

**Local Agency Formation Commission
of Santa Cruz County**



Comprehensive Sanitation Service and Sphere Review:

- BEAR CREEK ESTATES WASTEWATER SYSTEM
- COUNTY SERVICE AREAS – 2, 5, 7, 10, AND 20
- DAVENPORT COUNTY SANITATION DISTRICT
- FREEDOM COUNTY SANITATION DISTRICT
- SALSIPUEDES SANITARY DISTRICT
- SANTA CRUZ COUNTY SANITATION DISTRICT

Adopted Version – February 4, 2026

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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries of 10 sanitation districts located throughout Santa Cruz County. The purpose of the report is to allow the Local Agency Formation Commission to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence for all cities and special districts, including county service areas (CSAs), 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 countywide sewer analysis conducted for the 10 sanitation districts occurred on October 2, 2019.

The municipal 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 to the provisions of Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes to service delivery, government organization, or spheres of influence.

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

Structure of Report

This **Executive Summary** presents a brief overview of the service review, key findings, and recommended actions. The **District Profile** chapters contain individual evaluations for each of the 10 sanitation districts - highlighting specific characteristics, ongoing operations, current fiscal health, existing governance structure, ability to provide services, and its importance within its jurisdictional area. The profiles conclude with statutory determinations required for all service and sphere of influence reviews pursuant to the Cortese-Knox-Hertzberg Act. These chapters are followed by **Appendices** with sources used to conduct the service review.

Service Provision

Wastewater services within Santa Cruz County are provided by nine dependent special districts, three cities, and two independent special districts. Facilities range from individual or small community septic systems to local wastewater collection systems and regional treatment plants. Wastewater systems are closely regulated both for health and environmental concerns. The Regional Water Quality Control Board regulates operations and discharges from sewage systems.

In accordance to the Commission's Multi-Year Work Program adopted in 2024, the following 10 sanitation districts will be analyzed in this report. **Figure 1** on page 6 provides an overview map depicting the 10 subject agencies.

List of Subject Agencies:

1. Bear Creek Estates Wastewater System (San Lorenzo Valley Water District)
2. County Service Area 2 (Place de Mer)
3. County Service Area 5 (Sand Dollar/Canon del Sol)
4. County Service Area 7 (Boulder Creek Country Club)
5. County Service Area 10 (Rolling Woods)
6. County Service Area 20 (Trestle Beach)
7. Davenport County Sanitation District
8. Freedom County Sanitation District
9. Salsipuedes Sanitary District
10. Santa Cruz County Sanitation District

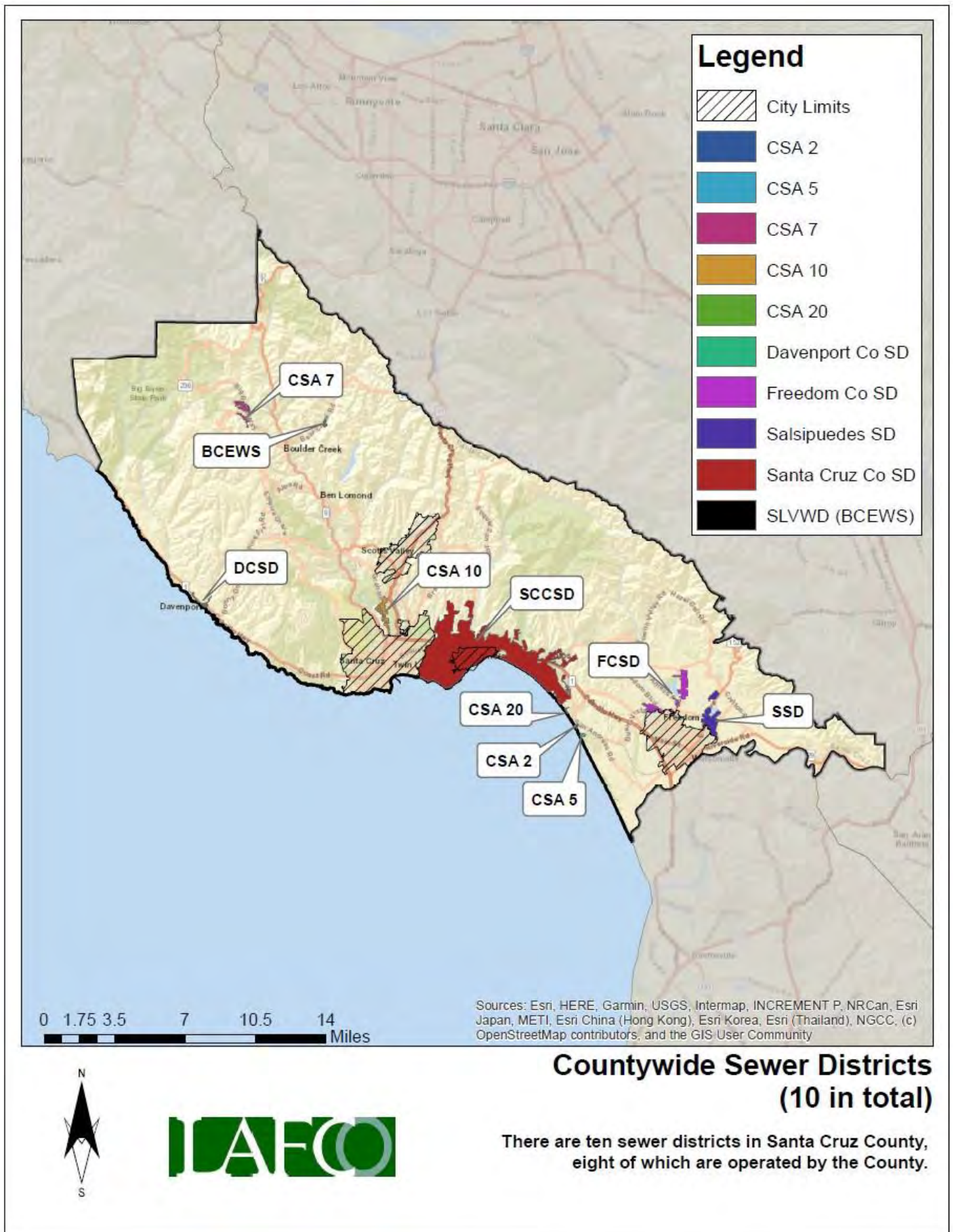
CSA 12 (Wastewater Management) and the Cities of Santa Cruz, Scotts Valley, and Watsonville were analyzed in the previous service review cycle and are excluded from this 2025 report. LAFCO's website contains the service reviews for these four additional wastewater providers: <https://www.santacruzlafco.org/reviews/>.

Regulatory Requirements

All federal and state agencies, municipalities, counties, districts, and other public entities that own or operate sanitary sewer systems greater than one mile in length, that collect and/or convey untreated or partially treated wastewater to a publicly owned treatment facility in the State of California, are required to comply with the terms of the State Water Resources Control Board's Statewide Sanitary Sewer Systems General Order. In 2023, the State Water Resources Control Board (State Water Board) adopted the existing Statewide Sanitary Sewer System Order. Through this General Order, the State Water Board began regulating the sanitary sewer systems designed to convey sewage. This General Order establishes statewide waste discharge requirements and supersedes the previous State Water Resources Control Board (State Water Board) Order from 2006 and amendments thereafter. All sections and attachments of the latest General Order are enforceable by the State Water Board and Regional Water Quality Control Boards (Regional Water Boards). Through this General Order, the State Water Board requires an Enrollee to:

- Comply with federal and state prohibitions of discharge of sewage to waters of the State, including federal waters of the United States;
- Comply with the specifications, and notification, monitoring, reporting and recordkeeping requirements of this General Order that relate to implementation of the federal Clean Water Act, the California Water Code (Water Code), water quality control plans (including Regional Water Board Basin Plans) and policies;
- Proactively operate and maintain resilient sanitary sewer systems to prevent spills;
- Eliminate discharges of sewage to waters of the State through effective implementation of a Sewer System Management Plan;
- Monitor, track, and analyze spills for ongoing system-specific performance improvements; and
- Report noncompliance with this General Order per reporting requirements.

Figure 1: Countywide Map (10 Sanitation Districts)



Growth and Population

The Association of Monterey Bay Area Governments (AMBAG) indicates that the unincorporated areas within Santa Cruz County will experience a slow growth over the next fifteen years. The 2018 AMBAG Regional Growth Forecast Report states that the population in unincorporated territory will grow at a rate of approximately 1% every five years. Based on this anticipated growth rate, LAFCO staff calculated the estimated population for each subject agency from 2025 to 2040, as shown below. These growth projections are using LAFCO's methodology and may differ from projections based on regional housing needs:

Table 1: Population Estimates

Sanitation District	2025	2030	2035	2040
Bear Creek Estates Wastewater System	186	188	189	191
CSA 2 (Place de Mer)	169	171	172	174
CSA 5 (Sand Dollar/Canon del Sol)	222	224	226	228
CSA 7 (Boulder Creek Country Club)	662	668	674	679
CSA 10 (Rolling Woods)	897	904	912	920
CSA 20 (Trestle Beach)	43	43	44	44
Davenport County Sanitation District	219	221	223	225
Freedom County Sanitation District	4,200	4,272	4,308	4,345
Salsipuedes Sanitary District	2,172	2,190	2,209	2,228
Santa Cruz County Sanitation District	<u>73,894</u>	<u>74,756</u>	<u>75,628</u>	<u>76,510</u>
Total Population Within the 10 Sewer Districts	82,664	83,637	84,585	85,544

Population growth will continue to affect the agencies providing wastewater services as they upgrade their systems to comply with regulatory changes and maintain service levels. In general, CSAs, small package treatment plants, and their wastewater disposal systems may not be an efficient method of providing wastewater service for the rural areas of the County due to three primary factors: (1) the rising costs of addressing aging infrastructure, (2) the lack of revenue streams to cover current and long-term liabilities, and (3) the reliability offered by larger agencies with established treatment plants. Based on the findings discussed in this report, all future dense developments should consider connecting to existing wastewater facilities rather than establishing small, limited sewer collection systems.

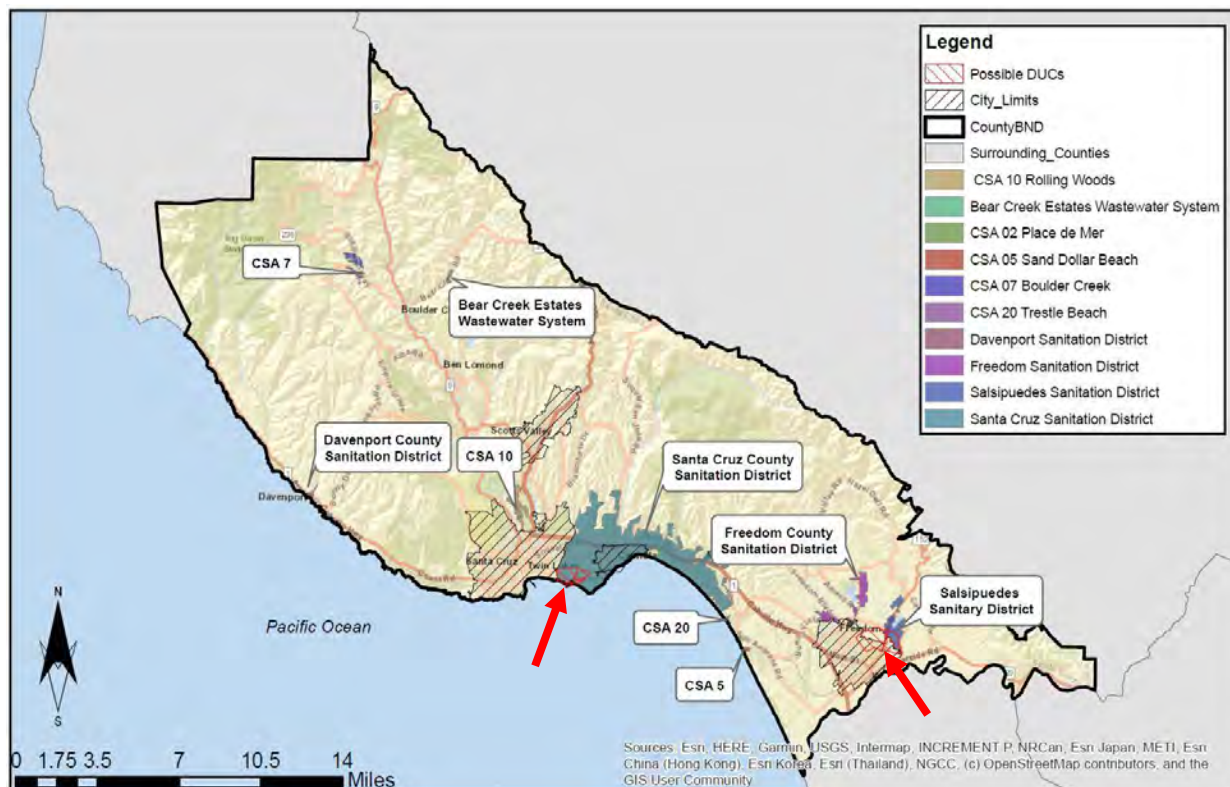
Disadvantaged Unincorporated Communities

In accordance to 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. The identified disadvantaged unincorporated communities must be addressed by LAFCO when:

- Considering a city annexation proposal involving 10 or more acres with an existing DUC located contiguous to the proposal area; and
- Approving sphere of influence and municipal service review determinations associated with the update or establishment of spheres of influence for local agencies subject to SB 244 requirements.

In 2025, the California statewide annual median household income was \$109,266¹, and 80% of that is \$87,413. LAFCO staff utilized the ArcGIS mapping program to locate potential DUCs in Santa Cruz County. Staff’s analysis initially found two areas that may be considered DUCs in the Twin Lakes and Freedom area, as shown in **Figure 2**. Based on the criteria set forth by SB 244, in conjunction with further evaluation of these areas, staff determined that these areas are not disadvantaged unincorporated communities since the land use designation for the DUC in Freedom is for agriculture and the land use designation for the DUC in Twin Lakes is for mixed-use which includes both high-valued homes and commercial properties.

Figure 2: Disadvantaged Unincorporated Communities in Santa Cruz County



¹ 2019-2023 U.S. Census Bureau's American Community Survey (ACS) 2019-2023 5-year estimates

Infrastructure Components

Wastewater infrastructure includes septic systems, collection and sewer main lines, lift stations, treatment plants and recycled water treatment systems. The geography of the local area, water quality conditions, accessibility of treatment facilities, and funding considerations are factors in determining the type of system used and its infrastructure needs. Parcels that are not in proximity to a public sewer system and meet certain requirements may use individual septic systems; some geographically isolated communities share a community septic system or use an onsite package treatment plant. Developed areas are served by collection systems with treatment provided at local or regional facilities. One treatment plant, operated by the Davenport County Sanitation District, is currently producing recycled water.

The following table summarizes the wastewater infrastructure for the 10 sanitation districts:

Table 2: Wastewater Infrastructure Summary

Sanitation District	Formation Year	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
Bear Creek Estates	1985	Septic and Collection System	N/A	56	2	1.2
CSA 2	1968	Collection and Advanced Treatment	N/A	93	2	0.4
CSA 5	1972	Collection and Treatment	Secondary	184	2	1.15
CSA 7	1968	Collection and Treatment	Secondary	Zone 1: 254 Zone 2: 12	6	3.4
CSA 10	1970	Collection	N/A	157	1	3.5
CSA 20	1980	Collection, and Treatment	Secondary	22	1	0.3
Davenport Co	1979	Collection, Treatment, and Recycled Water	Tertiary	109	3	3.0
Freedom Co	1965	Collection	N/A	1,891	9	15.3
Salsipuedes	1965	Collection	N/A	512	2	7.0
Santa Cruz Co	1973	Collection	N/A	36,000	35	220.0

Footnote: Data from the County's 2022 Sewer System Management Plan and input from the subject agencies. CSA 7 Zone 2 was defined in 2024.

Aging infrastructure and the need for repair, replacement, or upgrades are a growing concern for most of the 10 sanitation districts. In some cases, a lack of funding has postponed certain capital improvement projects. Not all sanitation districts have an adopted capital improvement plan in place. The need for long-term maintenance planning should be considered and determined by all sanitation districts to identify adequate funding to address current and future maintenance, replacement needs, and/or upgrades to their aging infrastructure.

Funding Source

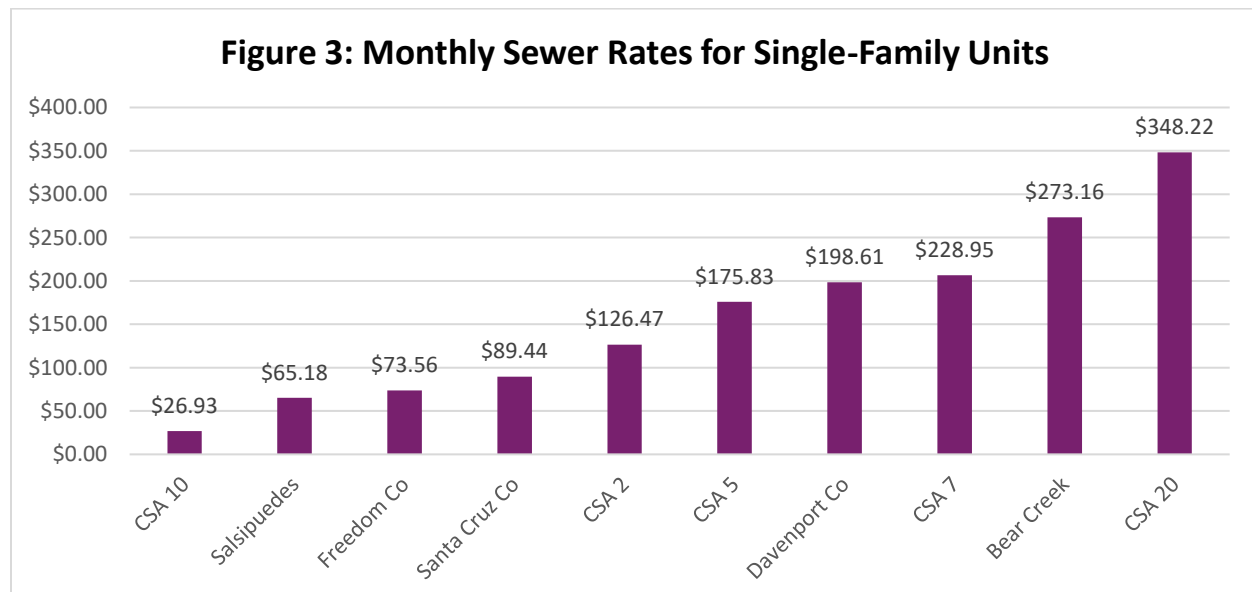
Wastewater services are primarily funded through sewer charges. Wastewater service rates include flat residential rates with commercial and institutional accounts being charged a base rate plus quantity charge. The following table summarizes the current annual wastewater rates. A full review of all wastewater rates for each sanitation district is discussed in the District Profile Chapters within the report.

