

County Service Area 57 (Service & Sphere Review)



Local Agency Formation Commission
of Santa Cruz County



Adopted Version June 5, 2024

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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries regarding County Service Area 57 (referred to as “CSA 57”). 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 review conducted for CSA 57 was adopted on June 5, 2019.

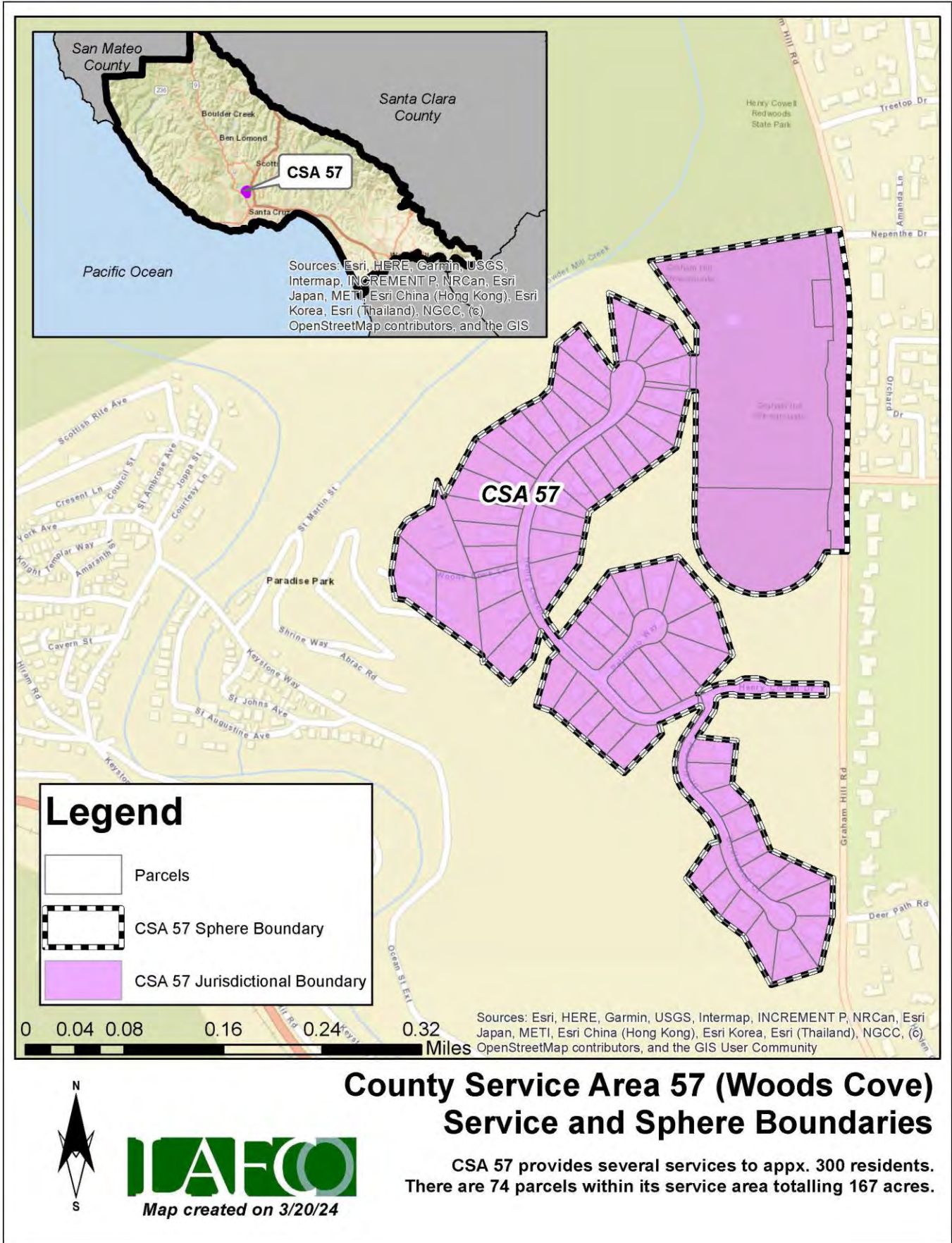
The service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance with Government Code Section 56430. However, LAFCO, local agencies, 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. Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the District’s existing sphere of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such an 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]).

CSA 57 (Woods Cove) Overview

County Service Area 57 was formed in 2001 to provide sanitary and stormwater drainage to the Woods Cove Subdivision. In 2014, sewer services along Graham Hill Road were transferred over to County Service Area 10. Today, the sole service that CSA 57 continues to provide is storm drain maintenance to the Woods Cove community which has a population of approximately 300 residents.

The County’s Community Development & Infrastructure Department (previously known as the Planning and Public Works Departments) is responsible for the operation and management of CSA 57. All CSAs are formed and operate in accordance with the County Service Area Law (Government Code Section 25210 et seq.). **Figure 1** on page 3 provides a vicinity map showing the location of the CSA in the central portion of Santa Cruz County north of the City of Santa Cruz and south of the City of Scotts Valley.

Figure 1: Vicinity Map



Legal Authority

CSA 57 is governed by the County Service Area Law (Government Code Section 25210 et seq.). The Legislature finds and declares the following:

- a) Population growth and development in unincorporated areas result in new and increased demands for public facilities and services that promote the public peace, health, safety, and general welfare.
- b) The residents and property owners in unincorporated areas should have reasonable methods available so that they can finance and provide these needed public facilities and services.
- c) The residents and property owners in some unincorporated areas may propose the incorporation of new cities or annexations to existing cities as a way to fulfill these demands for public facilities and services.
- d) In other unincorporated areas, independent special districts with directly elected or appointed governing boards can fulfill these demands for public facilities and services.
- e) County boards of supervisors need alternative organizations and methods to finance and provide needed public facilities and services to the residents and property owners of unincorporated areas.
- f) In enacting the County Service Area Law by this chapter, it is the intent of the Legislature to continue a broad statutory authority for county boards of supervisors to use county service areas as a method to finance and provide needed public facilities and services.
- g) Further, it is the intent of the Legislature that county boards of supervisors, residents, and property owners use the powers and procedures provided by the County Service Area Law to meet the diversity of local conditions, circumstances, and resources.

CSA Zones of Benefit

State law indicates that LAFCOs have purview over cities and special districts, including county services areas. However, in accordance with Government Code Section 56036(b)(10), LAFCOs do not have authority over a zone of any special district. This service review is intended to provide information about CSA 57 only. The creation, modification, or dissolution of future zones can only be implemented by the County through official action from the Board of Supervisors. It is LAFCO's understanding that there are no zones of benefits within CSA 57, however, the County may consider this option to ensure accurate funding is available to offset rising operational costs. More information regarding the CSA's financial health is shown later in the report.

Key Findings

The following are key findings of the 2024 Service and Sphere of Influence Review for County Service Area 57 (Woods Cove):

1. CSA 57 provides one service to an unincorporated community.

The CSA's service area encompasses approximately 170 acres of unincorporated territory and includes approximately 300 residents within the Woods Cove community. At present, CSA 57 is only providing stormwater drainage services.

2. CSA 57 is currently facing financial challenges.

The CSA's primary source of revenue is from service charges. CSA 57's fund balance ended with approximately \$375,000 in FY 2022-23, a decrease of 11% from the previous fiscal year. Financial statements indicate that the CSA ended with a surplus each year from FY 2017-18 to FY 2020-21. However, the CSA experienced consecutive deficits during the last two fiscal years (FY 2021-22 and FY 2022-23). The increase in expenditures over the past two fiscal years, compared to the prior years, was to fund Public Works Engineering and Drainage Operations staff developing the long-term maintenance plan as was required by the LAFCO commission during its last review in June 2019, including completing minor repairs as identified when assessing the condition of the drainage improvements within the CSA. The condition assessment revealed that more substantial repairs will be needed, and Public Works staff is currently obtaining cost estimates from contractors to complete these repairs.

3. CSA 57 fulfilled LAFCO's 2019 service review recommendation.

The Commission evaluated CSA 57 in 2019 and determined that the District was operating efficiently but would benefit from the development of a long-term maintenance and capital replacement plan. Based on LAFCO's analysis, the County created a comprehensive report that includes a long-term maintenance plan and a capital replacement plan. This report is attached as an appendix and is discussed in more detail in this service review.

4. CSA 57 requires improvement in governmental transparency.

State law now requires all independent special districts to maintain and operate a website by January 1, 2020. CSA 57 is a dependent special district, and therefore, not subject to this statutory requirement. However, CSA 57 provides a specific public service and should strive to be as transparent as possible. Based on LAFCO's analysis, the CSA does not meet any of the transparency benchmarks evaluated in this service review. LAFCO encourages the County to offer more information about CSA 57 on their website to ensure residents have the opportunity to participate in the CSA's decision-making process and future actions.

5. CSA 57's sphere of influence is coterminous with jurisdictional boundary.

The Commission adopted CSA 57's original sphere of influence in March 2001 and is coterminous (or identical) with the CSA's jurisdictional boundary. A coterminous sphere indicates that the CSA should not expand beyond its service area at this time. Staff is recommending that the Commission reaffirm the existing sphere boundary.

Recommended Actions

Based on the analysis and findings in the 2024 Service and Sphere of Influence Review for County Service Area 57, 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 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 County Service Area 57, 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. 2024-14) approving the 2024 Service and Sphere of Influence Review for County Service Area 57 with the following conditions:
 - a. Reaffirm CSA 57's sphere of influence to coincide with its current jurisdictional boundary; and
 - b. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 57 representatives and any other interested or affected parties, including but not limited to the County of Santa Cruz.

DISTRICT OVERVIEW

History

County Service Area 57 was formed on March 7, 2001 and its service area encompasses 74 parcels (totaling 167 acres), as shown in the map on page 3. **Appendix A** provides a copy of the 2001 formation resolution. CSA 57’s original purpose was limited to the “operation and maintenance of storm drainage facilities of the Graham Hill Estates Subdivision, and operation and maintenance of sanitary sewer facilities within the Graham Hill Estates Subdivision between the subdivision and the City of Santa Cruz sewer system.” It is important to note that the subdivision was later changed to “Woods Cove.” In 2014, LAFCO approved a reorganization which transferred sewer responsibilities to CSA 10. The reorganization was based on LAFCO’s findings in its 2013 service review and through coordination with the County. **Appendix B** provides a copy of the 2014 reorganization resolution. Figure 2 on page 8 also shows the current land use designation within CSA 57, which is primarily zoned as Urban Very Low Residential and Existing Parks & Open Space.

Charges for Services

CSA 57 charges single-family homes an annual rate for storm water drainage. **Table 1** provides an overview of the annual rates for the last six fiscal years.

Table 2: Annual Charges

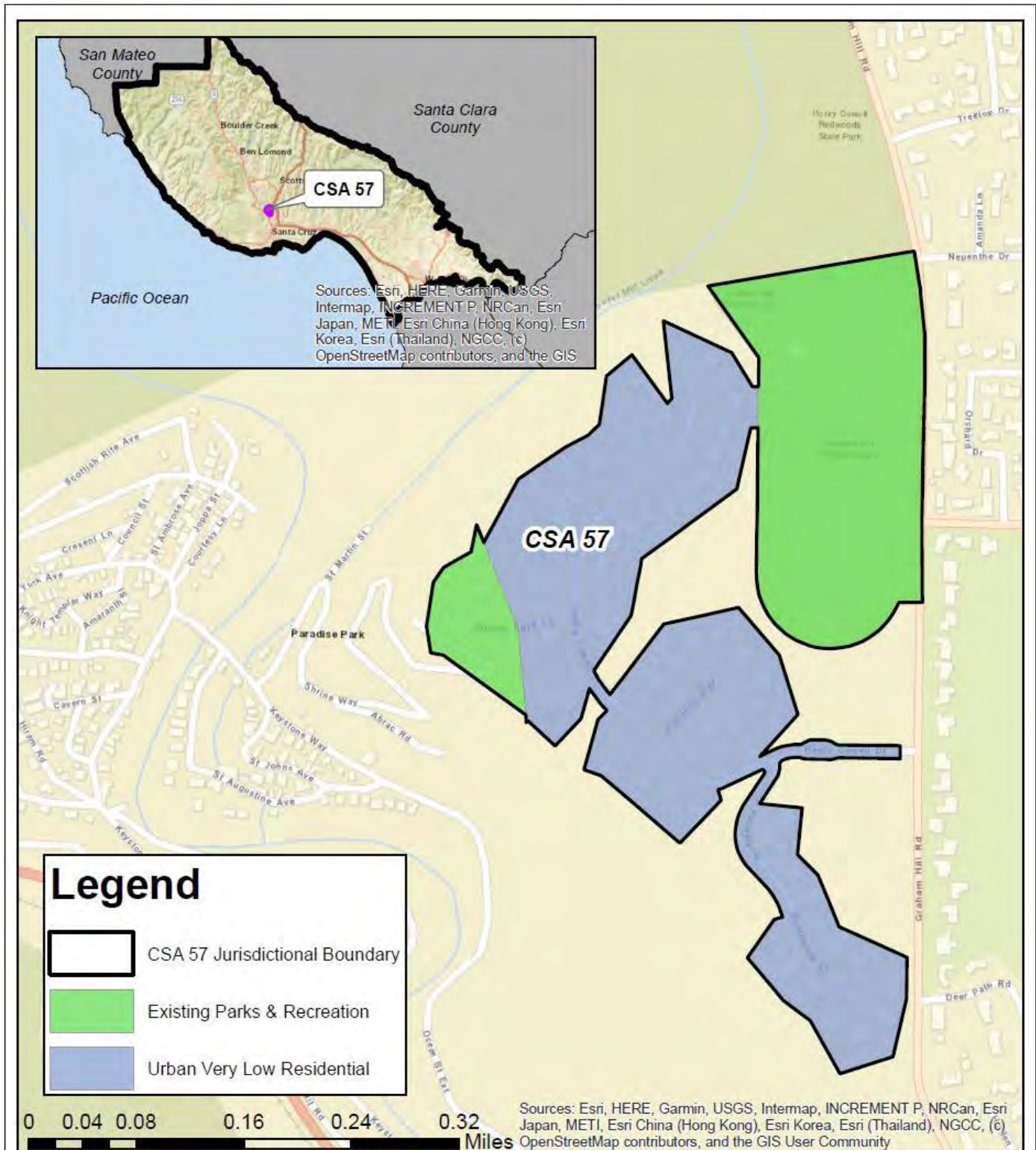
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Single Family Residence	\$591.44	\$614.50	\$634.78	\$645.56	\$666.22	\$703.53
Change (\$)	-	\$23.06	\$20.28	\$10.78	\$20.66	\$37.31
Change (%)	-	4%	3%	2%	3%	6%

Footnote: FY 24-25 rates were recently approved by the County. The rates will be \$729.56, representing a 4% increase from the previous year.

Strategic Plan

The County has developed a comprehensive report that focuses on how to effectively operate and finance CSA 57. This long-range document is directly tied to LAFCO’s recommendation outlined in its 2019 service and sphere review for CSA 57. This strategic plan has two primary categories: Long-Term Maintenance and Capital Replacement. The Long-Term Maintenance Plan covers administrative, operational, and routine maintenance activities. These are activities that are needed for the proper functioning of the existing storm drain system. The Capital Replacement Plan is a long-term financing strategy that allows the CSA to complete capital improvement replacement and upgrade projects over time and as necessary. It is anticipated that when the drainage facilities reach the end of their lifespan in approximately 60 years, the CSA Capital Reserves will be far less than what will be needed, as described in details in the attached Long-Term Maintenance and Capital Replacements Plan (refer to **Appendix C**). To avoid increasing the assessments by many folds as drainage facilities reach their end of lifespans, Public Works staff recommends starting in FY 2025-26 to apply annual increases that align with construction cost increases such as the California Department of Transportation Construction Cost Index (CCI) which has been averaging about 5.33% over the past forty years. This will be slightly higher compared to the average CPI increase of 2.56% since the annual increases started in 2002, a year after the establishment of the CSA.

Figure 2: Land Use Map



County Service Area 57 (Woods Cove) Land Use Designation

CSA 57 has only two land use designations:
 (1) Existing Parks & Recreation; and
 (2) Urban Very Low Residential



Map created on 3/20/24

Population & Growth

Based on staff's analysis, the population of CSA 57 in 2020 was estimated to be 300. 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 fifteen years. **Table 3** shows the anticipated population for the CSA. The average rate of change within CSA 57 is 0.86%.

Population Projection

Based on the projections for Santa Cruz County, LAFCO staff was able to develop a population forecast for CSA 57 by increasing the CSA's 2020 population amount by 0.86% for the next fifteen years. Under this assumption, LAFCO staff projects that the entire population of the CSA will be 310 by 2040.

