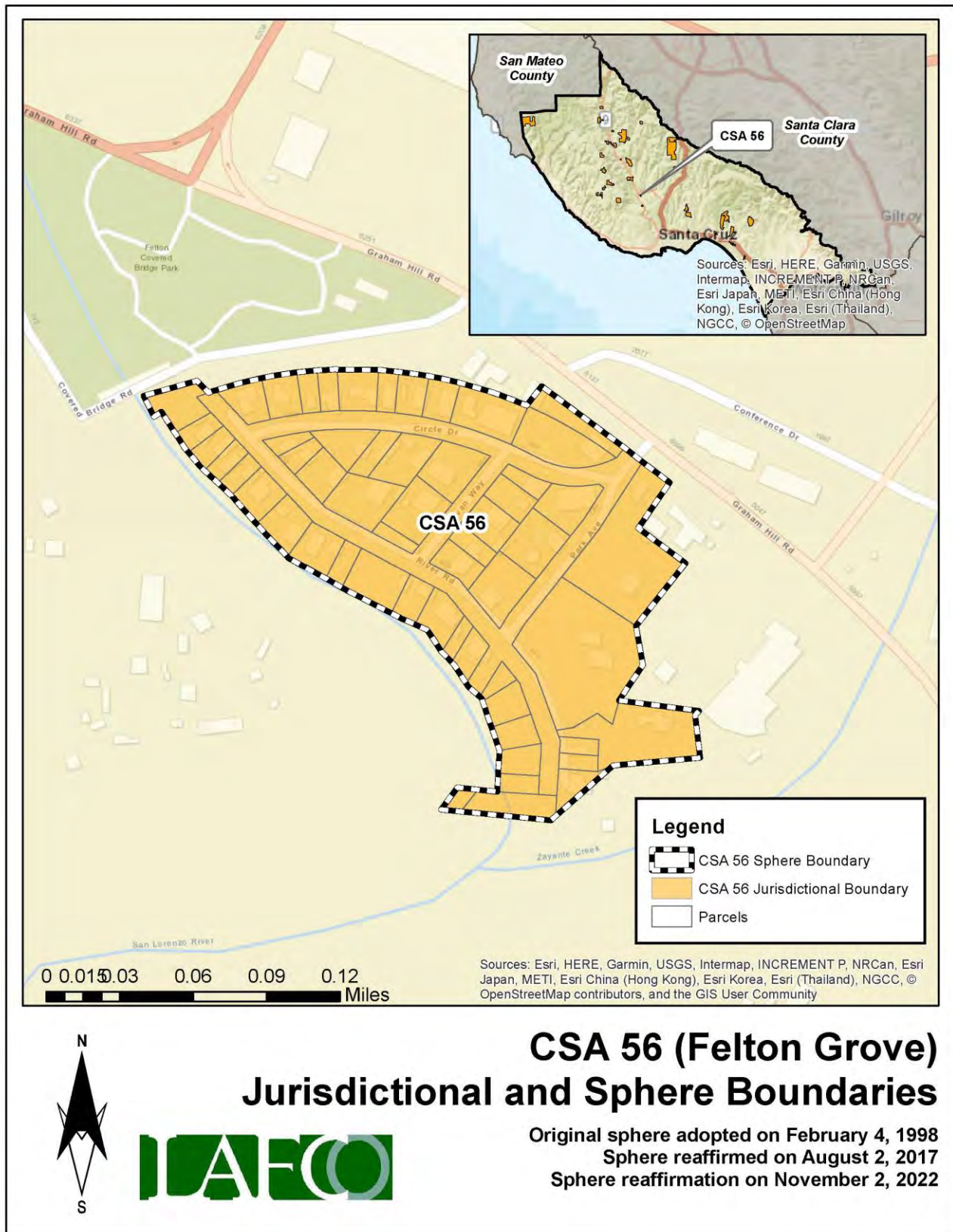


EXHIBIT 97
COUNTY SERVICE AREA 58
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 58 in 2020 was estimated to be 356. Based on LAFCO's analysis, the population within the CSA will be approximately 368 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 58 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 58 is financially distressed. The CSA ended with a deficit in three of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$51,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 98
COUNTY SERVICE AREA 58
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 58 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 58 has 25 parcels within its jurisdictional boundary and provides extended services to approximately 0.30 miles of road for the residents.

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

CSA 58 has a population of approximately 356. The constituents fund the through four zones. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 99

COUNTY SERVICE AREA 58

SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).

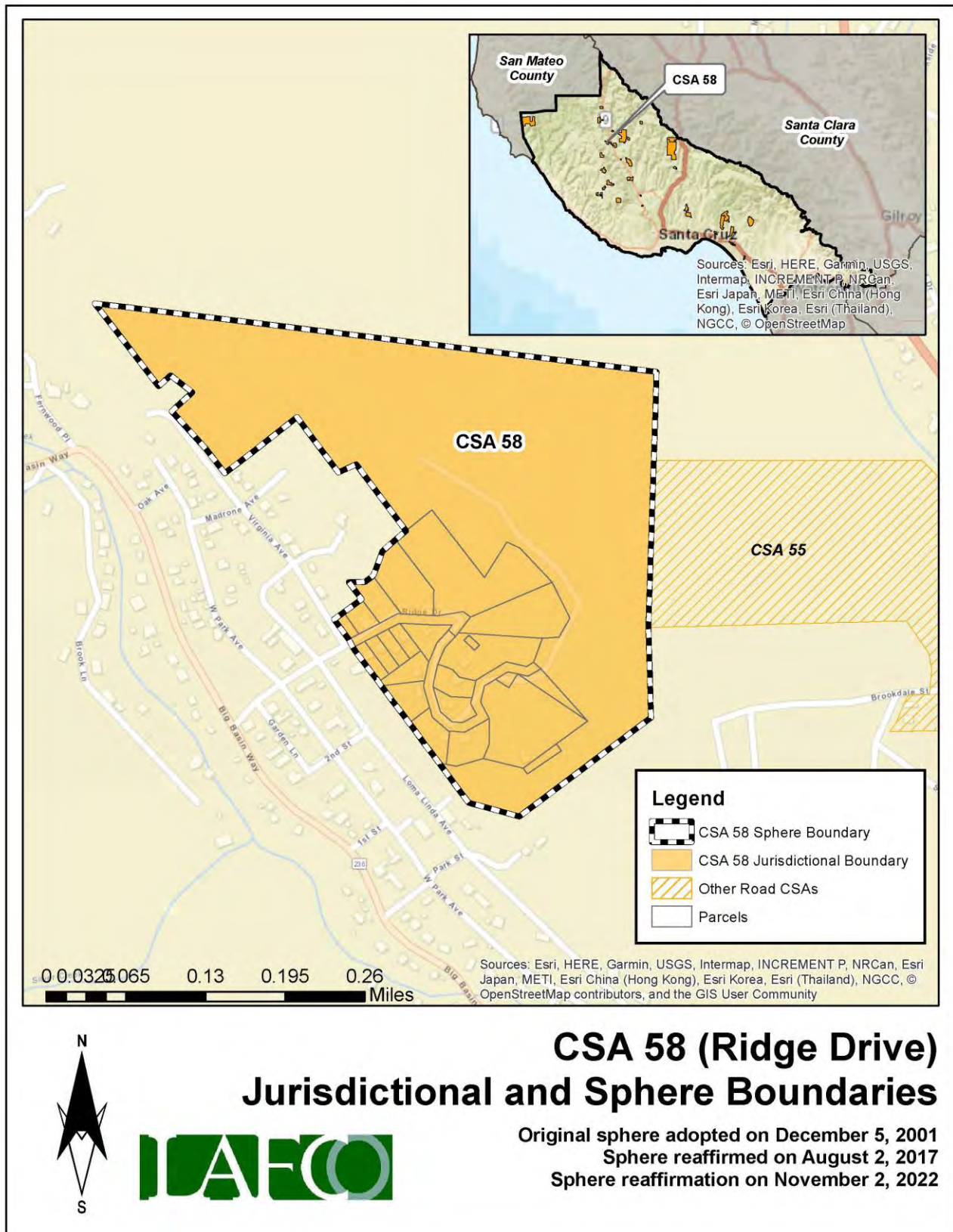


EXHIBIT 100
COUNTY SERVICE AREA 59
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of CSA 59 in 2020 was estimated to be 7. Based on LAFCO's analysis, the population within the CSA will be approximately 7 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

3. 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.

CSA 59 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

4. Financial ability of agencies to provide services.

CSA 59 is financially stable. The CSA ended with a surplus in four of the last six fiscal years (2016 to 2022). As of June 30, 2022, the total net position balance ended with approximately \$17,000.

5. Status of, and opportunities for, shared facilities.

LAFCO encourages the County to explore additional methods to collaborate with neighboring local community groups, such as road associations and/or homeowners' associations to build a stronger working relationship with the CSA's residents.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the CSA does not meet the statutory requirements under SB 929.

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

LAFCO recommends that the CSA improve its overall transparency as soon as possible.

EXHIBIT 101
COUNTY SERVICE AREA 59
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the CSA is designated as Mountain and Rural Residential. The CSA's customer base is predominantly single-family residential.

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

CSA 59 does not have a standalone capital improvement plan ("CIP") in place. LAFCO encourages the County to consider developing a CIP for the CSA and have it available on the County's website.

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

CSA 59 has 70 parcels within its jurisdictional boundary and provides extended services to approximately 0.42 miles of road for the residents.

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

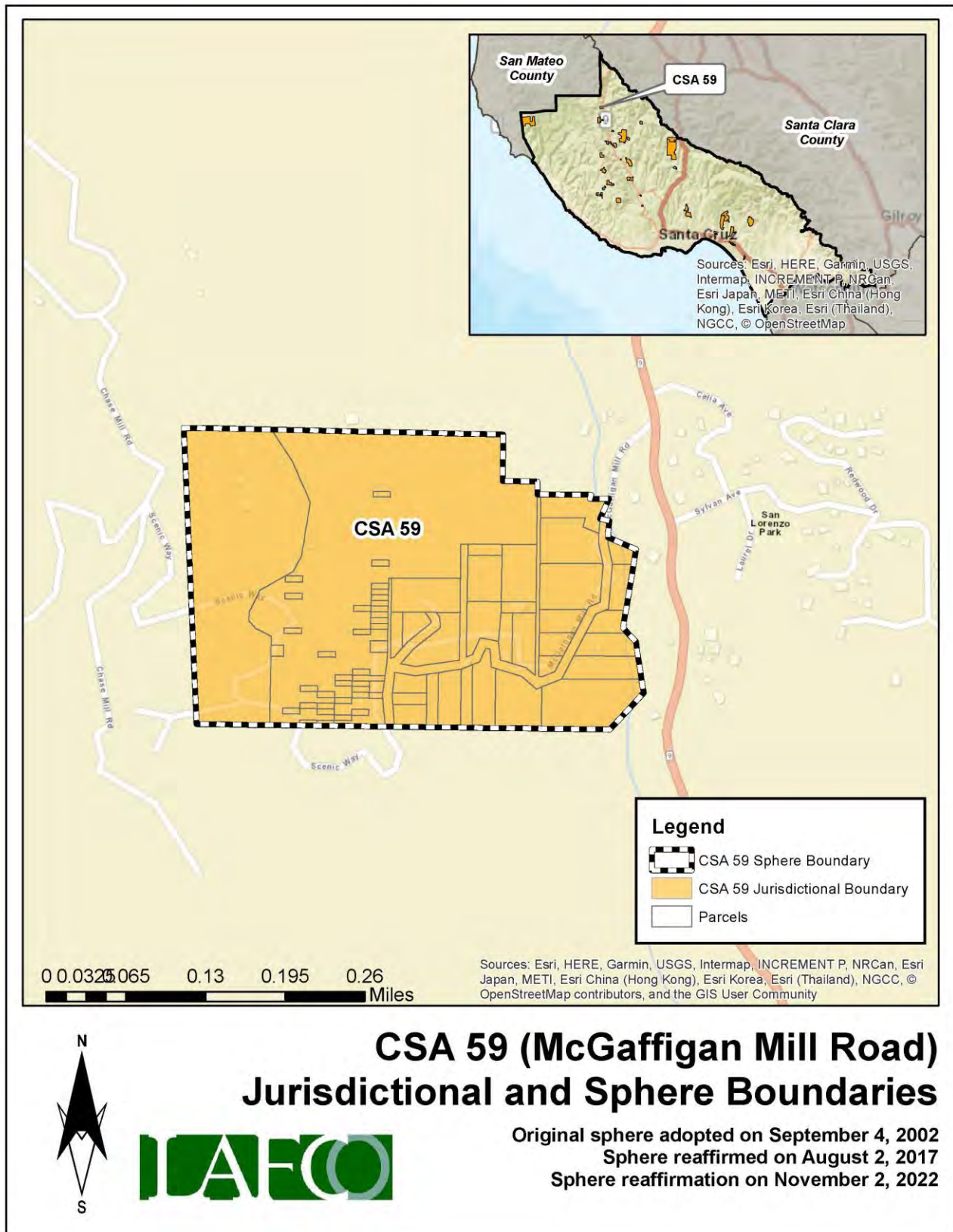
CSA 59 has a population of approximately 7. The constituents fund the CSA a flat rate benefit assessment. The funding rates are reviewed by the County on an annual basis. Any increase in those rates require resident approval.