Table 3: Annual Sewer Rates (FY 24-25 data)

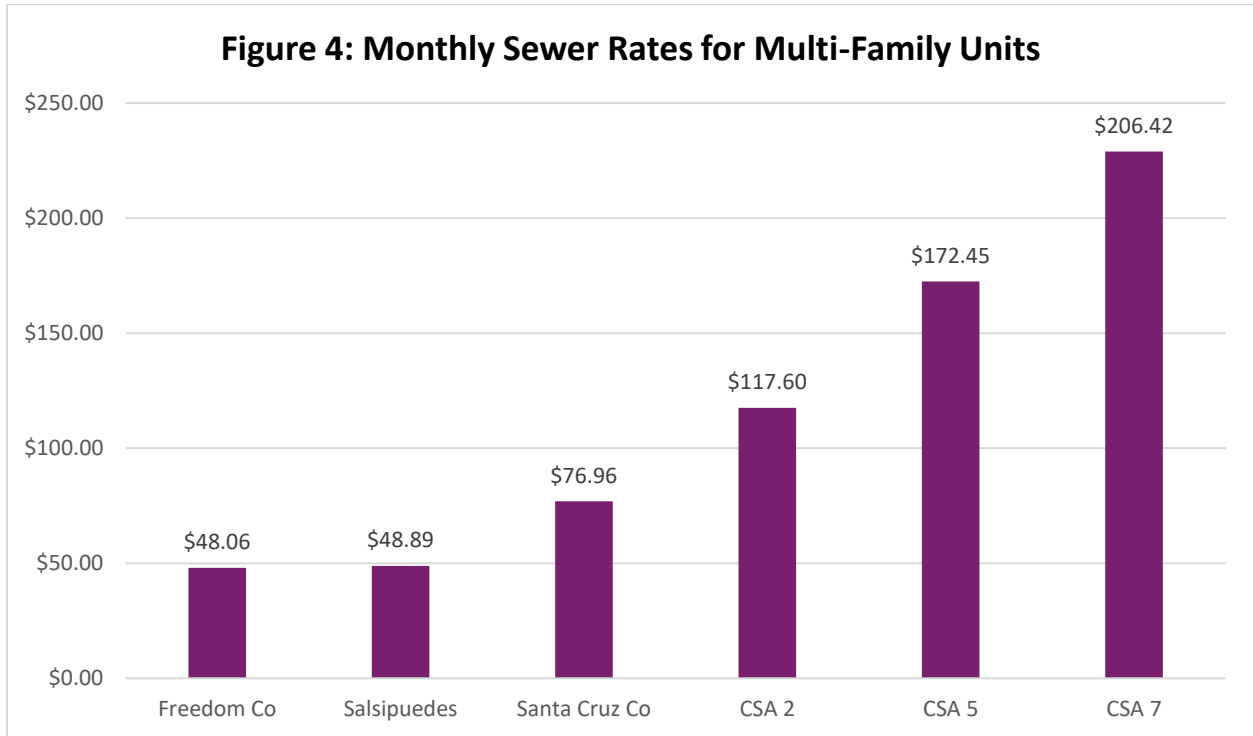
	Single Family	Multi Family	Mobile Home	Commercial Use	School Sites
Bear Creek	\$3,277.92	-	-	-	-
CSA 2	\$1,517.64	\$1,411.19	-	-	-
CSA 5	\$2,109.91	\$2,069.37	-	-	-
CSA 7 Zone 1	\$2,757.51	\$2,477.10	-	\$1,895.67 plus \$8.65/HCF	-
CSA 7 Zone 2(1)	\$3,728.81	-	-	\$7,457.63 (2)	-
CSA 10	\$388.11 (3)	-	-	See Footnote (4)	-
CSA 20	\$4,178.67	-	-	-	-
Davenport Co	\$2,383.28	-	-	\$749.72 plus \$20.02/HCF	\$749.72 plus \$48.25/ADA
Freedom Co	\$882.76	\$576.66	\$890.42	\$198.92 plus \$7.84/HCF	\$198.92 plus \$18/90/ADA
Salsipuedes	\$782.16	\$586.68	-	\$152.88	\$82.32
Santa Cruz County	\$1,073.28	\$923.52	\$788.64	\$427.08 plus volume fee (5)	\$427.08 plus student count fee

Footnotes: (1) CSA 7 Zone 2 also has a “standby” charge for parcels that may connect once they have rebuilt after the CZU Fire. Standby charge is \$932.20/parcel. (2) The only commercial user is a fire station and is charged as two single-family dwellings; it is not comparable with other commercial rates. (3) \$323.11 paid to Santa Cruz County and \$65.00 paid to City of Santa Cruz. (4) Pasatiempo Golf Course facility is the only commercial facility in CSA 10 and consists of multiple buildings/users \$6,096.68 is paid annually as a flat rate to Santa Cruz County (per an agreement based upon water usage at the time of the agreement) and in 2024, \$40,510 was paid to the City of Santa Cruz based on the amount of water used by Pasatiempo. (5) For list of volume and student count fees by user type see District website at: <https://sccsd.wpcomstaging.com/rates-charges/>

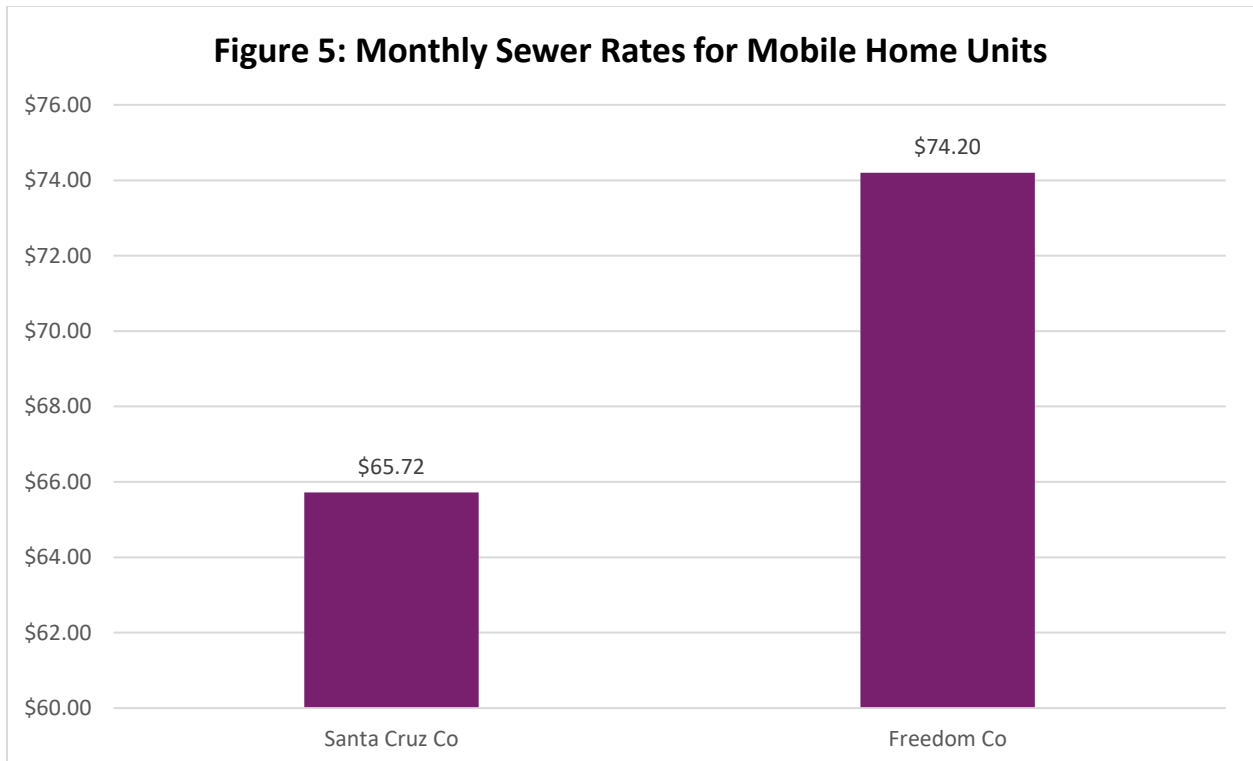
For comparison purposes, the following figures show the sewer rates by category and monthly costs (annual cost comparisons are shown in each individual agency chapter). All 10 sanitation districts have single family units within their jurisdiction. The lowest rate for single-family units is offered by CSA 10 (\$26.93/month) and the highest is from CSA 20 (\$348.22/month), as shown in **Figure 3**.



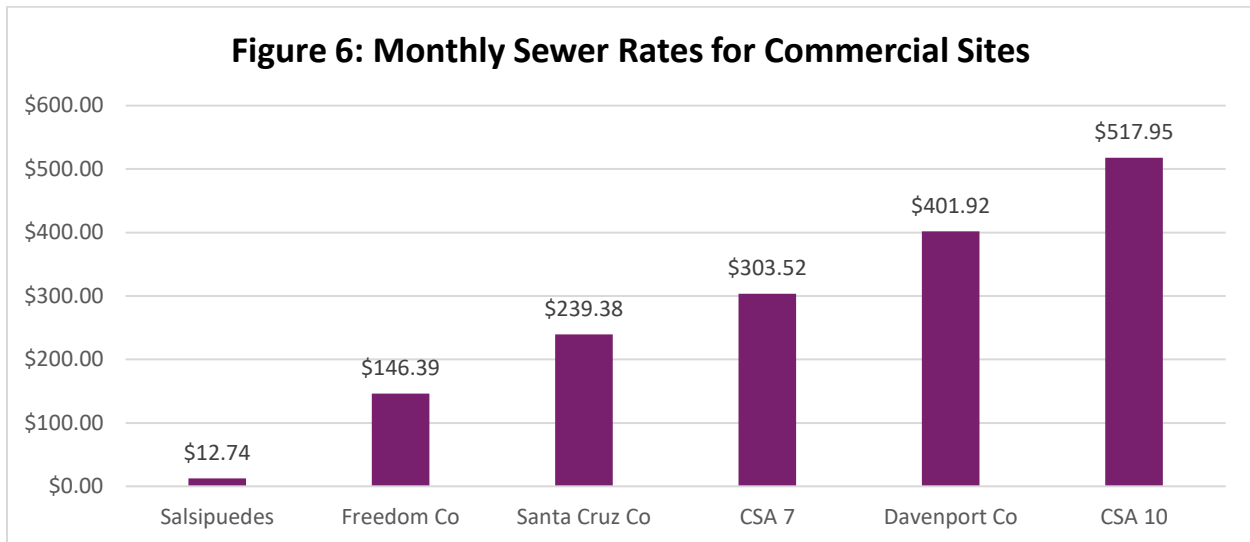
More than half of the 10 sanitation districts provide sewer service to multi-family residential units. The lowest rate for multi-family units is offered by Freedom County Sanitation District (\$48.06/month) and the highest is from CSA 7 (\$206.42/month), as shown in **Figure 4**.



Only 2 of the 10 sanitation districts provide sewer service to mobile home units. Santa Cruz County Sanitation District currently offers the lowest sewer rate (\$65.72/month) when compared to Freedom County Sanitation District's sewer rates for mobile home units (\$74.20/month), as shown in **Figure 5**.

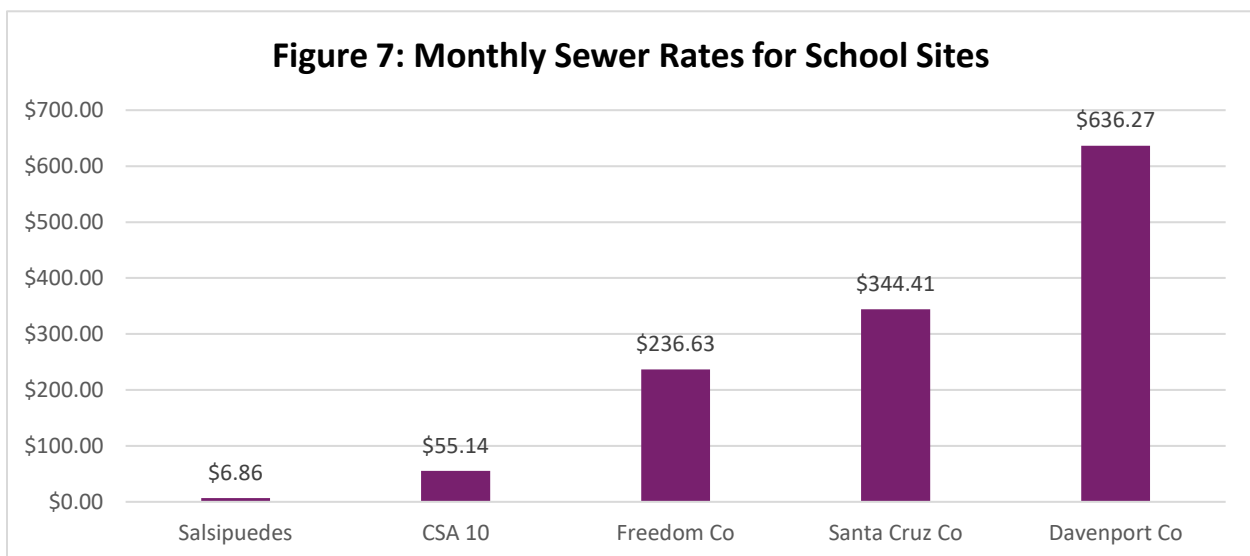


More than half of the 10 sanitation districts provide sewer service to commercial sites. Various districts' commercial rates are difficult to compare since there are some districts that have flat fees, plus fees based on their water usage. To make a near equivalent comparison the rate charged to a general business using 192 hundred cubic feet (typical average water usage for this type of business) of water each year in each District is compared in **Figure 6**. However, it is important to note that only one site is billed as commercial in CSA 10 (Pasatiempo golf course and county club) and they pay one flat rate for their entire facility to CSA 10 and a flat and usage fee to the City of Santa Cruz; this is not comparable to the general business rates from the other districts.



Footnote: Salsipuedes Sanitary District data only includes flat rate and does not include the average water use measured in hundred cubic feet (HCF) & its associated HCF rate when compared to the other agencies.

Half of the 10 sanitation districts provide sewer service to school sites. Various districts' school rates are difficult to compare since the schools have flat rate and usage fees. To allow for a near equivalent comparison rates for a school with 135 students were calculated for each sanitation district, as shown in **Figure 7**.



Footnote: Salsipuedes Sanitary District data only includes flat rate and does not include the average water use measured in hundred cubic feet (HCF) & its associated HCF rate or student rate when compared to the other agencies. Also, this compares average daily attendance (ADA) rates from the elementary/junior high user category for SCCSD to all other school's elementary ADA user category rate. CSA 10 bills Brook Knoll School as two single family dwellings.

Financial Health

The sanitation districts are primarily funded through service charges. **Table 4** highlights whether districts annual revenue was enough to cover annual expenses for FY 2023-24. Where deficits are shown in Table 4, it may not indicate a true deficit as often times budgets are set with more expenditures than revenues if there is sufficient beginning balances to cover the difference. This is done by sewer system managers to keep rates low for rate payers and is not necessarily a reflection of financial health of the CSA or District. It is only when districts have a large unanticipated expense do actual deficits occur; there is not a trend of this happening in CSA 2 or CSA 7. A full review of all revenue funds for each district during the past decade is discussed in the *Profile Chapters* within this report.

Table 4: Total Revenue vs. Total Expense (FY 2023-24)

Sanitation Districts	Total Revenue	Total Expense	Surplus/(Deficit)	Net Position
Bear Creek Estates	\$173,021	\$121,827	\$51,194	\$337,241
CSA 2	\$115,389	\$154,154	-\$38,765	\$295,746
CSA 5	\$410,724	\$350,377	\$60,347	\$749,716
CSA 7 (Zone 1)	\$568,219	\$608,415	-\$40,196	5,690,019
CSA 10	\$122,037	\$27,123	\$94,914	1,115,134
CSA 20	\$84,779	\$83,827	\$952	\$5,925
Davenport Co	\$329,068	\$295,935	\$30,554	\$762,535
Freedom Co	\$5,391,911	\$1,705,838	\$3,686,073	14,581,389
Salsipuedes	\$537,297	\$329,870	\$208,427	\$2,858,033
Santa Cruz Co	\$34,729,590	\$30,885,553	\$3,844,037	\$3,551,916

Footnote: Surplus/(Deficit) amounts are before any year-end adjustments

Potential Countywide Coordination

Out of the 10 sanitation districts being analyzed in this report, it is noteworthy to highlight that the County manages and operates 8 of these agencies. More importantly, there is an overall coordination between the 10 sanitation districts and other regional treatment plant operators, including the Cities of Santa Cruz and Watsonville.

- **City of Santa Cruz** operates and maintains a regional wastewater treatment and disposal facility. Wastewater treatment and ocean outfall disposal are provided for the City of Santa Cruz and the Santa Cruz County Sanitation District, which include Live Oak, Capitola, Soquel and Aptos. Ocean outfall disposal is provided for the City of Scotts Valley.
- **City of Watsonville** operates as a regional treatment plant service for the City, the Freedom County Sanitation District, Pajaro Dunes, the Salsipuedes Sanitary District, and the Pajaro County Sanitation District in Monterey County. Additionally, Watsonville has partnered with Pajaro Valley Water Management Agency in treating municipal wastewater through their Water Recycle Plant. The treated water is mixed with well water, delivered through the PVWMA's coastal distribution system, and used for crop irrigation.

These partnerships are based on separate contracts and agreements. It may be beneficial to explore opportunities to combine or establish a regional agreement through a Countywide Memorandum of Understanding or the creation of a Joint Powers Authority.

- **Memorandum of Understanding (MOU)** – A Memorandum of Understanding describes an agreement between two or more parties: in this case, the local agencies that provide sewer services in Santa Cruz County. The MOU expresses a convergence of wills between the parties, specifying an intended common line of action or goal. The purpose of a MOU is to formally agree on the objectives, roles and ground rules of the partnership between the local governments that holds the mandate for service provision and the implementing organization. Establishing a clear agreement can help prevent conflict and reputational harm because expectations discussed, agreed upon and documented at an early stage leaves less room for misinterpretation. It also increases transparency in the relationship with the public authority and allows holding either party accountable to their commitments².
- **Joint Powers Authority (JPA)** – defined by the California State Legislature Senate Local Government Committee, is a formal, legal agreement between two or more public agencies that share a common jurisdictional power and want to jointly implement programs, build facilities, or deliver services. Officials from those public agencies must formally approve a cooperative arrangement. JPAs offer another way for governments to deliver services. With a JPA, a member agency agrees to be responsible for delivering a service on behalf of the other member agencies. For example, Marin County, City of Larkspur, and other special districts formed a JPA to plan, acquire, construct, maintain and operate facilities, for either joint or sole use, for the collection, treatment, reclamation and disposal of sewage and other wastewater for the benefit of lands and inhabitants within the collective boundaries³.