Table 3: Projected Population

	2020	2025	2030	2035	2040
Unincorporated County Territory	136,891	137,896	139,105	140,356	141,645
CSA 57 (Woods Cove)	300	303	305	308	310

Disadvantaged Unincorporated Communities

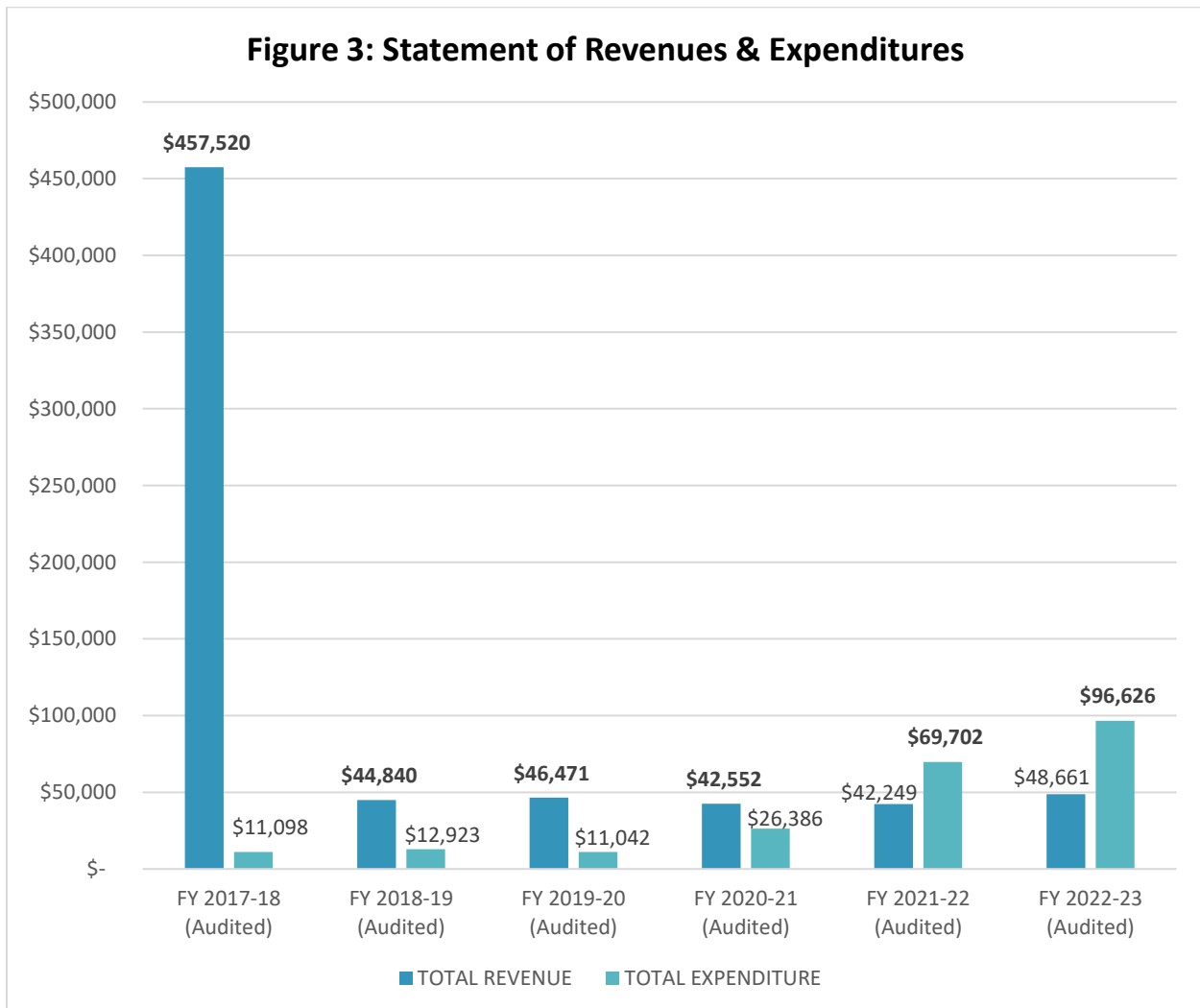
In accordance with Senate Bill 244, which became effective on January 1, 2012, state law requires the identification and description of all "disadvantaged unincorporated communities" (DUCs) located within or contiguous to the existing spheres of influence of cities and special districts which provide fire protection, sewer, and/or water services (Government Code Section 56046). DUCs are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income.

In 2020, the California statewide annual median household income was \$78,672, and 80% of that was \$62,938. LAFCO staff utilized the ArcGIS mapping program to locate potential DUCs in Santa Cruz County. Based on the criteria set forth by SB 244, in conjunction with further evaluation of these areas, staff determined that there are no disadvantaged unincorporated communities within CSA 57 at this time.

FINANCES

This section will highlight the CSA’s audited financial performance during the most recent fiscal years. Fiscal Year 2022-23 is the latest audited financial statement publicly available. A comprehensive analysis of the CSA’s financial performance during the past six years is shown in **Table 6** on page 12.

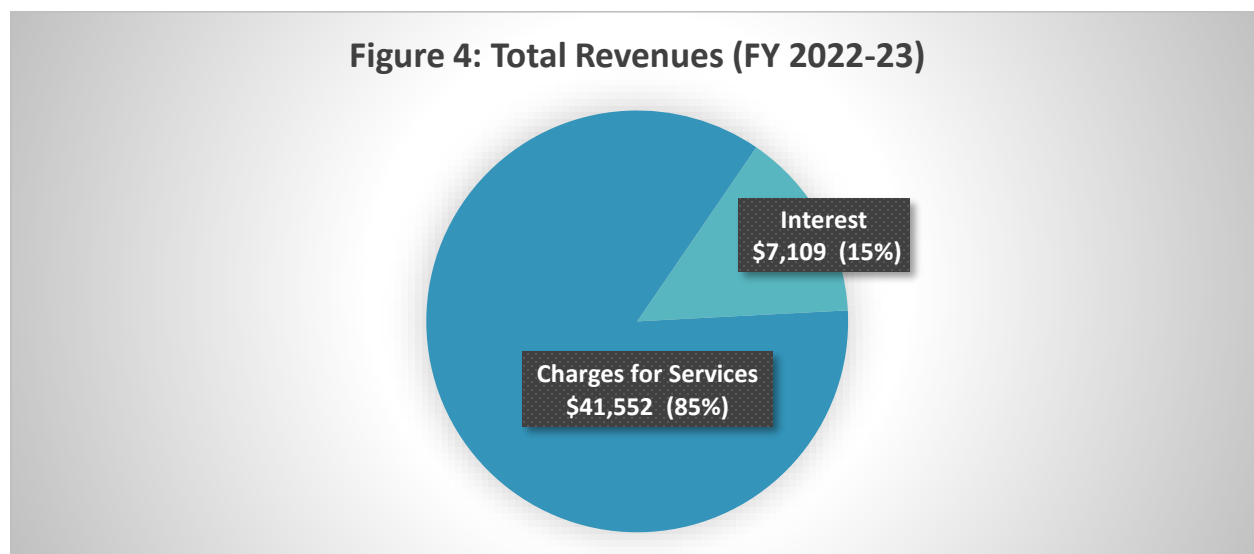
At the end of FY 2022-23, the total revenue collected by the CSA was approximately \$49,000, representing a 15% increase from the previous year (\$42,000 in FY 2021-22). Total expenses for FY 2022-23 were approximately \$97,000, which increased from the previous year by 39% (\$70,000 in FY 2021-22). As shown in **Figure 3**, the CSA has ended with a surplus each year from FY 2017-18 to FY 2020-21. However, the CSA experienced consecutive deficits during the last two fiscal years (FY 2021-22 and FY 2022-23). It is unknown whether the CSA will continue this downward trend even though service rates have increased each year.



Footnote: CSA 57 received appx. \$338,000 from “Operating Transfer In” during FY 2017-18.

Revenues

CSA 57's primary source of revenue is charges for services. Annual charges represented 85% of total revenue in FY 2022-23. The remaining 15% of total revenue came from interest earned. **Figure 4** highlights the limited revenue stream during the last fiscal year.



Expenditures

CSA 57's total expenditures are from Services & Supplies. **Table 4** distinguishes the cost and percentage since 2017. As the table shows, total expenditures fluctuate each year. Such inconsistencies may prevent the CSA from having sufficient funds to offset the costs.

Table 4: Total Expenditure

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Services & Supplies	\$11,098	\$12,923	\$11,042	\$26,386	\$69,702	\$96,626
<i>Change (%)</i>		16%	-15%	139%	164%	39%
Total Expenditure	\$11,098	\$12,923	\$11,042	\$26,386	\$69,702	\$96,626
<i>Change (%)</i>		16%	-15%	139%	164%	39%

Fund Balance

As of June 30, 2023, the total fund balance was approximately \$375,000. **Table 5** on page 12 highlights the net position balance from 2017 to 2023. CSA 57's fund balance has fluctuated over the years, recently experiencing significant decreases during the most recent years. The decreases in the Fund Balance resulted from funding the extra work to complete the Long-Term Maintenance and Capital Replacement Plan as requested by the LAFCO commission in June 2019. The results of this work lead to the fortuitous recognition that the current CPI annual increases are not aligned with the increases in the cost of drainage inventory repairs and, eventually, replacement of the drainage facilities as they reach the end of life. If adjustments in these annual assessments are not done, the CSA will not have the funds to implement the expected inventory replacements when the drainage improvements reach the end of their lifespan without increasing the assessments by many folds; such increases would not be reasonable and, most likely, would not be appreciated or approved by future property owners of the CSA.

Table 5: Fund Balance/Net Position

	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Net Position (Ending Balance)	\$ 446,423	\$ 399,176	\$ 434,605	\$ 450,771	\$ 423,317	\$ 375,352
Change in (\$) from previous year		-\$47,247	\$35,429	\$16,166	-\$27,454	-\$47,965
Change in (%) from previous year		-11%	9%	4%	-6%	-11%

Table 6: Total Revenues & Expenditures

COUNTY SERVICE AREA 57 (WOODS COVE)						
	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)	FY 2022-23 (Audited)
REVENUE						
Charges for Services	\$ 35,849	\$ 36,888	\$ 38,326	\$ 39,583	\$ 40,264	\$ 41,552
Interest	\$ 4,237	\$ 7,952	\$ 8,145	\$ 2,969	\$ 1,985	\$ 7,109
State-Natural Disaster Assistance	\$ 79,163	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In	\$ 338,271	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUE	\$ 457,520	\$ 44,840	\$ 46,471	\$ 42,552	\$ 42,249	\$ 48,661
EXPENDITURE						
Services & Supplies	\$ 11,098	\$ 12,923	\$ 11,042	\$ 26,386	\$ 69,702	\$ 96,626
TOTAL EXPENDITURE	\$ 11,098	\$ 12,923	\$ 11,042	\$ 26,386	\$ 69,702	\$ 96,626
Surplus / (Deficit)	\$ 446,422	\$ 31,917	\$ 35,429	\$ 16,166	\$ (27,453)	\$ (47,965)
FUND BALANCE						
Ending Balance	\$ 446,423	\$ 399,176	\$ 434,605	\$ 450,771	\$ 423,317	\$ 375,352
Change (\$)		\$ (47,247)	\$ 35,429	\$ 16,166	\$ (27,454)	\$ (47,965)
Change (%)		-11%	9%	4%	-6%	-11%

GOVERNANCE

CSA 57 is a 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. The County’s Community Development & Infrastructure Department (previously known as the Planning and Public Works Departments) manages the services related to CSA 57. The Board of Supervisors holds public hearings when considering any annual charges and/or work programs overseen by the Board.

Local Accountability & Structure

The current Board is as follows:

Table 8: 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 2028
Zach Friend	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2012 Next Election: Primary 2024
Justin Cummings	Third District (Santa Cruz, Bonny Doon, North Coast)	First Elected: 2022 Next Election: Primary 2026
Felipe Hernandez	Fourth District (Pajaro Valley, Watsonville)	First Elected: 2022 Next Election: Primary 2026
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

Challenges and Opportunities

Both independent and dependent special districts are tasked with operating in an efficient and transparent manner on a regular basis. LAFCO staff has taken the position that public agencies should always prepare and consider future opportunities and potential challenges in order to properly provide and sustain adequate services to their constituents. The following section explores possible actions that should be considered by the CSA.

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 identifies several components that must be found within an agency's website. Additionally, the Special District Leadership Foundation (SDLF), an independent, non-profit organization formed to promote good governance and best practices among California's special districts, has also outlined recommended website elements as part of its District Transparency Certificate of Excellence. This program was created as an effort to promote transparency in the operations and governance of special districts to the public.

Based on SB 929's criteria and the recommendations set by the SDLF; LAFCO conducted a thorough review of the CSA's website even though said law only applies to independent special districts. **Table 7** summarizes staff's findings on whether the website is meeting the statutory requirements. At present, the CSA does not meet the statutory requirements under SB 929 and SDLF's website transparency criteria. In fact, LAFCO could not find any reference to CSA 57 on the County's website. The financial information used to conduct LAFCO's analysis for this service review was available within the County's budget and audit webpages, but were retrieved after a thorough examination of the fiscal documentations. There is currently no financial information available exclusively for CSA 57 at this time. It is LAFCO's recommendation that the County develop a website or dedicate a webpage for CSA 57 information. This recommendation is consistent with previous requests for other CSAs within Santa Cruz County.

Table 57: Website Transparency

Website Components	Checkmark (Yes)
Required Items (SB 949 Criteria and SDLF Benchmarks)	
1. Names and Contact Information of Board Members*	
2. Board Member Term Limits	
3. Names of Key Staff, including General Manager	
4. Contact Information for Staff	
5. Election/Appointment Procedure & Deadlines	
6. Board Meeting Schedule*	
7. Mission Statement	
8. Description of District's Services/Functions and Service Area	
9. Authorizing Statute/Enabling Act	

10. Adopted District Budgets*	
11. Financial Audits*	
12. Archive of Board Meeting Agendas & Minutes*	
13. Link to State Controller's Webpages for District's reported Board Member and Staff Compensation	
14. Link to State Controller's Webpages for District's reported Financial Transaction Report	
15. Reimbursement & Compensation Policy / Annual Policies	
16. Home Page Link to Agendas/Board Packets	
17. SB 272 - Compliance-Enterprise Catalogs	
18. Machine Readable/Searchable Agendas	
19. Recipients of Grant Funding or Assistance	
20. Link or Copies of LAFCO's Service & Sphere Reviews	
Total Score (out of a possible 20)	0 (0%)
Additional Items (SDLF's Recommended Elements)	
1. Board Member Ethics Training Certificates	
2. Picture, Bio, and Email Addresses of Board Members	
3. Last Three Years of Audits	
4. Financial Reserves Policy	
5. Online/Downloadable Public Records Act Request Form	
6. Audio or Video Recordings of Board Meetings	
7. Map of District Boundaries/Service Area	
8. Link to CSDA Mapping Program	
9. General Description of Special Districts or Link to www.districtmakethedifference.org	
10. Link to Most Recently Filed to FPPC Forms	
Total Score (out of a possible 10)	0 (0%)

*Footnote: Senate Bill 929 Statutory Requirements

LAFCO Staff Recommendation: LAFCO encourages more transparency from CSA 57 by sharing online information on how residents can participate in the CSA's decision-making process and future actions. The CSA is not subject to SB 929, but as a dependent district that provides various services, it should create a webpage dedicated to CSA 57 to fulfill the requirements under SB 929 to ensure transparency at its highest level.

SPHERE OF INFLUENCE

Cortese-Knox-Hertzberg Act

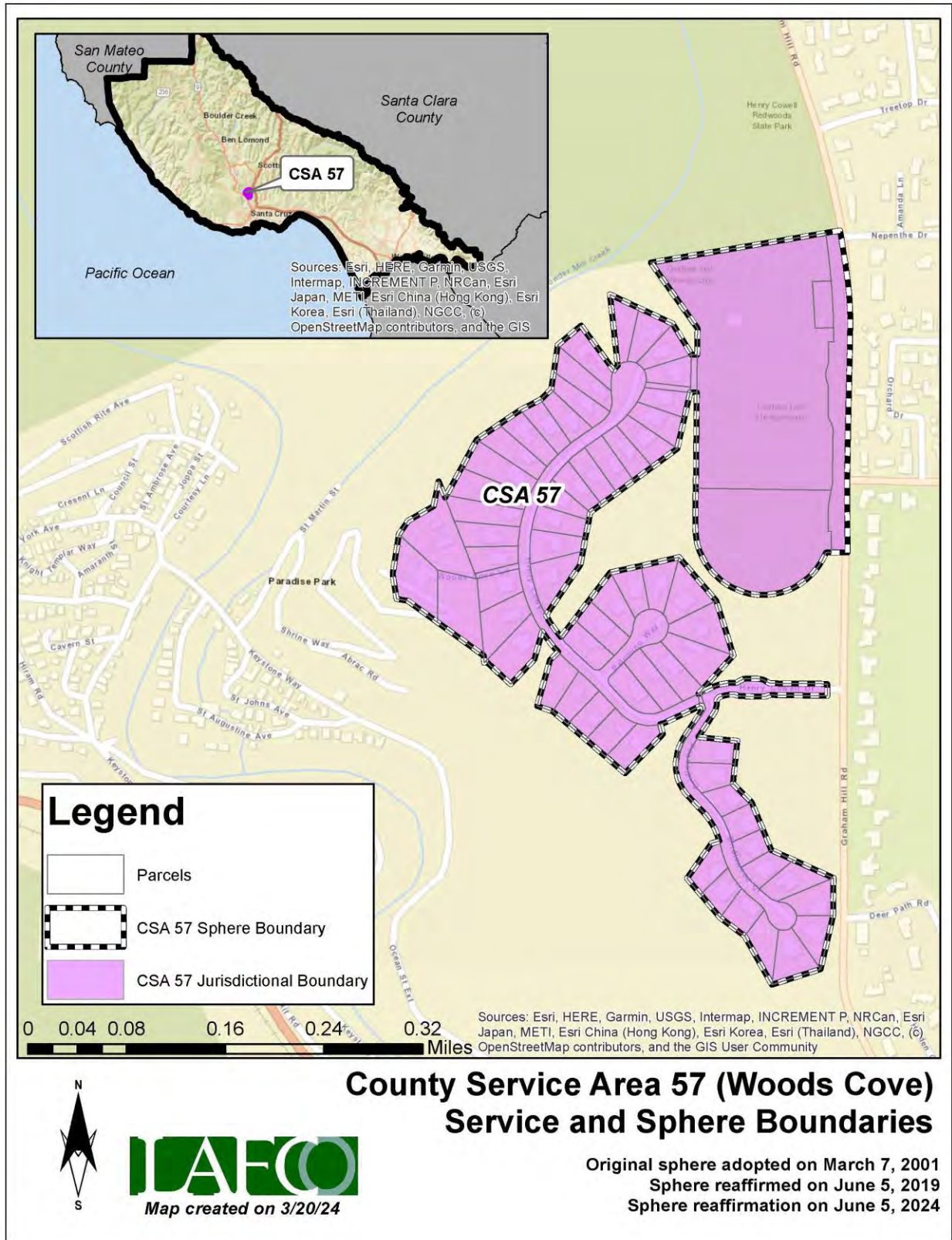
City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently in preparation 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 and 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
- 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.