5. 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, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the CSA's sphere boundary.

EXHIBIT 102
COUNTY SERVICE AREA 59
SPHERE OF INFLUENCE MAP

LAFCO reaffirms sphere boundary (coterminous sphere).





Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Virtual Meetings Update**

SUMMARY OF RECOMMENDATION

The Governor issued a series of executive orders in connection with the ongoing COVID-19 pandemic, which included a waiver of all physical-presence requirements under the Brown Act. These orders expired on September 30, 2021. Assembly Bill 361, which took effect as an urgency measure on September 16, 2021, allowed local agencies to continue conducting remote meetings during a State of Emergency or until January 1, 2024 (whichever comes first). AB 361 is scheduled to discontinue once the State of Emergency is lifted in February 2023. More recently, the Governor signed into law Assembly Bill 2449. This new bill provides public agencies with long-term permissions to hold remote meetings under specific conditions.

It is recommended that the Commission ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361 to the next regularly scheduled meeting (January 4, 2023) and direct staff to implement in-person meetings starting March 1, 2023.

EXECUTIVE OFFICER'S REPORT:

In response to the pandemic, the California Legislature previously passed AB 361 to streamline the requirements for teleconference (also referred to as "virtual" or "remote") meetings under the Brown Act during a State of Emergency. Before AB 361, the Brown Act's teleconference rules required posting each teleconference location and making each location open to the public, which proved ineffective during a global pandemic. Over the past two years, public agencies and the general public have become more comfortable with meeting virtually, and many public agencies lobbied to get legislation passed that would extend the remote meeting protections past AB 361's sunset date of January 1, 2024. New guidelines are significant because the Governor is scheduled to lift the State of Emergency on February 28, 2023, making AB 361 no longer serviceable.

Specific Conditions for Virtual Meetings under AB 2449

AB 2449 reiterates the standard Brown Act teleconference rules, re-codifies the rules set out in AB 361 for times of declared emergency, and also provides for lenient teleconferencing rules when a member of the legislative body needs to attend remotely for an emergency, or other reasons supported by "just cause."

Under the new teleconference rules, the Commission may hold a "hybrid" (partial teleconference, partial in-person) meeting without having to comply with certain procedural requirements (post agendas at teleconference locations, identify teleconference locations in the agenda, make all teleconference locations open to the public) in the following limited circumstances:

- 1) One or more members of the Commission (but less than a quorum) have “just cause” for not attending the meeting in person (childcare or family caregiving need, contagious illness, physical or mental disability need, or travel while on official public business); or
- 2) One or more members of the Commission (but less than a quorum) experience an emergency circumstance (a physical or family medical emergency that prevents in-person attendance).

Commissioners who wish to use one of the above exceptions should contact LAFCO’s legal counsel before attending a meeting remotely. There are also restrictions on the number of times any one member may attend remotely in a year under one of these exceptions. Further, a quorum of the Commission must still be meeting in-person, and the Commission must meet all the following remote access rules:

- a) Provide either a two-way audio visual system or a two-way phone service in addition to live webcasting;
- b) Identify a call-in or internet-based access option on the agenda, in addition to the in-person meeting location;
- c) Ensure that if a disruption to the online meeting occurs, the body takes no further action on agenda items until public access is restored; and
- d) Avoid requiring public comments to be submitted in advance, and provide a real-time option for the public to address the body at the meeting.

CONCLUSION

Due to the new requirements under AB 2449, staff believes that it may be too cumbersome to implement a hybrid model for LAFCO meetings. Therefore, staff is recommending that the Commission revert back to in-person meetings starting March 1, 2023. In the interim, the Commission should ratify the existing resolution (No. 2021-19) allowing staff to conduct the next LAFCO meeting (January 4, 2023) under AB 361.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment: Resolution No. 2021-19 (Adopted Version)

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2021-19

On the motion of Commissioner Rachél Lather
duly seconded by Commissioner Jim Anderson
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE CONTINUATION OF
TELECONFERENCE MEETINGS DUE TO THE GOVERNOR'S PROCLAMATION OF
STATE EMERGENCY AND STATE RECOMMENDATIONS RELATED TO PHYSICAL
DISTANCING DUE TO THE THREAT OF COVID-19

WHEREAS, the Local Agency Formation Commission of Santa Cruz County ("Commission" or "LAFCO") is committed to preserving and nurturing public access and participation in meetings of the Commission; and

WHEREAS, all Commission meetings are open and public, as required by the Ralph M. Brown Act (Government Code Section 54950 et seq.), so that any member of the public may attend, participate, and observe how the Commission conducts its business; and

WHEREAS, the Brown Act, pursuant to Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the state; and

WHEREAS, such conditions now exist in the state, specifically, the Governor of the State of California proclaimed a state of emergency on March 4, 2020, related to the threat of COVID-19, which remains in effect; and

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 ("AB 361"), urgency legislation effective immediately, that amended Government Code section 54953 to permit legislative bodies subject to the Brown Act to continue to meet under modified teleconferencing rules provided they comply with specific requirements set forth in the statute; and

WHEREAS, pursuant to AB 361, the Commission may hold an initial teleconference meeting under the modified teleconferencing rules and may continue to hold such teleconference meetings during a proclaimed state of emergency where the Commission has reconsidered the circumstances of the state of emergency, the state of emergency continues to directly impact the ability of the Commission to meet safely in person, and state or local officials have recommended measures to promote physical distancing; and

WHEREAS, the California Division of Occupational Safety and Health ("Cal/OSHA") regulations at Title 8 Section 3205 recommends physical distancing in the workplace as precautions against the spread of COVID-19 and imposes certain restrictions and requirements due to a "close contact" which occurs when individuals are within six feet of another in certain circumstances; and

WHEREAS, the proliferation of the Delta variant of the virus continues to pose imminent risk to health and safety and directly impacts the ability of the public and the Commission to meet safely in person, accordingly, the Commission hereby recognizes the proclamation of state of emergency by the Governor of the State of California and the regulations of Cal/OSHA recommending physical distancing; and

WHEREAS, as a consequence of the emergency related to COVID-19, the Commission does hereby find that the Commission shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of section 54953, and that the Commission shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the Commission meetings will be accessible to the public to attend virtually or via phone.

NOW, THEREFORE, BE IT RESOLVED THAT THE COMMISSION DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. State of Emergency due to COVID-19. The Commission hereby recognizes the imminent threat to the health and safety of attendees at public meetings due to the impacts of COVID-19 and the continued recommendation of state officials to promote physical distancing to minimize any potential adverse health and safety risks.
3. Remote Teleconference Meetings. The Executive Officer is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings of the Commission in accordance with Government Code Section 54953(e) and other applicable provisions of the Brown Act for remote only teleconference meetings.

4. Reconsideration of the State of Emergency. The Commission has reconsidered the state of emergency proclaimed by the Governor of the State of California and finds that the state of emergency continues to directly impact the ability of the members to meet safely in person.
5. Reoccurring Evaluation by the Commission. The Executive Officer is hereby directed to continue to monitor the conditions and health and safety conditions related to COVID-19, the status of the Governor's State of Emergency, and the state regulations related to social distancing, and present to the Commission at its next regularly scheduled meeting the related information and recommendations for remote only meetings pursuant to the provisions of Government Code Section 54953(e)(3) and to extend the time during which the Commission may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Section 54953.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 3rd day of November 2021.

AYES: Commissioners Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather

NOES: None

ABSTAIN: None



JUSTIN CUMMINGS, CHAIRPERSON

Attest:



Joe A. Serrano
Executive Officer

Approved as to form:



Daniel H. Zazueta
LAFCO Counsel



Santa Cruz Local Agency Formation Commission

Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Multi-Year Work Program Update**

SUMMARY OF RECOMMENDATION

Government Code Section 56425 requires LAFCO to review and update each sphere of influence every five years. Pursuant to Government Code Section 56430, a service review shall either be conducted before or in conjunction with the sphere update. The adoption of the multi-year work program back in November 2019 indicates when the next round of service and sphere reviews will be conducted for each city and district until the 2024 calendar year.

It is recommended that the Commission approve the scheduled service and sphere reviews for the 2023 calendar year.

EXECUTIVE OFFICER'S REPORT:

At present, there are 80 public agencies that are subject to Santa Cruz LAFCO's purview: 4 cities, 24 independent special districts, and 52 other districts (primarily county service areas). This year, the Commission adopted three service reviews under the multi-year work program that analyzed 44 different agencies. The scheduled service reviews between 2020 to 2024 are shown in **Attachment 1**. The adopted schedule ensures that this Commission is up-to-date and in compliance with LAFCO law. In order to continue fulfilling this state mandate, LAFCO staff has identified six public agencies that require review in 2023. A total of six separate reports will be completed next year to evaluate the subject agencies, as shown below.

Table A: Proposed Service & Sphere Reviews in 2023

Agency	Commission Meeting (Proposed Hearing Date)
City of Watsonville	May 3
City of Santa Cruz	June 7
CSA 11 (County Parks)	August 2
CSA 12 (Septic Maintenance)	September 6
CSA 38 (Sheriff's Patrol)	October 4
CSA 53 (County Mosquito Abatement)	November 1

Current and Upcoming Applications / Projects

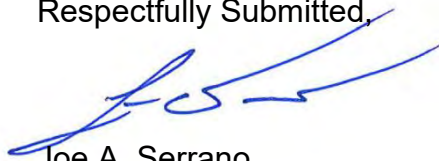
In addition to the scheduled service reviews, staff will be working on a number of other active or potential tasks. The following table provides a brief summary of those projects.

Table B: Current or Upcoming Applications / Projects

Task	Description
<u>Active Applications</u>	
"Pajaro Valley Fire Protection District Reorganization" (LAFCO Project No. RO 22-06)	The fire district has submitted an application to annex all the areas within its sphere and will require detachment from CSA 48 and dissolution of CSA 4 (appx. 3,200 parcels; 26,000 acres).
"Branciforte Fire Protection District Reorganization" (LAFCO Project No. RO 22-07)	The fire district has submitted an application to dissolve and will require the concurrent annex of the dissolved area into Scotts Valley FPD (appx. 780 parcels; 5,800 acres).
"Scotts Valley Water District Sphere Annexation" (LAFCO Project No. DA 22-13)	The water district has submitted an application to annex all the areas within its sphere and areas currently served by SVWD (appx. 180 parcels; 1,500 acres).
"Paso Cielo/Towle Annexation" to CSA 20 (LAFCO Project No. DA 22-15)	A landowner has submitted an application to annex three parcels into CSA 20 for sewer service (3 parcels; 10 acres).
<u>Potential Applications</u>	
Felton Fire Protection District Reorganization	The fire district adopted a resolution to initiate the request to annex areas within its sphere. Staff anticipates an application soon.
Reclamation District No. 2049 Dissolution	The reclamation district adopted a resolution to initiate the request to dissolve. Staff anticipates an application soon.
County Service Area 54 Mandatory Dissolution	SB 448 requires the mandatory dissolution of any inactive district identified by the State Controller's Office. Staff was informed that CSA 54 has been identified as an inactive district. An official letter directing LAFCO to initiate the mandatory dissolution will arrive in November 2022.
Big Basin Annexation into the San Lorenzo Valley Water District	LAFCO is part of a stakeholder effort with the County and SLVWD to address the water issues in the Big Basin community, which is currently served by a private water company. SLVWD may initiate annexation if and when a purchase agreement is finalized.
UCSC Campus Area Annexation or Extraterritorial Service Agreement	The court ruled that the University is subject to LAFCO and may consider submitting an application to receive water from the City of Santa Cruz. Staff has not heard from the University or City on this matter.