Sphere of Influence

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years, either concurrently or subsequently with the preparation of service and sphere 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 & planned uses in the area, including agricultural & open-space lands;
- ❖ The present and probable need for public facilities and services in the area;
- ❖ The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- ❖ The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- ❖ An update on a sphere of influence for a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

² Definition and purpose provided by the Water Integrity Network: <https://www.waterintegritynetwork.net/2018/03/23/11124/>

³ Information based on 2018 Joint Exercise of Powers Agreement: <https://www.cmsa.us/assets/documents/administrative/2018%20CMSA%20JPA%20with%20Exhibits.pdf>

Sphere Determinations

Most of the spheres of influence for each sewer district were originally adopted between 1975 to 1991. Since then, the sphere boundaries have been evaluated during the last two cycles of service reviews in 2016 and 2019. **Table 5** shows the past and proposed sphere determinations for each district. A full discussion about the proposed sphere determinations is available in each agencies' profile chapter as part of this report.

Table 5: Sphere Designations (1988 to 2025)

Sanitation District	Original Adoption (Years Vary)	Previous Sphere Review (2019)	Current Sphere Review (2025)
Bear Creek	Zero Sphere (2019)	Established Sphere	Proposed: Reaffirm Zero Sphere
CSA 2	Coterminous Sphere (1988)	Reaffirmed Sphere	Proposed: Reaffirm Current Sphere
CSA 5	Coterminous Sphere (1988)	Reaffirmed Sphere	Proposed: Reaffirm Current Sphere
CSA 7	Sphere Smaller than District (1987)	Reaffirmed Sphere	Proposed: Amend Sphere to be Coterminous w/ District
CSA 10	Coterminous Sphere (1984)	Reaffirmed Sphere	Proposed: Reaffirm Current Sphere
CSA 20	Coterminous Sphere (2019)	Established Sphere	Proposed: Reaffirm Current Sphere
Davenport Co	Coterminous Sphere (1991)	Reaffirmed Sphere	Proposed: Expand Sphere to include Existing ESA
Freedom Co	Sphere Larger than District (1975)	Reaffirmed Sphere	Proposed: Reaffirm Current Sphere
Salsipuedes	Sphere Larger than District (1987)	Reaffirmed Sphere	Proposed: Amend Sphere to be Coterminous w/ District
Santa Cruz Co	Sphere Smaller than District (1983)	Reaffirmed Sphere	Proposed: Amend Sphere to be Coterminous w/ District

Key Findings

The following are key findings of the 2025 Comprehensive Sanitation Service and Sphere of Influence Review:

1. The County governs most of the sanitation districts.

Santa Cruz County has 10 sanitation districts, eight of them are operated and governed by the County. Salsipuedes Sanitary District is the only independent special district that provides sewer service. San Lorenzo Valley Water District is the only water district that also provides sewer service to a small area of their jurisdiction. In total, approximately 60% of the entire county (83,000 people) receive sewer service from these 10 sanitation districts.

2. The majority of the districts' financial health lacks stability.

LAFCO has determined that seven sanitation districts have ended with multiple annual deficits in the last six fiscal years, and six districts have ended with consecutive annual deficits in the same time span. Only three districts (CSA 10, Salsipuedes Sanitary District, and Santa Cruz County Sanitation District) have ended a fiscal year without a deficit between 2018 to 2024.

3. Benefits assessments increase on a regular basis.

The 10 sanitation districts are primarily funded through service charges, specifically annual benefit assessments and sewer rates. It is LAFCO's understanding that these assessments are reviewed on a yearly basis by the County Board of Supervisors while Davenport, Freedom, and Santa Cruz County Sanitation Districts have their own boards. Sanitation Districts and CSAs operated by the county are governed by Proposition 218,, and have resolutions in place to ensure annual rate increases of at least Consumer Price Index (CPI).

4. The sanitation districts are transparent.

State law requires independent special districts to maintain a robust website to ensure that constituents are aware of the local agencies' operations and finances. While the law does not apply to dependent special districts, LAFCO is impressed with the level of transparency from the 10 sanitation districts. The County has a webpage dedicated to all their sanitation districts which discloses financial information, board meeting agendas and minutes, vicinity maps, or scheduled capital improvement projects. San Lorenzo Valley Water District (for Bear Creek Estates) and Salsipuedes Sanitary District also have robust websites. Based on LAFCO's 2025 analysis, all 10 sanitation districts met most of the benchmarks used to measure online transparency.

5. Certain sphere boundaries require amendments.

The original sphere boundaries for the Districts were primarily adopted between 1983 to 1991, with two being adopted in 2019 during LAFCO's last service review cycle. Based on LAFCO's 2025 analysis, the sphere boundaries for CSA 7, Davenport County Sanitation District, Freedom County Sanitation District, Salsipuedes Sanitary District, and Santa Cruz County Sanitation District require modifications to accurately reflect their service area. The remaining six spheres should be reaffirmed.

Recommended Actions

Based on the analysis and findings in the 2025 Comprehensive Sanitation Service and Sphere of Influence Review, the Executive Officer recommends that the Commission:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for the 10 sanitation districts, 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. 2025-11) approving the 2025 Comprehensive Sanitation Service and Sphere Review, with the following terms and conditions:
 - a. Reaffirm sphere of influence boundary for the following: Bear Creek Estates Wastewater System, CSA 2, CSA 5, CSA 10, CSA 20, and Freedom County Sanitation District;
 - b. Amend the sphere of influence boundary to be coterminous with the jurisdictional boundary for the following: CSA 7, Salsipuedes Sanitary District, and Santa Cruz County Sanitation District;
 - c. Expand the sphere of influence boundary for the Davenport County Sanitation District to include the existing extraterritorial service agreement; and
 - d. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the 10 sanitation districts and any other interested or affected parties, including but not limited to the County Department of Community Development & Infrastructure (formally known as Public Works), the County Administrative Office, and the four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville).

BEAR CREEK ESTATES WASTEWATER SYSTEM

District Overview

The Bear Creek Estates Wastewater System, operated by the San Lorenzo Valley Water District (SLVWD), provides wastewater collection and treatment for 56 parcels in a portion of the Bear Creek Estates subdivision (units 3, 4, and 5). The Bear Creek Estates Wastewater Treatment plant is located at 15900 Bear Creek Road, Boulder Creek, California. It was initially constructed in 1985 as a septic tank treatment system. It was designed to treat an average flow of 12,000 gallons per day (GPD) and a peak wet weather flow of 32,500 gallons per day (GPD). The System consists of two (2) cast-in-place, underground concrete tanks, four (4) above ground trickling media filters, an influent pump station, an effluent pump station, and a 2.3-acre leach field. **Figure 8**, on page 19, is a vicinity map of the service area. **Appendix A** provides a copy of the formation resolution.

Sewer Provision History

The Bear Creek Estates subdivision was first developed between 1963 and 1965 and expanded in 1975. Residential units were historically on private septic systems, and approximately half the units remained on private septic systems during the conversion to the sewer system. A private developer constructed the District's wastewater collection system and septic disposal system in 1985. The Wastewater System was acquired by SLVWD when the development requested annexation into the District's water system. There are no direct wastewater system employees. The system is operated on a routine or as needed basis with direct staff being allocated from the Water Fund Operations & Distribution or Supply & Treatment Departments.

Population & Growth

There are no growth projections available for the San Lorenzo Valley Water District or the Bear Creek Estates Wastewater System. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. LAFCO staff estimates that the population within the Bear Creek Estates Wastewater System was approximately 185 in 2020. Based on the slow growth rate of 0.86% for the unincorporated areas in the County, LAFCO staff projects that the System's entire population in 2040 may reach 191.

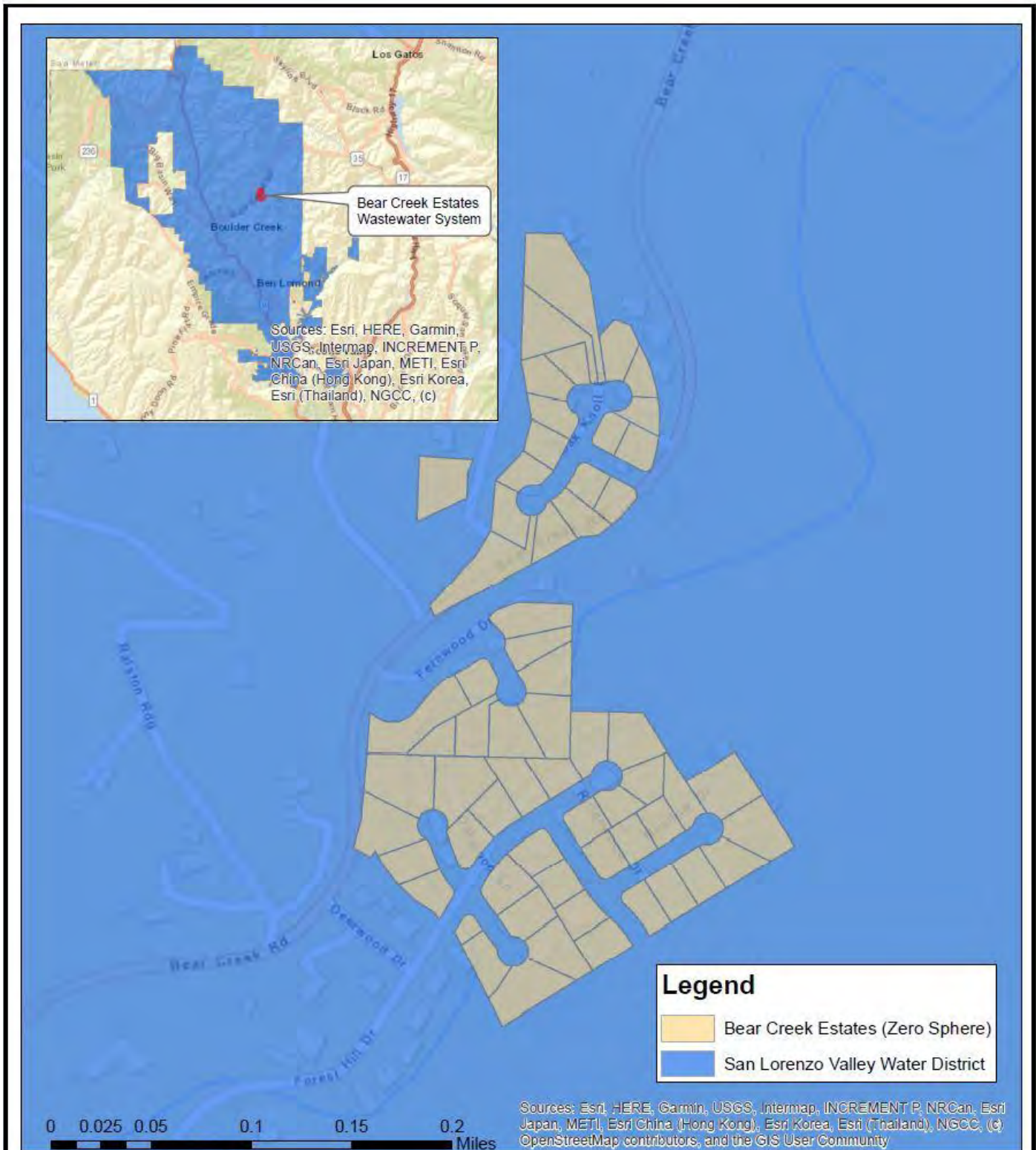
Under the assumed population growth, the projected population for the Bear Creek Estates Wastewater System for the next 15 years are as follows:

Table 6: Projected Population

	2020	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	136,891	137,896	139,105	140,356	141,645	0.86%
San Lorenzo Valley Water District	19,882	20,052	20,224	20,398	20,572	0.86%
Bear Creek Estates Wastewater System	185	186	188	189	191	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Figure 8: Bear Creek Estates Wastewater System's Vicinity Map



Bear Creek Estates Wastewater System Service and Sphere Boundaries

The San Lorenzo Valley Water District owns, operates, and maintains a wastewater system in Boulder Creek's Bear Creek Estates. Based on staff's analysis, the System has 56 connections (56 parcels) with 1.2 miles of sewer lines and 2 pump stations.

Services & Operations

The San Lorenzo Valley Water District owns, operates, and maintains a wastewater system in Boulder Creek’s Bear Creek Estates. Based on staff’s analysis, the System has 56 connections with 1.2 miles of sewer lines and 2 pump stations. The System is operating on a routine or as needed basis with staff being allocated from the Operations & Distribution or Supply & Treatment Departments. An indirect allocation process is used based on number of overall customers to allocate indirect costs identified as being a shared benefit to all customers. The following are key highlights of the Bear Creek Estates Wastewater System:

- The system collects and treats domestic wastewater flow;
- The existing collection system consists of 19 manholes, 2 cleanouts, approximately 3,600 linear feet of gravity sewer, 2,600 linear feet of force mains, 2 sewer pump stations, and 56 laterals;
- From 2005 to 2013, the District completed several modifications aimed at achieving regulatory compliance and improved nitrogen removal efficiency. This resulted in the existing treatment septic system being modified to incorporate a 3-stage trickling filter system, new internal recirculation/splitter/ball valves, and new air blowers with high-capacity disc diffusers in the clarifier tanks; and
- Due to high regulatory requirements, there is still significant improvements needed for the wastewater system.

Sewer Rates

At present, the System’s annual sewer rates derive from single-family units in the Bear Creek Estates subdivision. **Table 7** shows the gradual increase in annual rates during the last 12 years. The District recently conducted a rate study to implement new rates that would ensure adequate revenue was collected to cover annual expenses.

Table 7: Annual Sewer Rates

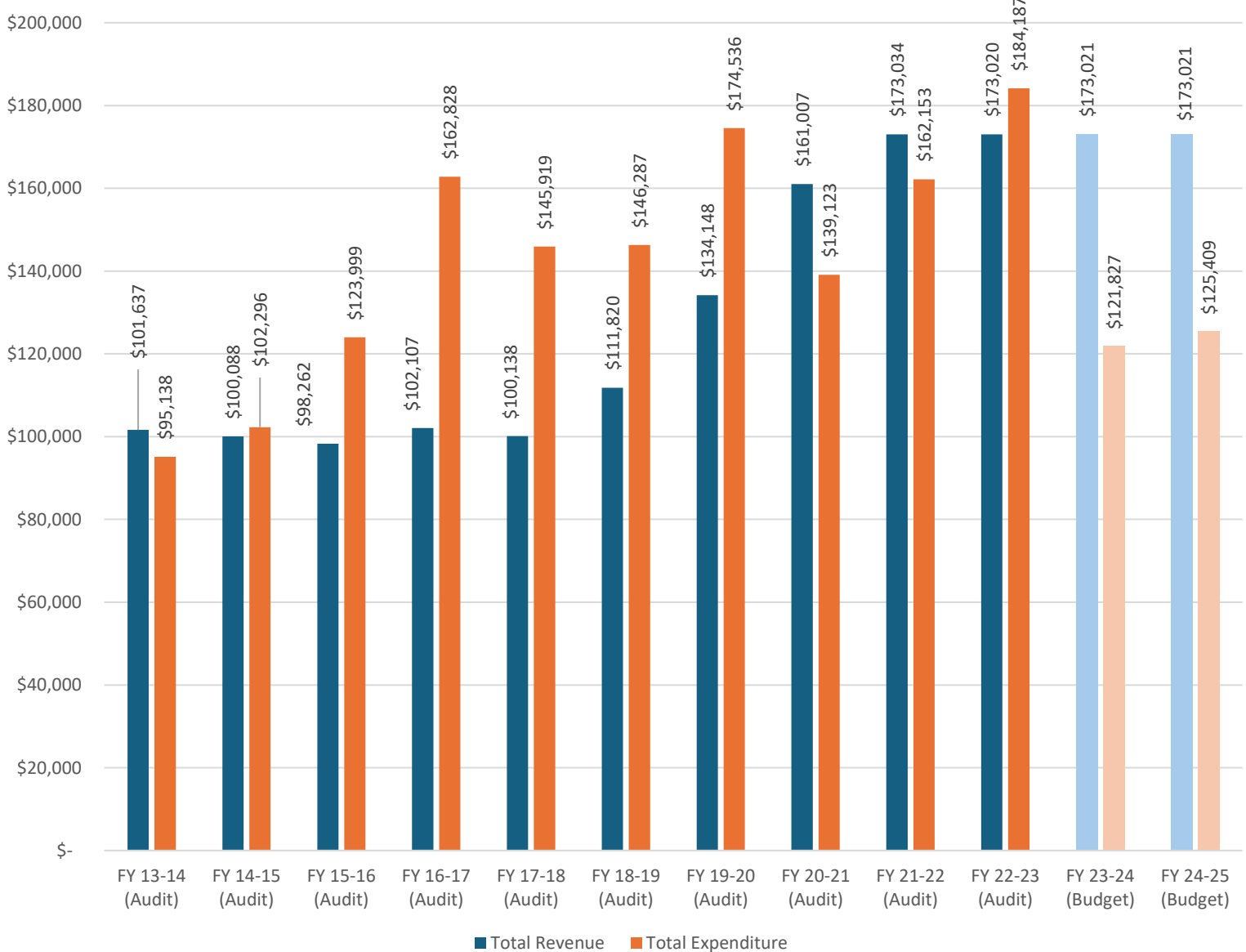
	FY 13-14 to FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Bear Creek Estates	\$1,788.00	\$1,788.00	\$2,136.00	\$2,574.72	\$3,089.64	\$3,089.64	\$3,182.40
<i>Monthly Rate</i>	<i>\$149.00</i>	<i>\$178.00</i>	<i>\$214.56</i>	<i>\$257.47</i>	<i>\$257.47</i>	<i>\$265.20</i>	<i>\$273.16</i>
<i>Change (%)</i>		<i>19%</i>	<i>21%</i>	<i>20%</i>	<i>0%</i>	<i>3%</i>	<i>3%</i>

Finances

This section will highlight the System’s audited financial performance during the most recent fiscal years. Fiscal Year 2022-23 is the latest audited financial statement available. A comprehensive analysis of the System’s financial performance during the past 12 years is shown in **Table 9**, on page 23.

At the end of Fiscal Year 2022-23, total revenue collected was approximately \$173,000, which was virtually the same from the previous year (\$173,034 in FY 21-22). Total expenses for FY 2022-23 were approximately \$184,000, which increased from the previous year by approximately \$22,000 (\$162,153 in FY 21-22). During LAFCO’s last service review analysis in 2019, the System experienced annual deficits in four of the five fiscal years (FY 13-14 to FY 17-18). During this service review cycle, the System experienced three annual deficits in the past five years (FY 18-19 to FY 22-23), as shown in **Figure 9** below. However, based on the two recently adopted budgets and the upcoming rate increases, LAFCO staff believes that the District may now have enough revenue to offset annual expenses.