Sphere Boundary

CSA 57's original sphere was adopted on March 7, 2001 and is coterminous with its service area, as shown in **Figure 1** on page 3 and **Figure 5** on page 17. Staff believes that the current sphere boundary reflects CSA 57's future, and therefore, is recommending that the Commission reaffirm the existing sphere of influence.

Figure 5: Current Sphere Map



DISTRICT SUMMARY

CSA 57 (Woods Cove)	
Formation	California Government Code, Section 25210 et seq. (County Service Area Law)
Board of Trustees	County Board of Supervisors; five members; elected at-large to a four-year term
Contact Person	Matt Machado, Deputy Chief Administrative Officer and Director of Community Development & Infrastructure
Employees	0 full-time employees
Facilities	Various sized and length storm drain pipes, inlets, manholes, headwalls, energy dissipators, check dams, outfalls, storm drain markings, open channels, trash rack, etc.
District Area	167 acres (74 parcels)
Sphere of Influence	The sphere boundary goes beyond the jurisdictional boundary.
FY 2022-23 Audit	Total Revenue = \$48,661 Total Expenditure = \$96,626 Projected Net Position (Ending Balance) = \$375,352
Contact Information	Mailing Address: 701 Ocean Street, Room 410 Santa Cruz CA 95060 Phone Number: 831-454-2160 Email Address: dpwcsa@santacruzcountyca.gov Website: https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx <i>(no website/webpage currently dedicated to CSA 57)</i>
Public Meetings	Annual public meeting is held by the Board of Supervisors to adopt annual charges.
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.

CSA 57 encompasses the community of Woods Cove in unincorporated county territory. It is estimated that approximately 300 residents currently live within the CSA's jurisdiction. LAFCO staff projects that the CSA's population will still be around 300 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 District'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 57 does not provide water, sewer, or fire protection to the community.

4. Financial ability of agencies to provide services.

CSA 57's primary source of revenue is from service charges. CSA 57's fund balance ended with approximately \$375,000 in FY 2022-23. The CSA is currently solvent; however, recent fiscal years have incurred consecutive deficits because of the additional cost incurred for the development of the Long-Term Maintenance and Capital Replacement Plan. The cost of the additional repairs is still being determined, and will be incurred in FY 2024-25.

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

The County should consider utilizing its existing website to promote and share more information about CSA 57's finances, activities, and governance.

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

LAFCO encourages more transparency from CSA 57 by sharing online information on how residents can participate in the CSA's decision-making process and future actions.

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

No additional local LAFCO policies are specifically relevant to this service review.

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.

The present and planned land uses are based on the general plan from the County, which range from urban to rural uses. The general plan anticipates growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas.

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

CSA 57 may benefit from creating zones or reevaluating how to operate the storm water drainage system to ensure revenues offset rising costs.

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

CSA 57 is only responsible for storm water drainage services. It is LAFCO's understanding that the drainage facilities are operating efficiently.

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.

It is unknown if the CSA has a resident-based governance body. It may be beneficial to consider forming a governance body to help the County make decisions for the community, if none exist at this time.

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 District's sphere boundary.

APPENDICES

Appendix A: 2001 Formation Resolution

Appendix B: 2014 Reorganization Resolution

Appendix C: 2024 Long-Term Maintenance & Capital Replacement Plan



APPENDIX A:

2001 Formation Resolution

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 876

On the motion of Commissioner Gualtieri
duly seconded by Commissioner Ebey
the following resolution is adopted:

ADOPTING THE SPHERE OF INFLUENCE FOR THE GRAHAM HILL COUNTY
SERVICE AREA

.....

The Santa Cruz Local Agency Formation Commission does hereby resolve, determine,
and order as follows:

1. The Commission has initiated the Graham Hill County Service Area Sphere of Influence Study pursuant to Government Code Section 56425.
2. The Executive Officer has given notice of public hearing by this Commission upon the Graham Hill County Service Area Sphere of Influence in the form and manner prescribed by law.
3. The public hearing was held by this Commission on March 7, 2001, and at the hearing this Commission heard all interested persons.
4. The Commission has considered the Negative Declaration dated January 24, 2001 with the comments received during the public review process, and approves the Negative Declaration. The Commission finds that adopting this sphere of influence will not have a significant effect on the environment.
5. The Commission adopts the Sphere of Influence findings listed in Exhibit B.
6. The Commission hereby adopts the Sphere of Influence for the Graham Hill Road County Service Area to include portion of the Graham Hill Estates Subdivision shown on the map designated Exhibit A attached hereto, and to be subject of the following policy:
 - a. The services provided by this county service area shall be limited to:
 - operation and maintenance of a sanitary sewer main along Graham Hill Road and connecting to the City of Santa Cruz system near the intersection of River Street and Golf Club Drive, and
 - operation and maintenance of the storm drainage facilities of the Graham Hill Estates Subdivision as required by County permits 90-1245, 97-0909, and 98-0121.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this seventh day of March 2001.

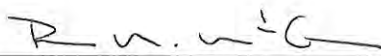
AYES: Campos, Rapoza, Ebey, Gualtieri, Ainsworth

NOES: Wormhoudt, Levy

ABSENT: None


MARDI WORMHOUDT
CHAIRPERSON

Attest:


Patrick M. McCormick
Executive Officer

Approved as to form:



Jane M. Scott
LAFCO Counsel

EXHIBIT B
SANTA CRUZ LAFCO RESOLUTION NO. 876
GRAHAM HILL COUNTY SERVICE AREA

The following determinations are made pursuant to Government Code Section 56425.

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

Determination: The County General Plan designates this area for urban residential very low-density uses (1-4 dwellings per acre), mountain residential (10-40 acres per dwelling) with timber resource overlay, and a park site (at the show grounds). The Planned land uses, as approved by the County in the tentative map for the Graham Hill Estates Subdivision are: 60 residential lots on 33 acres, 118 acres of common area managed as commercial redwood forest, and 20 acres of equestrian park.

- 2) The present and probable need for public facilities and adequacy of public services in the area.

Determination: Presently, there is no need for sanitary sewers to the property, which is, used an equestrian facility. The probable need for sewer services, as estimated in the Graham Hill Show Grounds Subdivision environmental documents, for future sewage transportation capacity is a peak weather flow of 40,000 gallons per day (0.04 MG/D). The proposed new 12" sewer main along Graham Hill Road, for which this county service area would take over the maintenance after construction, would have adequate capacity to serve this flow. This additional volume would increase flow through the City of Santa Cruz mains by 0.1 to 1.0%. The impact of this project on the cumulative volume through the City's mains and treatment plant are not projected to exceed the system's capacity.

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

Determination: The Graham Hill County Service Area does not currently exist. The service area will begin functioning after the developer constructs the sewer and drainage improvements and the County Public Works Department inspects and

accepts the improvements. The tentative budget for the service area estimates the first year operating assessments at \$1,150 per house (Pat—check overhead % with Suzanne). This level of assessment, even if increased moderately due to unforeseen circumstances, can be expected to support adequate maintenance of the sewer main and storm drainage facilities.

- 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.

Determination: The sphere of influence is the same as the formation boundary of the Graham Hill County Service Area. The community of interest is the 60 planned homes and relocated equestrian facility that are required by county permit to dispose of sewage in a manner that won't impact the ground and downstream surface waters as would standard septic systems.

End of Exhibit B

Exhibit B

**LAFCO Resolution No. 876
Establishing a Sphere of Influence for the Graham Hill Road County Service Area
and
LAFCO Resolution No. 876-A
Formation of Graham Hill County Service Area**

Environmental Review Findings

The Santa Cruz Local Agency Formation Commission (LAFCO) is a responsible agency under the California Environmental Quality Act in reviewing a project known as the Graham Hill Estates Subdivision. The County of Santa Cruz, as lead agency, has prepared, circulated, and certified the following environmental review documents for this project:

- 1) S.H. Cowell Foundation/Graham Hill Show Grounds Subdivision; Revised Draft Environmental Impact Report; June 1995;
- 2) S.H. Cowell Foundation/Graham Hill Show Grounds Subdivision; Response to Comments; March 1, 1996 (Final EIR);
- 3) Addendum; November 26, 1996; and
- 4) Negative Declaration and Notice of Determination; 98-0121 Standard Pacific Corporation; September 3, 1998 (gravity sewer alternative).

This 60-lot subdivision is being reviewed by LAFCO because the property owner, Standard Pacific Corporation, has filed an application under the Local Government Reorganization Act of 2000 to form a County Service Area that would maintain sewer facilities and storm drainage facilities that are constructed for the subdivision.

The County's documents identify potentially significant environmental effects of the project, alternatives to the project, and mitigation measures to reduce the environmental impacts of the project. As lead agency, the County of Santa Cruz has adopted a set of environmental findings that the project, as modified and conditioned, would not result in significant environmental effects. LAFCO acknowledges those findings; but, nevertheless, LAFCO wishes to make a separate, independent set of findings so as to clearly set forth the basis of its action, and thereby adopts the following findings.

Pursuant to the policy stated in Section 21002 and 21002.1 of the California Environmental Quality Act, no public agency shall approve or carry out a project for which an environmental Impact Report has been certified which identifies one or more significant effects on the environment unless the public agency makes one or more of the following findings:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.

(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.

(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

Mitigation measures addressed in this document maintain the same numbering system (such as LU-1 and GEO-1) as used in the environmental impact report. Unless specifically segregated for individual mitigation measures, the LAFCO findings at the end of each topic (such as Land Use, Plans and Policies), apply to all of the mitigation measures under that topic.

Mitigation Measures

LAND USE, PLANS AND POLICIES

LU-1: The Design Guidelines should be revised to include and/or exclude the language as specified below.

- The third sentence in paragraph 2. Design Committee, shall read:

“Design Committee review will therefore involve design professionals to assist the Committee in reviewing all *building permit* applications.”

- The last (fourth) sentence in paragraph 3.b. Development Envelopes shall be revised and a new sentence shall be added as follows:

“All *surface* improvements except driveways must be contained within development envelopes, including buildings, accessory structures, garden walls, pools, etc. *Subsurface improvements such as water and sewage lines may extend beyond the development envelope.*”

- The last (third) sentence in paragraph 2.i. Pools, Shelters, and Accessory Buildings shall be revised as follows:

“Minor adjustments to the approved development envelopes to allow such improvements shall be permitted if approved by Design Committee and the County according to the procedures for amending subdivision maps specified in County Code Section 14.10.340, et seq.

- The last sentence in paragraph 3.f. Landscaping shall be modified as follows:

“All new landscaping outside of development envelopes shall be approved by the Design Committee prior to installation and shall be limited to areas immediately adjacent to buildings and shall consist of plant materials that are compatible with existing vegetation. Tree plantings shall be limited to native species already present at the project site and shall use container stock grown from propagation materials collected on-site, to the maximum extent possible.”

LU-2a: The tentative map should be revised to designate nine lots for affordable housing distributed throughout the project, and the applicant should construct affordable single-family homes on each lot consistent with the requirements of County Code Chapter 17.10. As an alternative, the applicant should provide affordable housing as specified below in LU-2b.

LU-2b: If the applicant does not provide nine affordable dwellings on the project site, then the applicant should provide affordable housing through one of the alternative methods permitted by County Code Chapter 17.10, as follows:

1. Purchase of nine affordable housing credits from a developer who has constructed a project with more than 35% affordable housing and who has available credits for sale in accordance with County Code Section 17.10.040.

OR

2. Construction of ten affordable units on another site within the Carbonera planning area consistent with the requirements of County Code Section 17.10.030(a)13.

OR

3. Payment of an in-lieu fee based on either the appraised value of nine lots within the project after subdivision improvements have been made or the market price of the first parcel sold in the subdivision in accordance with County Code Section 17.10.035.

OR

4. Dedication of nine parcels in the project to the County for the purpose of construction of affordable housing by the County on those parcels in accordance with County Code Section 17.10.035.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

GEOLOGY, SOILS AND SEISMICITY

GEO-1: Minimize grading to preserve the clay-rich surface, which acts as an aquitard to percolating surface waters.

GEO-2: Minimize the removal of the natural vegetative cover on slopes. Revegetate stripped or graded areas as soon as possible following construction, and in no case later than October 15(theoretical beginning of the rainy season).

GEO-3: Direct drainage away from unstable slopes.

GEO-4: Keep all major drainages clear of debris. Construct sediment traps and clean them out prior to the rainy season at each major drainages.

GEO-5: If septic systems are installed at the site, set back leach lines for septic systems at least 40 feet from slopes with greater than 30 percent grade.

GEO-6: Set back structures 75 feet from all mapped landslides or the major break-in-slope, whichever is closer to the proposed development site. Structures may be located closer than 75 feet if approved by a registered engineering geologist.

GEO-7: A geologist or soil engineer shall be present during site preparation and construction to evaluate the quality of work, verify compliance with recommendations and suggest changes in procedures, if necessary. The soils engineer shall be notified at least four working days prior to any site clearing or grading operations on the property in order to observe the excavation and disposal of contaminated materials.

GEO-8: To minimize erosion problems on the equestrian trail, implement erosion control measures as a regular part of trail maintenance prior to October 15 of each year. These measures shall include repair of washouts, installation of earthen water bars, ground cover planting at unstable areas directly up slope and down slope of the trail, and correction of irregularities in the horizontal slope of the trail where needed to achieve appropriate drainage flow.

GEO-9: Prior to issuance of grading or building permits, the project sponsor shall conduct a geologic hazard evaluation of individual building sites. The presence or absence and stability of landslides below individual building sites shall be evaluated and a registered engineering geologist shall be employed to identify specific mitigation measures and remediation techniques in areas where slope stability is a concern. The measures may include setbacks, and the removal of unsuitable soils. The evaluation shall be submitted to the County Planning Geologist for review and approval.

GEO-10: *Deleted pursuant to final EIR revisions.*

GEO-11: Design cuts and fills to balance as nearly as possible to avoid the nuisance (such as increased truck traffic and soils spilled on local roadways) created by off-site hauling.

GEO-12: To minimize the risk of damage from strong ground shaking during an earthquake, all pre-development reports shall be reviewed by a registered engineering geologist and a structural engineer. Structures shall be constructed under the provisions of the most recent edition of the Uniform Building Code.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

SURFACE AND GROUNDWATER HYDROLOGY

HYDRO-1: Analyze the existing channel conditions and the expected velocity of the storm water runoff to assure stable channel conditions for the projected design runoff flows. The County of Santa Cruz has published guidelines for permissible velocities of storm water runoff in open channels. These velocities vary depending on the soil type and channel bottom conditions. If post development runoff velocities exceed County standards, suitable channel protection and/or channel modification shall be completed to the satisfaction of the County Public Works and Planning Departments.

HYDRO-2: Complete a detailed hydraulic analysis and comprehensive engineered drainage plan for the project for review and approval by the County Geologist and the Santa Cruz County Department of Public Works prior to recordation of the Final Subdivision Map. The analysis and engineering plan shall address issues of hillside disturbance, storm drain protection and maintenance, and outfall protection (energy dissipater), and shall be completed prior to the issuance of any building permits.

HYDRO-3: A drainage and erosion control plan shall be prepared by a civil engineer to minimize the impacts from erosion and sedimentation during grading. This plan shall be reviewed and approved by the County Planning and Public Works Departments prior to recordation of the Final Subdivision Map and shall conform to all standards adopted by Santa Cruz County. This plan shall include measures such as: (a) restricting grading to the dry season; (b) protecting all finished graded slopes from erosion using such techniques as hillslope benching, erosion control matting, and hydroseeding; (c) protecting downstream storm drainage inlets from sedimentation; and (d) use of silt fencing to retain sediment on the project site.

HYDRO-4 After construction is completed, all storm drains shall be inspected for accumulated sediment and storm drain damage prior to October 15 and between April 15 and May 15 and

during each month there is rain during November through March of each year. Where sediment has accumulated, these drainage structures shall be cleared of debris and sediment.

HYDRO-5: Obtain NPDES stormwater discharge permit which applies to the grading of five or more acres of land and comply with all requirements of that permit.

HYDRO-6: Maintain existing natural vegetated channels, swales and incorporate detention areas in their natural vegetated condition wherever practicable. Detention ponds shall be sized according to County standards and should support vegetation during the winter. Where removal of vegetation is necessary, replant all exposed soil surfaces with ground cover native to the immediate area.

HYDRO-7: Incorporate measures for the control of street litter to minimize potential aesthetic impacts to downstream receiving waters. This may be achieved by the installation of grease and silt traps as well as trash racks at storm drain inlets. All silt and grease traps shall be permanently maintained on a regular basis according to a monitoring and maintenance program specified by the County Public Works Department.

HYDRO-8: The drainage system design shall be modified to specifically incorporate natural detention areas or other suitable measures to assure that animal wastes from the show grounds area are contained on-site and are not subject to wash-off or leaching into the new storm drainage system for the project, so as to prevent any water quality degradation of the San Lorenzo River. This modification shall be incorporated into the plan described in mitigation measures HYDRO-2.

HYDRO-9: Following construction and County approval of the project drainage facilities, the applicant shall establish a County Service Area (CSA) for the permanent maintenance of these facilities by the County, or another public agency or entity under contract to the County for this purpose. The CSA to be established for the operation of the package treatment plant could be extended to include drainage facilities maintenance.

HYDRO-10: The development plan for the future equestrian park shall include detailed design of all new horse trail - intermittent stream crossings, and a 3-foot earthen berm around the perimeter of the show grounds at Parcel C. The development plan shall incorporate appropriate measures to prevent the direct runoff or deposition of animal wastes and eroded soil into the stream channels. This may include, for instance, the use of culverts and vegetated buffer strips to prevent horses from entering intermittent drainage channels and to enhance natural filtering through overland flow. Additionally, at a minimum, an annual inspection shall be made of the trails for clean-up of horse manure and repair of erosion damage prior to the rainy season. This shall be the responsibility of the operators of the showgrounds equestrian facilities and shall be identified as part of the Development Permit for the future park development.