Other Projects	
Fire Study (Sphere Boundaries)	AP Triton was hired by LAFCO to produce a feasibility study regarding the existing fire agencies' spheres. The firm is currently working on the data retrieval. Study is estimated to be completed by February 2023.
Pajaro Valley Healthcare District (New District)	The healthcare district was formed under special legislation. As a new independent special district, it will be subject to LAFCO law. Staff will coordinate with the District and County to determine its LAFCO dues for the upcoming fiscal years.
Multi-LAFCO Shared Services Agreement (Coastal Region LAFCOs)	Santa Cruz LAFCO is championing an effort to develop an agreement between other Coastal Region LAFCOs to utilize our existing staff and resources. Staff is scheduled to present the draft agreement in January 2023 for Commission consideration.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment: Adopted Service & Sphere Review Multi-Year Work Program

	Last Service Review Cycle	Next Service Review Cycle
Cities		
Capitola	August 2017	May 2022
Santa Cruz	December 2018	December 2023
Scotts Valley	October 2016	March 2021
Watsonville	April 2018	April 2023
Cemetery District		
Pajaro Valley	April 2015	August 2020
County Service Areas		
CSA 2 (Place de Mer)	October 2019	October 2024
CSA 3 (Aptos Seascapes)	June 2019	June 2024
CSA 4 (Pajaro Dunes)	October 2016	October 2021
CSA 5 (San Dollar/Canyon del Sol)	October 2019	October 2024
CSA 7 (Boulder Creek Country Club)	October 2019	October 2024
CSA 9 (County Public Works)	July 2015	May 2020
CSA 10 (Rolling Woods)	October 2019	October 2024
CSA 11 (County Parks)	May 2018	May 2023
CSA 12 (Septic Maintenance)	August 2018	August 2023
CSA 13 (Hutchinson Road)	July 2017	October 2022
CSA 15 (Huckleberry Woods)	July 2017	October 2022
CSA 16 (Robak Drive)	July 2017	October 2022
CSA 17 (Empire Acres)	July 2017	October 2022
CSA 18 (Whitehouse Canyon)	July 2017	October 2022
CSA 20 (Trestle Beach)	October 2019	October 2024
CSA 21 (Westdale)	July 2017	October 2022
CSA 22 (Kelly Hill)	July 2017	October 2022
CSA 23 (Old Ranch Road)	July 2017	October 2022
CSA 24 (Pineridge)	July 2017	October 2022
CSA 25 (View Point Road)	July 2017	October 2022
CSA 26 (Hidden Valley)	July 2017	October 2022
CSA 28 (Lomond Terrace)	July 2017	October 2022
CSA 30 (Glenwood Acres)	July 2017	October 2022
CSA 32 (View Circle)	July 2017	October 2022
CSA 33 (Redwood Drive)	July 2017	October 2022
CSA 34 (Larsen Road)	July 2017	October 2022
CSA 35 (Country Estates)	July 2017	October 2022
CSA 36 (Forest Glen)	July 2017	October 2022
CSA 37 (Roberts Road)	July 2017	October 2022
CSA 38 (Sheriff's Patrol)	August 2018	August 2023
CSA 39 (Reed Street)	July 2017	October 2022
CSA 40 (Ralston Way)	July 2017	October 2022
CSA 41 (Loma Prieta Drive)	July 2017	October 2022
CSA 42 (Sunlit Lane)	July 2017	October 2022
CSA 43 (Bonita Encino)	July 2017	October 2022
CSA 44 (Sunbeam Woods)	July 2017	October 2022
CSA 46 (Pinecrest Drive)	July 2017	October 2022
CSA 47 (Braemoor Drive)	July 2017	October 2022
CSA 48 (County Fire)	June 2018	October 2021
CSA 50 (The Vineyard)	July 2017	October 2022
CSA 51 (Hopkins Gulch Road)	July 2017	October 2022
CSA 52 (Upper Pleasant Valley Road)	July 2017	October 2022
CSA 53 (County Mosquito Abatement)	October 2018	October 2023
CSA 54 (Summit West Water)	July 2017	August 2022

Service Review Work Program (2020 to 2024)

Adopted on November 6, 2019

	Last Service Review Cycle	Next Service Review Cycle
CSA 55 (Riverdale Park)	July 2017	October 2022
CSA 56 (Felton Grove)	July 2017	October 2022
CSA 57 (Graham Hill)	June 2019	June 2024
CSA 58 (Ridge Drive)	July 2017	October 2022
CSA 59 (McGaffigan Bill Road)	July 2017	October 2022
CSA 60 (Huckleberry Island); Dissolved on 2/3/21	July 2015	March 2020
Fire Districts		
Aptos/La Selva; Consolidated with CFPD on 2/4/21	October 2016	October 2021
Aromas Tri-County	October 2016	October 2021
Ben Lomond	October 2016	October 2021
Boulder Creek	October 2016	October 2021
Branciforte	October 2016	October 2021
Central; Consolidated with CFPD on 2/4/21	June 2018	October 2021
Central Fire District of Santa Cruz County	N/A	October 2021
Felton	October 2016	October 2021
Pajaro Valley	October 2016	October 2021
Scotts Valley	October 2016	October 2021
Zayante	October 2016	October 2021
Health Care District		
Pajaro Valley Health Care District		December 2025
Port District		
Santa Cruz Port District	July 2019	July 2024
Reclamation District		
No. 2049	November 2017	August 2022
Recreation and Park Districts		
Alba	March 2016	August 2021
Boulder Creek	March 2016	August 2021
La Selva Beach	March 2016	August 2021
Opal Cliffs; Dissolved on 4/11/22	March 2016	August 2021
Resource Conservation District		
Resource Conservation Districts of Santa Cruz County	July 2015	October 2020
Regional Open Space District		
Midpeninsula Regional Open Space District	November 2019	November 2024
Sanitation Districts		
Davenport	October 2019	October 2024
Freedom	October 2019	October 2024
Salsipuedes	October 2019	October 2024
Santa Cruz County	October 2019	October 2024
Water Districts		
Central	August 2017	August 2022
Pajaro Valley Water Management Agency	November 2017	August 2022
San Lorenzo Valley	July 2014	Nov 2020; Aug 2022
Scotts Valley	October 2016	May 2021; Aug 2022
Soquel Creek	May 2017	August 2022

Footnotes

(1) Proposed dates may be subject to change but shall occur within that designated year

(2) CSA 60 was dissolved on 2/3/21

(3) Aptos/La Selva FPD and Central FPD were consolidated on 2/4/21 and created "Central Fire District"

(4) Opal Cliffs Recreation District was dissolved on 4/11/22



Santa Cruz Local Agency Formation Commission

Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **LAFCO Meeting Schedule (2023 Calendar Year)**

SUMMARY OF RECOMMENDATION

Each year, LAFCO approves a meeting schedule for the upcoming year. This type of action informs the Commission, local agencies, and the general public when the next regular LAFCO meetings will be held.

It is recommended that the Commission adopt the meeting schedule for the 2023 calendar year.

EXECUTIVE OFFICER'S REPORT:

LAFCO normally meets at 9:00am on the first Wednesday of each month. The attached draft meeting schedule outlines next year's anticipated regular LAFCO meetings, with the following exceptions:

- **February 1, 2023** – No LAFCO Meeting will be held to address a scheduling conflict with staff;
- **July 5, 2023** – No LAFCO Meeting will be held to allow a summer recess; and
- **December 6, 2023** – No LAFCO Meeting will be held to allow a holiday recess.

The Commission may set special meetings in accordance with the Commission's adopted policies, if needed. Pursuant to Assembly Bills 361 and 2449, the Commission may continue utilizing online platforms, such as Zoom, in order to conduct meetings remotely. The Commission will have full discretion on whether to conduct virtual meetings, hybrid meetings, or revert back to in-person meetings at any point in the calendar year.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, Executive Officer, is written over the text "Respectfully Submitted,".

Joe A. Serrano
Executive Officer

Attachment: 2023 LAFCO Meeting Schedule (draft version)



Local Agency Formation Commission of Santa Cruz County

2023 SCHEDULE OF REGULAR LAFCO MEETINGS

(Approved on November 2, 2022)

January 4

February – No Meeting

March 1

April 5

May 3

June 7

July – No Meeting

August 2

September 6

October 4

November 1

December – No Meeting

All regular meetings begin at 9:00am and are typically held in the Board of Supervisors Chambers, located on the fifth floor of the County Governmental Center – 701 Ocean Street (Room 525), Santa Cruz CA

VIRTUAL LAFCO MEETINGS

LAFCO Meetings may be conducted remotely in accordance with Assembly Bills 361 and 2449. Santa Cruz LAFCO has established a virtual meeting process. The Commission will have full discretion on whether to conduct virtual meetings, hybrid meetings, or revert back to in-person meetings at any point in the calendar year.



Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Comprehensive Quarterly Report – First Quarter (FY 2022-23)**

SUMMARY OF RECOMMENDATION

This report provides an overview of projects currently underway, the status of the Commission's Multi-Year Work Program, the financial performance of the annual budget, and staff's outreach efforts from July through September. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT

The Cortese-Knox-Hertzberg Act delegates LAFCOs with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. The following sections summarize how several of these statutory mandates are being met through the consideration of boundary changes, the development of scheduled service reviews, and staff's ongoing collaboration with local agencies.

Active Proposals

Santa Cruz LAFCO currently has four active applications:

1. **"Pajaro Valley Fire Protection District Reorganization" (Project No. RO 22-06):**

This application was initiated by board resolution on March 22, 2022 and proposes the annexation of approximately 72 square miles into the fire district, concurrent dissolution of CSA 4, and the concurrent detachment of the annexed area from CSA 48. The purpose of the reorganization is to provide a better level of fire protection services to approximately 20,000 people through an independent fire district rather than two separate county service areas.

Latest Status: LAFCO is currently working with a consulting firm to determine how the proposed reorganization will financially impact the affected agencies.

2. **"Branciforte Fire Protection District Reorganization" (Project No. RO 22-07):**

This application was initiated by board resolution on April 1, 2022 and proposes the dissolution of the Branciforte Fire Protection District and concurrent annexation of the dissolved area into the Scotts Valley Fire Protection District. The purpose of the reorganization is to provide a better level of fire protection services to the Branciforte community (approximately 1,700 people) by merging the two fire districts.

Latest Status: LAFCO continues to coordinate with the two fire districts under the Pre-Reorganization Agreement. LAFCO recently co-hosted two educational workshops for the Branciforte community (September 14 and October 1).

3. **“Scotts Valley Water District Sphere Annexation” (Project No. DA 22-13):** This application was initiated by board resolution on May 12, 2022 and proposes to annex approximately 180 parcels (1,500 acres). The vast majority of the annexation area is within the District’s sphere boundary. The purpose of the annexation is to reflect the areas already served by the District and allow residents the opportunity to connect to the District’s infrastructure without future individual LAFCO actions.

Latest Status: LAFCO is currently coordinating with the District to address items missing in their application packet.

4. **“Paso Cielo / Towle Annexation” to CSA 20 (Project No. DA 22-15):** This application was initiated by landowner petition on September 27, 2022 and proposes the annexation of three parcels (approximately 10 acres). The purpose of the annexation is for the provision of sewer services from a nearby public agency to an existing home.

Latest Status: LAFCO recently distributed a referral letter to the affected and interested agencies to inform them about the application and solicit comments. The County has already submitted a Will-Serve Letter and have expressed support towards the annexation.

Multi-Year Work Program (Service Reviews)

A five-year work program was adopted in 2019 to ensure that service reviews for each local agency under LAFCO’s purview are considered within the legislative deadline. This year, a total of 44 local agencies were evaluated in three separate service and sphere reviews. Below is a status update on each scheduled review.

1. **City of Capitola –** The City was incorporated in 1949 and operates as a general law city. The City contains approximately 2 square miles of land and provides various municipal services, including but not limited to parks and recreation, police, and animal control.