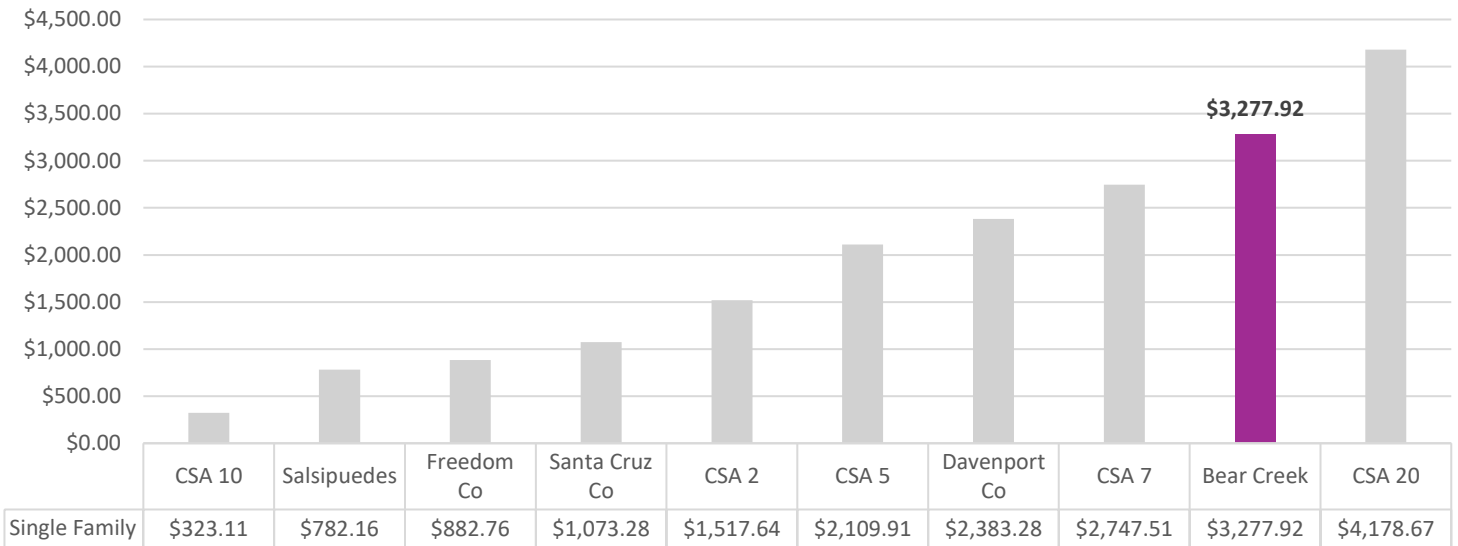
Figure 9: Statement of Revenues & Expenditures



District Revenues

The Bear Creek Estates Wastewater System’s only source of revenue is from Wastewater Service Fees. On average, the System receives approximately \$125,500 each year in service fees. When comparing the sewer rates with the other sanitation districts analyzed in this report, the Bear Creek Estates Wastewater System is ranked the second highest in charges for single-family units (\$3,277.92/year), as shown in **Figure 10**.

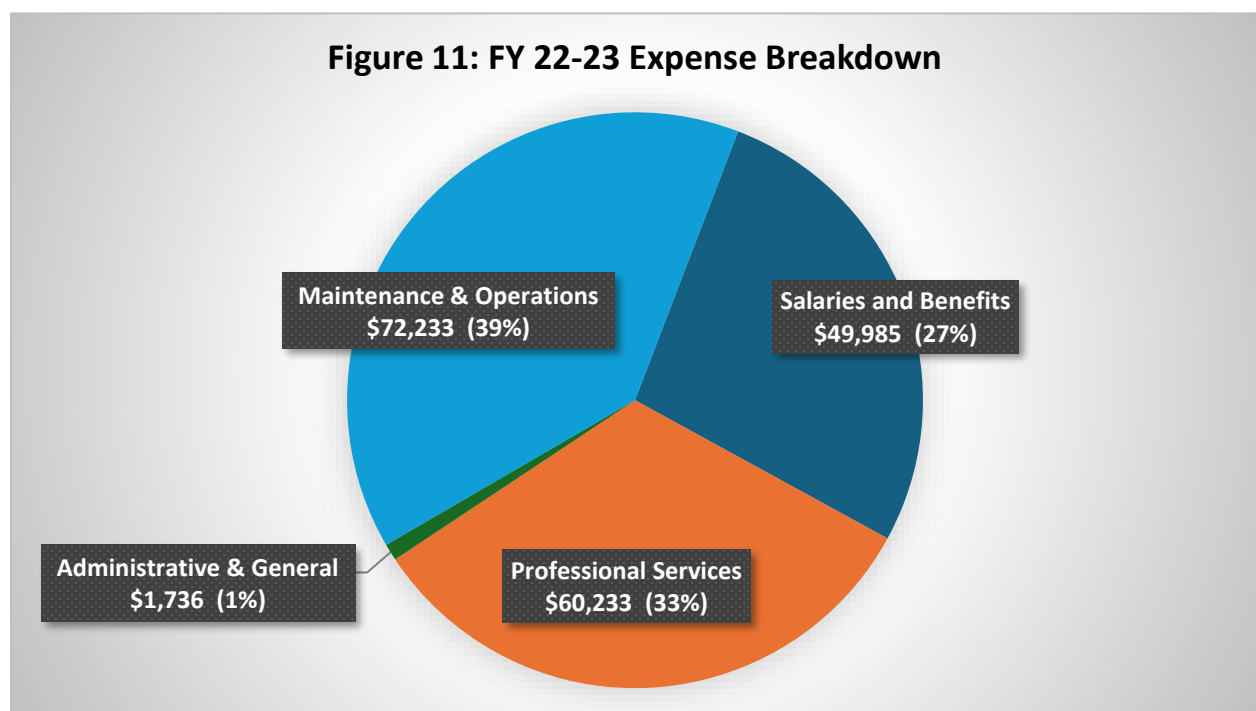
Figure 10: Annual Sewer Rates for Single-Family Units



District Expenditures

The Bear Creek Estates Wastewater System’s total expenditures can be categorized into 4 budgetary groups: Salaries & Benefits, Administrative & General, Professional Services, and Maintenance & Operations. **Figure 11** distinguishes the cost and percentage per category. As shown below, maintaining and operating the sewer infrastructure was the highest expenditure during FY 2022-23.

Figure 11: FY 22-23 Expense Breakdown



Fund Balance/Net Position

As of June 30, 2024, the total fund balance was approximately \$337,000. The following table highlights the Fund Balance from 2018 to 2025. As **Table 8** shows below, the fund balance has fluctuated in recent years. On average, total reserves has decreased by approximately \$14,000 or 3% since FY 2013-14. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown in **Table 9**.

Table 8: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Budget)	FY 24-25 (Budget)
Net Position (Ending Balance)	\$304,837	\$264,449	\$286,333	\$297,214	\$286,047	\$337,241	\$384,853
Change in (\$) from previous year		\$(40,388)	\$21,884	\$10,881	\$(11,167)	\$51,194	\$47,612
Change in (%) from previous year		-13.25%	8.28%	3.80%	-3.76%	17.90%	14.12%

Table 9: Total Revenues & Expenditures (12 Year Overview)

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Budget)	FY 24-25 (Budget)
REVENUE												
Wastewater Service	\$ 101,637	\$ 100,088	\$ 98,262	\$ 102,107	\$ 100,138	\$ 111,820	\$ 134,148	\$ 161,007	\$ 173,034	\$ 173,020	\$ 173,021	\$ 173,021
Total Revenue	\$ 101,637	\$ 100,088	\$ 98,262	\$ 102,107	\$ 100,138	\$ 111,820	\$ 134,148	\$ 161,007	\$ 173,034	\$ 173,020	\$ 173,021	\$ 173,021
EXPENDITURE												
Salaries and Benefits	\$ 12,954	\$ 7,213	\$ -	\$ -	\$ 47,796	\$ 48,499	\$ 44,296	\$ 34,608	\$ 48,591	\$ 49,985	\$ 33,919	\$ 34,371
Professional Services	\$ 5,406	\$ 21,500	\$ 33,791	\$ 66,751	\$ 28,423	\$ 28,744	\$ 62,178	\$ 35,527	\$ 43,079	\$ 60,233	\$ 39,231	\$ 39,197
Operational	\$ 10,620	\$ 2,453	\$ 12,285	\$ 18,319	\$ 16,116	\$ 15,211	\$ 11,228	\$ 13,661	\$ 15,213	\$ 26,589	\$ 32,074	\$ 34,074
Maintenance	\$ 280	\$ -	\$ -	\$ -	\$ 1,106	\$ 1,140	\$ 1,503	\$ 1,356	\$ 1,392	\$ 1,477	\$ 2,984	\$ 3,705
Facilities	\$ 8,769	\$ 8,608	\$ 15,486	\$ 8,403	\$ 8,384	\$ 9,085	\$ 11,816	\$ 10,390	\$ 8,745	\$ 8,940	\$ 12,273	\$ 12,708
General and Administrativ	\$ 15,336	\$ 20,749	\$ -	\$ -	\$ 1,738	\$ 1,607	\$ 1,515	\$ 1,580	\$ 1,650	\$ 1,736	\$ 1,346	\$ 1,354
Overhead Adsorption	\$ -	\$ -	\$ 22,987	\$ 26,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,331)	\$ -	\$ -
Depreciation	\$ 41,773	\$ 41,773	\$ 39,450	\$ 42,357	\$ 42,356	\$ 42,001	\$ 42,000	\$ 42,001	\$ 43,483	\$ 43,558	\$ -	\$ -
Total Expenditure	\$ 95,138	\$ 102,296	\$ 123,999	\$ 162,828	\$ 145,919	\$ 146,287	\$ 174,536	\$ 139,123	\$ 162,153	\$ 184,187	\$ 121,827	\$ 125,409
Surplus/(Deficit)	\$ 6,499	\$ (2,208)	\$ (25,737)	\$ (60,721)	\$ (45,781)	\$ (34,467)	\$ (40,388)	\$ 21,884	\$ 10,881	\$ (11,167)	\$ 51,194	\$ 47,612
Net Position - Beginning	\$ 467,252	\$ 473,751	\$ 471,543	\$ 445,806	\$ 385,085	\$ 339,304	\$ 304,837	\$ 264,449	\$ 286,333	\$ 297,214	\$ 286,047	\$ 337,241
Net Position - Ending	\$ 473,751	\$ 471,543	\$ 445,806	\$ 385,085	\$ 339,304	\$ 304,837	\$ 264,449	\$ 286,333	\$ 297,214	\$ 286,047	\$ 337,241	\$ 384,853

Governance

The San Lorenzo Valley Water District currently owns and operates the Bear Creek Estates Wastewater System. SLVWD is an independent special district governed by a five-member Board of Directors elected at-large by the voters within the District. When candidates run unopposed, they are appointed by the County Board of Supervisors in lieu of conducting the election. The current Board is as follows:

Table 10: Board of Directors

Board Member	Title	Term of Office
Mark Smolley	President	12/16/22 to 12/15/26
Alina Layng	Vice President	12/6/24 to 12/5/28
Bryan Largay	Director	12/6/24 to 12/5/28
Bob Fultz	Director	12/16/22 to 12/15/26
Jeff Hill	Director	12/16/22 to 12/15/26

The Board of Directors meet on the first and third Thursday of each month at 6:30 PM. Meetings are held at various locations throughout the San Lorenzo Valley. Public notice is provided through posting. The District also contracts for independent audits.

Capital Improvement Plan

The San Lorenzo Valley Water District has adopted a District-wide capital improvement plan. Based on staff's research, there are no capital improvement projects scheduled for the Bear Creek Estates Wastewater System. The District should consider adopting a long-term maintenance plan to ensure scheduled and unforeseen repairs, replacements, and installations are adequately funded.

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following:

- Sanitary Sewer Overflows are prohibited, and
- All Sanitary Sewer Overflow (SSOs), with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP).

The San Lorenzo Valley Water District has adopted an Urban Water Management Plan, which includes a description of the existing location and capacity of the Wastewater System. It is LAFCO staff's understanding that the District does not have an adopted SSMP.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

Based on SB 929’s criteria and the recommendations set by the SDLF, LAFCO conducted a thorough review of the System’s webpage. **Table 11** summarizes staff’s findings on whether the website meets the statutory requirements. At present, the District almost meets all the statutory requirements under SB 929 and SDLF’s website transparency criteria. The District is only missing access to LAFCO’s adopted service and sphere reviews on their website. Overall, SLVWD has a transparent website filled with useful information and resources easily accessible to the public regarding its water and wastewater services.

Table 11: 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)	19 (95%)

Opportunities & Challenges

The Bear Creek Estates Wastewater System is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Governance Structure Options

The San Lorenzo Valley Water District has expressed a desire to transfer ownership and operation of the wastewater system to another agency, such as the County of Santa Cruz, which may be able to operate the system more efficiently. The District's 2016 Strategic Plan identifies specific steps to potentially transfer service provisions to another local agency. These steps include:

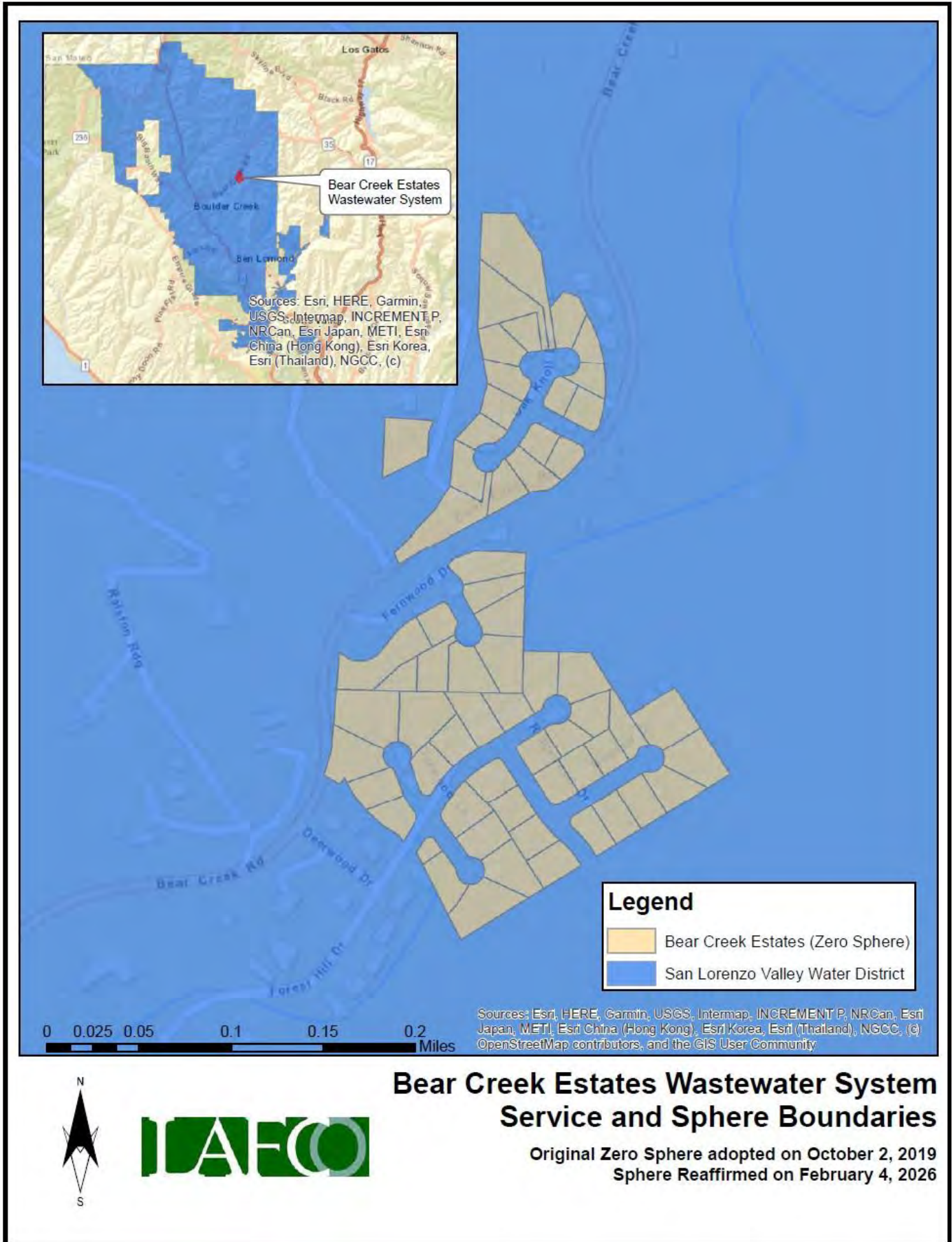
- Development of a rate-study that will establish operational and capital needs of the wastewater system;
- Implement a Proposition 218 rate increase process that will set rates appropriate to the operational and capital needs of the system; and
- Coordination with Bear Creek Estates residents, meeting with County representatives on a regular basis to discuss and move this idea forward, and collaboratively establish a plan with a timeline and key milestones.

LAFCO staff sees value in local agencies collaborating and exploring opportunities to improve delivery of municipal services. Now that the District has adopted new rates to ensure adequate revenue funds, this may be an opportunity to coordinate with the County to perhaps form a new county service area and transfer sewer responsibilities from SLVWD to the County. It is still unknown whether it is feasible for the County or another local service provider to assume responsibilities within this area. Therefore, LAFCO staff recommends that the District continue to discuss possible partnerships with the County and other neighboring agencies.

Sphere of Influence

LAFCO has established a zero sphere for the Bear Creek Estates Wastewater System in 2019. A "zero" sphere of influence designation (encompassing no territory) means that the public service functions of the agency are either: nonexistent, no longer needed, or should be reallocated to some other agency of government. The adoption of a "zero" sphere indicates the agency should transfer service responsibilities to another local agency. **Figure 12**, on page 27, shows the current sphere of influence boundary for the Bear Creek Estates Wastewater System. LAFCO staff is recommending that the Commission reaffirm the sphere boundary.