HYDRO-11: The homeowners' association for the development shall provide educational material to all residents regarding the need for proper use of landscaping chemicals and the adverse

environmental consequences of improper use. The information shall be distributed annually and the requirement to do so shall be made a part of the subdivision CC&Rs.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision. Furthermore, Mitigation HYDRO-9 is implemented, in part, by the LAFCO's authorization of storm drainage maintenance to be provided by the Graham Hill County Service Area.

DOMESTIC SEWAGE DISPOSAL

SEW-1: Install a package treatment plan that provides the level of treatment required by the City of Scotts Valley and the RWQCB with effluent discharge to the Scotts Valley - Santa Cruz wastewater transmission line to eliminate all wastewater disposal on the project site. The package treatment plant shall be designed to produce effluent quality that meets requirements of Title 22, California Administrative Code, for unrestricted reclamation uses, or,

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision. Additionally, this on-site treatment alternative is not being pursued by the developer. Under the current gravity main alternative, no package treatment plant will be needed.

SEW-2: Install a package treatment plant that provides enhanced nitrogen removal with a community leachfield. Additional percolation testing shall be completed in the area of the proposed community leachfield and the system design shall be prepared to the satisfaction of the Santa Cruz County Environmental Health Service and the Department of Public Works. The package treatment plant shall be designed and operated to provide enhanced nitrogen removal, such that final effluent quality demonstrates at least a 50 percent reduction in total nitrogen as compared with conventional septic tank effluent, or,

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision. Additionally, this on-site treatment alternative is not being pursued by the developer. Under the current gravity main alternative, no package treatment plant will be needed.

SEW-3: Deleted because this option is no longer applicable to this project.

SEW-4: The pump station shall incorporate appropriate redundancy features and alarm(s) including, at a minimum: (a) a duplex or triplex pump arrangement; (b) emergency back-up generator; and (c) auto-dialer alarm system. The pump system design shall be subject to review and approval by the Santa Cruz County Department of Public Works. In addition, all sewage collection pipes shall be sized to allow for infiltration and inflow which is typically 10% of designed wastewater flow.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision. Additionally, this on-site treatment alternative is not being pursued by the developer. Under the current gravity main alternative, no package treatment plant will be needed.

SEW-5: Deleted for the same reasons as SEW-3.

SEW-7: Deleted for the same reasons as SEW-3.

SEW-8: Deleted for the same reasons as SEW-3.

SEW-9: Deleted for the same reasons as SEW-3.

SEW-10: Deleted pursuant to Final EIR revisions.

SEW-11: Deleted for the same reasons as SEW-3.

SEW-12: Deleted pursuant to Final EIR revisions.

SEW-13: The project, the relocated inhabitable equestrian facilities (clubhouse and caretaker's dwelling) shall also be served by the package treatment plant. To fulfill the County's long-range plans for the equestrian park, the collection system that would serve equestrian facilities shall be designed to accommodate twice their expected sewage flow. Collection system upgrades would facilitate sewage collection from future park facilities such as a public restroom. The County of Santa Cruz could share in any upgrades that will serve future public restrooms at the equestrian park.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of

Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision. Furthermore, LAFCO has included the equestrian facilities within the boundaries of the Graham Hill County Service Area in order to facilitate compliance with this mitigation.

Negative Declaration Condition 8: To ensure that the project does not result in the potential significant growth-inducing impacts, the applicant shall establish a one foot non-access easement around the raw sewage pipeline prior to acceptance of the improvements by the County Department of Public Works Sanitation District. Additional connections to the raw sewage pipeline, in excess of those identified by this project (60 residential parcels and the relocated equestrian facility, including a clubhouse, caretaker's quarters, and future public restrooms) will require Environmental Review and subsequent environmental determination.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision. Furthermore, under the Local Government Reorganization Act of 2000, any future connections to the sewer main will require LAFCO approval for amendment of the Graham Hill Road County Service Area Sphere of Influence (LAFCO Resolutions No. 876) and annexation to the Graham Hill Road County Service Area, or for the formation of another sewer district.

BIOTIC RESOURCES

BIO-1: Prior to project construction, survey the proposed project site to determine the presence or absence of Cooper's hawk. Surveys for this candidate species shall be accomplished by a professional biologist familiar with this species and its requirements, and shall be accomplished during the appropriate seasons (May-June). Submit documentation containing the methodology, findings, and conclusions of this survey to the CDFG and the County of Santa Cruz. If nesting pairs of this species are located within the development area, the report shall contain the precise location and description of the immediate environment. Avoid specific areas found to contain nesting Cooper's hawks by establishing a 300 foot buffer zone around the nest site where no grading or construction would occur until the young have fledged. If accepted survey methodologies are adhered to and not nesting pairs are located within the immediate development area, no mitigation is required.

BIO-2: As part of the Comprehensive Habitat Mitigation Plan, the project sponsor shall place a special conservation easement on the 65.5 acres of forest habitat located within the common area. Preservation of this habitat, in addition to implementation of measures BIO-5 and BIO-7 will reduce potential impacts to Cooper's hawks to less than significant levels.

BIO-3: Maximize the use native plants in landscaping inside development envelopes. Any planting outside the development envelopes shall use native plants appropriate to the habitat they are planted in. These plants provide food for regional wildlife, and nesting and resting areas for common bird species. Additionally, these species have relatively low water and maintenance requirements. The California Native Plant Society has set forth the following general principles for revegetation and landscaping:

-Trees , shrubs, and other herbaceous plants shall be used which are indigenous to the general development area.

-The use of aggressive, exotic plant species shall be avoided. Where aggressive exotics could threaten native flora (e.g., the use of French broom in landscaping), this fact shall be made of record.

BIO-4: (a) Fence off trees within 100 feet of areas to be developed to be retained around their drip-line (approximately equal to the area covered by the tree's canopy) prior to any construction related activities in order to prevent accidental damage due to construction activities. These fences shall remain in place until all construction-related activities have cease. When digging utility trenches near trees to be retained, all trenching shall be done by hand, and shall stay at least ten feet away from tree trunks. Consider tunneling to avoid major roots. Utility lines and pipes shall be concentrated in as few conduits as possible. Foundations shall be bridged over roots that are unavoidable. Leaf mulch, straw or grass seeds shall be placed on exposed soils as soon as possible to prevent erosion and soil loss. Generally, avoid filling or paving in close proximity to tree trunks.

(b) Special care shall be taken not to increase soil moisture from irrigation, and inappropriate landscaping and run-off from improvements, as these would increase root-rotting fungi. Water-dependent landscaping such as lawns and grading within the drip-line of large oaks shall be avoided and made a requirement of all property owners stipulated in the Homeowner's Association Agreement for the project. Periodic inspections of the population by a certified arborist on common lots shall be carried out, and recommendations of the arborist implemented by the property owners.

BIO-5: Divert irrigation or potential runoff associated with the proposed project away from retained oaks to guard against fungal root infections.

BIO-6: The project sponsor shall place a special conservation easement over the 65.5 acres of forest within the common area (outside the development area). This land would then be permanently dedicated as forest habitat in perpetuity. This conservation easement shall recognize the protected land is designated as "Timber Resource" and therefore will permit timber harvesting that is done in a sustainable and ecologically sound manner. The conservation easement document shall be reviewed and approved by County Planning staff and County Counsel prior to recordation of the subdivision map. The operations and maintenance of the forest common area shall be the responsibility of the homeowners association.

BIO-7: The County of Santa Cruz Department of Parks and Recreation shall identify 3.7 acres of either (1) degraded woodland or forest habitat to be enhanced or (2) degraded non-native grassland or ruderal habitat to be planted in oak woodland or mixed forest habitat. This land, if not already protected, would have a conservation easement placed upon it in perpetuity. The conservation easement document shall be reviewed and approved by County Planning staff and County Counsel prior to approval of a new park plan. The operations and maintenance of the forest mitigation site shall be the responsibility of the County of Santa Cruz Department of Parks and Recreation and may be implemented on publicly owned lands. In either case, the County of Santa Cruz Department of Parks and Recreation shall be responsible for development of a tree revegetation plan.

Guidelines for the Tree Revegetation Plan are outlined in the sections that follow. The Tree Revegetation Plan shall consist of an implementation and a monitoring component.

- Trees shall be planted using locally-grown or harvested stock. Acorns or seedlings would be preferable because they have been shown to have greater survivability and growth than larger, container-grown stock. Spacing shall range from 5 feet to 15 feet, depending on species, location and size of initial planting. The final replacement plan shall be subject to review by CDFG and the County Planning staff

- Replacement trees shall be planted as contiguous habitat, and not as isolated, scattered trees, to provide similar community structure and habitat value for wildlife.

- Only species native to the project site shall be used. Some of the plant source material could be collected in the project area, such as from trees that will be lost to construction activities. This material could be supplemented by commercially available native species (not cultivars) where insufficient plant material is available on-site or where collection of plant material is determined to have a negative effect on existing resources. Container plants shall be grown from material collected on the project site, in the vicinity, or within the region.

- Planted trees shall be protected from browsing by deer, rodents, and insects, through the use of collars and screens. A metal, rust-resistant collar located below the ground surface would discourage gopher and other rodent damage, promote deep rooting, and anchor the screen. Screens would protect plants from browsing, shade young plants, and allow some accumulation of moisture at night. An area of at least three feet in diameter shall be cleared of vegetation around each planted tree or shrub to reduce competition for water and nutrients and to minimize crowding out of desired species. A weed mat or minimum 3-inch mulch shall be applied in each planting basin.

- Container stock, seeds, and cuttings of woody vegetation shall be planted in the fall to early winter following the onset of the rainy season when moisture levels should be adequate for planting site preparation, as determined by the revegetation contractor.

-Mitigation planing areas shall be protected by a conservation easement or other deed restriction. Fuel modification (periodic mowing) shall not be allowed.

BIO-8: The County of Santa Cruz Department of Parks and Recreation shall develop a Revegetation Plan, that will include the following documents, for review by CDFG and County Planning staff.

-A planting program prepared at 100-foot-scale.

-A final irrigation plan (if necessary) prepared at 100-foot-scale. This plan shall include specifications on installation and a schedule identifying the frequency of irrigation.

-Calculations of areas and numbers of trees for woodland/forest proposed to be created or enhanced. The species of trees proposed for planting and locations of proposed plantings shall also be identified.

-The Plan shall also include (1) stated performance standards, (2) contingency plan elements, and (3) monitoring plan requirements. All of the components of the Plan shall be determined to be sufficient by CDFG and County Planning staff to ensure the long-term success of the mitigation.

BIO-9: The oak forest Habitat Mitigation Plan shall identify monitoring and management techniques for a minimum period of five years following implementation. The plan shall establish success criteria (performance standards) and shall describe steps to be taken to replace vegetation not meeting the success criteria (contingency plans). Performance standards could relate to the number of trees, species and sizes of trees, acreage of woodland, area of canopy, or a combination. Appropriate data sampling and statistical treatment of data shall be developed and utilized. The equestrian park's monitoring and management plan shall include the following components.

-Plant survival shall be evaluated with field surveys. Individual trees shall be tagged during the first year of implementation, catalogued in a data base, and surveyed for survival, growth, and vigor. Monitoring reports will be prepared annually and submitted to CDFG and County Planning. If at any point during the five-year monitoring period, the mitigation plan is judged to have not been successful, the mitigation action shall be re-initiated, after modification as necessary, and monitored until judged successful.

-The annual reports shall include monitoring data and shall discuss any corrective actions undertaken. At the end of the 5th year of the mitigation program, the report shall evaluate the success of the project against the performance standards. If a portion of the mitigation plan fails to meet the specified criteria, the County of Santa Cruz Department of Parks and Recreation shall implement additional mitigation designed to mitigate impacts, as directed by County Planning.

BIO-10: A preliminary mitigation plan(based on the elements presented in this EIR) shall be submitted for review to CDFG and County Planning prior to approval of the design of the

equestrian park.

BIO-11: The project sponsor shall implement the Comprehensive Habitat Mitigation Plan (refer to Appendix H). This plan has the following elements:

- a. Enhancement of existing prairie habitat through removal of non-native invasive plants (e.g., French Broom);
- b. Restoration of 0.9 acres of land to coastal terrace prairie habitat to compensate for the 0.9 acres of prairie habitat removed by the project;
- c. Salvage collection of soil, seeds, tubers of special status plant species and other plants native to the prairie habitat in those portion of prairie to be removed for use in prairie restoration efforts;
- d. Security bonding to ensure the success of enhancement and restoration efforts during the first five years of implementing the Plan; and
- e. Long-term management of preserved biotic resources by the Homeowners Association.

The homeowner's association for the development shall provide educational material to all residents regarding the need for proper use of landscaping chemicals and the adverse environmental consequences of improper use. The information shall be distributed annually and the requirement to do so shall be made a part of the subdivision CC&Rs.

BIO-12: The proposed project has been redesigned to reduce impacts to Coastal Terrace Prairie and special status plant species. The prairie (special status plant species habitat) to be retained and restored on-site shall be protected under a biotic conservation easement (or similar protection acceptable to the County) in perpetuity. The "protected land" shall include that portion of Parcel A now in prairie habitat and the additional 0.9 acres north of the vernal marsh to be restored to prairie habitat (special status plant species habitat). The conservation easement document shall be reviewed and approved by County Planning staff and County Counsel prior to recordation of the subdivision map.

BIO-13: Prior to project construction, construction fencing of a minimum of 5' in height shall be installed around the perimeter of the coastal terrace prairie to prevent encroachment by construction vehicles and sidesteading of grading material. The fenced area shall include a 10 foot buffer zone beyond the prairie habitat. Fencing shall be installed to allow an entry corridor (with no buffer zone) where the project access road will be constructed. The final installation of the fencing shall be inspected and approved by a qualified botanist approved by the County prior to any grading or construction for the project. The botanist shall reinspect the fencing and proximate construction activities on a weekly basis during the construction of all subdivision improvements and make recommendations as appropriate to protect the prairie habitat.

BIO-14: Construction activities for the residences and roadway shall avoid discharge of any construction or project-related materials and fluids into portions of the coastal terrace prairie community to be retained to prevent damage to special status plant species, native vegetation and associated wildlife. A sediment erosion plan shall be prepared by the project sponsor and reviewed and approved by the County Planning Department prior to the time that any project related activities proceed. Construction shall generally take place during the dry season (i.e., April 15 to October 15).

BIO-15: The project sponsor shall prepare and distribute educational materials to construction workers concerning the sensitive habitat and special status plant species. The project sponsor shall be responsible for obtaining signed documentation from each of the construction workers (currently working on the project) stating that they have been given the educational materials (referenced above) and that they understand that they can be held personally liable for impacts to special status plant species or coastal terrace prairie habitat due to worker negligence.

BIO-16: The project sponsor shall be required to post a financial security with the County of Santa Cruz to ensure that no individual special status plants or habitats are impacted during the construction phase of the proposed project. This bond would be refunded to the project sponsor when construction has ceased and it is proven that no individuals of the aforementioned species have been harmed. Implementation of the above measures would reduce the identified impacts, to below the threshold of significance.

BIO-17: Prior to any construction on the site, the entire perimeter of the vernal marsh shall be fenced in the same manner as specified in BIO-13 with temporary construction fencing of a minimum height of five-feet. This fencing shall remain in place until all site improvements are completed to the satisfaction of the County Public Works and Planning Departments.

BIO-18: Avoid discharge of any construction or project related materials and fluids into portions of wetland communities to be retained to prevent damage to native vegetation and associated wildlife. A sediment and erosion control plan shall be prepared as specified in mitigation BIO-14.

BIO-19: Use construction practices that minimize impact to retained wetlands on-site (e.g., locate construction staging areas away from retained wetlands and install silt fences around retained wetlands prior to construction to avoid sedimentation during the construction phase of the proposed project).

BIO-20: Avoid the use of non-biodegradable herbicides and pesticides for landscape maintenance. This shall be written into the Homeowner's Association Agreement.

BIO-21: Enter into a "Streambed Alteration Agreement" (SAA with the CDFG pursuant to Fish and Game Code 1601-1603 and comply with the conditions of the SAA. This agreement is necessary to allow alteration of the San Lorenzo River due to the installation of a storm water discharge unit under current development plans. In general, the CDFG will grant the SAA once all

other permits (e.g., Corps, USFWS) and certifications are obtained. Construction would not be permitted by the CDFG until a SAA is executed.

BIO-22: Following construction, revegetate all areas along the San Lorenzo River that are disturbed during construction of the storm drain outfall with appropriate California native species. CDFG recommends replacement of removed or damaged riparian vegetation with members of the same species (if California native), or with appropriate California native species (when removed vegetation is non-native). Replacement schedule (ratio of number of plants removed to number planted) for riparian vegetation is set at five-to-one for trees (e.g., if one white alder is removed, killed, or substantially damaged during project development, five white alders shall be planted for mitigation), and three-to-one for understory species.

BIO-23: Avoid discharge of any construction or project related materials and fluids into the San Lorenzo River to prevent damage to riparian vegetation, water quality, and associated wildlife. A sediment erosion plan shall be prepared by a qualified consultant for the project sponsor and reviewed and approved by both CDFG and the County Planning Department prior to any project related activities, focusing on measures to eliminate migration of sediment-laden runoff into the San Lorenzo River during all phases of project development and use. Construction shall take place during the dry season (April 15 to October 15).

BIO-24: The project sponsor shall be required to post a bond with the County of Santa Cruz to ensure the success of the aforementioned riparian revegetation program. This bond would be refunded in full to the project sponsor after a minimum period of five years if the program is determined to be successful by a qualified biologist and the CDFG.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

TIMBER RESOURCES

TIMB-1: Provide a no-cut or lighter-cut buffer zone of 150 feet along the entire western edge of the subdivision boundary, with a graduated buffer where the lightest cutting is immediately adjacent to the subdivision boundary and the intensity of marking gradually increases to the edge of the 150-foot zone where the silvicultural prescription for the stand is achieved.