Tentative Hearing Date: A service and sphere review was adopted by the Commission on May 4.

2. **Water Agencies (9 in total) –** The nine water agencies in Santa Cruz County are the following: Central Water District, City of Santa Cruz, City of Watsonville, County Service Area 54 (Summit West), Pajaro Valley Water Management Agency, Reclamation District (No. 2049), San Lorenzo Valley Water District, Scotts Valley Water District, and Soquel Creek Water District.

Tentative Hearing Date: A service and sphere review was adopted by the Commission on August 3.

3. **Road CSAs (34 in total) –** The 34 road-related county service areas districts in Santa Cruz County.

Tentative Hearing Date: A service and sphere review was presented to the Commission on November 2.

Budget Report

The first quarter of Fiscal Year 2022-23 ended on September 30, 2022. During this three-month period, the Commission received \$420,620 in revenue. A total of \$540,752 is available in the Commission's Fund Balance: \$247,985 is earmarked to balance the budget and the remaining \$292,767 is designated as unrestricted revenue. In total, this first quarter amount represents 100% of the anticipated revenue for the entire year. During the same period, the Commission incurred \$132,425 in total expenses which represents 20% of estimated costs for the entire year.

A detailed review of LAFCO's financial performance during the first quarter (July to September) is attached to this report (refer to **Attachment 1**).

Recent & Upcoming Meetings

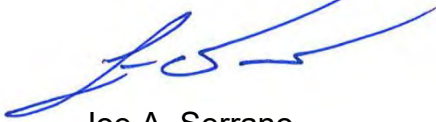
LAFCO staff values the collaboration with local agencies, members of the public, and other LAFCOs to explore and initiate methods to improve efficiency in the delivery of municipal services. In light of the ongoing pandemic, staff conducted most meetings remotely to discuss current and/or upcoming LAFCO projects. A summary of those and more recent meetings are discussed below.

Table A: Staff Meetings (July to September)

July Meetings			
Topic	Date	Subject Agency(ies)	Purpose
New Invoice Entry Training Session	7/1/22	County	Learn new invoice entry database implemented by the County
Fire Feasibility Study	7/7/22	County, Fire Consultant	Review draft scope of work with County representatives
BFPD-SVFPD Reorganization	7/7/22	BFPD, SVFPD	Host Ad-Hoc Committee Meeting to discuss the ongoing effort
Countywide Water Report	7/15/22	City of Santa Cruz	Discuss the draft countywide water service and sphere review
CALAFCO Annual Conference	7/18/22	CALAFCO Planning Committee	Assist in developing the annual conference program and sessions
California Special Districts Association	7/19/22	CSDA	Discuss current and upcoming projects involving special districts
Drought Response Working Group	7/20/22	County, Water Agencies	Provide overview of LAFCO's upcoming countywide water report
Renaissance High School Water Issue	7/20/22	School Representatives	Discuss how the school may be able to connect to a nearby agency
Fire Department Advisory Commission	7/20/22	FDAC, County	Discuss LAFCO's countywide fire report and upcoming study
BFPD-SVFPD Reorganization	7/25/22	BFPD, SCI Consulting	Discuss the proposed benefit assessment study
Fire Feasibility Study	7/26/22	County, Fire Consultant	Review draft scope of work with County representatives
Reclamation District No. 2049	7/27/22	Reclamation District	Discuss the potential dissolution of the distressed district
BFPD-SVFPD Reorganization	7/28/22	BFPD	Administer virtual board meeting
City of Watsonville	7/29/22	City of Watsonville	Meet & Greet with new city manager

August Meetings			
Topic	Date	Subject Agency(ies)	Purpose
Countywide Water Report	8/3/22	County Water Committee	Discuss LAFCO's countywide water service and sphere review
Urban Services Line	8/4/22	Santa Cruz County Sanitation District	Discuss the USL in relation to the District's service/sphere boundaries
CALAFCO Annual Conference	8/4/22	Orange LAFCO	Discuss the "Succession Planning" session outline
BFPD-SVFPD Reorganization	8/4/22	BFPD, SCI Consulting	Discuss the proposed benefit assessment study
Focus Ag Classes	8/5/22	Agri-Culture	Continue attending the 2022 courses
Potential Annexation	8/8/22	City of Capitola	Discuss the LAFCO process for a potential annexation into the City
Renaissance High School Water Issue	8/8/22	School, Soquel Creek Water District	Discuss how the school may be able to connect to a nearby agency
BFPD-SVFPD Reorganization	8/10/22	Becky Steinbruner, Richard Landon	Discuss the proposed reorganization and answer questions
Fire Feasibility Study	8/10/22	County, Fire Consultant	Status update on the proposed study
Fire Feasibility Study	8/11/22	AP Triton, Fire Consultant	Discuss data retrieval process and next steps with hired firm
BFPD-SVFPD Reorganization	8/15/22	Supervisor Koenig's Office	Status update on the ongoing effort
CALAFCO Annual Conference	8/15/22	CALAFCO Planning Committee	Status update on the draft program and scheduled sessions
CALAFCO Annual Conference	8/7/22	Succession Planning Session Panel	Review session outline with panelists
BFPD-SVFPD Reorganization	8/20/22	BFPD's Resident Advisory Committee	Discuss upcoming workshops and community outreach effort
Sphere Plans	8/24/22	Ben Lomond Fire Protection District	Discuss the requested sphere plan with the District's board and staff
Sphere Plans	8/25/22	Zayante Fire Protection District	Discuss the requested sphere plan with the Fire Chief
Focus Ag Classes	8/26/22	Agri-Culture	Continue attending the 2022 courses
Proposed Sphere	8/30/22	Soquel Creek Water District	Discuss the District's current and proposed sphere boundaries
September Meetings			
Fire Feasibility Study	9/1/22	County, Fire Consultant	Status update on the proposed study
BFPD-SVFPD Reorganization	9/1/22	BFPD	Administer virtual board meeting
Geologic Hazard Abatement Districts	9/6/22	County	Discuss LAFCO's role with GHADs
CALAFCO Annual Conference	9/8/22	CALAFCO Planning Committee	Status update on the draft program and scheduled sessions
Renaissance High School Water Issue	9/12/22	School, Soquel Creek Water District	Discuss how the school may be able to connect to a nearby agency
Fire Feasibility Study	9/14/22	County, Fire Consultant	Status update on the proposed study
BFPD-SVFPD Reorganization	9/14/22	BFPD	Conduct first community workshop (virtual session)

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment:

1. LAFCO FY 2022-23 Budget Review (First Quarter)

FISCAL YEAR 2022-23	FY 22-23 First Qtr. (Jul - Sep)	FY 22-23 Adopted Budget	Difference (\$)	Budget Line Item Notes
REVENUES DESCRIPTION				
Interest	\$ 1,036	\$ 1,500	\$ 464	Anticipated Funds
Contributions from Other Govt Agencies	\$ 419,265	\$ 419,265	\$ -	All dues were collected
LAFCO Processing Fees	\$ -	\$ -	\$ -	No fees deposited in 1st Qtr
Medical Charges-Employee	\$ 318	\$ -	\$ (318)	Surplus Funds
Re-budget from Fund Balance	\$ -	\$ 247,985	\$ 247,985	Net Position Funds (if needed)
TOTAL REVENUES	\$ 420,620	\$ 668,750	\$ 248,130	Additional Funds in Total Revenue
EXPENDITURES DESCRIPTION				
Regular Pay	\$ 33,629	\$ 200,000	\$ 166,371	Remaining Funds
Holiday Pay	\$ 611	\$ 10,000	\$ 9,389	Remaining Funds
Social Security	\$ 2,652	\$ 15,000	\$ 12,348	Remaining Funds
PERS	\$ 66,204	\$ 91,000	\$ 24,796	Remaining Funds
Insurances	\$ 8,430	\$ 40,000	\$ 31,570	Remaining Funds
Unemployment	\$ -	\$ 450	\$ 450	Remaining Funds
Workers Comp	\$ 7	\$ 500	\$ 493	Remaining Funds
Salaries Sub-total	\$ 111,534	\$ 356,950	\$ 245,416	Remaining Funds in Salaries & Benefits
Telecom	\$ 1	\$ 1,200	\$ 1,199	Remaining Funds
Office Equipment	\$ -	\$ 200	\$ 200	Remaining Funds
Memberships	\$ 5,000	\$ 7,500	\$ 2,500	Remaining Funds
Hardware	\$ -	\$ 200	\$ 200	Remaining Funds
Duplicating	\$ -	\$ 800	\$ 800	Remaining Funds
PC Software	\$ 237	\$ 600	\$ 363	Remaining Funds
Postage	\$ 9	\$ 1,000	\$ 991	Remaining Funds
Subscriptions	\$ 102	\$ 500	\$ 398	Remaining Funds
Supplies	\$ -	\$ 800	\$ 800	Remaining Funds
Accounting	\$ -	\$ 1,500	\$ 1,500	Remaining Funds
Attorney	\$ 1,018	\$ 150,000	\$ 148,983	Remaining Funds
Data Process GIS	\$ 639	\$ 12,000	\$ 11,361	Remaining Funds
Director Fees	\$ 420	\$ 6,000	\$ 5,580	Remaining Funds
Prof. Services	\$ 9,234	\$ 100,000	\$ 90,766	Remaining Funds
Legal Notices	\$ 784	\$ 6,000	\$ 5,216	Remaining Funds
Rents	\$ -	\$ 9,000	\$ 9,000	Remaining Funds
Misc. Expenses	\$ 987	\$ 5,000	\$ 4,013	Remaining Funds
Air Fare	\$ -	\$ 1,500	\$ 1,500	Remaining Funds
Auto Rental	\$ -	\$ 200	\$ 200	Remaining Funds
Training	\$ -	\$ 1,000	\$ 1,000	Remaining Funds
Lodging	\$ 2,461	\$ 3,000	\$ 539	Remaining Funds
Meals	\$ -	\$ 500	\$ 500	Remaining Funds
Mileage	\$ -	\$ 1,000	\$ 1,000	Remaining Funds
Travel-Other	\$ -	\$ 300	\$ 300	Remaining Funds
Registrations	\$ -	\$ 2,000	\$ 2,000	Remaining Funds
Supplies Sub-total	\$ 20,891	\$ 311,800	\$ 290,909	Remaining Funds in Services & Supplies
TOTAL EXPENDITURES	\$ 132,425	\$ 668,750	\$ 536,325	Remaining Funds in Total Expenditures



Santa Cruz Local Agency Formation Commission

Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **October Correspondence**

SUMMARY OF RECOMMENDATION

In October, LAFCO received written correspondence from local agencies and members of the public. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

LAFCO received three written correspondence in October, as summarized below:

1. **Focus Ag Certificate of Achievement** – LAFCO staff recently graduated from Focus Agriculture. The nine-session education program was held once a month and included farm tours and seminars focused on various topics including production and labor, regional diversity of commodities, and government relations.
2. **Email from Becky Steinbruner** – Ms. Steinbruner sent an email to LAFCO questioning whether LAFCO actions involving the Soquel Creek Water District ("SqCWD") trigger a conflict of interest since Rachél Lather and Josh Nelson are SqCWD representatives.
3. **SDRMA Award** – The Special District Risk Management Authority formally acknowledged Santa Cruz LAFCO for its dedicated efforts towards proactive loss prevention and workplace safety. As a result, the Commission earned the President's Special Acknowledgement Award.
4. **SB 448 Inactive List** – CALAFCO shared the State Controller's most recent list of inactive districts. Any district on that list are subject to a mandatory dissolution by LAFCO. Staff anticipates receiving an official letter from the State Controller's Office in November regarding CSA 54, which has been inactive since 2017.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano
Executive Officer

Attachments:

1. Focus Ag Certificate of Achievement (dated October 14, 2022)
2. Becky Steinbruner Email (dated October 18, 2022)
3. SDRMA President's Special Acknowledgement Award (dated October 18, 2022)
4. CALAFCO Email regarding SB 448 Inactive List (dated October 24, 2022)



"Communicating Agriculture"

*Agri-Culture
Commends*

Joe Serrano

*For showing concern and
interest in agriculture in
Santa Cruz County and the
Pajaro Valley through
participation in, and graduation
from, Class 31
Focus Agriculture - 2020-2022*



Certificate of Achievement

Steve Bontadelli, President

Jess Brown, Executive Director

Joe Serrano

From: Becky Steinbruner <ki6tkb@yahoo.com>
Sent: Tuesday, October 18, 2022 8:09 PM
To: Joe Serrano
Cc: Rachel Lather; Joshua Nelson; Yvette Brooks; Becky Steinbruner
Subject: Requesting Chair Lather and Counsel Nelson Recuse Themselves From Action on Soquel Creek Water District Sphere and Service Review Due to Conflict of Interest

Follow Up Flag: Flag for follow up
Flag Status: Completed

******CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.****

Dear LAFCO,

I participated in the October 18, 2022 Soquel Creek Water District Board meeting, and listened to the Board's discussion of the proposed LAFCO Service and Sphere Review for the District.