Figure 12: Current Sphere of Influence



District Summary

Bear Creek Estates Wastewater System (San Lorenzo Valley Water District)	
Formation	California Water Code, section 30,000 et seq.
Board of Directors	Five members, elected at-large to four-year terms
Contact Person	Jason Lillion, General Manager
Employees	36 Full-Time Employees and 2 Part-Time Employee (entire SLVWD)
Facilities	19 manholes, 2 cleanouts, approximately 3,600 linear feet of gravity sewer, 2,600 linear feet of force mains, 2 sewer pump stations, and 56 laterals
District Area	18.44 acres (0.029 square miles)
Sphere of Influence	Current Designation: Zero Sphere of Influence Proposed Designation: Reaffirm Zero Sphere of Influence
FY 2024-25 Budget	Total Revenue = \$173,021 Total Expenditure = \$125,409 Projected Net Position (Beginning Balance) = \$337,241
Contact Information	Mailing Address: 13060 Highway 9 Boulder Creek CA 95006 Phone Number: (831) 430-4636 Email Address: bod@slvwd.com Website: http://www.slvwd.com/_BearCreek.htm
Public Meetings	Meetings are typically held on the first and third Thursday of each month at 6:30 p.m.
Mission Statement	"Our mission is to provide our customers and all future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and, to ensure the fiscal vitality of the San Lorenzo Valley Water District."

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

There are no growth projections available for the San Lorenzo Valley Water District or the Bear Creek Estates Wastewater System. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. LAFCO staff estimates that the System's entire population in 2040 will be around 190.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within the Bear Creek Estates Wastewater System.

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.

Since the development of the Bear Creek Estates subdivision back in 1985, SLVWD has been providing sewer service to 56 connections under the governance of the Bear Creek Estates Wastewater System. This residential subdivision has approximately 183 residents and represents approximately 2% of the total population within the San Lorenzo Valley Water District. The District has expressed interest in transferring sewer service responsibilities to another local agency.

4. Financial ability of agencies to provide services.

The Bear Creek Estates Wastewater System has experienced various annual deficits over the past 12 years. However, it is LAFCO's understanding that the District has implemented new rates to ensure that adequate revenue funds are being collected to offset increases in annual expenses.

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

Several sanitation districts, including the Bear Creek Estates Wastewater System, have expressed interest in transferring sewer responsibilities to another agency due to funding issues, limited long-term planning, or lack of economies of scale. Establishment of a countywide memorandum of understanding or a joint powers authority may unify the already-established collaboration set by the sanitation providers in the county.

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

The San Lorenzo Valley Water District has adopted a District-wide capital improvement plan. Based on staff's research, there are no capital improvement

projects scheduled involving the Bear Creek Estates Wastewater System. The District should consider adopting a long-term maintenance plan to ensure scheduled and unforeseen repairs, replacements, and installations are adequately funded.

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 Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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 Bear Creek Estates Wastewater System's service area is built out with residential homes. There are no agricultural or open-space lands within the service area.

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

SLVWD has expressed interest in transferring sewer responsibilities to another local governmental entity. LAFCO may play a role in helping find a successor agency. The District's 2016 Strategic Plan identifies specific steps to potentially transfer service provisions to another local agency.

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

SLVWD owns, operates, and maintains a wastewater system in Boulder Creek's Bear Creek Estates. The System has 56 connections with 1.2 miles of sewer lines and 2 pump stations. The System is operating on a routine or as needed basis with staff being allocated from the Operations & Distribution or Supply & Treatment Departments.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The Bear Creek Estates Wastewater System's service area is primarily single-family homes.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, the District has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The District's principal needs are repair and replacement of aging infrastructure.

COUNTY SERVICE AREA 2 (PLACE DE MER)

District Overview

County Service Area 2 serves the Place de Mer subdivision which encompasses 12.8 acres (0.02 square miles). The wastewater facility is a community advanced secondary treatment system (106 parcels) with 78 connections. The existing treatment system was required and approved by the State Water Board. The system was constructed in 2022 and was funded by the formation of the Assessment District No. 21-01. **Figure 13**, on page 32, is a vicinity map of the service area. **Appendix B** provides a copy of the formation resolution.

Population & Growth

The Place de Mer subdivision is an ocean-front residential development in La Selva Beach that is substantially built-out. There are no growth projections available for CSA 2. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 2's entire population in 2040 will be around 174. The projected population for CSA 2 are as follows:

Table 12: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
CSA 2	169	171	172	174	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Services & Operations

CSA 2 Place De Mer has a new advanced secondary treatment system that services the privately-owned residential properties. The system is maintained by the County of Santa Cruz. Based on staff's analysis, CSA 2 has 78 connections with 0.4 miles of sewer lines and 2 pump stations. Fifteen parcels (Zone H) are on their own septic system and pay the CSA for park maintenance and security. Annual sewer charges are the District's primary source of revenue.

Infrastructure Summary

CSA 2 operates a two-pump station advanced secondary treatment system. It currently has 78 connections and approximately 0.4 miles of sewer line. **Table 13** provides an overview of the type of service and current infrastructure:

Table 13: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
CSA 2	Advanced Secondary Treatment	N/A	78	2	0.4

Figure 13: CSA 2's Vicinity Map



Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), NGCC, (c) OpenStreetMap contributors, and the GIS User Community

County Service Area 2 (Place de Mer) Service and Sphere Boundaries

CSA 2 serves the Place de Mer subdivision which encompasses 12.8 acres. The wastewater facility is an advanced secondary treatment system with 93 connections within 106 parcels.



Sewer Rates

At present, CSA 2's annual sewer rates are based on four zones: Apartment (Zone A), Hill (Zone H), Park (Zone P), and Townhouse (Zone T). Each zone has its own sewer rate. **Table 14** shows the gradual increase in annual rates during the last seven years.

Table 14: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Zone A	\$1,151.75	\$1,203.57	\$1,233.66	\$1,258.33	\$1,311.18	\$1,375.43	\$1,411.19
Zone H*	\$97.38	\$101.76	\$104.30	\$106.39	\$110.86	\$116.29	\$119.31
Zone P	\$1,151.75	\$1,203.57	\$1,233.66	\$1,258.33	\$1,311.18	\$1,375.43	\$1,411.19
Zone T	\$1,238.62	\$1,294.36	\$1,326.72	\$1,353.25	\$1,410.09	\$1,479.18	\$1,517.64

Footnote: Zone H (individual septic)

Pursuant to Santa Cruz County Code Section 4.26, the Director of CDI must annually compute the benefit assessment/service charge rates for CSAs and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the charge per CSA for each parcel for the upcoming fiscal year.

CSA fees are sewer rate charges, and any rate increase (except for preapproved annual Consumer Price Index (CPI) increases) must comply with Proposition 218 procedures. These procedures state that an increase is approved as long as it is not protested by 51% of the connected parcel owners. A public hearing must be held to consider any protests to the proposed increase. The following tables (**Tables 15 to 18**) depict the change in dollar amount and percentage for each specific zone.

Table 15: Zone A (Apartments) Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Zone A	\$1,151.75	\$1,203.57	\$1,233.66	\$1,258.33	\$1,311.18	\$1,375.43	\$1,411.19	
Change (\$)		\$51.82	\$30.09	\$24.67	\$52.85	\$64.25	\$35.76	\$37.08
Change (%)		4%	3%	2%	4%	5%	3%	3%

Table 16: Zone H (Hill) Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Zone H	\$97.38	\$101.76	\$104.30	\$106.39	\$110.86	\$116.29	\$119.31	
Change (\$)		\$4.38	\$2.54	\$2.09	\$4.47	\$5.43	\$3.02	\$2.95
Change (%)		4%	2%	2%	4%	5%	3%	3%

Table 17: Zone P (Park) Annual Sewer Rates Review

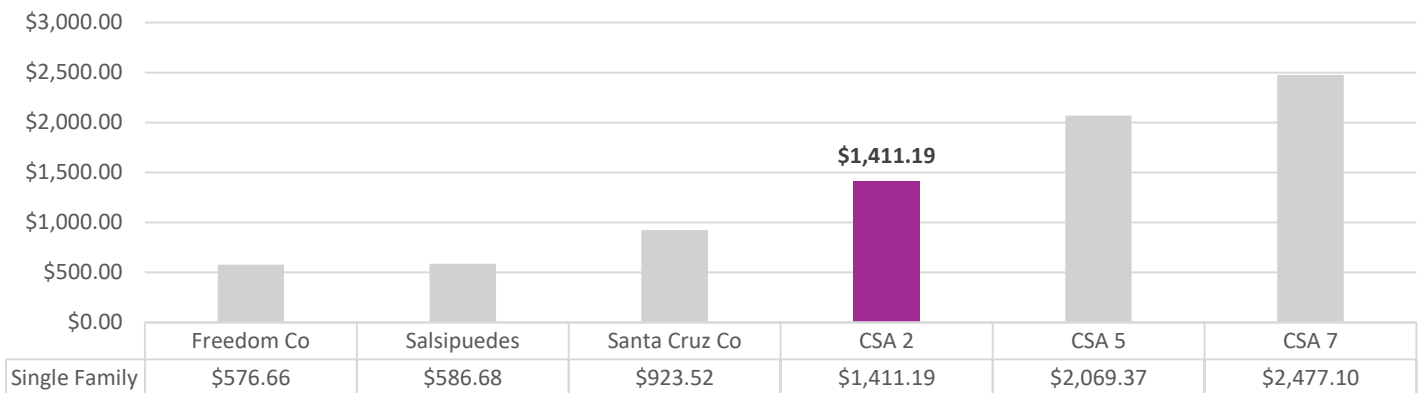
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Zone P	\$1,151.75	\$1,203.57	\$1,233.66	\$1,258.33	\$1,311.18	\$1,375.43	\$1,411.19	
Change (\$)		\$51.82	\$30.09	\$24.67	\$52.85	\$64.25	\$35.76	\$37.08
Change (%)		4%	3%	2%	4%	5%	3%	3%

Table 18: Zone T (Townhouse) Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Zone T	\$1,238.62	\$1,294.36	\$1,326.72	\$1,353.25	\$1,410.09	\$1,479.18	\$1,517.64	
Change (\$)		\$55.74	\$32.36	\$26.53	\$56.84	\$69.09	\$38.46	\$39.88
Change (%)		5%	3%	2%	4%	5%	3%	3%

When comparing the sewer rates with the other sanitation districts analyzed in this report, CSA 2’s multi-family rates (\$1,411.19/year and \$1,517.64/year). rank in fourth place out of six. Sewer rate comparisons are shown in **Figure 14**.

Figure 14: Annual Sewer Rates for Multi-Family Units



Assessment District

In addition to the annual sewer rates, the formation of the Assessment District No. 21-01 charges between \$1,679.48 to \$2,676.00 annually to the parcel owners. Each zone is subject to various rates as shown below:

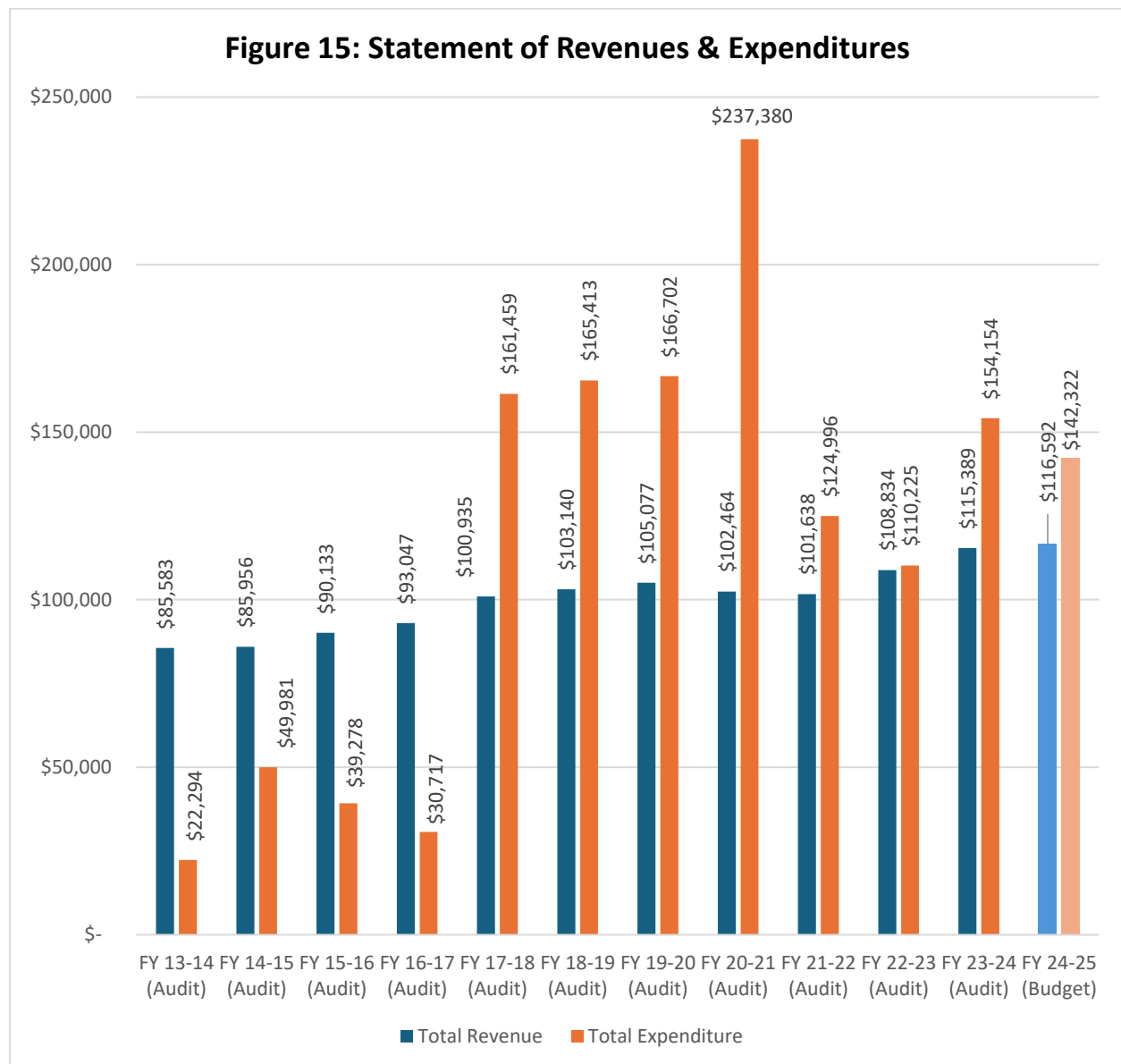
- Zone A \$1,679.48
- Zone H -\$0 (since these properties utilize septic systems)
- Zone P- \$2,676.00
- Zone T - \$1,804.86

The bonds for the Assessment District will be paid in full by the 2052 calendar year. Assessment District No. 21-01 was formed to finance the replacement of the aging septic system with an onsite wastewater treatment plant. It is important to note that assessment districts are not subject to LAFCO’s purview since they are funding mechanisms created by local agencies, including counties.

Finances

This section will highlight the District’s audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the District’s financial performance during the past 12 years is shown in **Table 21** on page 37.

At the end of Fiscal Year 2023-24, total revenue collected was \$115,389, representing a 6% increase from the previous year (\$108,627 in FY 22-23). Total expenses for FY 2023-24 were \$154,154, which increased from the previous year by 40% (\$110,225 in FY 22-23). During LAFCO’s last service review analysis in 2019, CSA 2 experienced annual surpluses in four of the five fiscal years (FY 13-14 to FY 17-18). However, during this service review cycle, CSA 2 experienced six consecutive annual deficits in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 15** below. However, a deficit calculated as a difference between the year’s revenue and the year’s expenditures is not always a true deficit. Annual budgets are set so there are not more expenditures than the sum of the beginning fund balance plus that year’s revenue. Therefore, even with the six consecutive years of annual deficits, the CSA’s net ending position has remained positive.



CSA Revenues

CSA 2's primary source of revenue is from Charges for Services. In FY 23-24, the District received revenue from two different sources: Charges for Services (\$112,662) and Interest and Investment Income (\$2,727). On average, the District receives approximately \$103,000 each year in service fees. **Table 19** highlights the total revenue received since 2018.

Table 19: Total Revenue (FY 18-19 to FY 23-24)

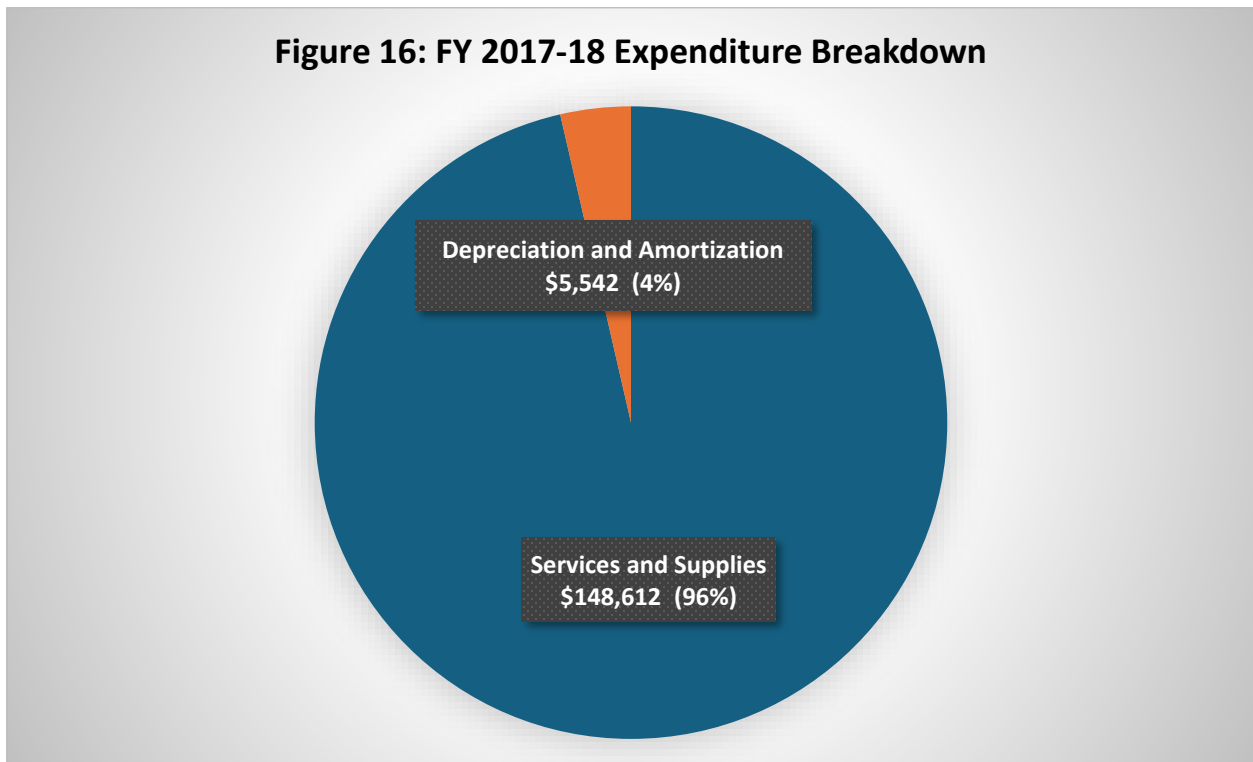
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Charges for Services	\$94,340	\$98,585	\$101,050	\$103,070	\$107,400	\$112,662
Intergovernmental	\$59	-	-	-	-	-
Interest Investment Income	<u>\$8,741</u>	<u>\$6,492</u>	<u>\$1,414</u>	<u>-\$1,433</u>	<u>\$1,434</u>	<u>\$2,727</u>
Total Revenue	\$103,140	\$105,077	\$102,464	\$101,638	\$108,834	\$115,389

Footnote: Intergovernmental revenue is derived from FEMA funds to repair failing infrastructure.