TIMB-2: Requirements for slash and debris disposal shall exceed those of the local forest practice rules. This is primarily for aesthetic purposes and, to a lesser degree, for fire prevention. The entire area shall be lopped and scattered to a height of 24 inches rather than the 30 inches allowed by law. Within 50 feet of the hiking trail and 150 of the subdivision boundary, lop or crunch slash

with the metal tracks of a tractor down to a height of 12 inches. Burying or chipping of slash are other options in appropriate areas.

TIMB-3: Require extensive grass seeding, strawing, and mulching of the bare areas. This is especially important for bare areas visible from the hiking trail, subdivision, and Ocean Street Extension.

TIMB-4: The intensity of tree removal shall be less than 60 percent of trees over eighteen inches in diameter currently allowed by law. A harvesting intensity of 40 to 45 percent overall is recommended, with the lighter thinning in open areas and heavier thinning in dense clumps or groupings of trees.

TIMB-5: Interplant coniferous seedlings after harvest is recommended in the areas where the canopy has been opened.

TIMB-6: Close the hiking trail during the period of active harvesting.

TIMB-7: Limit hours of timber harvesting operation from 7:30 a.m.-4:00 p.m., and prohibit weekend work.

TIMB-8: Initiate an education and publicity program directed toward users of the trail and residents of the adjacent subdivision. This shall be carried out at least one of two years prior to harvest through mailings and public meetings. Input and recommendations from concerned neighbors shall be sought, and, where feasible, incorporated into the Timber Harvest Plan.

TIMB-9: Implement mitigation BIO-6, in Section E, Biotic Resources, to place forested lands (including the "TP" zone) in the common area under a special conservation easement.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

TRANSPORTATION AND CIRCULATION

TRANS-1: If a Roadway/Roadside Exception is not granted, the roads internal to the project should be constructed (right-of-way, pavement widths, and secondary access standards) to meet Santa Cruz County Design Criteria standards for local roads. Briefly, this would require two 12-foot paved travel lanes for two-lane rural local streets, with two 6-foot parking shoulders, for a total of 36 feet of paved roadway width. (Although it should be noted that increases in paved roadway width could result in increased impacts on special-status species that would require areas

for additional biological resource mitigation.)

TRANS-2: The project applicant shall contribute a fair share cost to install a traffic signal at the Graham Hill Road/Sims intersection, as a result of the project and cumulative traffic. The contribution should be made to a County fund specifically established for this purpose.

TRANS-3: The project applicant shall construct a combined pedestrian/bicycle pathway along the project frontage between the project entry road and Sims Road. The design of the pathway shall constitute a dual function pedestrian and bicycle use with a meandering route to minimize tree removal.

TRANS-4: The project applicant shall improve the existing bus stop at the Graham Hill Road/Sims Road intersection to meet the Santa Cruz Metropolitan Transit District's standards for bus turnouts.

TRANS-5: The project applicant shall construct a left turn pocket at the northbound approach to the project entry road.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

NOISE

NOISE-1: Restrict noisy construction activities for site improvements and individual home sites to the hours of 7:00 a.m. to 7:00 p.m., Monday through Friday, and 9:00 a.m. to 5:00 p.m. on weekends, and stipulate this restriction in all construction contracts for the project.

NOISE-2: Require that prospective homeowners agree to muffle and shield all intake and exhaust ports on power construction equipment, and shroud all impact tools, and stipulate this as a requirement of all property owners in the Homeowners' Association Agreement.

NOISE-3: The applicant shall designate a construction disturbance coordinator to respond to public complaints and inquiries regarding noise disturbances during site grading and construction of improvements. The telephone number shall be posted on a sign on the site in a manner which makes the sign's information readily visible from off-site. This sign shall be posted, and the disturbance coordinator shall be available to resolve noise problems, during the entire grading and site improvement phase of the project.

NOISE-4: Construct three-foot barriers (of earthen or masonry construction) at the eastern edges

of the development envelopes of Lots 6 and 7. At Lot 6, the barrier would be approximately 100 feet long along the eastern edge connecting to 20-foot-long segments along the northern and southern edges of the development envelopes (to address edge effects). At Lot 7, the barrier would be approximately 75 feet in length connecting to 20-foot-long segments in a similar configuration as described for Lot 6.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

AIR QUALITY

AIR-1: The applicant shall designate a construction disturbance coordinator to respond to public complaints and inquiries regarding dust and other air quality disturbance during the site grading and construction of improvements. The telephone number of the disturbance coordinator and the purpose of the telephone number shall be posted on a sign on the site in a manner which makes the sign's information readily visible from off-site. This sign shall be posted and the disturbance coordinator shall be available to resolve dust-related problems during the entire grading and site improvement phase of this project.

AIR-2: The County shall require that development of individual home sites proceed with the following elements of a dust abatement program:

- Pavement of the main access road serving the home sites being developed shall occur prior to the start of construction at any of those individual home sites.
- Sprinkle all unpaved construction areas with water at least twice per day to reduce dust emissions. Additional watering shall be carried out on hot or windy days. Watering could reduce particulate emissions by about 50 percent.
- Cover all trucks hauling loose soil or debris to or from the site.
- Sweep up dirt or debris spilled onto paved surfaces immediately to reduce resuspension of particulate matter through vehicle movement over these surfaces.

AIR-3: Maintain and operate construction equipment so as to minimize exhaust emissions.. During construction, trucks and equipment shall be running only when necessary. Engines shall be shut off when trucks are loading, unloading or waiting. Equipment shall also be kept in good condition and well-tunes, to minimize exhaust emission

AIR-4: All houses designed to accommodate wood burning stoves or fireplaces shall be designed to include EPA-certified stove and fireplace inserts. EPA-certified stoves have been shown to have 70 to 90% fewer emissions than conventional stoves. This requirement shall be specified in the CC and Rs for the subdivision and should be included in construction drawings submitted to the County for individual dwelling building permits.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been , or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

VISUAL QUALITY

VIS-1: Require vegetative screening in portions of the common area between the proposed development and Graham Hill Road to blend the development into the existing viewscape. The rear lot lines of lots 8 through 13 are in and/or adjacent to sensitive coastal terrace prairie habitat and should not receive vegetative screening. The following lots identified should undergo vegetative screening and/or retention:

- Retain existing stand of oak forest across from Deer Path/Graham Hill Road intersection to screen lots 5-8.
- Retain existing oak trees and/or plant oak trees along lot lines exposed to Graham Hill Road including lots 21 through 25.
- Plant oak trees along eastern-oriented lot lines exposed to Graham Hill Road including lots 14, and 48 through 52.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been , or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

ARCHAEOLOGICAL

ARCH-1: If archaeological resources or human remains are discovered during construction activities, work shall be halted within 60 meters (200 feet) of the find until it can be evaluated by the County Planning Department and a qualified professional archeologist. If the find is determined to be significant, appropriate mitigation measures shall be formulated and implemented according to the procedures specified in County Code Sections 16.40.040-.060 (Site Discovery During Excavation and Archaeological Site Development Approval).

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

PUBLIC SERVICES AND UTILITIES

SERV-1: The project sponsor shall provide for the design and construction of water service infrastructure in accordance with SCWD requirements.

SERV-2: Public water system work design shall conform to all City of Santa Cruz Water Department Standard Specifications. The project sponsor shall provide design plans to SCWD for review and approval. Water improvement must be approved by both SCWD and the County of Public Works Department prior to the filing of the Final Subdivision Map. Installation of improvements shall be inspected by SCWD and the County Public Works Department prior to permitting occupancy of any dwelling unit.

SERV-3: The project sponsor shall obtain, prior to receiving final approval to construct subdivision improvements, all required City-approved, non-revocable water main rights-of-way and easements on all private roads where City mains are extended. Such rights-of-ways and easements shall be delineated on the Final Subdivision Map.

SERV-4: The project sponsor shall obtain, prior to the issuance of the construction permit, the required Water Main Extension Agreement and Performance, Labor, and Materials Bonds.

SERV-5: To avoid excessive water use, the project sponsor shall agree to include in lot sales agreements provisions for implementation of measures to conserve water. Accomplish this by submitting an agreement to the County for approval stating that the sales agreements will contain a requirement for installation of water conservation devices in all project residences. The devices shall include ultra-low-flush toilets (toilets that use a maximum of 1.6 gallons of water per flush) and low-flow shower heads (shower heads that use a maximum of 2.5 gallons of water per minute). The County Planning Department shall review and approve the construction plans for project residences prior to issuing a building permit, and County building inspections staff would inspect the installation of the water conservation devices prior to permitting occupancy.

SERV-6: Deleted because it addresses a less significant impact and is infeasible to enforce.

SERV-7: Deleted because it addresses a less significant impact and is infeasible to enforce.

SERV-8: Annexation of the project site to the Scotts Valley Fire Protection District shall be initiated by the project sponsor.

LAFCO Note: A Negative Declaration prepared by LAFCO in 2001 for LAFCO Application No. 877 evaluates an annexation to the SVFPD of this site and other parcels.

SERV-9: The project sponsor shall pay the Scott Valley Fire Protection District a mitigation fee upon annexation to compensate for improvements to the existing fire station on Sims Road, or deed to Scotts Valley Fire Protection District a fire station site as proposed on Tentative Map Parcel D. The 1.2 acre fire station site shall measure 140 feet fronting on Graham Hill Road and

170 feet deep, or as close to these dimensions as feasible. The appropriate option shall be selected by the District.

SERV-10: The project sponsor shall install all utilities to the property line of the fire station site, including all off-site sewage disposal system improvements necessary to serve the proposed fire station. A sewer service line shall be run to the Fire District property line. Sewage disposal for the fire station would be provided by an on-site package treatment facility. Utility improvements shall be shown on the engineering improvement plans for the project and installed according to the plans as approved by the County Public Works Department.

SERV-11: The project sponsor shall provide water mains within the project site sized to provide a minimum fire flow of 1,000 gallons per minute for a two-hour duration. Domestic water improvements shall be shown on the engineering improvement plans for the project and installed according to the plans as approved by the County Public Works Department and Scotts Valley Fire Protection District.

SERV-12: The project sponsor shall provide standard steamer type fire hydrants within the proposed subdivision, in the number and locations identified by the Scotts Valley Fire Protection District. Hydrant locations shall be shown on the engineering improvement plans for the project and installed according to the plans as approved by County Public Works and the Scotts Valley Fire Protection District.

SERV-13: All highly flammable vegetation shall be removed and maintained 30 feet from all structures. All buildings backing up to the Common Area (Parcel A) shall be provided with a 100-foot clearance.

SERV-14: Deleted because it is the responsibility of another agency other than the County and addresses property beyond project site.

LAFCO Finding:

Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that agency. Specifically, the County of Santa Cruz has jurisdiction as the land use regulatory agency and has included these changes in its approval of the Graham Hill Estates Subdivision.

Mitigation Monitoring Program

The County of Santa Cruz is the lead agency for conducting the mitigation monitoring program, and has adopted such a program. As a responsible agency with no direct land-use regulatory role, LAFCO will have its staff follow the County's mitigation monitoring program. If the LAFCO Executive Officer becomes aware of any failure to carry out the mitigation efforts, the staff shall

inform the County of Santa Cruz and the LAFCO Commission.

Alternatives, and Statement of Overriding Considerations

Since the EIR and Mitigated Negative Declaration found that the project would have no significant environmental impact if all the specified mitigations were incorporated into the project by re-design or condition, and since the County of Santa Cruz has included all the mitigations in its approval of the subdivision, there are no significant environmental impacts for which a more extensive review of alternatives or a statement of overriding considerations must be prepared under state law.

End of Exhibit B

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 876-A

On the motion of Commissioner Gualtieri

duly seconded by Commissioner Ebey

the following resolution is adopted:

MAKING DETERMINATIONS AND AUTHORIZING PROTEST PROCEEDINGS FOR THE
FORMATION OF THE GRAHAM HILL COUNTY SERVICE AREA

The Santa Cruz Local Agency Formation Commission does hereby resolve, determine, and order as follows:

1. An application for the proposed formation of a county service area was filed with the Executive Officer of this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the territory is assigned the short term designation of "Formation of the Graham Hill County Service Area".
2. The Executive Officer of this Commission has examined the application, has given notice of public hearing by this Commission upon the application in the form and manner provided by law, has prepared a report, including his recommendation, and has presented his report before this Commission.
3. The public hearing by this Commission was held on March 7, 2001, and at the hearing this Commission heard and received all oral and written comments that were presented.
4. The subject territory includes approximately 60 acres and is found to be uninhabited for purposes of formation law.
5. The boundaries set forth in the description of territory subject to the formation are definite and certain, and are approved as submitted and shown on Exhibit A to include the residential portion (lots 1-60) and the relocated equestrian facility (Parcels B, C, and D) of the Graham Hill Estates Subdivision.

6. The approval of this county service area formation is subject to the following terms and conditions:
 - a) The services to be performed by the Graham Hill County Service Area shall be limited to operation and maintenance of storm drainage facilities of the Graham Hill Estates Subdivision, and operation and maintenance of a sanitary sewer facilities within the Graham Hill Estates Subdivision and between the subdivision and the City of Santa Cruz sewer system.
 - b) Prior to issuance of a Certificate of Completion for this formation, the County of Santa Cruz shall complete any tax, assessment, or fee elections pursuant to Proposition 218 (California Constitution Articles XIII C & D) required to fund the services authorized for the Graham Hill Road County Service Area.
 - c) The proponents shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
 - d) The proponents shall pay any remaining processing fees as set by this Commission Schedule of Fees and Deposits.
 - e) Prior to issuance of a Certificate of Completion for this formation, the applicant shall deliver an executed indemnification agreement which is in a form that is acceptable to the Commission and suitable for recordation.
7. The Commission hereby determines pursuant to Government Code Section 56810 that there will be no exchange of property tax revenues as a result of this county service area formation.
8. This Commission has genuinely considered the environmental effects of the project as shown in the Draft and Final Environmental Impact Report for the Graham Hill Show Grounds Subdivision, the 1996 Addendum, and the 1998 Negative Declaration that were prepared and certified by the County of Santa Cruz. The Commission makes the finding in accordance with the California Environmental Quality Act as listed in Exhibit B (Environmental Impact Findings).
9. The proposal, as conditioned, is consistent with the Sphere of Influence for the Graham Hill Road County Service Area.

10. The justification for authorizing this county service area formation is explained in the Executive Officer's Report on LAFCO No. 876/876-A and in the "Analysis of a Proposal to LAFCO" prepared by the staff for LAFCO No. 876-A.
11. The Commission hereby approves this proposal and authorizes protest proceedings without notice and hearing as permitted by Government Code Section 56663(a).

PASSED AND ADOPTED by the Local Agency Formation Commission in Santa Cruz County this seventh day of March, 2001 by the following vote:

AYES: Campos, Rapoza, Ebey, Gualtieri, Ainsworth

NOES: Wormhoudt, Levy

ABSENT: None

Mardi Wormhoudt
MARDI WORMHOUDT, CHAIRPERSON
Santa Cruz Local Agency Formation Commission

Attest:

Patrick M. McCormick
Patrick M. McCormick
Executive Officer

Approved as to form:

Jane M. Scott
Jane M. Scott
LAFCO Counsel

End of Resolution

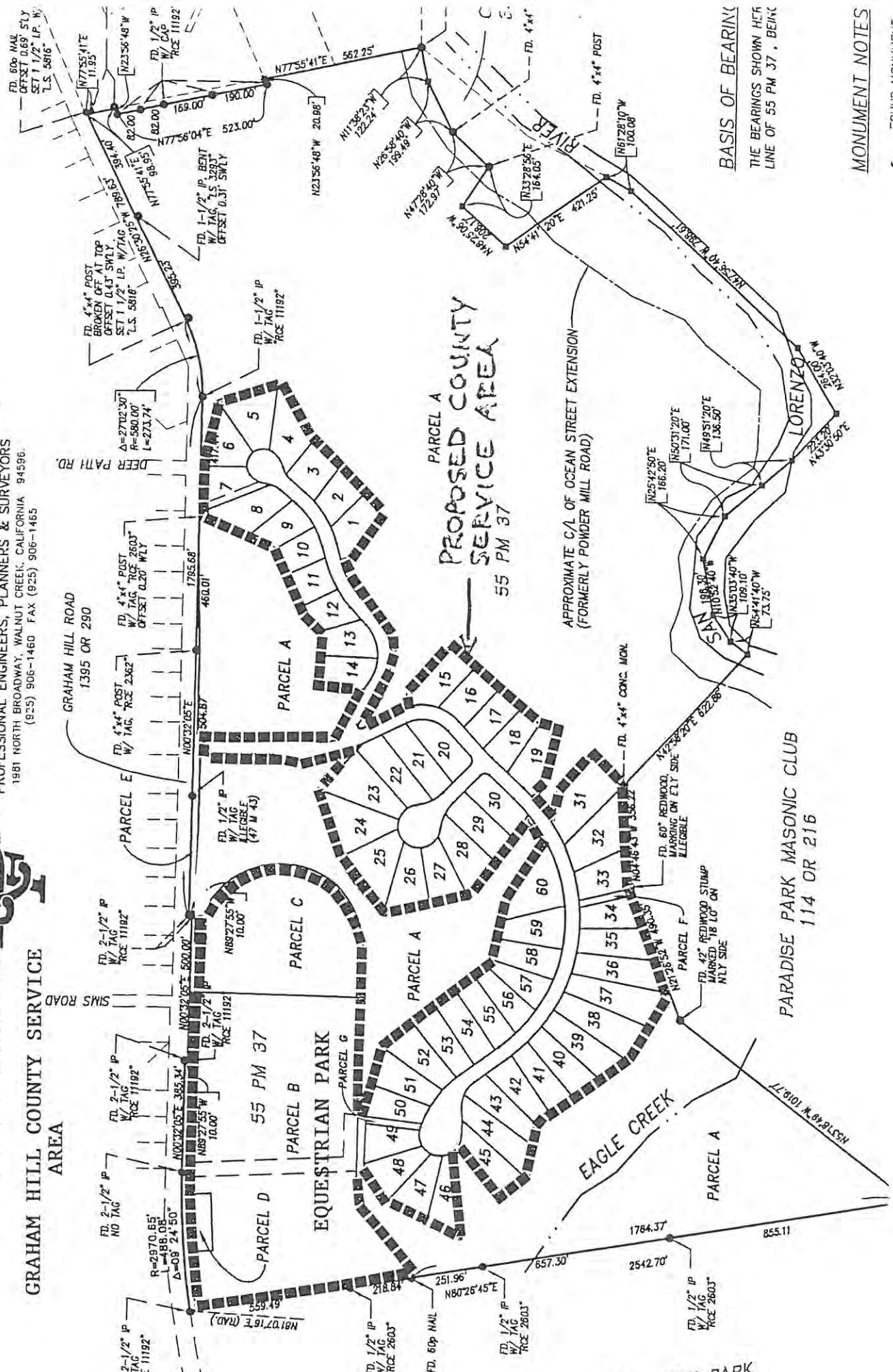
EXHIBIT A
RESOLUTIONS NO.
876 and 876-A

FORMATION BOUNDARY
SPHERE AND

GRAHAM HILL COUNTY SERVICE
AREA

TOWNSHIP 11 SOUTH, RANGE 2 WEST, MOUNT DIABLO BASE AND MERIDIAN.