I am concerned about a conflict of interest. Ms. Rachel Lather serves on the Soquel Creek Water District Board, and is the current Chair of LAFCO. Counsel Mr. Josh Nelson serves as Counsel for both LAFCO and Soquel Creek Water District. I feel that both should recuse themselves from involvement in the LAFCO deliberation of the Soquel Creek Water District Service and Sphere Review and any potential action on expanding the District's Sphere of Influence, due to their conflict of interest.

I understand that the matter will return to LAFCO for review to consider the proposed expansion of the District's Sphere of influence. The majority of the Board expressed great concern that the potential future annexation of this expansion area could cause increased water demand in a portion of the District Service Area showing evidence of seawater intrusion, even though the District has no production wells in the area of Renaissance High School and the KOA Campground. The Board members who spoke were not in favor of any action that would potentially cause them to provide service to these properties in the expanded Sphere.

Because the Soquel Creek Water District Board seems openly opposed to any action that would potentially cause increased demand, I feel that LAFCO President Rachel Lather should be recused from any LAFCO deliberation and decision-making regarding the issue. I also feel that Best, Best & Krieger Counsel Josh Nelson has a potential conflict of interest in that he is contracted by both LAFCO and Soquel Creek Water District and it would give the appearance of partiality to the reasonable members of the public that could cloud trust in his ability to provide impartial advice on this matter to LAFCO.

I am aware that LAFCO Director Serrano is aware of the potential conflict of interest regarding Mr. Nelson's concurrent contracts, and has made alternate arrangements for Counsel when this water matter might arise. Therefore, I request that during LAFCO deliberation of this or any other Soquel Creek Water District matters, Mr. Serrano call upon the alternate Counsel to preside.

This will support public trust in LAFCO, and support good governance and transparency.

Thank you.

Sincerely,
 Becky Steinbruner



1112 I Street, Suite 300
 Sacramento, California 95814-2865
 T 916.231.4141 or 800.537.7790 • F 916.231.4111

Maximizing Protection. Minimizing Risk. • www.sdrma.org

October 18, 2022

Mr. Jim Anderson
 Chairperson
 Santa Cruz Local Agency Formation Commission
 701 Ocean Street, Room 318-D
 Santa Cruz, California 95060-4027

Re: President's Special Acknowledgement Award - Workers' Compensation Program

Dear Mr. Anderson,

This letter and enclosed certificate are to formally acknowledge the dedicated efforts of the Santa Cruz Local Agency Formation Commission's Governing Body, management, and staff towards proactive loss prevention and workplace safety for earning the President's Special Acknowledgement Award! The Award is to recognize members with no "paid" claims during the prior **five consecutive program years** in the Workers' Compensation Program.

A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year. Your agency's efforts have resulted in no "paid" workers' compensation claims for the prior five consecutive program years from 2017-22. This is an outstanding accomplishment that serves as an example for all SDRMA members!

In addition to this annual recognition, members with no "paid" claims during 2021-22 earned one credit incentive point (CIP) reducing their annual contribution amount, and members with no "paid" claims for the prior five consecutive program years earned three additional bonus CIPs. Also, members without claims receive a lower "experience modification factor" (EMOD), which also reduces their annual contribution amount.

On behalf of the SDRMA Board of Directors and staff, it is my privilege to congratulate your Governing Body, management, and staff for your commitment to proactive loss prevention and safety in the workplace.

Sincerely,
 Special District Risk Management Authority

Mike Scheafer, President
 Board of Directors



President's Special Acknowledgement Award

The President of the Special District Risk Management Authority

Hereby gives special recognition to

Santa Cruz Local Agency Formation Commission

The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Workers' Compensation Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period. Congratulations on your excellent claims record!


Mike Scheafer, SDRMA Board President

October 18, 2022

Date

California State Controller's Office**List of Inactive Districts per Chapter 334, Statutes of 2017 (SB 448)****Source: Special Districts Financial Transactions Reports, Fiscal Year 2020-21**

#	District Name	City	County
1	Willow Springs Water District	Plymouth	Amador
2	County Service Area No. 6 (Calaveras)	San Andreas	Calaveras
3	County Service Area No. 3 (Colusa)	Colusa	Colusa
4	County Service Area No. 4 (Humboldt)	Eureka	Humboldt
5	Kern Valley Resource Conservation District	Bakersfield	Kern
6	Canby Community Services District	Canby	Modoc
7	County Service Area No. 32 (Santa Barbara)	Santa Barbara	Santa Barbara
8	County Service Area No. 54 (Santa Cruz)	Santa Cruz	Santa Cruz
9	Fall River Valley Irrigation District	Redding	Shasta
10	Reclamation District No. 2034	San Ramon	Solano
11	Reclamation District No. 2043	Fairfield	Solano
12	Reclamation District No. 2134	Roseville	Solano
13	Meridian Cemetery District	Yuba City	Sutter
14	County Service Area No. 60 (Tuolumne)	Sonora	Tuolumne
15	County Service Area No. 56 (Yuba)	Marysville	Yuba
16	County Service Area No. 57 (Yuba)	Marysville	Yuba
17	County Service Area No. 58 (Yuba)	Marysville	Yuba
18	River Highlands Community Service District	Marysville	Yuba
19	Royal Pines County Service Area (Yuba)	Marysville	Yuba



Santa Cruz Local Agency Formation Commission

Date: November 2, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Months of September and October**

SUMMARY OF RECOMMENDATION

LAFCO staff monitors local newspapers, publications, and other media outlets for any news affecting local agencies or LAFCOs around the State. Articles are presented to the Commission on a periodic basis. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT

The following is a summary of recent press articles. Full articles are attached.

Article #1: "The Pajaro Valley Health Care District Hospital Corporation Acquires Watsonville Community Hospital": The article, dated September 1, highlights the successful acquisition of the Watsonville Community Hospital following largest community fundraising campaign in the history of Santa Cruz County. LAFCO staff extends its appreciation to everyone who helped complete this purchase, including but not limited to, Senator John Laird and Assemblymember Robert Rivas for spearheading the creation of the Pajaro Valley Health Care District.

Article #2: "McKinleyville incorporation seriously considered": The article, dated September 1, indicates that an unincorporated community in Humboldt County is considering the formation of a new city. The community currently has a Community Services District which oversees several municipal services, including sewer, water, and open space maintenance. It is important to note that the last incorporation occurred in 2011 involving Jurupa Valley in Riverside County, which resulted in emergency bills to help fund the fiscally distressed new city. No other cities have been formed since then primarily due to the difficulty to become self-sustainable.

Article #3: "Cal Fire Awards \$970,000 for Felton & SV Wildfire Prevention": The article, dated September 2, notes that Cal Fire awarded funds to the Resource Conservation District's Forest Health and Wildfire Resiliency Program. The funding will help with the Lockhart shaded fuel break – specifically removing small trees, underbrush and other potential hazards within the approximate 100-foot corridor.

Article #4: “Water, housing and who decides what: New ruling addresses long-standing UCSC/city issues”: The article, dated September 8, indicates that the University will require LAFCO action to receive water services from the City of Santa Cruz for areas of the campus outside the City’s jurisdictional boundary. This is a result of the August 31st court ruling which ruled that the City is not obligated to provide water services to UCSC property sitting outside the city limits. The University has until the end of October to appeal the court ruling.

Article #5: “Con Fire would take over fire services in Pinole under proposal”: The article, dated September 20, states that the City of Pinole, in Contra Costa County, is considering transferring fire protection responsibilities to an independent fire district. The City is currently seeking input from its constituents before moving forward with an application with LAFCO.

Article #6: “Work continues on Pure Water Soquel facility”: The article, dated September 22, indicates that the water purification facility continues to move forward. The facility is meant to secure fresh water for the Mid-County Groundwater Basin and serve as a resource for water education countywide.

Article #7: “Capitola selects new Public Works Director”: The article, dated September 23, notes that the City of Capitola has appointed Jessica Kahn as the new Public Works Director. Ms. Kahn brings 15-years of experience from various cities, including but not limited to Pacific Grove (Monterey County) and Scotts Valley.

Article #8: “Input sought on future of Branciforte Fire district”: The article, dated September 26, explains how the Branciforte Fire Protection District and LAFCO collaborated to develop and distribute a postcard to encourage more community participation/awareness regarding the ongoing reorganization effort. The postcard also highlighted two upcoming workshops co-hosted by LAFCO.

Article #9: “Fairfield council to consider city providing fire service to Cordelia district”: The article, dated October 2, highlights the coordination between a city and fire district in Solano County. The City of Cordelia expressed interest in providing services to the Cordelia Fire Protection District to ensure the unincorporated residents receive adequate fire protection and emergency medical services. This new fire-related agreement would require Solano LAFCO action under Government Code Section 56134.

Article #10: “Pure Water Soquel: \$21 Million Grant”: The article, dated October 3, indicates that the Soquel Creek Water District has received a \$21 million grant from the United States Bureau of Reclamation for the Pure Water Soquel groundwater replenishment and seawater intrusion prevention project. The project is the District’s primary means of creating a sustainable alternative water supply to address the critically over-drafted Santa Cruz Mid-County Groundwater Basin.

Article #11: “Mill Valley, Southern Marin fire agencies to merge”: The article, dated October 7, notes that two fire districts in Marin County have been sharing services for several years and have expressed interest in consolidation. The Mill Valley City Council and the Southern Marin Fire Protection District Board unanimously adopted a resolution to initiate the consolidation process.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. "The Pajaro Valley Health Care District Hospital Corporation Acquires..."
2. "McKinleyville incorporation seriously considered"
3. "Cal Fire Awards \$970,000 for Felton & SV Wildfire Prevention"
4. "Water, housing and who decides what: New ruling addresses long-standing UCSC..."
5. "Con Fire would take over fire services in Pinole under proposal"
6. "Work continues on Pure Water Soquel facility"
7. "Capitola selects new Public Works Director"
8. "Input sought on future of Branciforte Fire district"
9. "Fairfield council to consider city providing fire service to Cordelia district"
10. "Pure Water Soquel: \$21 Million Grant"
11. "Mill Valley, Southern Marin fire agencies to merge"

businesswire.com

The Pajaro Valley Health Care District Hospital Corporation Acquires Watsonville Community Hospital

4-5 minutes

WATSONVILLE, Calif.--([BUSINESS WIRE](#))--The Pajaro Valley Health Care District Hospital Corporation ("the District") today announced that it has acquired Watsonville Community Hospital ("the Hospital") following the largest community fundraising campaign in the history of Santa Cruz County. This milestone positions the Hospital to continue serving the community as a non-profit provider for many years to come, with the ongoing support of new ownership that understands the importance of continuing to deliver quality healthcare services to everyone in the Pajaro Valley.

"As we move forward, we will continue our commitment of putting patient safety and good health at the forefront of all that we do. This is the start of a great next chapter for our Hospital."

[Tweet this](#)

Earlier this year, the Pajaro Valley Healthcare District Project (PVHDP) announced and led the fundraising effort to save the Hospital. The Project worked with the Pajaro Valley community—including individuals, community businesses, associations, organizations, local, county and state governments as well as corporate partners—to raise the necessary funds to acquire Watsonville Community Hospital. The campaign had more than 450 donors, with contributions ranging from \$5 to \$7.5 million.

In addition, State Senator John Laird (D-Santa Cruz) and Assemblymember Robert Rivas (D-Salinas) led the creation of the Pajaro Valley Healthcare District and successfully secured a \$25 million appropriation from the state of California to support the transaction.

With the sale of the Hospital approved by the U.S. Bankruptcy Court in San Jose, the Hospital has successfully emerged from the Chapter 11 process.