CSA Expenditures

CSA 2's total expenditures can be categorized into two budgetary groups: Services & Supplies and Depreciation & Amortization. **Figure 16** below depicts how funding is distributed by category. The District's primary expenditure is associated with operational and management costs, under Services and Supplies.

Figure 16: FY 2017-18 Expenditure Breakdown



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$276,000. The following table highlights the Fund Balance from 2018 to 2025. As **Table 20** shows below, the District has experienced a decrease in total reserves each year. On average, total reserves have decreased by approximately \$23,400 or 5% since FY 2013-14. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 21**.

The use of capital reserves was a result of the CSA 2s failing septic systems. A new wastewater treatment system was constructed in 2022. In FY23-24, CSA 2s security services were included in a County of SC master independent contract agreement and services were too costly and therefore suspended. A community meeting was held to discuss rate increases if they chose to continue with these services. The updated wastewater system at CSA 2 (new gravity sewer lines and septic system) will not need repairs like an older system would in the near term. A planned private project will impact the CSA's force main and a retaining wall, so the improvements paid for by that property owner on the CSA's infrastructure will update the system even further.

Table 20: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$516,798	\$455,176	\$320,260	\$296,902	\$295,511	\$256,746	\$250,558
Change in (\$) from previous year		\$(61,622)	\$(134,916)	\$(23,358)	\$(1,391)	\$(38,765)	\$(6,188)
Change in (%) from previous year		-12%	-30%	-7%	-0.5%	-13%	-2%

Table 21: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 82,983	\$ 84,016	\$ 87,150	\$ 88,580	\$ 91,681	\$ 94,340	\$ 98,585	\$ 101,050	\$ 103,070	\$ 107,400	\$ 112,662	\$ 115,592
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,875	\$ 59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and Investment Income	\$ 2,600	\$ 1,940	\$ 2,983	\$ 4,467	\$ 6,379	\$ 8,741	\$ 6,492	\$ 1,414	\$ (1,432)	\$ 1,434	\$ 2,727	\$ 1,000
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 85,583	\$ 85,956	\$ 90,133	\$ 93,047	\$ 100,935	\$ 103,140	\$ 105,077	\$ 102,464	\$ 101,638	\$ 108,834	\$ 115,389	\$ 116,592
EXPENDITURES												
Services and Supplies	\$ 16,752	\$ 44,439	\$ 33,736	\$ 25,175	\$ 144,091	\$ 159,871	\$ 161,160	\$ 231,838	\$ 119,454	\$ 104,683	\$ 148,612	\$ 136,780
Depreciation and Amortization	\$ 5,542	\$ 5,542	\$ 5,542	\$ 5,542	\$ 5,542	\$ (5,542)	\$ 5,542	\$ 5,542	\$ 5,542	\$ 5,542	\$ 5,542	\$ 5,542
Depreciation Storage Tanks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 11,826	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditure	\$ 22,294	\$ 49,981	\$ 39,278	\$ 30,717	\$ 161,459	\$ 165,413	\$ 166,702	\$ 237,380	\$ 124,996	\$ 110,225	\$ 154,154	\$ 142,322
Surplus/(Deficit)	\$ 63,289	\$ 35,975	\$ 50,855	\$ 62,330	\$ (60,524)	\$ (62,273)	\$ (61,625)	\$ (134,916)	\$ (23,358)	\$ (1,391)	\$ (38,765)	\$ (25,730)
Net Position - Beginning	\$ 427,146	\$ 490,435	\$ 526,410	\$ 577,265	\$ 639,595	\$ 579,071	\$ 516,801	\$ 455,176	\$ 320,260	\$ 296,902	\$ 295,511	\$ 256,746
Net Position - Ending	\$ 490,435	\$ 526,410	\$ 577,265	\$ 639,595	\$ 579,071	\$ 516,798	\$ 455,176	\$ 320,260	\$ 296,902	\$ 295,511	\$ 256,746	\$ 231,016
RESERVES												
Capital Replacement Reserve	\$ 310,551	\$ 218,493	\$ 384,704	\$ 444,181	\$ 314,181	\$ 341,028	\$ 273,553	\$ 58,435	\$ 127,402	\$ 26,383	\$ 34,127	\$ 26,163

Currently, there is \$22,590 available in reserves. As always, County staff will consider at increasing reserves when we analyze the rate increase for FY26-27. They will seek community involvement during the rate-setting process to balance the need to increase reserves while still providing reasonable rates.

Governance

County Service Area 2 is a dependent special district governed by the County Board of Supervisors and managed by the Community Development & Infrastructure Public Works Division. The current Board is as follows:

Table 22: 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors generally meets twice a month on a Tuesday in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County Community Development & Infrastructure Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The department also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

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 23** summarizes staff's findings on whether the website meets the statutory requirements. At present, the CSA does meet the statutory requirements set under SB 929 and SDLF's website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization's website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 23: 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)	20 (100%)

Opportunities & Challenges

County Service Area 2 is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Capital Improvement Plan

There is no specific capital improvement plan for CSA 2, however, CSA 2 is part of the County's 2021/22 Capital Improvement Program. The 2021/22 CIP presents a five-year financing implementation plan for capital improvements within the unincorporated County; Parks, Open Space and Cultural Services; and County Facility projects located Countywide. The CIP is an outgrowth of cooperative planning, programming and financing efforts through the County Administrative Office and by the County's land use departments including Planning, Public Works, and Parks, Open Space and Cultural Services, as well as non-land use departments including the Health Services Agency, General Services Department, Probation, and the Sheriff's Department. Unprogrammed road, roadside, sanitation, flood control, parks, and recycling and solid waste projects (which funding is not anticipated for in the coming five years, or longer, and meets requirements of unincorporated County service level needs at build-out under the 1994 General Plan) are also identified in the CIP. The **Place De Mer Septic System** project was in the CIP and has now been completed. The County continuously seeks grant or loan funding to help finance these improvements.

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following:

- Sanitary Sewer Spills are prohibited, and
- All Sanitary Sewer Spills, with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP).

In 2022, the County adopted an SSMP to cover the management, operation and maintenance, design, construction and emergency response of the Davenport Sanitation District, Freedom Sanitation District, Santa Cruz County Sanitation District and three county service areas (CSAs 5, 7, and 10). However, it is LAFCO staff's understanding that CSA 2 is excluded from the County SSMP because the CSA does not meet the minimum requirements to enroll under the Waste Discharge Requirements.

LAFCO Staff Recommendation: *The State of California does not require sewer systems with less than one mile of sewer pipe infrastructure to have a Sewer System Management Plan, however, the County should consider including CSA 2 in the County's Sewer System Management Plan to ensure that the Place de Mer community's sewer infrastructure has proper management and oversight for current and future needs.*

Infrastructure Deficiencies

In 2019, Sanitation Operations staff investigated the cause of the failing septic tank system and found that the pipe for the leach pits had collapsed in some areas and caused sewage to flow back to the undersized and corroded precast concrete septic tanks. Biosphere Consulting Incorporated (Biosphere) of Santa Cruz, California was retained to design the improvements of the wastewater treatment system to serve Place De Mer. A design was completed and submitted to the Regional Water Quality Control Board (RWQCB) for approval.

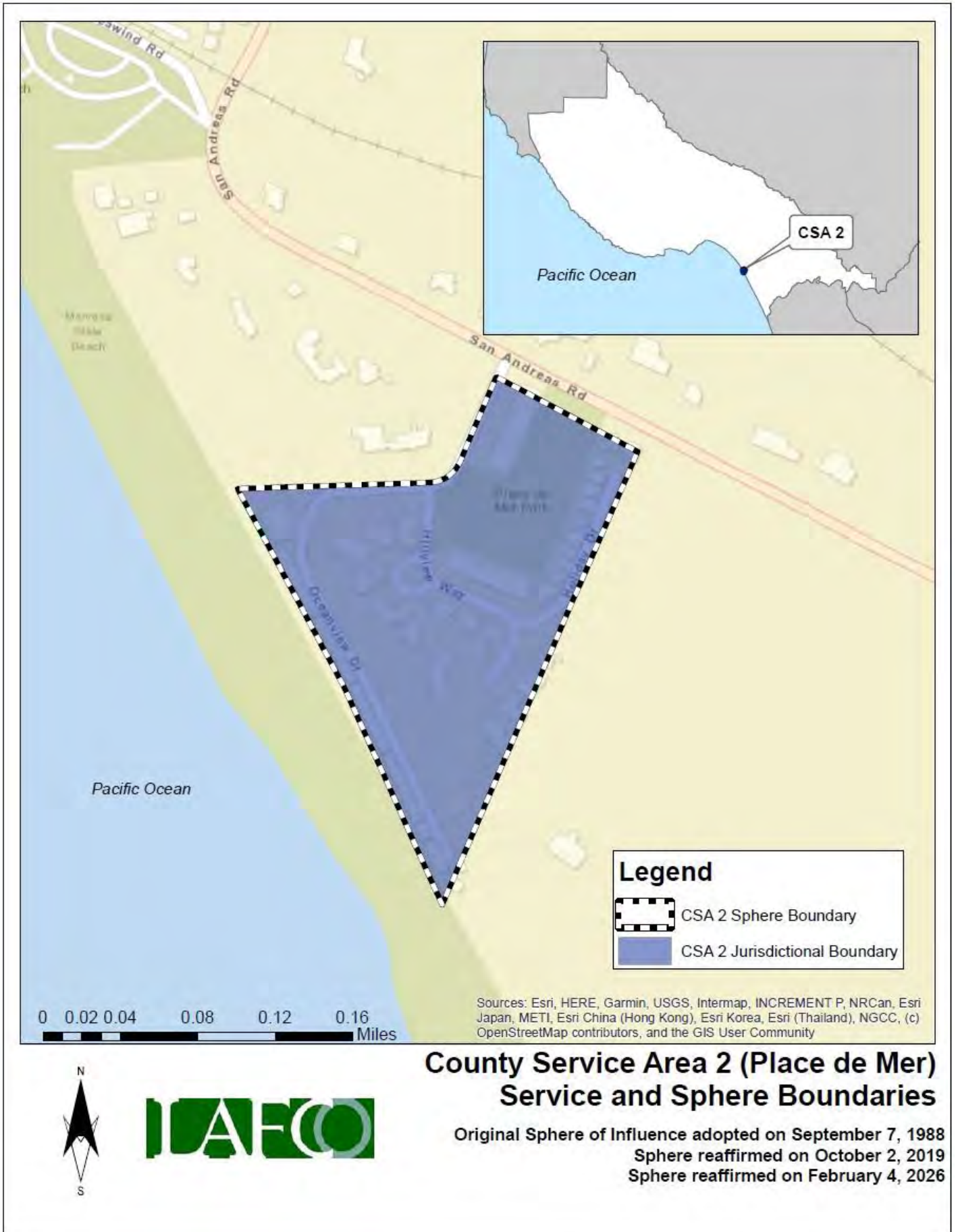
Due to the wet weather causing infiltration into the septic tanks and the ongoing work by Biosphere, it is necessary to transfer funds from the capital reserves to operations and structures and improvements. A total of \$130,000 is required to cover the maintenance and the replacement tanks and leach pit design costs. The CSA does not have the reserves to pay for the required septic system upgrades. An assessment district was required to fund the necessary improvements and was approved by the Place de Mer community in May 2021. The Place de Mer Septic Improvements project included replacing most of the sewer infrastructure except the 4-inch force main that pumps the wastewater from the lower pump station to the upper pump station. The County may consider adopting a long-term capital improvement plan for CSA 2 to ensure scheduled and unforeseen repairs and replacements are adequately funded.

Sphere of Influence

LAFCO originally adopted a coterminous sphere of influence for the District in 1988. A coterminous sphere of influence is identical to the agency's jurisdictional boundary. For almost 40 years, the sphere boundary has remained unchanged. LAFCO staff, along with representatives of CSA 2, do not recommend any changes to the sphere of influence at this time. **Figure 17** on page 42 shows the current sphere of influence boundary.



Figure 17: CSA 2's Current Sphere Map



District Summary

County Service Area 2 (Place de Mer)	
Formation	California Government Code, section 25210.1 et seq. (County Service Area Law)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	1.50 full-time employee (approximately)
Facilities	Two-pump station and advanced treatment system; 78 connections
District Area	12.8 acres (0.02 square miles)
Sphere of Influence	Coterminous with District (i.e. no sphere beyond existing jurisdictional boundary)
FY 2024-25 Budget	Total Revenue = \$116,592 Total Expenditure = \$142,322 Projected Net Position (Beginning Balance) = \$256,746
Contact Information	Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060 Phone Number: (831) 454-2160 Email Address: Matt.Machado@santacruzcountyca.gov Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx CSA Liaisons: Sarah Katley sarahk@mac.com King Management - Samantha Jasso (475-9100)
Public Meetings	The Board regularly meets every second Tuesday in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The CSA does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Place de Mer subdivision is an ocean-front residential development in La Selva Beach that is substantially built-out. There are no growth projections available for CSA 2. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 2's entire population in 2040 will be around 174.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within CSA 2.

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.

County Service Area 2 has been collecting and disposing wastewater from the ocean-front townhome development in La Selva Beach, known as Place de Mer, since the construction of the septic system back in 1972. The current two-pump station community septic tank system has 78 connections and serves about 169 residents.

4. Financial ability of agencies to provide services.

County Service Area 2 is struggling financially. The CSA has experienced an annual deficit in seven consecutive years. As of June 30, 2024, CSA 2 is operating with a net position of approximately \$257,000.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The County currently has a countywide capital improvement plan and a specific capital improvement plan for the Santa Cruz County Sanitation District. Additionally, the County has adopted a Sewer System Management Plan. However, CSA 2 does not have any current or proposed sewer-related capital improvement projects scheduled at this time.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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 Place de Mer subdivision is an ocean-front residential development in La Selva Beach that is substantially built-out. There are no agricultural or open-space lands within the service area.

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

The Place de Mer subdivision is an ocean-front residential development in La Selva Beach that is substantially built-out. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 2's entire population in 2040 will be around 174.

LAFCO originally adopted a coterminous sphere of influence for the District in 1988. A coterminous sphere of influence is identical to the agency's jurisdictional boundary. For almost 40 years, the sphere boundary has remained unchanged. LAFCO staff, along with representatives of CSA 2, do not recommend any changes to the sphere of influence at this time.

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

CSA 2 Place De Mer has a new advanced treatment system that services the privately-owned residential properties. The system is maintained by the County of Santa Cruz. Based on staff's analysis, CSA 2 has 78 connections with 0.4 miles of sewer lines and 2 pump stations. Annual sewer charges are the District's primary source of revenue.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, CSA 2 has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence.

COUNTY SERVICE AREA 5 (SAND DOLLAR/CANON DEL SOL)

District Overview

County Service Area 5 serves the Sand Dollar Beach and Canon Del Sol subdivisions totaling 640 acres (1.0 square miles). The wastewater system consists of two on-site interconnected package treatment plants that provide secondary treatment to the 195 parcels. The Sand Dollar treatment plant was constructed in 1967, and the Canon del Sol treatment plant was constructed in 1982. **Figure 18**, on page 47, is a vicinity map of the service area. **Appendix C** provides a copy of the formation resolution.

Population & Growth

The Sand Dollar/Canon del Sol subdivisions are considered to be built-out. There are no growth projections available for CSA 5. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 5's entire population in 2040 will be around 228. The projected population for CSA 5 are as follows:

Table 24: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
CSA 5	222	224	226	228	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Services & Operations

CSA 5 has aging package treatment plants that serves single family homes in the Sand Dollar community and condominiums in the Canon del Sol community. The plants are maintained by the County of Santa Cruz. Based on the County's 2022 Sewer System Management Plan, CSA 5 has 184 connections with 1.15 miles of gravity sewer lines, 0.53 miles of force main lines, and 2 pump stations. Annual sewer charges are the District's primary source of revenue.

Infrastructure Summary

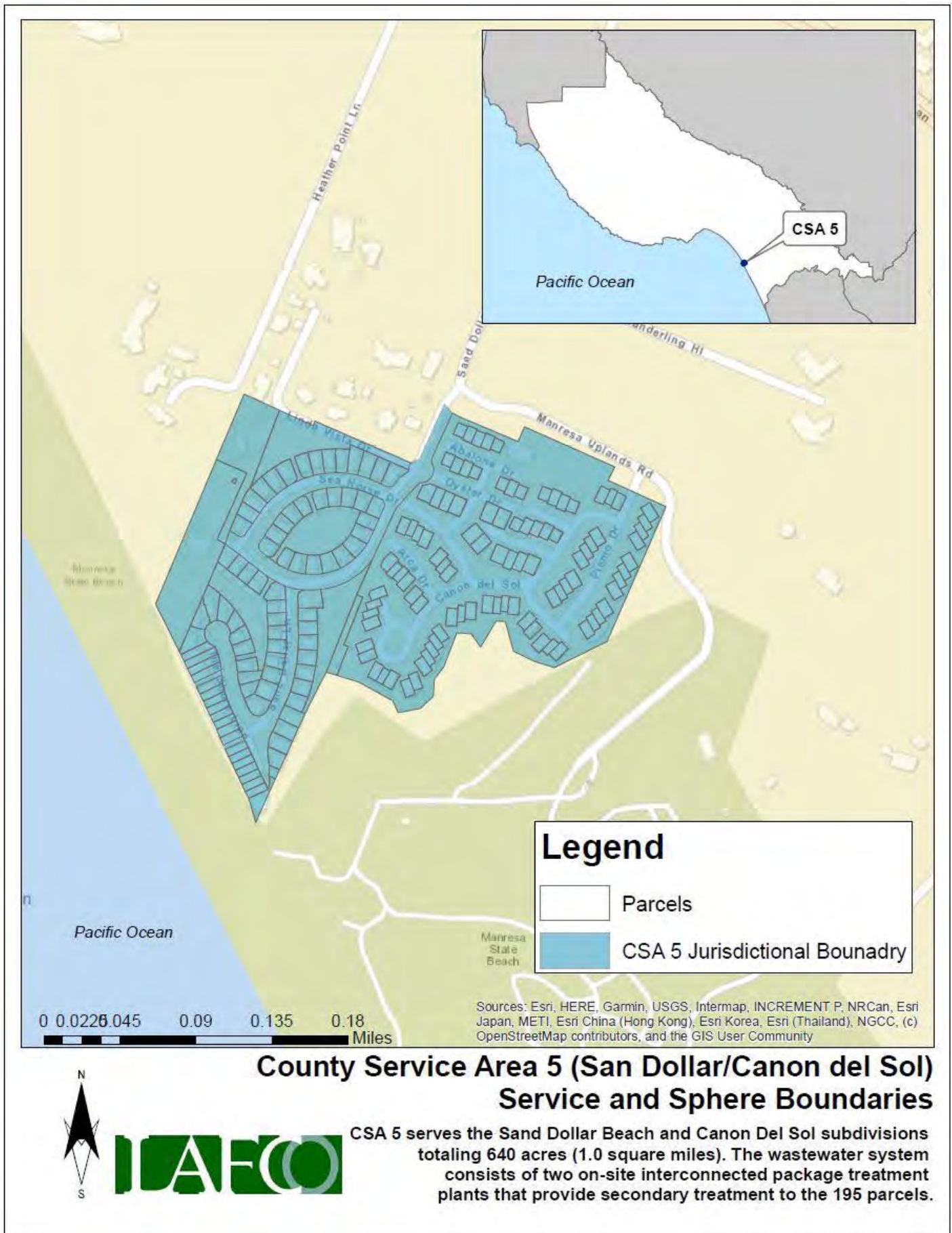
CSA 5 operates two separate treatment plants and serves over 200 residents. It currently has 184 connections and approximately 1.2 miles of sewer line. **Table 25** provides an overview of the type of service and current infrastructure:

Table 25: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
CSA 5	Collection and Treatment	Secondary	184	2	1.15

Infrastructure improvements continue to be an ongoing issue for not only CSA 5, but rather, most of the sanitation districts throughout the County.