Robert Bein, William Frost & Associates
PROFESSIONAL ENGINEERS, PLANNERS & SURVEYORS
1981 NORTH BROADWAY, WALNUT CREEK, CALIFORNIA 94596.
(925) 906-1460 FAX (925) 906-1465



BASIS OF BEARING
THE BEARINGS SHOWN HERE
LINE OF 55 PM 37, BEING

MONUMENT NOTES

HENRY COWELL REDWOODS STATE PARK
952 OR 135

PARADISE PARK MASONIC CLUB
114 OR 216

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 877

On the motion of Commissioner Campos
Duly seconded by Commissioner Rapoza
The following resolution is adopted:

MAKING DETERMINATIONS AND ORDERING PROTEST PROCEEDINGS
OF TERRITORY DESIGNATED AS THE
GRAHAM HILL ROAD REORGANIZATION
TO SCOTTS VALLEY FIRE PROTECTION DISTRICT
LAFCO NO. 877

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE, DETERMINE, AND ORDER as follows:

1. A resolution for the proposed reorganization of certain territory was filed by Resolution No. 2000-19 of the Scotts Valley Fire Protection District pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and said territory is assigned the short term designation of "Graham Hill Road Reorganization."
2. The reorganization consists of the following changes of organization:
 - Annexation to the Scotts Valley Fire Protection District,
 - Detachment from County Service Area 48 (County Fire).
3. The Executive Officer of the Commission has reviewed the resolution, and has prepared a report, including his recommendations thereon, and has presented the same before this Commission for consideration.
4. Public hearing by the Commission was held on March 7, 2001; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
5. Said territory includes approximately 2500 acres and is found to be inhabited for purposes of reorganization law.
6. The boundaries of the area of the proposed reorganization are approved as shown on Exhibit A to include the Graham Hill Estates Subdivision, the Castle property portion of APN 061-321-11, the campgrounds area of Henry Cowell Redwoods State Park, and 42 other parcels along the Graham Hill Road corridor.
7. The approval of the reorganization is conditioned upon the following terms and conditions:
 - A) If the 3.5-acre, three-parcel minor land division of APN 061-321-11 (Castle property, Paradise Park Masonic Club), designated as application number 99-0345 and pending before the County of Santa Cruz, is not approved by the County, it shall be excluded from the reorganization map that the Executive Officer files with the Certificate of Completion.

- B) The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
 - C) The proponent shall be responsible to pay any fees required to comply with Fish and Game Code Section 711.4 (Fish and Game Fees required when notices of environmental decisions are filed).
 - D) The proponent shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.
 - E) The Executive Officer shall not record the certificate of completion finalizing this annexation, during the time period between the closing of the precinct maps and a subsequent election directly involving any seat or measure of the Scotts Valley Fire Protection District.
8. The Commission has considered the Negative Declaration dated January 24, 2001 together with the comments received during the public review process, and approves the negative declaration. The Commission finds that this reorganization will not have a significant effect on the environment.
 9. Upon completion of the reorganization, the property tax revenues will be transferred in accordance with Board of Supervisors Resolution No. 12-2001 adopted January 23, 2001.
 10. The annexation, as approved, is consistent with the Spheres of Influence of the Scotts Valley Fire Protection District as adopted by LAFCO Resolution No. 767-A and County Service Area 48 (County Fire) as adopted by LAFCO Resolution No. 701.
 11. This Commission hereby approves this reorganization, as conditioned, and directs the Executive Officer to conduct protest proceedings in accordance with State law.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this seventh day of March 2001.

AYES: Campos, Rapoza, Levy, Ebey, Gualtieri, Ainsworth, Wormhoudt
 NOES: None
 ABSENT: None

Mardi Wormhoudt
 MARDI WORMHOUDT, CHAIRPERSON
 Santa Cruz Local Agency Formation Commission

Attest:

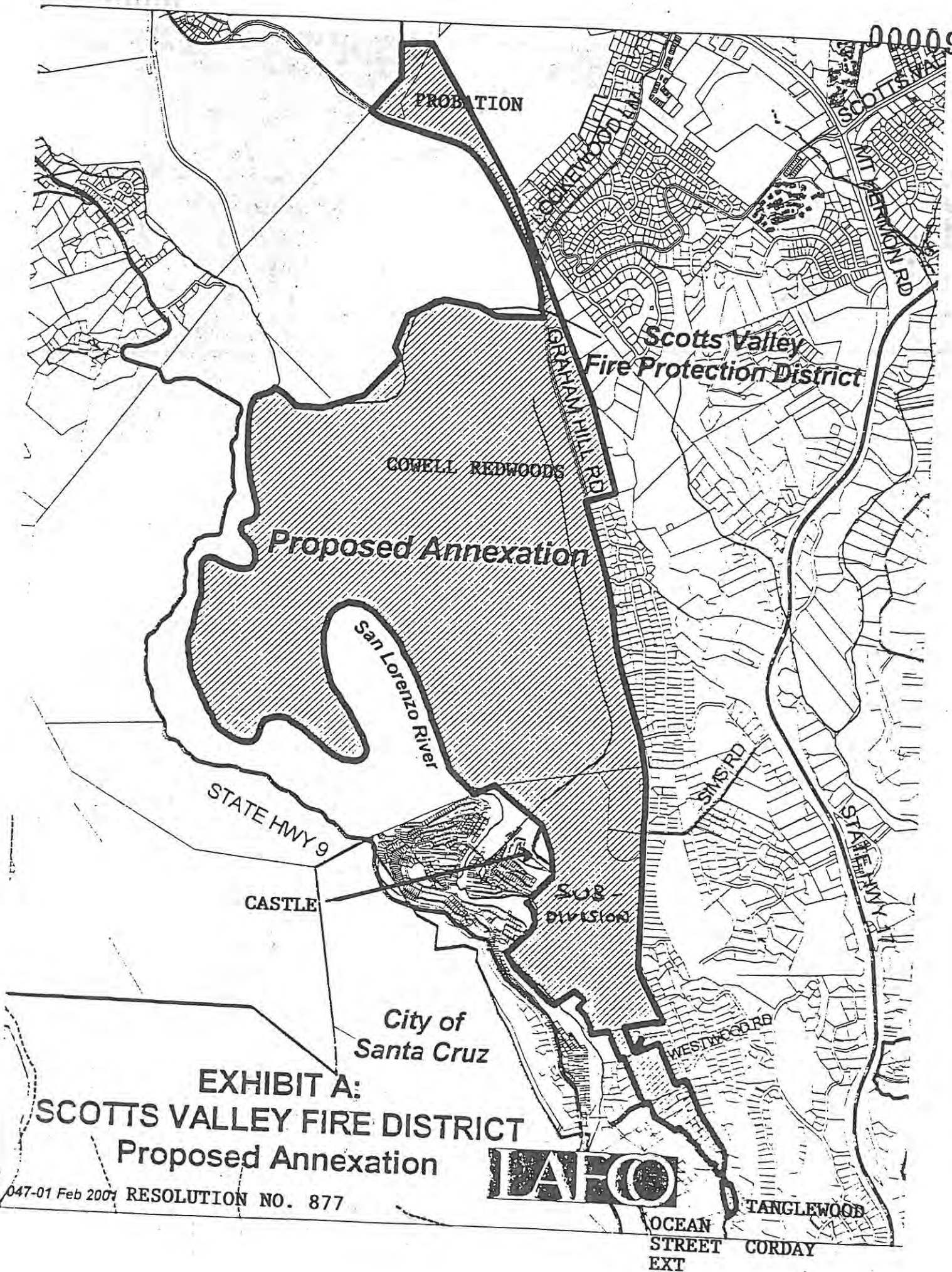
Patrick M. McCormick

Patrick M. McCormick, Executive Officer

Approved as to form:

Jane M. Scott

Jane M. Scott, LAFCO Counsel



PROBATION

Scotts Valley
Fire Protection District

COWELL REDWOODS

Proposed Annexation

San Lorenzo River

STATE HWY 9

CASTLE

City of
Santa Cruz

SUB
DIVISION

WESTWOOD RD

TANGLEWOOD

OCEAN
STREET EXT CORDAY

EXHIBIT A:
SCOTTS VALLEY FIRE DISTRICT
Proposed Annexation



APPENDIX B:

2014 Reorganization Resolution

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 947

On the motion of Commissioner Friend
duly seconded by Commissioner Lane
the following resolution is adopted:

APPROVING THE 2013 MUNICIPAL SERVICE REVIEW AND SPHERE OF
INFLUENCE STUDY OF THE GRAHAM HILL SANITARY SEWER AGENCIES
AND
ADOPTING THE 2013 SPHERE OF INFLUENCE AMENDMENT FOR COUNTY
SERVICE AREA 10 (ROLLING WOODS SANITATION)

The Santa Cruz Local Agency Formation Commission (the "Commission") does hereby resolve, determine, and order as follows:

1. In accordance with Government Code Section 56428, the Santa Cruz County Board of Supervisors, acting as the governing authority of County Service Area 10 and County Service Area 57, has filed an application designated as the 2013 Sphere of Influence Amendment for County Service Area 10 (Rolling Woods Sanitation), LAFCO No. 947.
2. In accordance with Government Code Section 56430, the Commission has initiated and conducted a municipal service review of sanitary sewer services along the Graham Hill Road corridor, which are currently provided by County Service Area 10 (Rolling Woods) and County Service Area 57 (Woods Cove). That municipal service review is contained in the study titled "2013 Municipal Service Review and Sphere of Influence Study of the Graham Hill Sanitary Sewer Agencies."
3. In accordance with Government Code Section 56425 et seq., the Commission has received a report and recommendation from its staff evaluating the 2013 Sphere of Influence Amendment for County Service Area 10.
4. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the municipal service review and sphere of influence amendment in the form and manner prescribed by law.

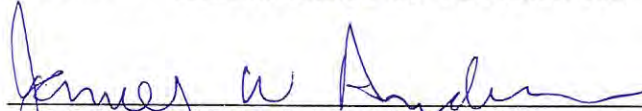
5. The Commission held its public hearing on this matter on October 2, 2013; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
6. The Commission has reviewed and considered the information contained in the Initial Study/Mitigated Negative Declaration issued for this project by the County of Santa Cruz Environmental Administrator on April 19, 2013. The Commission has reviewed the Addendum prepared by LAFCO staff on September 23, 2013 concerning the addition of Brook Knoll School to the Sphere of Influence of County Service Area 10. The Commission finds that the mitigated negative declaration is adequate for its review of this project.
7. The Commission hereby approves the 2013 Municipal Service Review and Sphere of Influence Study of the Graham Hill Sanitary Sewer Agencies, and makes the determinations listed on Exhibit A.
8. The Commission hereby amends the Sphere of Influence for County Service Area 10 (Rolling Woods Sanitation) to include the 2013 Sphere of Influence Amendment as amended by the Commission and shown on Exhibit B attached hereto.
9. Upon subsequent implementation of the municipal service review and sphere of influence study recommendations, County Service Area 57 will only provide storm drainage services to the Woods Cove Subdivision, and all sanitary sewer assets, liabilities, and revenues in County Service Area 57S (also known as Zone S of County Service Area 57) will transfer to County Service 10 (Rolling Woods Sanitation). Thereafter, County Service Area 57 will no longer provide sanitary sewer services.
10. Prior to this resolution becoming effective, the Santa Cruz County Board of Supervisors, acting as the governing authority of the effected service areas, shall deliver an executed indemnification agreement that is in a form that is acceptable to this Commission.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this second day of October 2013.

AYES: Commissioners Friend, Bobbe, Rapoza, Lane, Coonerty,
and Vice-Chairperson J. Anderson


NOES: None

ABSENT: Commissioners R. Anderson and Dodge



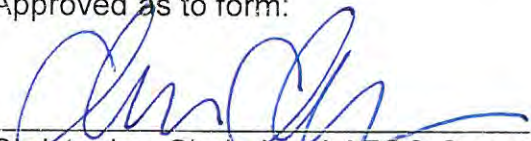
JAMES W. ANDERSON, VICE-CHAIRPERSON

Attest:



Patrick M. McCormick, Executive Officer
Executive Officer

Approved as to form:



Christopher Cheleden, LAFCO Counsel

Municipal Service Review Determinations
Government Code Section 56430

MSR 1. Growth and population projections for the affected area.

- a. *The proposed expanded sphere of influence for County Service Area 10 currently contains approximately 881 residents, of which approximately 249 are living in homes utilizing the Graham Hill sewer main and 591 are living in homes utilizing individual septic systems. Under the current general plan, the maximum build-out would result in population growth of approximately 41 additional people living within the proposed expanded sphere of influence for County Service Area 10.*

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

- a. *There are no disadvantaged unincorporated communities within or contiguous to the existing spheres of County Service Area 10 and County Service Area 57.*
- b. *There are no disadvantages unincorporated communities within or contiguous to the proposed expanded sphere of influence for County Service Area 10.*

MSR 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.

- a. *The Graham Hill sewer main has sufficient capacity to serve the proposed expanded sphere of influence for County Service Area 10, if all the parcels are built out in accordance with the County General Plan and connected to the sewer main.*
- b. *The City of Santa Cruz Wastewater Treatment Plant has sufficient capacity to serve the proposed expanded sphere of influence for County Service Area 10, if all parcels are built out in accordance with the County General Plan and connected to the sewer main.*

MSR 4. Financial ability of agencies to provide services.

- a. *The anticipated costs for operating the County Service Area 10 collection and transmission system within the proposed expanded sphere of influence are within the projected revenues of County Service Area 10.*
- b. *The City of Santa Cruz Wastewater Plant is operating as an enterprise account by the City of Santa Cruz. The costs of operating the plant are currently covered by wastewater rates.*

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

- a. *Both the current set-up of two county service areas (CSA 10 and 57), and the proposal for a single county service area (expanded CSA 10) utilize one transmission main and the City's treatment plant. Both set-ups utilize the Board of Supervisors for governance, acting as the governing authority of the county service area, and the County Department of Public Works for operations.*

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

- a. *As dependent districts of the County, county service areas area operate with limited overhead costs. Budget and rate hearings are conducted by the Board of Supervisors, acting as the governing authority of the county service area.*

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

- a. *With the preparation of each service review, Commission policy requires identification of agency mission statements and rules of order adopted by the agencies subject to the review. The Board of Supervisors, acting as the governing authority of the county service area, has not adopted a mission statement for County Service Area 10 or County Service Area 57. The Board has adopted Sturgis Standard Code of Parliamentary Procedure to cover the conduct of its meetings.*

Sphere of Influence Determinations Government Code Section 56425

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

- a. *The proposed sphere of influence for County Service Area 10 is substantially developed into low-density single-family dwellings, a horse showgrounds, a school, and a few neighborhood commercial uses (on Graham Hill Road, south of Nepenthe Drive). At maximum build-out, approximately 10 additional houses could be built within the proposed, expanded sphere of influence for County Service Area 10.*
- b. *There are no agricultural or open-space lands within the proposed expanded sphere of influence for County Service Area 10.*
- c. *There are open-space uses adjacent, and outside the proposed expanded sphere of influence for County Service Area 10. They include Henry Cowell Redwoods State Park, Woods Cove open space, and Pasatiempo open space. The proposal would not affect the open space uses of these properties.*

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

- a. *The principal need for sanitation services in the area is making the existing Graham Hill sewer main available for use by the single-family houses that are operating on individual septic systems.*
- b. *Given the adequacy of current public services other than sanitary sewers, and the limited amount of additional development planned for the area, no other services will be impacted by the expanded sewer services proposed within the expanded sphere of County Service Area 10.*

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

- a. *County Service Area 10 utilizes a collection system, and a transmission main along Graham Hill Road. The transmission main connects to the City of Santa Cruz's system, and the sewage is treated at a modern sewage treatment plant with adequate capacity for growth planned within its service area.*

SOI 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.