"The Pajaro Valley Healthcare District Project was established less

than a year ago to create a local healthcare district that will allow for community-driven healthcare services and enable the longevity of Watsonville Community Hospital,” said PVHDP Board Member Carlos Palacios. “Today, everyone should be proud of the work our community did to ensure that one of the most important and impactful resources supporting the health and well-being of the Pajaro Valley remains open for business.”

Jasmine Nájera, Board Vice Chair of the District, said, “This milestone illustrates what is possible when we all rally around a common cause and underscores how the people of the Pajaro Valley—and beyond—deeply care for this community. The completion of the transaction represents an exciting step for the future of the Hospital, which is now well-positioned to meet the ongoing needs of the community and patients it serves.”

“We appreciate the support we have received, which has allowed us to carry on our most important mission of providing quality, compassionate care to our patients,” said Steven Salyer, CEO of Watsonville Community Hospital. “As we move forward, we will continue our commitment of putting patient safety and good health at the forefront of all that we do. This is the start of a great next chapter for our Hospital.”

Force 10 Partners acted as financial advisor to the Hospital, with Pachulski Stang Ziehl & Jones LLP as legal counsel. Filings and additional information on the transaction consummated in connection with the Hospital’s emergence from bankruptcy can be found at <https://cases.stretto.com/WatsonvilleHospital>.

About Watsonville Community Hospital

Watsonville Community Hospital is a 106-bed full-service acute care hospital serving the city of Watsonville and the surrounding culturally diverse tri-county area along California’s Central Coast. The hospital offers a wide range of quality medical and surgical services including cardiac care, diagnostic imaging, emergency services, general surgery, maternity services, orthopedics, pediatrics, rehabilitation services, robotic surgery, urology, vascular surgery, women’s health services, and wound care. For more information, go to www.watsonvillehospital.com.

madriverriverunion.com

McKinleyville incorporation seriously considered

Jack Durham Mad River Union

5-6 minutes



Mary Burke

MCKINLEYVILLE – In an effort to have greater control of its own destiny, McKinleyville is continuing its efforts to determine whether or not it should become a city.

It's a topic that the unincorporated community – the largest in Humboldt County – has grappled with for more than a half a century.

The latest discussion took place at the Aug. 24 meeting of the McKinleyville Municipal Advisory Committee (McKMAC), which hosted a presentation by a California (un) Incorporated, a grassroots coalition of activists from unincorporated communities throughout the state.

"This is not a presentation on why you should be a city," said Michael Seaman of Arden-Arcade, an unincorporated town east of the City of Sacramento. "We're not trying to promote anything."

Seaman, along with McKinleyville resident Mary Burke, outlined some of the challenges of becoming a city, along with some of the potential benefits.

'It's unfair'

A city, with a council elected by its citizens, typically has authority

over sewer, water, parks, recreation, land use planning, streets, drainage, building and business permits and animal control.

In McKinleyville, which has a population of 16,645 based on the 2020 Census, those powers are divvied up between the McKinleyville Community Services District (MCSD) and the County of Humboldt.

The MCSD oversees sewer, water, streetlights, open space maintenance, parks and recreation in McKinleyville. Its five-member board of directors is elected by the citizens of McKinleyville.

The County of Humboldt has jurisdiction in McKinleyville over land use planning, building and business permits, streets, storm drains, economic development and police (Humboldt County Sheriff's Office.)

When it comes to the county services, the residents of McKinleyville have no direct control. As part of the sprawling Fifth District, McKinleyville gets to vote for one of the county's five supervisors.

"You need to have three supervisors to get anything done," Seaman said, referring to the required quorum on the Board of Supervisors to pass a motion. But McKinleyville only votes for one supervisor out of five.

"It's unfair. It's also undemocratic," Seaman said.

A slide in a PowerPoint presentation described it as a "Business model that depends on the kindness of strangers."

'Hopscotches around'

Mary Burke discussed other challenges that come from being unincorporated. While serving on the MCSD Board of Directors, Burke formed a group to look at improving bicycle and pedestrian mobility in McKinleyville. The group met for years trying to obtain grant funding to improve mobility. While the volunteers were ultimately successful, Burke questioned whether this was something that should be done by volunteers instead of qualified staff.

The committee talked about how when a city staff members get out of the shower in the morning, they are thinking about ways to improve their city. But county staff has the entire county to think about, not just McKinleyville.

McKMAC member Kevin Jenkins said that county staff tend to

focus on individual projects, not the entire community. The county “hopscotches around,” Jenkins said.

Process

When Fifth District Supervisor Steve Madrone ran for office in 2018, he promised that if elected he would have the county gather data on how much it spends in McKinleyville. It took some time for Madrone to get approval from his fellow board members. Then COVID hit.

But now he has some of those numbers, Madrone told the committee. He suggested that the McKMAC and the MCSD hold a joint meeting in the near future to go over the numbers.

“I’m committed to getting you the data so you can make those informed decisions,” Madrone said.

If the numbers suggest that incorporation may be possible, then the next step would be for someone to conduct a detailed feasibility study, which could cost upwards of \$50,000, Madrone said.

That study would need to be initiated by a community group, which would need to find the funds to pay for it.

McKMAC member Pat Kaspari, who is the manager of the MCSD, said the district cannot use its sewer or water funds to pay for such a study.

“Right now, that’s a hurdle we need to get over,” Kaspari said.

After a feasibility study is done, the next step would be to have the issue looked at by the Local Agency Formation Commission, which would likely prepare an environmental impact report.

“Ultimately, it’s going to be your decision at the voting booth whether you want to do it or not,” Madrone said.

“This is really a great start of a conversation,” said McKMAC Chair Bonnie Oliver. “I think it’s going to be an ongoing discussion for awhile.”

tpgonlinedaily.com

Cal Fire Awards \$970,000 for Felton & SV Wildfire Prevention - TPG, Inc.

by See Below

5-6 minutes

By Angie Gruys

As part of the Resource Conservation District's Forest Health and Wildfire Resiliency program, we have been working with Cal Fire and other stakeholders to identify and prioritize landscape scale projects in areas considered to be at high-risk for wildfire.

This latest award of \$970,000 will fund the Lockhart shaded fuel break, in one of those recognized critical hot spots.



The work entails treating about 95 acres that stretches 5.5 miles and will include removing small trees, underbrush, and low-hanging limbs on trees within the approximate 100-foot corridor along the ridgetop road. Larger trees over eight inches in diameter that are healthy will be retained while dead or dying trees will be removed. Trees leaning over the roadway that are at increased susceptibility to falling over the corridor during wildfires will be removed to reduce the risk of the road being blocked. Dead trees that have fallen onto

the ground will also be taken out to reduce the amount of hazardous fuel available in the event of a wildfire.

This vital project will create defensible space around the high-fire risk communities of Felton and Scotts Valley to improve ingress/egress route safety in the event of wildfire and allow easier access for firefighters.

Extending from Graham Hill Road to Upper Zayante in the heart of the San Lorenzo River watershed, the project area has two large tributaries, Zayante Creek and Bean Creek on either side. The San Lorenzo River is a vital drinking water resource for the City of Santa Cruz providing most of their supply. Additionally, the 180-acre Olympia Watershed property to the west of the project area is owned by the San Lorenzo Valley Water District and provides an important source of groundwater to their customers.

Reducing future wildfire risks will help protect these important drinking water resources.

“Fire is a major concern for the San Lorenzo Valley Water District and its communities.” says Rick Rodgers, the Water District’s Manager. “In the past PG&E, illegal activities, and natural disasters have triggered major fire events. The Lockhart shaded fuel break is incredibly important not only for water supply but also for protection of surrounding neighborhoods.”

Three different areas of the project are within protected Santa Cruz sandhills, which are unique to Santa Cruz County, and require extra care, planning and permitting. Work of this scale often crosses numerous property lines and needs the cooperation of those whose lands might be impacted.

This undertaking is possible because of the collaboration and support of the Land Trust of Santa Cruz County, San Lorenzo Valley Water District, the City of Santa Cruz Water Department, and the private landowners in the project area.

“The Land Trust has a vested interest in the project area, having protected nearly 500 acres for multiple conservation benefits

including rare sandhills and wildlife movement,” says Matt Timmer, natural resource manager at the Land Trust of Santa Cruz County. “We are encouraged to see this important project move forward and will work with the partners to ensure that the conservation values of these lands are protected during the project. The Lockhart shaded fuel break will make our communities safer and potentially set the stage for more hands-on habitat restoration work in the future.”

Fire suppression and old logging practices have shaped the current state of forests in Santa Cruz County, which are now more prone to catastrophic wildfire.

Projects like this will showcase how well-planned collaborative efforts can rebuild healthy forest ecosystems.

“Our long-term goal is to mimic historical landscapes with fewer but larger and healthier trees, that can more effectively endure the impacts of drought and wildfire,” explains Angie Richman, forest health specialist with the Resource Conservation District. “It can’t happen overnight, but the steps that we take today are critical to building the healthy forests of tomorrow.”

Project planning and permitting is expected to be completed next summer with construction beginning in the spring of 2024.

For information on the RCDSCC’s Forest Health and Wildfire Resiliency program and services, visit www.rcdsantacruz.org/forest-management-and-stewardship.

●●●

Established in 1942, the RCD is a locally governed special district and one of the oldest environmental organizations in the County.

(Visited 85 times, 1 visits today)

lookout.co

Water, housing and who decides what: New ruling addresses long-standing UCSC/city issues - Lookout Local Santa Cruz

Hillary Ojeda

7-8 minutes



Quick Take

Almost everyone agrees that Santa Cruz needs more housing. As UCSC plans expansion, including more housing, providing water to the university is an issue. Maybe that's about the water, and maybe it's about who decides whether that water will be provided. After UC Santa Cruz filed a lawsuit in October 2020 arguing that the City of Santa Cruz was required to provide water access to parts of its campus located outside of city limits, a judge ruled on Aug. 31 that the city isn't required to. The judge further ruled that the university has to seek authorization from a local commission.

Have something to say? Lookout welcomes letters to the editor, within our policies, from readers. Guidelines [here](#).

A dispute between the City of Santa Cruz and UC Santa Cruz that has appeared to be about water access for the university's north campus area looks to really be about housing and control.

The long-running argument took a new turn Aug. 31, when Santa Cruz Superior Court Judge Timothy Volkmann ruled that the city isn't obligated to provide water access to UCSC property sitting outside of city limits.

That ruling rejected UC Santa Cruz's claim that the City of Santa Cruz is legally obligated to provide water for its emerging "north

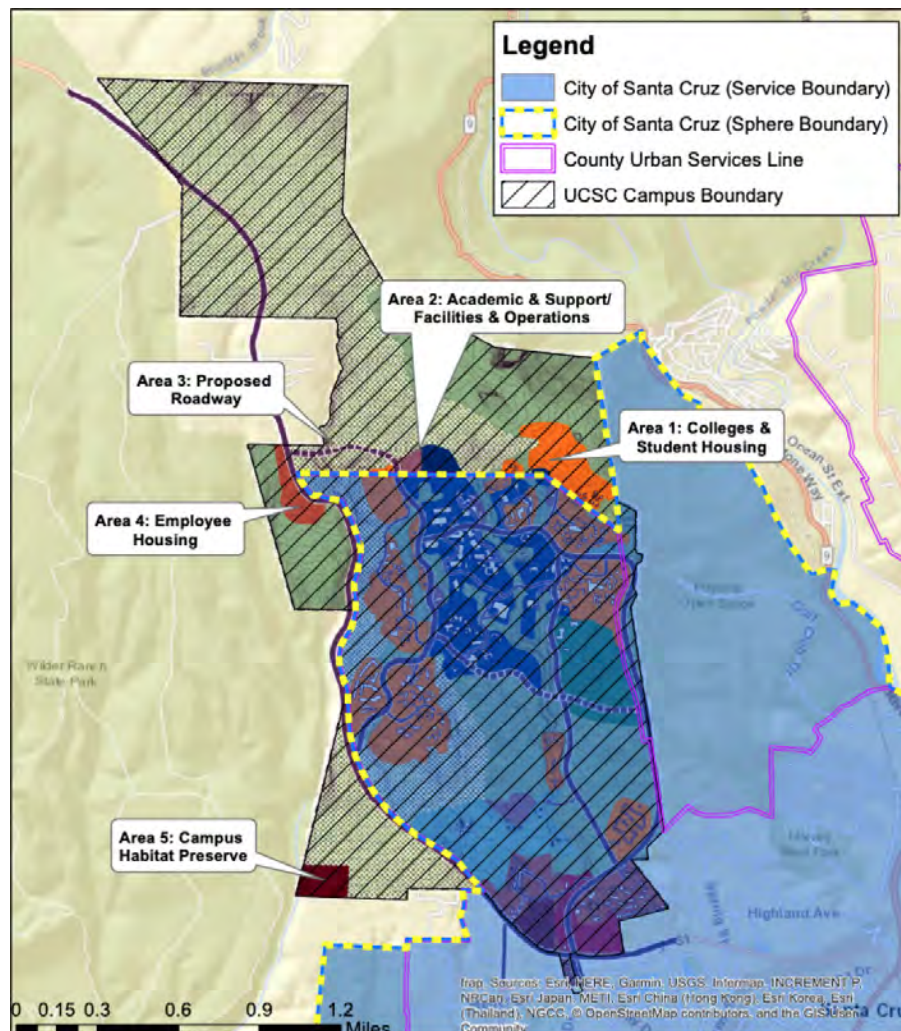
campus” projects — generally laid out in the campus’ most recent long-range development plan (LRDP), which [aims to increase on-campus housing](#) in response to acute local housing needs.