Figure 18: CSA 5's Vicinity Map



Sewer Rates

At present, CSA 5's annual sewer rates derive from the single-family residential units in the Sand Dollar subdivision and the condominiums in the Canon del Sol subdivision. Each community has its own sewer rate. **Table 26** shows a gradual increase in annual rates during the last seven years.

Table 26: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Sand Dollar	\$1,722.00	\$1,799.49	\$1,844.48	\$1,881.37	\$1,960.38	\$2,056.44	\$2,109.91
Canon del Sol	\$1,444.02	\$1,509.00	\$1,546.73	\$1,577.66	\$1,643.92	\$1,724.47	\$2,069.37

Pursuant to Santa Cruz County Code Section 4.26, the Director of CDI must annually compute the benefit assessment/service charge rates for CSAs and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the charge per CSA for each parcel for the upcoming fiscal year.

CSA fees are considered sewer rate charges, and any rate increase (except for preapproved annual Consumer Price Index (CPI) increases) must comply with Proposition 218 procedures. These procedures state that an increase is approved as long as it is not protested by 51% of the connected parcel owners. A public hearing must be held to consider any protests to the proposed increase. The following tables (**Tables 27 to 28**) depict the change in dollar amount and percentage for each specific zone.

Table 27: Sand Dollar Subdivision's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Sand Dollar	\$1,722.00	\$1,799.49	\$1,844.48	\$1,881.37	\$1,960.38	\$2,056.44	\$2,109.91	
Change (\$)		\$77.49	\$44.99	\$36.89	\$79.01	\$96.06	\$53.47	\$55.45
Change (%)		5%	3%	2%	4%	5%	3%	3%

Table 28: Canon del Sol Subdivision's Annual Sewer Rates Review

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Average Change
Canon del Sol	\$1,444.02	\$1,509.00	\$1,546.73	\$1,577.66	\$1,643.92	\$1,724.47	\$2,069.37	
Change (\$)		\$64.98	\$37.73	\$30.93	\$66.26	\$80.55	\$344.90	\$73.77
Change (%)		4%	3%	2%	4%	5%	20%	5%

When comparing the sewer rates with the other sanitation districts analyzed in this report, CSA 5 is ranked sixth in charges for single family units (\$2,109.91/year) and ranked the second highest in charges for multi-family units (\$2,069.37/year). Sewer rate comparisons are shown in the following figures (**Figures 19 and 20**).

Figure 19: Annual Sewer Rates for Single-Family Units

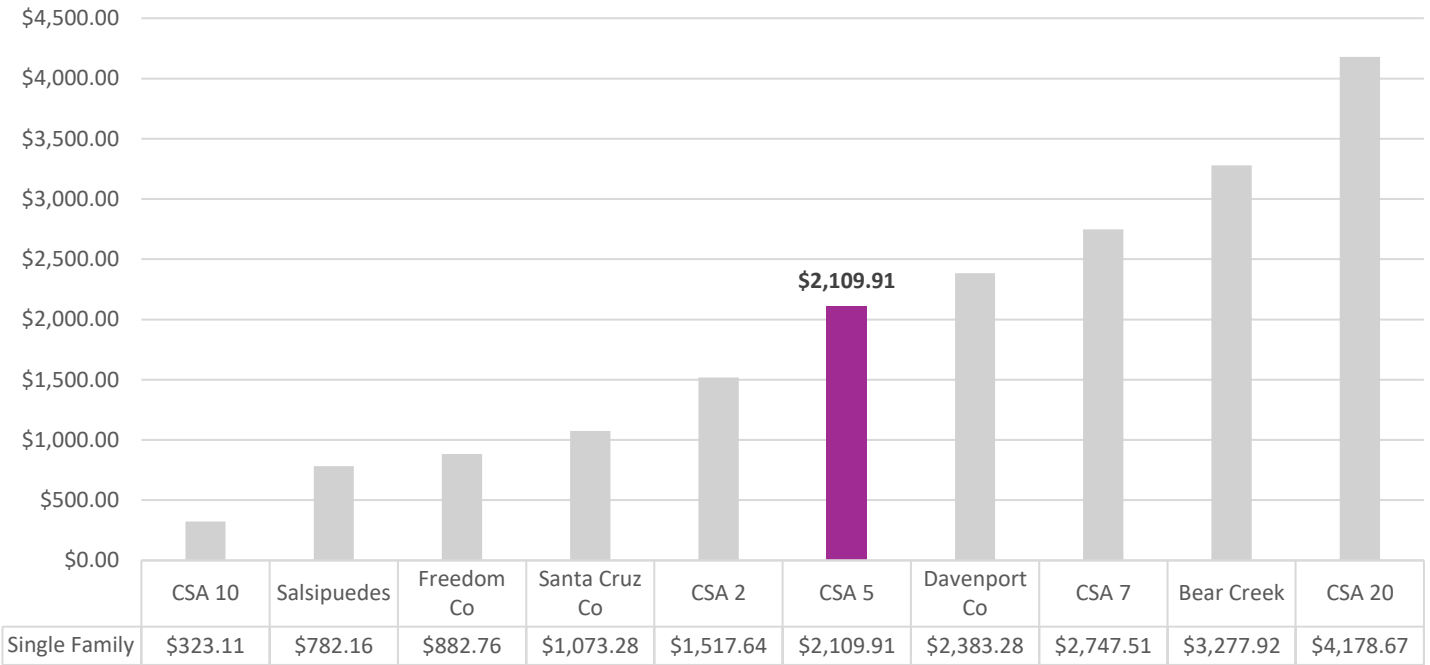
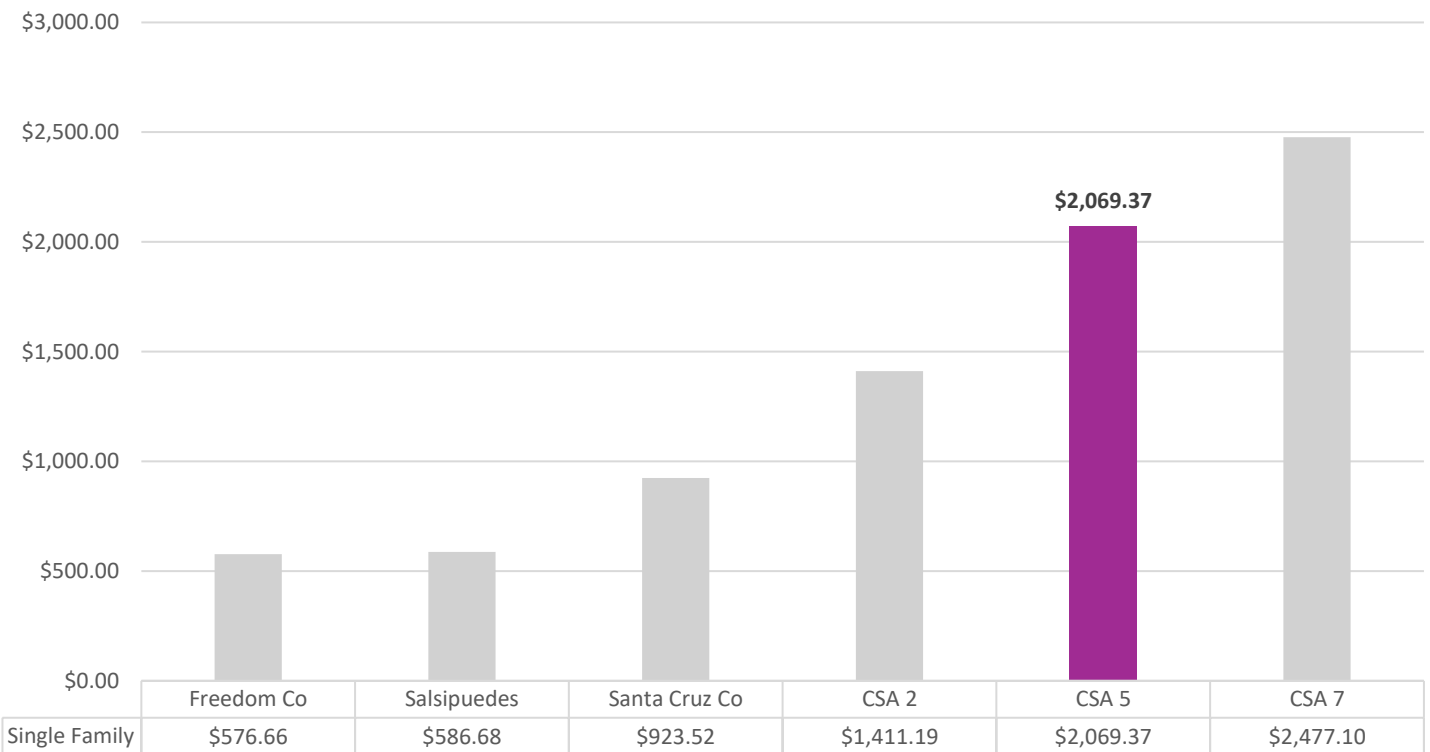


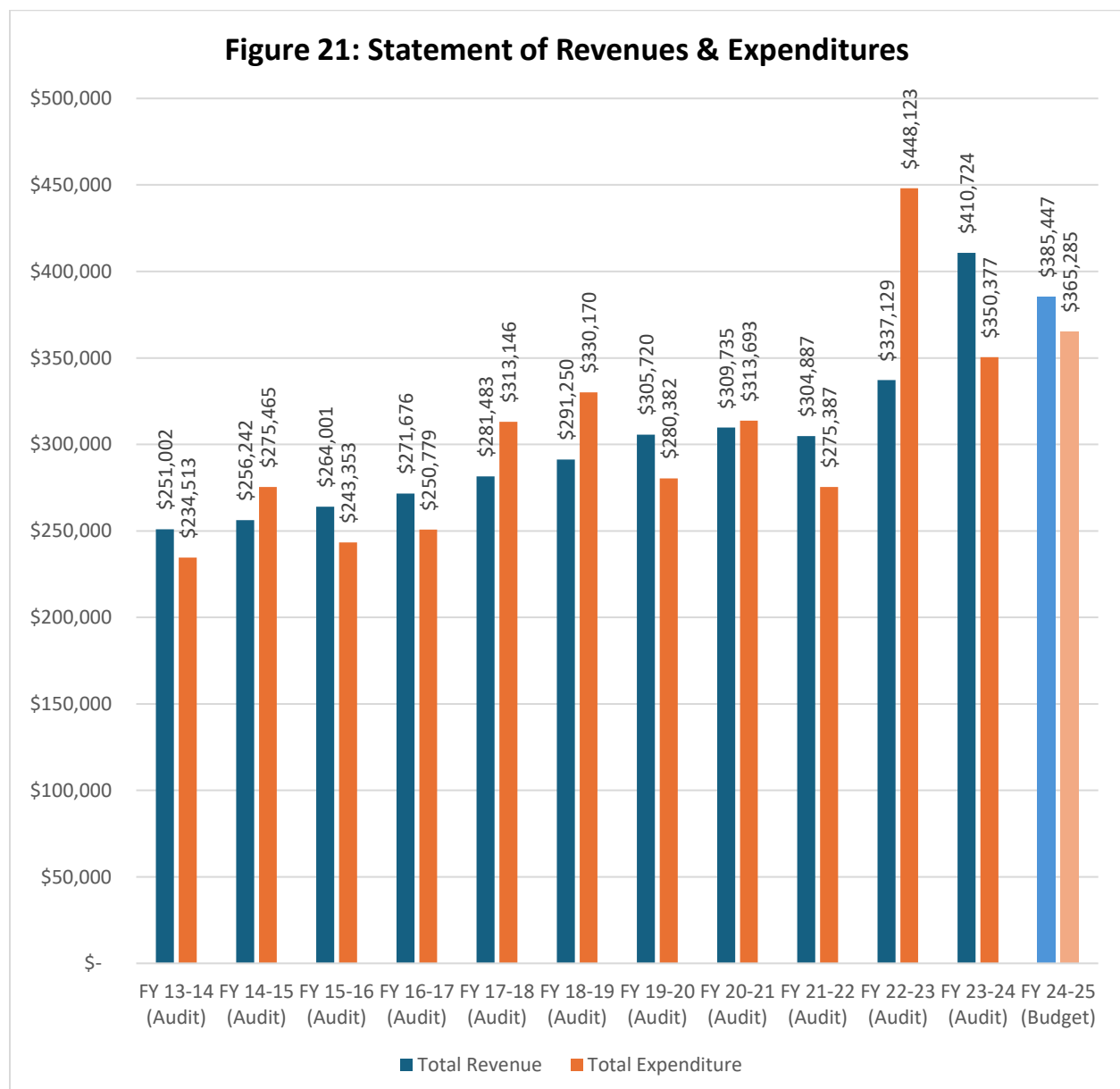
Figure 20: Annual Sewer Rates for Multi-Family Units



Finances

This section will highlight the CSA 5's audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the CSA 5's financial performance during the past 12 years is shown in **Tables 31** on page 52.

At the end of Fiscal Year 2023-24, total revenue collected was \$410,724, representing a 22% increase from the previous year (\$337,129 in FY 22-23). Total expenses for FY 2023-24 were \$350,377, which decreased from the previous year by 22% (\$448,123 in FY 22-23). During LAFCO's last service review analysis in 2019, CSA 5 experienced annual surpluses in three of the five fiscal years (FY 13-14 to FY 17-18). However, during this service review cycle, CSA 5 experienced three annual deficits in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 21** below. Based on the recently adopted budget and past performances, LAFCO staff believes that the fluctuating trend will continue unless additional revenue sources are collected or annual expenses are reduced to maintain sustainability and consistency in future fiscal performances.



CSA Revenues

CSA 5's primary source of revenue is from Charges for Services. In FY 2023-24, the District received revenue from two different sources: Charges for Services (\$342,721) and Interest and Investment Income (\$13,203). On average, the District receives approximately \$290,000 each year in service fees. **Table 29** highlights the total revenue received since 2018.

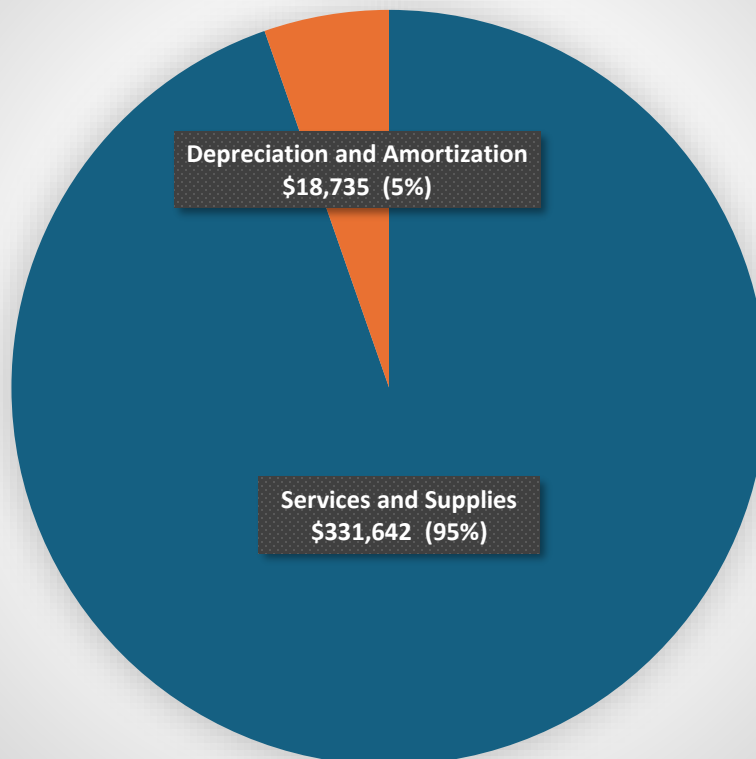
Table 29: Total Revenue (FY 18-19 to FY 23-24)

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Charges for Services	\$285,556	\$299,898	\$307,397	\$313,544	\$326,713	\$342,721
Interest Investment Income	<u>\$5,694</u>	<u>\$5,822</u>	<u>\$2,338</u>	<u>-\$8,657</u>	<u>\$10,416</u>	<u>\$13,203</u>
Total Revenue	\$291,250	\$305,720	\$309,735	\$304,887	\$337,129	\$410,724

CSA Expenditures

CSA 5's total expenditures can be categorized into two budgetary groups: Services & Supplies and Depreciation & Amortization. The figure below depicts how funding is distributed by category. The District's primary expenditure is associated with operational and management costs, under Services and Supplies.

Figure 22: FY 2023-24 Expenditure Breakdown



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$746,000. The following table highlights the Fund Balance from 2018 to 2025. As **Table 30** shows below, the District has experienced fluctuation in total reserves each year. While the District has seen consecutive years of surpluses, it also gets affected by unexpected expenditures or costly repairs/replacement projects. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 31**.