- a. *The Commission determines that social and economic communities of interest are not relevant to the agency's sphere of influence.*

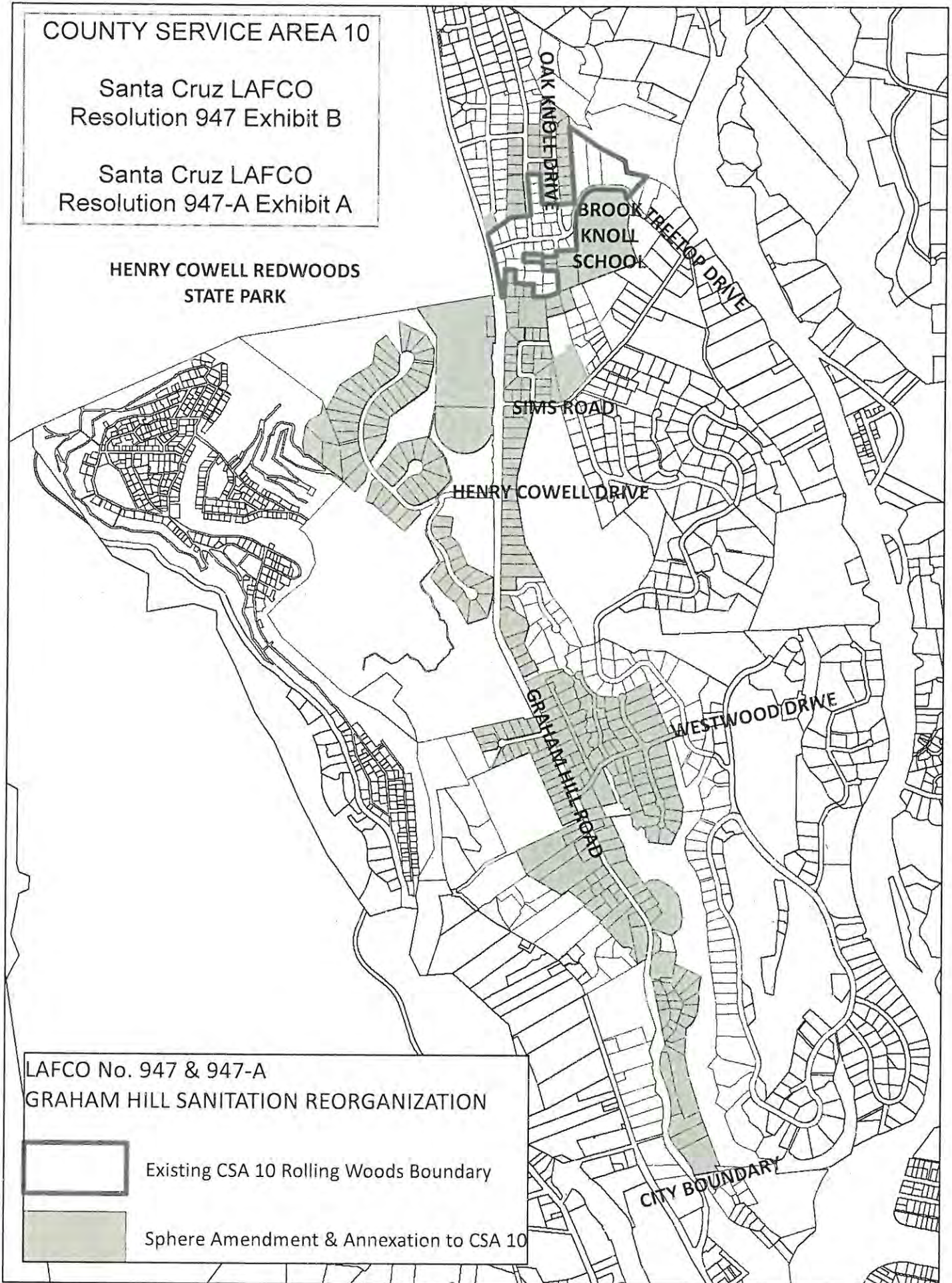
Exhibit B
Sphere Map

COUNTY SERVICE AREA 10

Santa Cruz LAFCO
Resolution 947 Exhibit B

Santa Cruz LAFCO
Resolution 947-A Exhibit A

HENRY COWELL REDWOODS
STATE PARK



LAFCO No. 947 & 947-A
GRAHAM HILL SANITATION REORGANIZATION



Existing CSA 10 Rolling Woods Boundary



Sphere Amendment & Annexation to CSA 10

LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 947-A

On the motion of Commissioner Friend
Duly seconded by Commissioner Lane
The following resolution is adopted:

MAKING DETERMINATIONS AND ORDERING PROTEST PROCEEDINGS
OF TERRITORY DESIGNATED AS THE
GRAHAM HILL SANITATION REORGANIZATION
LAFCO NO. 947-A

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE,
DETERMINE, AND ORDER as follows:

1. A resolution for the proposed annexation of certain territory was filed by Resolution No. 128-2013 of the Santa Cruz County Board of Supervisors, acting as the governing authority of County Service Area 10 and County Service Area 57, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and the territory is assigned the short term designation of the "Graham Hill Sanitation Reorganization, LAFCO No. 947-A".
2. The reorganization consists of the following changes of organization:
 - Annexation to County Service Area 10 (Rolling Woods)
 - Transfer of sanitary sewer collection services currently provided in the Woods Cove Subdivision from County Service Area 57S (Woods Cove Sanitation) to County Service Area 10 (Rolling Woods).
3. The Executive Officer of the Commission has reviewed the resolution, and has prepared a report, including his recommendations thereon, and has presented the same before this Commission for consideration.
4. Public hearing by the Commission was held on October 2, 2013; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
5. Said territory includes approximately 211 acres and is found to be inhabited for purposes of annexation law.
6. The boundaries of the area of the proposed annexation are approved as revised by LAFCO and shown on Exhibit A.

7. The approval of this reorganization is conditioned upon the following terms and conditions:
 - A) The proponent district shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
 - B) The proponent agency shall be responsible to pay any fees required to comply with Fish and Game Code Section 711.4 (Fish and Game Fees required when notices of environmental decisions are filed).
 - C) The proponent agency shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.
 - D) Prior to issuance of a Certificate of Completion for this reorganization, the proponent agency shall deliver an executed indemnification agreement that is in a form that is acceptable to this Commission and suitable for recordation.
8. The Commission has reviewed and considered the information contained in the Initial Study/Mitigated Negative Declaration issued for this project by the County of Santa Cruz Environmental Administrator on April 19, 2013. The Commission has reviewed the Addendum prepared by LAFCO staff on September 23, 2013 concerning the addition of Brook Knoll School to the annexation to County Service Area 10. The Commission finds that the mitigated negative declaration is adequate for its review of this project.
9. Upon completion of this reorganization, the property tax revenues will be transferred in accordance with the Board of Supervisors tax exchange resolution (No. 168-2013) adopted for the Graham Hill Sanitation Reorganization.
10. Upon completion of this reorganization, all assets and liabilities of County Service Area 57, Zone S (Woods Cove Sanitation) shall transfer to County Service Area 10 (Rolling Woods).
11. Upon completion of this reorganization, County Service Area 10 shall levy and collect within the territory being annexed any previously established and collected tax, benefit assessment, or property-related fees or charges that collected within all or part of the county service area at the time of annexation.
12. The annexation, as approved, is consistent with the Spheres of Influence of County Service Area 10 as amended by LAFCO Resolution No. 947 on October 2, 2013.
13. This Commission hereby approves this reorganization, as conditioned, and directs the Executive Officer to conduct protest proceedings in accordance with State law.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this second day of October 2013.

AYES: Commissioners Friend, Bobbe, Rapoza, Lane, Coonerty, and Vice-Chairperson J. Anderson

NOES: None

ABSENT: Commissioners R. Anderson and Dodge



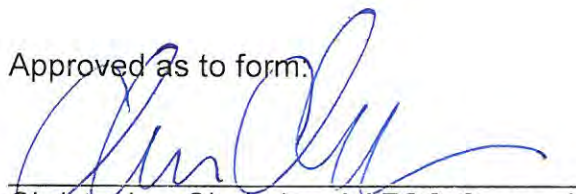
JAMES W. ANDERSON, VICE-CHAIRPERSON
Santa Cruz Local Agency Formation Commission

Attest:



Patrick M. McCormick, Executive Officer

Approved as to form:



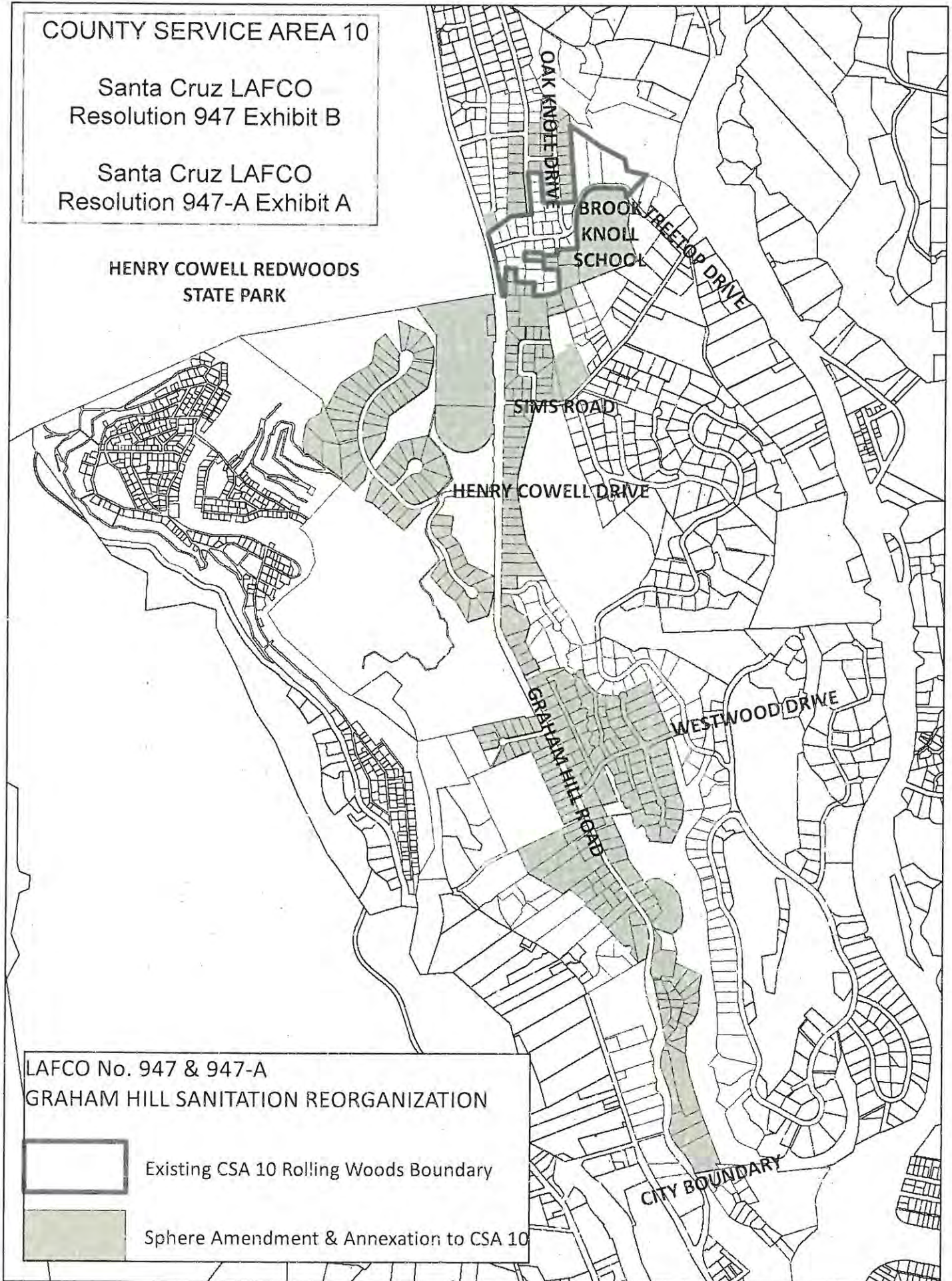
Christopher Cheleden, LAFCO Counsel

COUNTY SERVICE AREA 10

Santa Cruz LAFCO
Resolution 947 Exhibit B

Santa Cruz LAFCO
Resolution 947-A Exhibit A

HENRY COWELL REDWOODS
STATE PARK



LAFCO No. 947 & 947-A
GRAHAM HILL SANITATION REORGANIZATION



Existing CSA 10 Rolling Woods Boundary



Sphere Amendment & Annexation to CSA 10

LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 947-A-EO

ORDERING REORGANIZATION OF TERRITORY DESIGNATED AS THE
GRAHAM HILL SANITATION REORGANIZATION
LAFCO NO. 947-A

WHEREAS, the Local Agency Formation Commission of Santa Cruz County adopted its Resolution No. 947-A on October 2, 2013 making determinations and ordering me, its Executive Officer, to conduct protest proceedings in accordance with Government Code Section 57000 (et seq.) for the proposed Graham Hill Reorganization ; and

WHEREAS, the affected territory in the Graham Hill Reorganization is shown on Exhibit A attached hereto and by reference incorporated herein; and

WHEREAS, the Graham Hill Reorganization consists of annexation of the territory shown on Exhibit A to County Service Area 10, and transfer of the sanitary sewer collection services currently provided in the Woods Cove Subdivision from County Service Area 57S to County Service Area 10, and

WHEREAS, I have conducted the protest proceedings in accordance with State law and Resolution No. 947-A concluding with a public hearing to receive protest on November 27, 2013;

NOW, THEREFORE, I FIND that the value of written protests filed and not withdrawn is less than 25 percent of the number of property owners of land owning less than 25 percent of the assessed value of land within the affected territory; and

I FIND that the value of written protests filed and not withdrawn is less than 25 percent of the number of registered voters residing within the affected territory; and

CONSEQUENTLY ORDER the Graham Hill Reorganization as shown in Exhibit A; and

FURTHER DETERMINE as follows:


- 1) The approval of the reorganization is conditioned upon the terms and conditions stated in Section 7 of Santa Cruz LAFCO Resolution No. 947-A:
 - A) The proponent district shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
 - B) The proponent district shall be responsible to pay any fees required to comply

with Fish and Game Code Section 711.4 (Fish and Game Fees required when notices of environmental decisions are filed).

- C) The proponent shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.
 - D) Prior to issuance of a Certificate of Completion for this annexation, the proponent shall deliver an executed Indemnification Agreement that is in a form acceptable to the Commission and suitable for recordation.
- 2) The purposes of the reorganization are to make the Graham Hill sanitary sewer main available for use by the residents of the reorganization area, and to provide sanitary sewer services in County Service Area 10 in a more cost-effective manner.
 - 3) The regular county assessment roll will be utilized.
 - 4) The reorganization area will not be taxed for any existing general bonded indebtedness of County Service Area 57S or County Service Area 10.

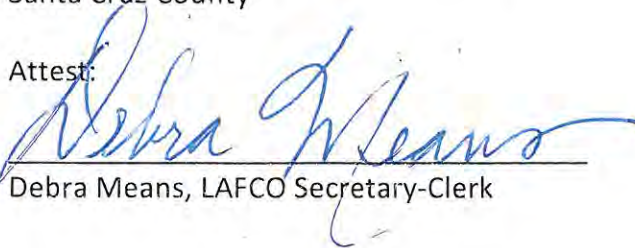
The LAFCO staff shall file this resolution with the County Recorder and the State Board of Equalization when the terms and conditions are met, at which time the reorganization shall be effective and final.

Signature Date: December 11, 2013



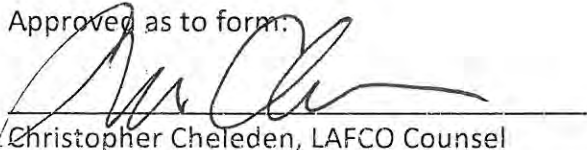
Patrick M. McCormick
Executive Officer
Local Agency Formation Commission of
Santa Cruz County

Attest:



Debra Means, LAFCO Secretary-Clerk

Approved as to form:



Christopher Cheleden, LAFCO Counsel

Attachment: Exhibit A Map

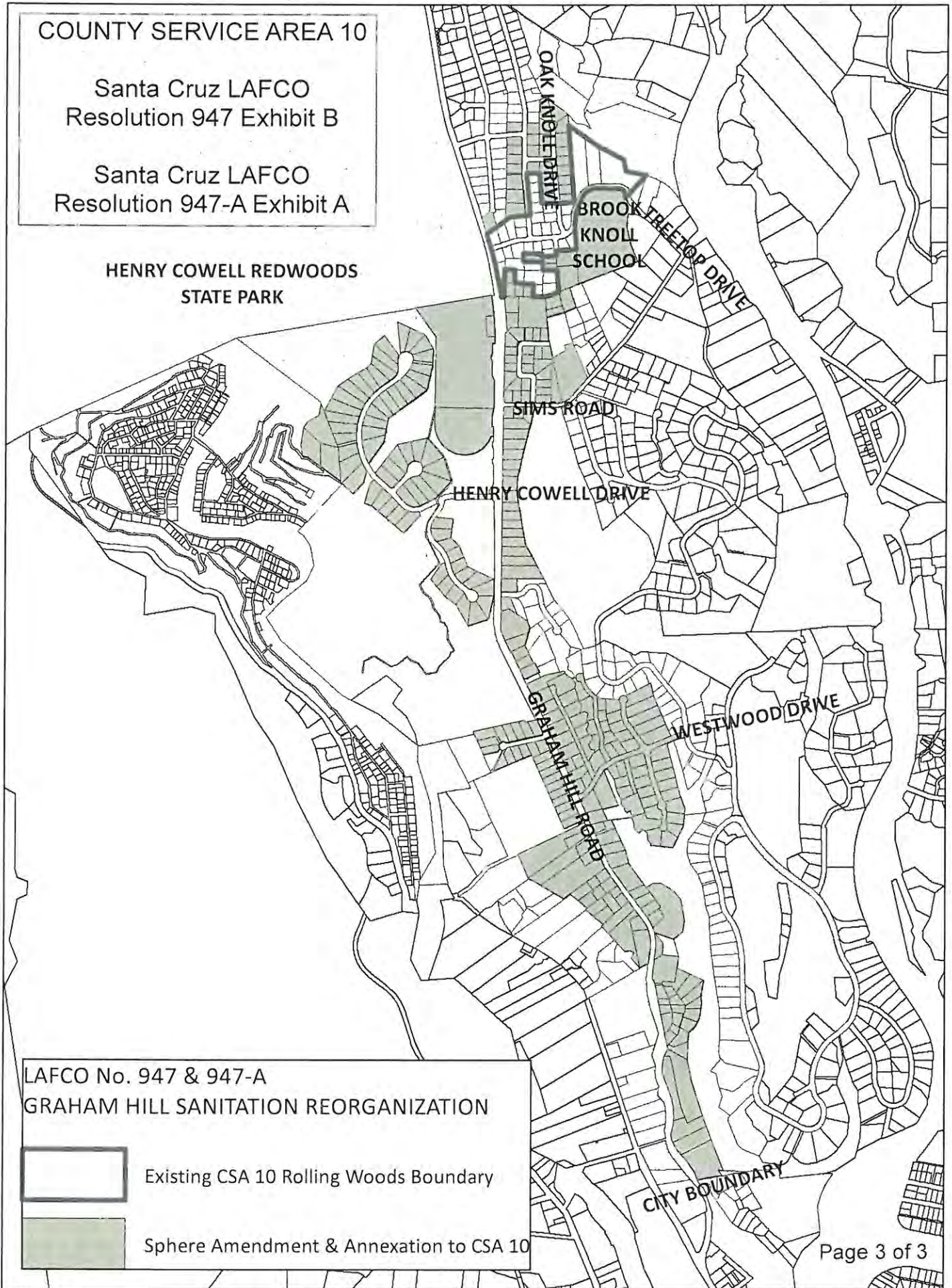
Exhibit A, Santa Cruz LAFCO Resolution No. 947-A-EO

COUNTY SERVICE AREA 10

Santa Cruz LAFCO
Resolution 947 Exhibit B

Santa Cruz LAFCO
Resolution 947-A Exhibit A

HENRY COWELL REDWOODS
STATE PARK



LAFCO No. 947 & 947-A
GRAHAM HILL SANITATION REORGANIZATION



Existing CSA 10 Rolling Woods Boundary



Sphere Amendment & Annexation to CSA 10

APPENDIX C:

2024 Long-Term Maintenance & Capital Replacement Plan

WOODS COVE

COUNTY SERVICE AREA #57

PART OF: GRAHAM HILL ESTATES SUBDIVISION IMPROVEMENTS, TRACT 1339

LONGTERM MAINTENANCE & CAPITAL REPLACEMENT PLAN

MAY 2024



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Development History

The development area served by County Service Area (CSA) 57 was originally a subdivision named Graham Hill Estates, Tract map 1339, later changed in name to Woods Cove. This CSA was formed in 2001, with independent storm drainage and sanitary sewage systems. The two types of facilities were administratively separated in 2014 with the sanitation components being redesignated CSA 10. CSA 57 contains 62 acres of land area, with 63 residential zoned lots and 6 larger open-space and recreation zoned parcels. The original tract consisted of 60 parcels. Three additional parcels were added to the County Service Area in 2003.