UCSC had argued that the city had to provide water to the area — even though, unlike the current inhabited campus, it is outside city limits — based on contracts signed in [1962](#) and [1965](#), just as the university was founded.

Volkman ruled that the city is in compliance with those contracts and that the university must apply to a local commission — the Santa Cruz County Local Agency Formation Commission (LAFCO) — to obtain water access from the city for property outside of city limits.

“The ball is in the university’s court at this point,” Santa Cruz City Attorney Tony Condotti told Lookout on Tuesday.

He said the city has not taken a position on whether it would provide the access, but that it does support the university submitting an application to the commission and resolving the question of access in that process.



An image provided by LAFCO Santa Cruz shows proposed projects on the UCSC's north campus area outside of city limits.

(Via Santa Cruz LAFCO)

That's the control question here. While Condotti says the city generally supports more campus housing, it asserts its legal rights in this case. That question — how much a UC campus, a part of a state entity, is subject to local control — is really at the heart of this dispute, perhaps more so than the apparent question of water provision.

City of Santa Cruz Water Director Rosemary Menard said over the next 20 years, the university projects to need an additional 190 million gallons of water annually to meet the needs of the additional housing it intends to provide. It currently uses about 160 million gallons.

"We've already incorporated it [the 190 million gallons] into our planning," she said.

If water for the north campus is already in the works, then what is the campus' case?

Assistant vice chancellor and spokesperson Scott Hernandez-Jason said in a statement that UCSC is asking the city to "fulfill the promises" it made when it convinced the board of regents to choose Santa Cruz for a UC campus in the early '60s — promises that included providing water service.

The statement further argued that providing access to water service to the entire residential campus "would help UC Santa Cruz build housing, classrooms and space for research and creative scholarship, and fulfill its commitment to the local community and faculty, staff and students."

The university's statement emphasized its commitment to reducing water use — something Menard also recognized. She said the university has been a great partner for "aligning their water use practices with best practices."

So what are the next moves?

"We are disappointed with the court's ruling and are determining our next steps," said Hernandez-Jason.

UCSC can appeal, having 60 days to do so once the ruling is finalized. Or it can apply to LAFCO for water-access authorization.

LAFCO is led by [an 11-member commission](#) made up of local

government officials, district members and residents.

Commissioners include Capitola City Council Member Yvette Brooks and Santa Cruz County Supervisors Ryan Coonerty and Zach Friend, among others.

If the university were to submit an application to LAFCO to obtain City of Santa Cruz water access, it would take about one year for analyses to be completed and for the county and city to provide input, according to LAFCO Executive Officer Joe Serrano.



(Kevin Painchaud / Lookout Santa Cruz)

He said the agency can't force the city to provide water; rather, the county, the city, LAFCO and the university must come to an agreement on the conditions.

"Unless all four of them support it, we can't approve it," Serrano said.

He added that since 2001, state law has required that local LAFCOs authorize water access to areas outside of city limits. He said going through Santa Cruz LAFCO would help the city determine whether to provide the service and under what conditions.

At this point, the university has not responded to questions about applying to LAFCO.

How big a role does student housing play in this dispute?

UCSC's [long-range development plan](#) shows proposals for student and employee housing in the north campus area. Based on the plan, Serrano said, there would also be a roadway and academic facilities.

Project details are few for that development. The area, which lies outside Santa Cruz city limits, now includes a natural reserve, an

emergency water-storage tank, some minor infrastructure, fire roads and trails, and long-term research plots, according to the LRDP. The document serves as a guide for development for the next 20 years, rather than a detailed plan.

If the matter does move to Santa Cruz LAFCO, numerous questions may be raised — with housing prominent among them.

“It could include such factors, for instance, is the new development going to ease some of the existing burden placed on the city’s rental housing market by the underdevelopment of on-campus housing?” Condotti said. “So that could be a factor.”

Condotti said he doesn’t think costs are a major factor in the decision. Based on his understanding, he said, the university would build the infrastructure, which it would also own and operate.

richmondstandard.com

Con Fire would take over fire services in Pinole under proposal - Richmond Standard

Mike Aldax

2 minutes

The City of Pinole is considering having the Contra Costa County Fire Protection District (Con Fire) fully operate fire services in the city, including operating Fire Station 73 and Fire Station 74, which would reopen under the proposal.

The city is currently seeking community feedback on the plans and is hosting its second of two public meetings on Tuesday, Sept. 27, at 6 p.m. Click [here](#) for information on attending in person or via Zoom.

Pinole has operated just one fire station — Station 73 — for most of the city's history, only briefly operating Station 74 from 2003 until 2011. Since the closure of Station 74, the city has explored ways to reopen the station or otherwise expand fire protection and emergency medical services.

In November last year, the Contra Costa County Board of Supervisors approved using \$2 million in Measure X sales tax revenue to help reopen Station 74. Con Fire has proposed to operate both Stations 73 and 74 on the city's half, funded by the \$2 million in Measure X funds currently appropriated to the Pinole Fire Department.

For that to happen, Con Fire must by law receive approval from the Contra Costa County Local Agency Formation Commission (LAFCO), the County Board of Supervisors, and City Council.

The city is currently conducting outreach on the proposal.

Supporting the proposal in principal are the City's Fire Chief, the County Executive Fire Chiefs, the County Board of Supervisors, and the labor group representing Con Fire's and Pinole Fire Department's firefighters (IAFF Local 1230), according to the city.

santacruzsentinel.com

Work continues on Pure Water Soquel facility

PK Hattis

4-6 minutes

LIVE OAK – Construction of the Soquel Creek Water District’s crown jewel water purification facility in Live Oak continues to progress and optimism among local water agency officials is building along with it.

“This is a showcase piece,” said Melanie Mow Schumacher, program director for the Pure Water Soquel Project, during a guided tour of the construction site on Monday. “We really had to incorporate not just the function of producing water, but also the form of what this looks like in our community.”

The 12,700-square-foot facility is the “heart” of the project, meant to not only secure fresh water for the Mid-County Groundwater Basin, but also to serve as a resource for water education across the county.



Soquel Creek Water District give a tour of the Pure Water Soquel project on Chanticleer Avenue with partner stake holders and state water officials. (Shmuel Thaler – Santa Cruz Sentinel)

The basin has been severely over-drafted in recent decades due to the ongoing regional and statewide drought and is now facing a threat from seawater intrusion, which would destroy the critical water resource if it goes unchecked.

“An ounce of prevention is worth a pound of cure if you can stop seawater intrusion,” said General Manager for the Soquel Creek Water District Ron Duncan. “You just don’t want to fail a community in their water supply.”

The facility, estimated to be up and running before the end of 2023, is expected to receive roughly 1.3 million of the 8 million gallons of treated wastewater that is processed on a daily basis by the Santa Cruz Wastewater Treatment Facility, according to Duncan. He added that it has capacity to eventually expand and provide 2.6 million gallons per day.

The treated water will travel through 8 miles of underground water pipeline through the cities of Santa Cruz and Capitola, until it arrives at the Pure Water facility at 2505 Chanticleer Ave. It will then undergo an intensive four step purification process before it gets injected into three seawater intrusion prevention wells in Soquel serving as a buffer against the seeping salt water.



Pure Water Soquel’s purification center rises in Live Oak. (Shmuel Thaler – Santa Cruz Sentinel)

“Whenever you see the first one of these go into any community, it’s a pretty big deal,” said Water Director for the City of Santa Cruz Rosemary Menard, who attended the facility tour. “We have

different things that we're exploring at slightly different paces, but they're not in conflict, they're all synergistic."

While Santa Cruz receives only about 5% of its water supply from the Mid-County Basin and suffers from its own unique set of water scarcity issues, Menard said the scale of challenges posed by a rapidly changing climate will require continued inter-agency cohesion.

"Collaboration is a good thing, it's not just necessary," Duncan added. "In this area it's like a super-strength. I would put us up against anyone in California, as far as that goes."

Though the capacity increase in Live Oak will require a new environmental impact report, according to Duncan, the expansion has draw interest from the City of Santa Cruz, Scotts Valley Water District and Santa Cruz Mid-Ground Water agency, all of which see its collaborative potential.

The basin is the exclusive water source for more than 40,600 residents in the Soquel Creek Water District, ranging from Capitola to La Selva Beach. It produced 3,348 acre-feet of water in 2020 or roughly 1 billion gallons, [according to its website](#). That's enough to cover more than 3,000 football fields in a foot of water.

The Pure Water Project has received more than \$80 million in federal and state grants for its \$145 million price tag and was recently featured in the international BBC mini-documentary series called "The Journey of Water," chronicling innovative water projects from around the world.

But the district wasn't the only one that received recognition on Monday. Menard took the opportunity to laud county residents as a whole for their internalization of "water use efficiency as an ethic." And rightfully so, because all of the water used in the county comes from local sources.

"The reality is the cavalry is not coming to save us," Menard said. "If we don't work together and save ourselves, we're either going to get together and figure out how to survive or we're going to sink together."

santacruzsentinel.com

Capitola selects new Public Works Director

PK Hattis

3 minutes

CAPITOLA – There will soon be new face in the Public Works Department at the City of Capitola, after it was announced this week that Jessica Kahn will be replacing current Director Steve Jesberg after he retires next month.

Kahn is no stranger to municipal government and will bring with her 15 years of public works and water utilities experience with neighboring cities including San Francisco, Pacific Grove, Scotts Valley and, most recently, Monte Sereno, according to a release from the City of Capitola.

While in Monte Sereno, Kahn oversaw all Public Works activities including administration, capital projects, transportation, development review, maintenance and environmental programs.

Kahn is quoted in the release saying, “It has been a long-term goal of mine to serve as a Public Works Director for a local coastal community who truly values its sense of place and charm. I look forward to both the challenges and opportunities that lie ahead.”

As a registered civil engineer by trade, with an undergraduate degree in nuclear engineering from UC Berkeley and a masters degree in environmental management from the University of San Francisco, Kahn has public works experience and expertise that includes street maintenance, water treatment and distribution,

wastewater collection and treatment, traffic and transportation operation, development engineering, contract bidding and construction oversight.

“Ms. Kahn’s amazing background, acute intelligence and infectious enthusiasm make her a wonderful addition to the city’s management team,” Capitola City Manager Jamie Goldstein said. “I look forward to working with Jessica for years to come.”

As director, Kahn will oversee several key environmental, transportation, maintenance and infrastructure projects in the coming months and years including a \$7 million Capitola Wharf renovation project, which aims to fortify and widen portions of the trestle constructed in the 80s.

The Public Works Department will also play a key role in developing and constructing the city’s [Rispin Mansion Park](#), which has been unused for more than a decade.

Jesberg, the outgoing department director, has been serving in the role since 2011, where he oversaw the design and construction of the [Capitola Branch Library](#), launched and upgraded several local parks and spearheaded early-phase work on the wharf renovation.

He was also [named Man of the Year](#) by the Capitola-Soquel Chamber of Commerce in 2011.