LAFCO Review

LAFCO last performed a typical sphere of influence review in June of 2019 as a mandated means of State oversight of county service areas. LAFCO concluded that CSA 57 was being operated responsibly, and that no amendments were to be recommended to the sphere of influence. They did identify need *"to develop a long-term maintenance and capital replacement plan"*. This report presents those two plans.

Purpose

The Long-Term Maintenance Plan covers administrative, operational, and routine maintenance activities. These are activities that are needed for the proper functioning of the existing storm drain system.

The Capital Replacement Plan is a long-term financing strategy that allows the CSA to complete capital improvement replacement and upgrade projects over time and as necessary.

Long-Term Maintenance Plan

For the four year period 2015 through 2019 actual DPW drainage expenditures on record for CSA maintenance averaged \$21,471. In present year 2023 this figure would now be increased to \$29,320 (CalTrans CCI of 5.33% for a stable multi-decade period 1972 to 2003). This is a similar value to the rule-of-thumb guideline of estimating maintenance using 1.25% of the 2023 estimated capital replacement value of \$2,320,000 for the entire CSA maintained drainage infrastructure, which would yield \$29,000. This ~1.1% variation in figures indicates that actual prior history of drainage expenditures is roughly in-line with reasonable estimated maintenance cost guidelines.

For the four year period 2015 through 2019 DPW drainage revenues on record for CSA parcel collections and accrued interest averaged \$38,887. In present year 2023 this figure should now be represented as \$53,103 (CalTrans CCI of 5.33% for a stable multi-decade period 1972 to 2003). Divided by the 63 assessed parcels this would equate to a 2023 annual assessment of about \$843. In actuality the 2023 assessment is presently somewhat lower at approximately \$660 per parcel. This is because the actual long-term CPI increase typically used to raise assessments is closer to 2.25%, rather than being related to real maintenance costs, or published

construction-related cost indexes. This points to a future funding problem for the capital replacement plan to be discussed in a following section of this report.

Types and Schedule of Maintenance Performed:

CSA-57 Stormdrain System	Service	Upgrade	Repair	Replace	Event Based [#]	Bi-Annually	Annually	Every 5-Years	Every 10-Years	Every 15-Years	Every 30-Years	Every 40-Years	Seasonal Schedule for Activity														
													JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC			
													Maintenance Schedule														
Recurring Labor Items:																											
Tree-fall Inspection & Removal					X								X	X	X									X	X		
Grass & Brush Removal					X	X																			X	X	
WQMH Device Servicing/Vacuum Sumps						X																			X	X	
Flush & Vacuum Problem Pipelines & Catch Basins						X																			X	X	
Street Sweeping						X																			X	X	
WQ Stenciling/Badging Inspection						X																				X	X
Erosion Inspection & Repairs					X	X																				X	X
Vandalism Repairs					X	X																				X	X
Open Channel Sediment/Debris Removal					X			X																		X	X
Check Dam Sediment/Debris Removal, Insp. & Repair					X			X																		X	X
Torque Flange Bolts & Ck Ground Mounts - Forest Pipe								X																		X	X
Photo/Video Documentation - Serviced Externals					X			X																		X	X
Closed Circuit TV - Video Pipes Internally									X																	X	X
Capital Replacement/Upgrade Schedule																											
Future Scheduled Items:																											
Replace WQ Stenciling/Badging - Worn Off									X																	X	X
Replace Hardware - Corrosion										X																X	X
Replace Chainlink Fencing - Corrosion											X															X	X
Replace Gabion Check Dams - Corrosion												X														X	X
<i># Pertains to LARGE damaging events of wind, rain, fire, vandalism, etc...</i>																											
Comprehensive Field Assessment																											
Identified Action Items: * Past Due																											
Install County keyed padlock @ gate, Ocean St. Ext.	X*																									X	X
Service 12" RCP Line-F, Street-A (Flush & Vac Gravels)	X*																									X	X
Upgrade WQMH Baffles to Proper Functionality		X																								X	X
Repair HDPE Pipeline Hacking - Vandalism			X																							X	X
Repair Chainlink Fence & Fabric Mounting - Vandalism			X																							X	X
Repair Outfall Foundation Undermining - Erosion			X																							X	X
Replace WQ Stenciling/Badging - Worn Off				X				X*																		X	X
Replace Grate Hardware - Corrosion				X						X*																X	X

- o Brush Removal: Bi-annually along forest HDPE pipeline and open channels of upper meadows
- o Tree-fall Removal: Scout HDPE forest line after major saturation rain/wind events; at least bi-annually w/removals upon noted occurrence.
- o Open Channel Sediment/Debris Removal: Within gabion check dam basins every 5 years
- o Check Dam Repairs: Inspect gabion wires every 5 years for galvanizing coating/corrosion. Anticipate replacement at 40 years.
- o Water Quality Device Servicing: Vacuum sump and check baffle position and mounts bi-annually.
- o WQ stenciling/badging: Inspect annually, re-stencil/badge street catch basins, approx. every 10 years.
- o Vandalism Repairs: Promptly as noticed upon the various other inspections, or as reported.
- o Hardware Replacements: 15 year interval for galvanized bolts, studs, nuts, washers within/near water flows. Chainlink fall-protection fencing (mesh, posts, hardware) at 30 year interval.
- o HDPE Pipeline S.S. Bolting @ Fittings and MHs: Check tightness to load spec every 10 years or after any access use.
- o Pipeline Filming External: HDPE forested line every 5 years in entirety; every occurrence of tree-fall across line. Document bolted joints of fittings, MHs, pipe anchors.
- o Pipeline Filming Internal: CCTV entire system every 10 years.
- o Still photos: Document bolted joints of fittings, MHs, pipe anchors, Outfalls, Inlets/Catch Basins every 5 years.

Administrative Management:

- o Review Video & Photos: 1, 5 & 10 year intervals based on activity, reported conditions.
- o Filing Documentation: Produce organized reports, maintain central storage directory locations.
- o Annual Budget and Audit: Co-ordinate involved Field Crew, SWM office and Fiscal staff.

Capital Replacement Plan

It is the difference between revenues and expenditures that can be set aside to accrue and earn interest for future replacement of failing infrastructure. In 2023 terms, the difference between \$53,000 collected and a \$29,000 expenditure leaves a \$24,000 annual accrual. This accrual can be projected into the future with just 3.0% inflation/interest adjustments:

Long Term Annual Capital Replacement Reserve Accru:			
Year	1st 30 Yrs.	2nd 30 Yrs.	3rd 30 Yrs.
(2023) 1	\$24,000	\$58,254	\$141,398
2	\$24,720	\$60,002	\$145,640
3	\$25,462	\$61,802	\$150,010
4	\$26,225	\$63,656	\$154,510
5	\$27,012	\$65,566	\$159,145
6	\$27,823	\$67,533	\$163,920
7	\$28,657	\$69,559	\$168,837
8	\$29,517	\$71,645	\$173,902
9	\$30,402	\$73,795	\$179,119
10	\$31,315	\$76,009	\$184,493
11	\$32,254	\$78,289	\$190,028
12	\$33,222	\$80,638	\$195,729
13	\$34,218	\$83,057	\$201,600
14	\$35,245	\$85,548	\$207,648
15	\$36,302	\$88,115	\$213,878
16	\$37,391	\$90,758	\$220,294
17	\$38,513	\$93,481	\$226,903
18	\$39,668	\$96,285	\$233,710
19	\$40,858	\$99,174	\$240,721
20	\$42,084	\$102,149	\$247,943
21	\$43,347	\$105,214	\$255,381
22	\$44,647	\$108,370	\$263,043
23	\$45,986	\$111,621	\$270,934
24	\$47,366	\$114,970	\$279,062
25	\$48,787	\$118,419	\$287,434
26	\$50,251	\$121,972	\$296,057
27	\$51,758	\$125,631	\$304,939
28	\$53,311	\$129,400	\$314,087
29	\$54,910	\$133,282	\$323,509
30	\$56,558	\$137,280	\$333,215
Total	\$1,141,810	\$2,771,473	\$6,727,091

The sums collected after 30, 60, and 90 years prove to be useful amounts, but grossly deficient if they were needed at some far future date to replace the entirety of the drainage systems, whether incrementally or at some terminal end.

An additional 60 to 90 years of life is a reasonable expected service lifespan for much of the drainage infrastructure materials that exist within CSA57. Some items will need replacement significantly sooner, such as the gabion mesh check dams.

SUMMARY OF STORMDRAIN FACILITIES								
ITEM NO.	Cal Trans Item Code	Cal Trans Item Description	Unit	2018 Section	QUANTITY	UNIT	Cal Trans Weighted Ave. Adj. UNIT PRICE	COST
30	510094	Structural Concrete, Drainage Inlet	CY	51	19	EA	\$4,716.80	\$89,619.20
30A	510094	Structural Concrete, Drainage Inlet	CY	51	4	EA	\$9,433.60	\$37,734.40
31	698506 or 641107	18" PLASTIC PIPE	LF	64	925	LF	\$126.70	\$117,197.50
32	641113	24" PLASTIC PIPE	LF	64	780	LF	\$142.43	\$111,095.40
32A	710544 & 155540	HDPE PLASTIC PIPELINER (36" OD SDR 32.5)	LF	71	1777	LF	\$316.19	\$561,869.63
32B	650516	24" REINFORCED CONCRETE PIPE (CLASS V)	LF	65	340	LF	\$155.00	\$52,700.00
33	650520	30" REINFORCED CONCRETE PIPE (CLASS V)	LF	65	112	LF	\$207.24	\$23,210.88
34	510092	STRUCTURAL CONCRETE, HEADWALL	CY	51	8	EA	\$4,197.10	\$33,576.80
34A	510092	STRUCTURAL CONCRETE, HEADWALL	CY	51	1	EA	\$42,753.41	\$42,753.41
35	021202 OR 020959 & 021235 & 020801	GROSS SOLIDS REMOVAL DEVICE INCLINED SCREEN TYPE A	EA	62	4	EA	\$63,104.31	\$252,417.24
36	707225 & 750010	48" PRECAST CONCRETE PIPE MANHOLE & MANHOLE FRAME AND COVER	LF & EA	70 & 75	18	EA	\$8,693.01	\$156,474.18
36A	707233 & 750010	60" PRECAST CONCRETE PIPE MANHOLE & MANHOLE FRAME AND COVER	LF & EA	70 & 75	8	EA	\$12,799.65	\$102,397.20
37			EA		54	EA		\$0.00
40A	702123	24" TO 18" CORRUGATED STEEL ECCENTRIC REDUCER (.073" THICK)	EA	70	2	EA	\$1,691.83	\$3,383.66
41	708041, 708045, 708050	Ave. of 18", 24" & 36" ALTERNATIVE PIPE RISER	LF	70	8	EA	\$2,073.39	\$16,587.12
42	641128	42" PLASTIC PIPE	LF	64	486	LF	\$189.71	\$92,199.06
43A	650507	12" REINFORCED CONCRETE PIPE (CLASS V)	LF	65	390	LF	\$146.15	\$56,998.50
46	510092	STRUCTURAL CONCRETE, HEADWALL	CY	51	2	EA	\$49,855.06	\$99,710.12
47	641119	30" PLASTIC PIPE	LF	64	323	LF	\$235.23	\$75,979.29
47A	641125	36" PLASTIC PIPE	LF	64	396	LF	\$238.19	\$94,323.24
75	720110 or 723095	SMALL-ROCK SLOPE PROTECTION or ROCK SLOPE PROTECTION (20 lb. CLASS I, METHOD B) (CY)	CY	72	8300	SF	\$11.97	\$99,351.00
79A	722020	GABION (\$56.33 CY)	CY	72	4	EA	\$20,994.34	\$83,977.36
								\$2,200,177.53

(Table in 2022 dollars – adjust for 2023 = \$2,320,000)

To better illustrate, one can determine the future worth of the present day \$2,320,000 capital value of the drainage systems. Notice that with time passage available funds increasingly lose ground.

For 30 years: \$11,017,000 future worth in 2053 vs. \$1,142,000 accrued, or 10.4%

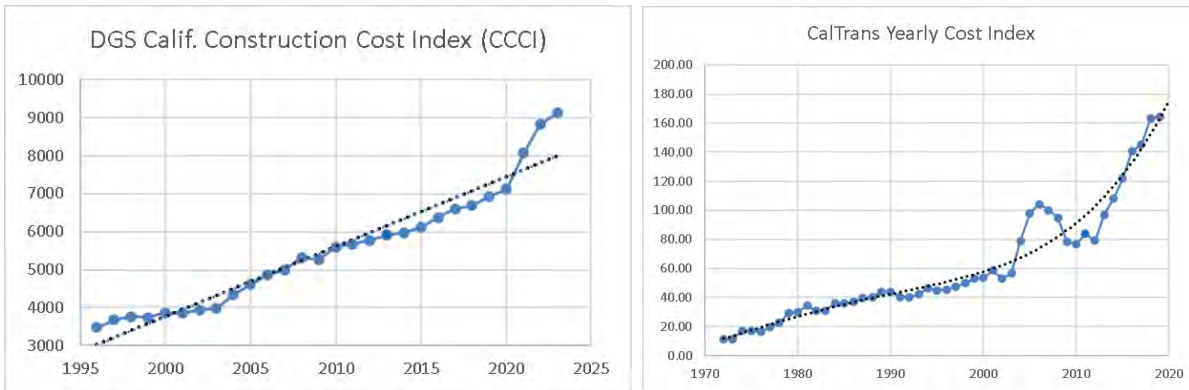
For 60 Years: \$52,313,000 future worth in 2083 vs. \$2,771,000 accrued, or 5.3%

For 90 Years: \$248,414,000 future worth in 2113 vs. \$6,727,000 accrued, or 2.7%

The capital replacement funding problem lies in the stark difference between the stable long-term CalTrans CCI rate of 5.3% greatly out-pacing over time the allowed CPI adjustment on collections of 2.5% plus any interest earned on deposited/invested funds. Over the initial history of the CSA earned interest on accrued funds appears to have averaged little better than 0.7%. So combined annual adjustments on accruals is about 3.2%, falling far behind 5.3%.

Making matters worse, recent construction index trends have accelerated over the past decade to values much higher than the older long-term values used in this presentation. It is unknown whether this pace of increase will abate.

California State Department of General Services has shown recent dramatic increases in construction costs (maintenance proxy) of 13.4% in 2021 and 9.3% in 2022. From January 2011 to May 2021 monthly cost increases were more stable over the period at 0.20% on average, or 2.39% annually. From May 2021 to March 2023 the cost increase have greatly inflated, averaging 1.09% monthly or 13.13% annually. Likewise, Cal Trans cost index shows an even longer term persistent increase in construction (capital replacement proxy) costs. These recent unstable trends break down any pre-planning and attempt at longer term fund management.



It is clear that the interest earned on accrued funds needs to be significantly greater if it is to compensate. There are safe investments such as US treasuries that would yield well above 0.7%, and could even close the 2.1% performance gap that exists. Alternatively, perhaps the viewpoint, and planning, should be that collected and accrued funds are only expected to cover partial and modest replacements of the system, and any time a significant replacement is needed that a different mechanism, such as bond issuance in then-current day funds be pursued; the future debt burden typically atrophying with inflationary time passage.

It should be pointed out that a catastrophic forest fire would literally liquidate and then consume the above-ground HDPE pipeline that routes through the adjacent forest. This untimeable replacement could be incurred in any year, and would be a very substantial expenditure. Presently, and over the medium term, there are insufficient funds accrued to cover such an expenditure. Bond issuance could provide a replacement solution for such event. Possibly an insurance policy could be obtained. Re-evaluation of the need for this unusual pipe application could alternately be reviewed, and perhaps cheaper routing methods substituted.