Kahn is a California native and currently resides in Santa Cruz with her husband Kevin and their two daughters, Kira and Quinn.

santacruzsentinel.com

Input sought on future of Branciforte Fire district

Jessica A. York

4 minutes

HAPPY VALLEY — As the leaders of two local fire districts feel their way toward a future joinder, property owners are being asked how much they are willing to pay to keep their local firehouse open.

On Saturday, during the second of two informational meetings hosted by the Branciforte Fire Protection District and the Santa Cruz Local Agency Formation Commission, community members are invited to learn more about a potential department reorganization during an in-person event beginning at 10 a.m. at Happy Valley Elementary School, 3125 Branciforte Drive, Santa Cruz. A similar [virtual community meeting](#) took place Sept. 14 prompting the community outreach were twin votes from the boards of both the Branciforte and Scotts Valley fire protection districts backing preliminary “pre-organization agreements.” Potentially, a district merger may go to the LAFCO board for approval as early as April and be finalized by August, LAFCO Executive Officer Joe Serrano said during the Sept. 14 meeting.

For years, Branciforte Fire has struggled to maintain sufficient revenue to cover operations, [prompting the merger talks](#) with neighboring Scotts Valley Fire Protection District. Branciforte attempted to address insufficient staffing by operating as a hybrid paid-volunteer agency, but has faced dwindling volunteer recruitment. The department’s last full-time fire chief, Pat O’Connell, served without a salary before retiring and being voted onto the board of directors.

One point of contention for community members and district leaders over the years, however, has been a concern that Branciforte Fire’s station at 2711 Branciforte Drive may be shuttered for lack of funding during a merger. Discord over the

issue has spilled out into recent fire board meetings, including a July vote to forgo a study of the cost of maintaining the station's operations with a state-mandated two-person crew per shift. Branciforte Fire District property owners would need to vote in a special mail-in ballot to increase their taxes in order to cover additional costs of the station's operations, Serrano said. A simple merger without a requirement that the Branciforte station remain open would not increase taxpayer rates, Serrano said.

"I will note that Scotts Valley Fire has made it clear that it can provide services to the Branciforte community with or without the Branciforte fire station," Serrano said. "And keeping it open needs to be determined by the Branciforte community, not Scotts Valley Fire, before the reorganization is finalized."

Branciforte Board Director Dick Landon, who has been vocal in his concerns about the potential of increasing costs to Branciforte Fire district residents, described recent merger talks as "rushed, not clear, and very unfair" in an email to the Sentinel. Landon successfully lobbied for the district to begin posting recordings of recent district meetings on the district's website, at branciforte-fire.com.

IF YOU GO

What: Branciforte Fire information session.

When: 10-11:30 a.m., Saturday.

Where: Happy Valley Elementary School outdoor theater, 3125 Branciforte Drive, Santa Cruz.

At issue: Reorganization efforts with Scotts Valley Fire.

Information: branciforte-fire.com.



Jessica A. York covers Santa Cruz County public safety, courts and homelessness for the Sentinel. She has been a working journalist, on both coasts, since 2004.

dailyrepublic.com

Fairfield council to consider city providing fire service to Cordelia district

By Todd R. Hansen

3-4 minutes

FAIRFIELD — The City Council on Tuesday will consider providing fire service to the Cordelia Fire Protection District.

The board action is to decide whether to allow the city Fire Department to apply through the Solano Local Agency Formation Commission to enter into a contract for service with the Cordelia district.

“The (Cordelia department) is facing a public health and safety emergency. In the spirit of collaboration and maintaining continuity of service for our neighbors within the CFPD, the Fire Department is seeking City Council approval to apply through LAFCO to enter a short-term and long-term contract for service with the CFPD,” the staff report to the council states.

The report states the city is already covering some calls for Cordelia when staffing dictates.

Council members meet at 6 p.m. in the council chamber at City Hall, 1000 Webster St. The public session follows a closed session during which the council will discuss the annual job performance evaluation of City Attorney David Lim and existing litigation.

Access is also available via Zoom at <https://fairfieldca.zoom.us/j/84599909552?pwd=aFZ2a1cvTUIRWc9WZzdLTzRBR0k3QT09> or by calling 669-900-6833. The Meeting ID is 845 9990 9552. The passcode is 7074287400.

“The short-term arrangement would be limited to 911/emergency calls for service, to include Fairfield fire apparatus response and chief officer coverage. The short-term agreement will not include prevention, administration or any other auxiliary functions of the Fire Department. In the short-term, the Fire Department is willing and equipped to accommodate the CFPD’s roughly 50 calls per month under a ‘fee per call’ model while maintaining service levels in its own jurisdiction,” the staff report states.

The idea is for the short-term agreement to extend out no longer than June 30. If no long-term agreement is reached by then, the staff report states that the short-term contract should be re-evaluated.

The fee per call would be \$475. Based on current call volume, the contract would generated about \$213,000 through the end of the fiscal year.

“In the long term, the CFPD has contracted with a consultant to work with Solano LAFCO and the Fire Department to develop a service plan and financial arrangement that is acceptable to both parties. The long-term contract for service is likely to reflect the current CFPD budget, or roughly \$800,000 annually,” the staff report states.

The council also will revisit its response to the 2021-22 civil grand jury report, “Shelter Solano Inc.: A Review of its First Three Years Operating an Emergency Shelter in Solano County,” and whether to support a forensic audit of the shelter operation.

A public hearing on setting development fees is also on the agenda.

There is no item concerning a censure vote of Councilwoman Catherine Moy.

tpgonlinedaily.com

Pure Water Soquel: \$21 Million Grant – Times Publishing Group, Inc.

by See Below

4-5 minutes

On Aug. 24, the [Soquel Creek Water District](#) announced a \$20,925,000 grant from the U.S. Bureau of Reclamation for the Pure Water Soquel groundwater replenishment and seawater intrusion prevention project.



This funding is part of President Biden’s Bipartisan Infrastructure Law for the planning, design, and construction of water reuse projects.

“The District continues to successfully gain remarkable levels of support for Pure Water Soquel from funding agencies, aimed at providing a drought-resilient, clean, and sustainable water supply and bringing ever-greater benefit to our ratepayers,” said Dr. Tom LaHue, president of the District’s Board of Directors. “We are so grateful for this \$21 million grant which, when added to the prior \$9 million grant awarded under this grant program, represents a benefit of \$2,000 per each of our 15,000 customer accounts. Many thanks to the Bureau of Reclamation for its strong support for preventing further seawater contamination and increasing water reuse in our region.”

The Pure Water Soquel project is the district’s primary means of creating a sustainable alternative water supply to address the

critically over-drafted Santa Cruz Mid-County Groundwater Basin.

When more water is being pumped out than can be naturally replenished and the water level gets too low, seawater enters the basin and contaminates the drinking water supply. This is called seawater intrusion.

In August, more than \$310 million was awarded to 25 projects in the west as part of the WaterSMART: Title XVI WIIN Act Water Reclamation and Reuse Projects program.

The federal program identifies opportunities to reclaim and reuse wastewaters and impaired ground and surface water in the 17 western states and Hawaii.

Along California's central coast, some \$54 million was provided for projects in Pismo Beach, Morro Bay, and Monterey, in addition to the grant for Pure Water Soquel.

The Soquel Creek Water District has received funding support for Pure Water Soquel from both the U.S. government and the State of California, including a \$50 million State Proposition 1 Groundwater Implementation Grant; a \$9 million grant from the Bureau of Reclamation; a \$2 million State planning grant; and low-interest loans through the State Seawater Intrusion Control Loan Program and from the U.S. Environmental Protection Agency's Water Infrastructure Finance and Innovation Act program.

"As the Central Coast continues to feel the effects of the mega-drought in the American West, the federal government can play its part by ensuring the proper funding for agreed-upon projects at the local level to save and secure more sources of precious water. An important part of the solution are our local water district projects that already recycle, reclaim, reuse, and replenish our water supply," said U.S. Rep. Jimmy Panetta, D-Carmel Valley. "The more than \$20 million in federal funding that we just got from the bipartisan IIJA for the Soquel Creek Water District will not only help bolster the productivity of the project but also demonstrates the will of the federal government to help us buoy our drought resiliency

and water sustainability on the Central Coast.”

Construction of the project is well under way, with parts due for completion in 2023-2024.

It includes advanced water purification center, wastewater recycling equipment at the Santa Cruz Wastewater Treatment Facility, eight miles of pipelines, and three seawater intrusion prevention wells.

Pure Water Soquel will take treated, recycled municipal wastewater and use advanced water treatment methods to produce up to 1,500 acre-feet of purified water annually. This purified water will then be sent to seawater intrusion prevention/recharge wells to replenish the over-drafted Santa Cruz Mid-County Groundwater Basin.

This basin, the sole source of water for District customers and other MidCounty residents, is designated by the State of California as one of 21 basins in the state to be critically over-drafted.

Recharging the basin with purified, clean, safe water is expected to create and maintain a barrier against seawater contamination and provide a high-quality, reliable, and sustainable water supply for generations.

(Visited 66 times, 1 visits today)

marinij.com

Mill Valley, Southern Marin fire agencies to merge

Giuseppe Ricapito

4-5 minutes

The Mill Valley Fire Department and the Southern Marin Fire Protection District, having spent two years in a shared services agreement, are planning to merge.

The Mill Valley City Council and the fire district board unanimously endorsed a resolution supporting consolidation during a special joint meeting on Monday.

The city and the district entered into a shared services agreement in January 2020. It created a single management team for both agencies that was led by district Chief Chris Tubbs.

The integration led to further collaboration between the agencies, said Deputy Chief Tom Welch.

“We’ve been operating on a one-management team for about a few years now,” he said. “It was a crawl, walk, run approach. You get to this moment where this just makes sense. We solidified the efficiencies and made one fire department.”

The consolidation must be approved under a process overseen by the Marin Local Agency Formation Commission. Officials hope the application is approved and the consolidation is in place by the beginning of the next fiscal year in July.

Welch said the consolidation would improve services to Mill Valley because shift assignments would be streamlined. He said that without any symbolic separation between the agencies, firefighters could collaborate better. He said it would also result in full-time

dedicated training officers.

A presentation made by Citygate Associates, a public sector consultancy, said the consolidation would save Mill Valley about \$400,000 in the 2023-24 fiscal year.

Mill Valley would provide \$394,000 in property tax revenue to the district, though the amount is a savings of about \$225,000 from current costs. The city also expects \$175,000 in savings from insurance premiums.

The Mill Valley Fire Department has a budget of \$8.3 million. The fire district has a budget of \$25.5 million. The projected annexed budget in the 2023-24 fiscal year is \$32.1 million.

“This is what the community demands,” Welch said. “They want efficiency and they’re getting it.”

Mill Valley Mayor Jim Wickham said conversations about consolidation were happening even in 2015 when he was first elected to council. He said the shared services agreement had already resulted in better management and a cost savings from less duplication of department heads.

“It’s so much better to have a better coordinated effort between fire agencies,” he said. “They’re like a family.”

Wickham said the consolidation would not result in the loss of any positions held by Mill Valley employees.

“At the end of the day there’s a strong understanding that this is a win-win for everybody,” he said. “There’s too many small agencies in this county and this totally makes sense.”

John Bagala, union president of Marin Professional Firefighters Local 1775, represents all 436 firefighters in Marin. He said the partnership represents an agreement between labor and management in a way that guaranteed staffing at its current levels.

“We’re excited. It’s been a long time coming. This has been in process now for a little over six years,” he said.

The fire district has 63.5 full-time employees and shares battalion chiefs with Mill Valley. The city also provides a deputy fire chief, two battalion chiefs, a part-time fire inspector and a defensible space inspector to the combined team.

There are 93 employees across both agencies, which serves much of southern Marin, including areas of Tamalpais Valley and Sausalito.

“We are excited about the efficiencies this relationship offers the community,” Tubbs said. “Consolidated efforts that enhance safety, increase financial resiliency, contain costs and improve bottom line services such as fire prevention are the exact results we feel our community demands.”

Mill Valley is in the CalPERS pension system and the district is in the Marin County Employees’ Retirement Association. Welch said the agreement freezes pension costs for Mill Valley at the current rate and moves employees to MCERA. Mill Valley gives up a portion of its property taxes to cover the expenses, he said.