Table 30: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$749,482	\$774,820	\$770,862	\$800,362	\$689,3368	\$749,716	\$769,878
Change in (\$) from previous year		\$25,338	-\$3,958	\$29,500	-\$110,994	\$60,348	\$20,162
Change in (%) from previous year		3%	-1%	4%	-14%	9%	3%

Table 31: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 249,989	\$ 255,488	\$ 262,640	\$ 269,464	\$ 277,507	\$ 285,556	\$ 299,898	\$ 307,397	\$ 313,544	\$ 326,713	\$ 342,721	\$ 380,447
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and Investment Income	\$ 1,013	\$ 754	\$ 1,361	\$ 2,212	\$ 3,976	\$ 5,694	\$ 5,822	\$ 2,338	\$ (8,657)	\$ 10,416	\$ 13,203	\$ 5,000
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
St-Homeowners Prop Tax Relief	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,800	\$ -
Gain on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 251,002	\$ 256,242	\$ 264,001	\$ 271,676	\$ 281,483	\$ 291,250	\$ 305,720	\$ 309,735	\$ 304,887	\$ 337,129	\$ 410,724	\$ 385,447
EXPENDITURES												
Services and Supplies	\$ 199,596	\$ 240,547	\$ 208,435	\$ 217,457	\$ 277,931	\$ 298,667	\$ 255,263	\$ 294,958	\$ 256,652	\$ 429,388	\$ 331,642	\$ 346,550
Depreciation and Amortization	\$ 34,917	\$ 34,918	\$ 34,918	\$ 33,322	\$ 31,503	\$ 31,503	\$ 25,119	\$ 18,735	\$ 18,735	\$ 18,735	\$ 18,735	\$ 18,735
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 3,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditure	\$ 234,513	\$ 275,465	\$ 243,353	\$ 250,779	\$ 313,146	\$ 330,170	\$ 280,382	\$ 313,693	\$ 275,387	\$ 448,123	\$ 350,377	\$ 365,285
Surplus/(Deficit)	\$ 16,489	\$ (19,223)	\$ 20,648	\$ 20,897	\$ (31,663)	\$ (38,920)	\$ 25,338	\$ (3,958)	\$ 29,500	\$ (110,994)	\$ 60,347	\$ 20,162
Net Position - Beginning	\$ 781,254	\$ 797,743	\$ 778,520	\$ 799,168	\$ 820,065	\$ 788,402	\$ 749,482	\$ 774,820	\$ 770,862	\$ 800,362	\$ 689,369	\$ 749,716
Net Position - Ending	\$ 797,743	\$ 778,520	\$ 799,168	\$ 820,065	\$ 788,402	\$ 749,482	\$ 774,820	\$ 770,862	\$ 800,362	\$ 689,368	\$ 749,716	\$ 769,878
RESERVES												
Capital Replacement Reserve	\$ 57,832	\$ 134,167	\$ 169,194	\$ 194,667	\$ 194,667	\$ 231,196	\$ 161,484	\$ 170,133	\$ 305,291	\$ 356,819	\$ 271,638	\$ 269,466

Governance

County Service Area 5 is a dependent special district governed by the County Board of Supervisors and managed by the Public Works Department. The current Board is as follows:

Table 32: 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors generally meets twice a month on a Tuesday in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County Community Development & Infrastructure Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The department also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

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 33** summarizes staff's findings on whether the website meets the statutory requirements. At present, the CSA does meet the statutory requirements set under SB 929 and SDLF's website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization's website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 33: 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)	20 (100%)

Opportunities & Challenges

County Service Area 5 is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Capital Improvement Plan

There is no specific capital improvement plan for CSA 5. The County has a countywide CIP to address the replacement of the aging sewer system, however, CSA 5 lacks funds to make all the improvements. The County of Public Works continually seek grant or loan funding to help finance these improvements.

LAFCO Staff Recommendation: *Currently CSA 5 is included in the countywide capital improvement plan. The County should consider if developing specific capital improvement plans that cover the sanitation districts managed and operated by the Public Works Department – Davenport, Freedom, Santa Cruz County Sanitation Districts, and CSAs 2, 5, 7, 10, and 20 have any added benefit compared to including it with the overall County CIP. If the benefit outweighs the cost burden of preparing the specific CIPs, the County should institute this practice.*

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following:

- Sanitary Sewer Spills are prohibited, and
- All Sanitary Sewer Spills, with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP).

In 2025, the County adopted a Sewer System Management Plan to cover the management, operation and maintenance, design, construction and emergency response of the Davenport Sanitation District, Freedom Sanitation District, Santa Cruz County Sanitation District and three county service areas: CSAs 5, 7 and 10.

Infrastructure Deficiencies

The Sand Dollar and Canon Del Sol subdivisions each have a small onsite wastewater treatment plant system that treat the domestic water from the surrounding residential homes. In 2019, it was determined that the treatment plants each required additional maintenance to address failing equipment. Due to the unanticipated hours to operate the treatment plants, the Board of Supervisors transferred funds from the Capital Reserves to Maintenance and Operations for Sand Dollar and Canon Del Sol. A total of \$25,000 was required from Sand Dollar Capital Reserves and \$25,000 was required from Canon Del Sol Capital Reserves to cover maintenance and operation costs of each treatment plant for the remainder of the fiscal year.

In winter 2023, a retaining wall in CSA 5 – Canon del Sol’s required emergency repairs. A portion of the retaining wall surrounding the treatment plant was failing. To cover the emergency repairs, it was necessary to increase the service charges for CSA 5 Canon del Sol. Infrastructure improvements continue to be an ongoing issue for not only CSA 5, but rather, most of the sanitation districts throughout the County. The County may consider adopting a long-term capital improvement plan for CSA 5 to ensure scheduled and unforeseen repairs and replacements are adequately funded.

Sphere of Influence

LAFCO originally adopted a coterminous sphere of influence for the District in 1988. A coterminous sphere of influence is identical to the agency’s jurisdictional boundary. For the past 30 years, the sphere boundary has remained unchanged. LAFCO staff, along with representatives of CSA 5, do not recommend any changes to the sphere of influence at this time. **Figure 23** on page 57 shows the current sphere of influence boundary for CSA 5.



Figure 23: CSA 5's Current Sphere Map



District Summary

County Service Area 5 (Sand Dollar/Canyon del Sol)	
Formation	California Government Code, section 25210.1 et seq. (County Service Area Law)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	1.50 full-time employees (approximately)
Facilities	Package Treatment Plant; 2 lift stations; 184 connections
District Area	640 acres (1.0 square miles)
Sphere of Influence	Coterminous with District (i.e. no sphere beyond existing jurisdictional boundary)
FY 2024-25 Budget	Total Revenue = \$385,447 Total Expenditure = \$365,285 Projected Net Position (Beginning Balance) = \$749,716
Contact Information	Mailing Address: 701 Ocean Street, Room 410 Santa Cruz CA 95060 Phone Number: (831) 454-2160 Email Address: Matt.Machado@santacruzcountyca.gov Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx CSA Liaisons: Bob Carpenter bob@cabrenee.com Jennifer Carpenter (650-941-4774) King Management – Amy King (475-9100)
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The CSA does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Sand Dollar/Canon del Sol subdivisions are considered to be built-out. There are no growth projections available for CSA 5. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 5's entire population in 2040 will be around 228.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within CSA 5.

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.

County Service Area 5 operates two separate treatment plants and serves over 200 residents. The Sand Dollar treatment plant was constructed in 1967, and the Canon del Sol treatment plant was constructed in 1982. It currently has 184 connections and approximately 1.2 miles of sewer line.

4. Financial ability of agencies to provide services.

County Service Area 5's annual sewer rates derive from the single-family residential units in the Sand Dollar area and the condominiums in Canon del Sol area. Each community has its own sewer rate. The CSA has experienced an annual deficient in three out of the last six fiscal years. As of June 30, 2024, CSA 5 is operating with a net position of approximately \$750,000.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The County currently has a countywide capital improvement plan and a specific capital improvement plan for the Santa Cruz County Sanitation District. Additionally, the County has adopted a Sewer System Management Plan. However, CSA 5 does not have any current or proposed sewer-related capital improvement projects scheduled at this time.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

The Sand Dollar and Canon del Sol subdivisions are substantially built-out. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 5's entire population in 2040 will be around 228.

LAFCO originally adopted a coterminous sphere of influence for CSA 5 in 1988. A coterminous sphere of influence is identical to the agency's jurisdictional boundary. For almost 40 years, the sphere boundary has remained unchanged. LAFCO staff, along with representatives of CSA 5, do not recommend any changes to the sphere of influence at this time.

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

CSA 5 has an aging package treatment plant that serves single family homes in the Sand Dollar community and condominiums in the Canon del Sol community. The plant is maintained by the County of Santa Cruz. Based on the County's 2022 Sewer System Management Plan, CSA 5 has 184 connections with 1.15 miles of gravity sewer lines, 0.53 miles of force main lines, and 2 pump stations. Annual sewer charges are the District's primary source of revenue.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, CSA 5 has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The CSA's principal needs are repair and replacement of aging infrastructure.

COUNTY SERVICE AREA 7 (BOULDER CREEK)

District Overview

County Service Area 7 serves residential housing and one commercial business within the Boulder Creek Country Club subdivision. The service area includes 192 acres (0.3 square miles) and has an estimated population of 640 within 364 parcels. The wastewater system is a full treatment plant offering secondary treatment services with primary disposal via a community leach field. The wastewater treatment plant was constructed in the 1970s. **Figure 24**, on page 62, is a vicinity map of the service area. **Appendix D** provides a copy of the formation resolution. In March 2024, the County created Zones 1 and 2 within CSA 7 to address the transfer of sewer responsibilities from the failing privately-owned Big Basin Water Company (BBWC). Zone 1 represents the historical service area of CSA 7 while Zone 2 represents the newly added Fallen Leaf community (previously serviced by BBWC). Zone 2 is not analyzed in this report since it is a new zone; however, a more detailed analysis will be included in the next service review cycle. **Appendix E** provides a copy of the formation resolution for the two zones.

Population & Growth

The Boulder Creek Country Club subdivision is substantially built-out. There are no growth projections available for CSA 7. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 7’s entire population in 2040 will be around 679. The projected population for CSA 7 are as follows:

Table 34: Projected Population

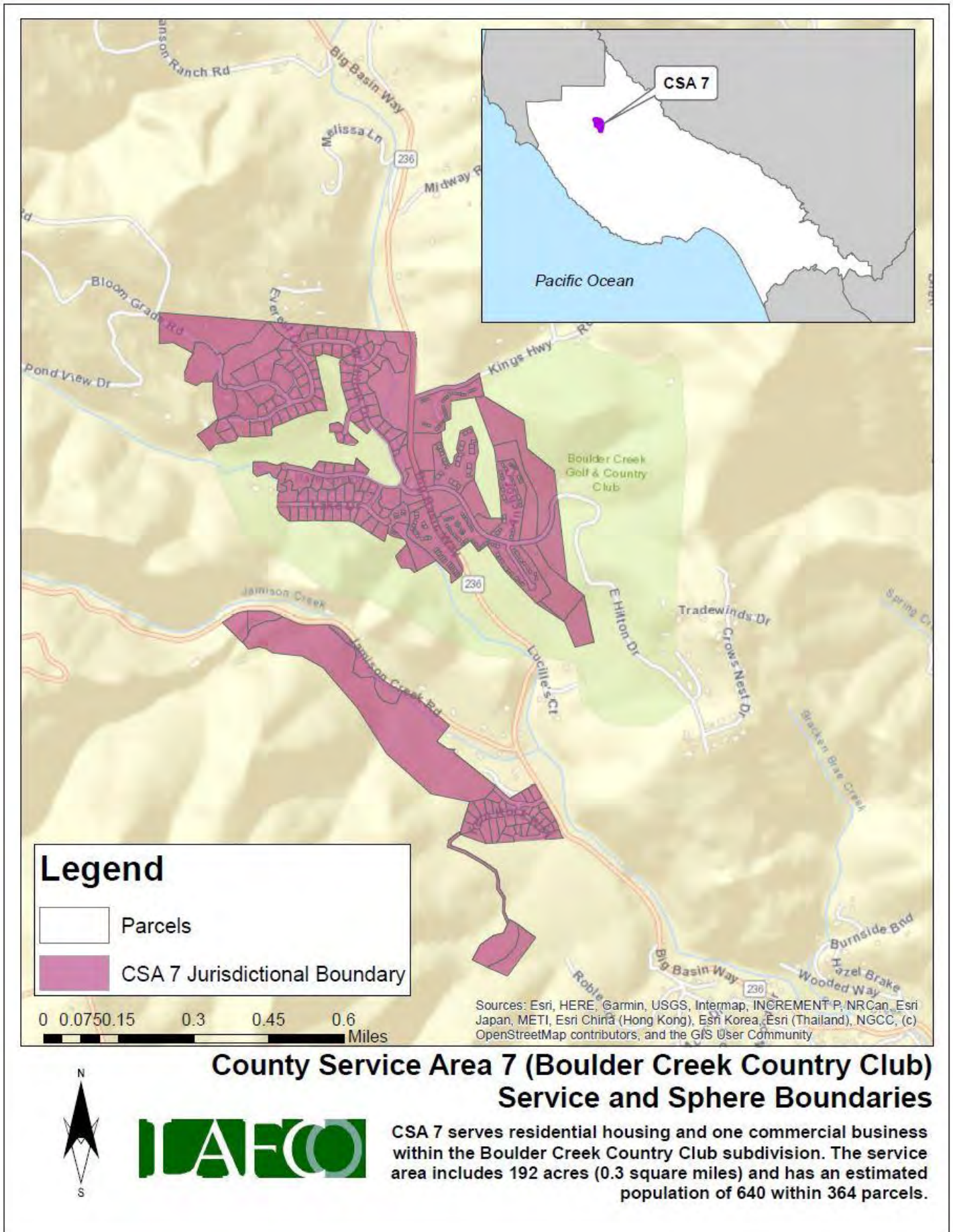
	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
CSA 7	662	668	674	679	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Services & Operations

CSA 7 Boulder Creek has a wastewater collection and treatment plant that treats the domestic wastewater from the Boulder Creek Country Club and surrounding houses. The all-in-one wastewater treatment plant consists of four major processes: pre-aeration, aeration tank, secondary clarifier tank and a digester, and the treated effluent is discharged to leach fields. Based on the County’s 2025 Sewer System Management Plan, CSA 7 has 254 connections with 3.0 miles of gravity sewer lines, 1.27 miles of force main lines, and 5 pump stations. Annual sewer charges are the CSA’s primary source of revenue. The original treatment plant was constructed in 1978 and has a design capacity of 104,000 gallons per day (gpd). The plant was constructed to accommodate flows from the Boulder Creek Country Club development, totaling 260 residences and a commercial establishment. This is an activated sludge nitrification/denitrification process, which includes an effluent discharge line, emergency generator, and one grinder. The facility also contains a small laboratory for performing basic analyses, such as pH levels and temperatures.

Figure 24: CSA 7's Vicinity Map



Infrastructure Summary

CSA 7 (Zone 1) operates a collection and treatment plant and serves over 600 residents. It currently has 254 connections and approximately 4 miles of sewer line. **Table 35** provides an overview of the type of service and current infrastructure:

Table 35: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
CSA 7	Collection, Treatment	Secondary	254	5	3.0

CDI has indicated that the current infrastructure is aging, deteriorating, and in need of repair. The wastewater treatment plant currently requires approximately \$1.2M in repairs (of which \$405,000 has been grant funded). Another \$200,000 is needed in the short term to line manholes and perform spot repairs of the sewer mains. Replacement/rehabilitation is also needed at some of the CSA’s sewer pump stations and sewer mains. In August 2020, most of the Boulder Creek WWTP and surrounding structures were damaged as a result of the CZU fire. Emergency repairs were made and included a new lab/office, new lift stations (Fallen Leaf and Lake Avenue), a new standby generator room, electrical room, a new blower building and included partial repairs to the digester. The cost of the repairs was over \$3.8 million and were funded by the County insurance proceeds, FEMA reimbursements and the CSAs capital reserves.

Sewer Rates

At present, CSA 7’s annual sewer rates derive from three areas: Single Family Dwelling, Condominiums, and Commercial. Each area has its own sewer rate. **Table 36** shows a gradual increase in annual rates during the last seven years.

Table 36: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Single Family	\$2,051.50	\$2,143.82	\$2,240.29	\$2,285.10	\$2,381.07	\$2,497.74	\$2,747.51
Condos	\$1,849.59	\$1,932.81	\$2,019.80	\$2,060.20	\$2,146.72	\$2,251.91	\$2,477.10
Commercial Flat Rate	\$1,415.45	\$1,479.15	\$1,545.71	\$1,576.62	\$1,642.84	\$1,723.34	\$1,895.67
Commercial Usage Charge	\$6.47	\$6.76	\$7.06	\$7.20	\$7.50	\$7.87	\$8.65

Note: Additional Charge is for Commercial usage only; based on Hundred Cubic Feet of Water (HCF)

Pursuant to Santa Cruz County Code Section 4.26, the Director of CDI must annually compute the benefit assessment/service charge rates for CSAs and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the charge per CSA for each parcel for the upcoming fiscal year. CSA fees are considered sewer rate charges, and any rate increase (except for preapproved annual Consumer Price Index (CPI) increases) must comply with Proposition 218 procedures. These procedures require that an increase is approved by at least half of the votes cast by the property owners, with the votes weighted according to the amount of the proposed assessment of each parcel. Furthermore, a public hearing must be held to consider any protests to the proposed increase.

The following tables (**Tables 37 to 39**) depict the change in dollar amount and percentage for each specific zone.

Table 37: Single Family Dwelling’s Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Single Family	\$2,051.50	\$2,143.82	\$2,240.29	\$2,285.10	\$2,381.07	\$2,497.74	\$2,747.51	
Change (\$)		\$92.32	\$96.47	\$44.81	\$95.97	\$116.67	-\$20.64	\$62.73
Change (%)		5%	4%	2%	4%	5%	-1%	3%

Table 38: Condominium’s Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Condos	\$1,849.59	\$1,932.81	\$2,019.80	\$2,060.20	\$2,146.72	\$2,251.91	\$2,477.10	
Change (\$)		\$83.22	\$86.99	\$40.40	\$86.52	\$105.19	\$495.60	\$103.31
Change (%)		4%	5%	2%	4%	5%	22%	5%

Table 39: Commercial’s Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Commercial	\$1,415.45	\$1,479.15	\$1,545.71	\$1,576.62	\$1,642.84	\$1,723.34	\$1,895.67	
Change (\$)		\$63.70	\$66.56	\$30.91	\$66.22	\$80.50	\$172.33	\$60.24
Change (%)		5%	4%	2%	4%	5%	10%	4%

When comparing the sewer rates with the other sanitation districts analyzed in this report, CSA 7 is ranked the third highest in charges for single family units (\$2,747.51/year) and ranked the highest in charges for multi-family units (\$2,477.10/year). Using a general business with a water usage of 192 hundred cubic feet of annual water usage, CSA 7’s commercial charges are ranked the third highest (\$3,642.29/year). Sewer rate comparisons are shown in the following figures (Figures 25 to 27).

Figure 25: Annual Sewer Rates for Single-Family Units

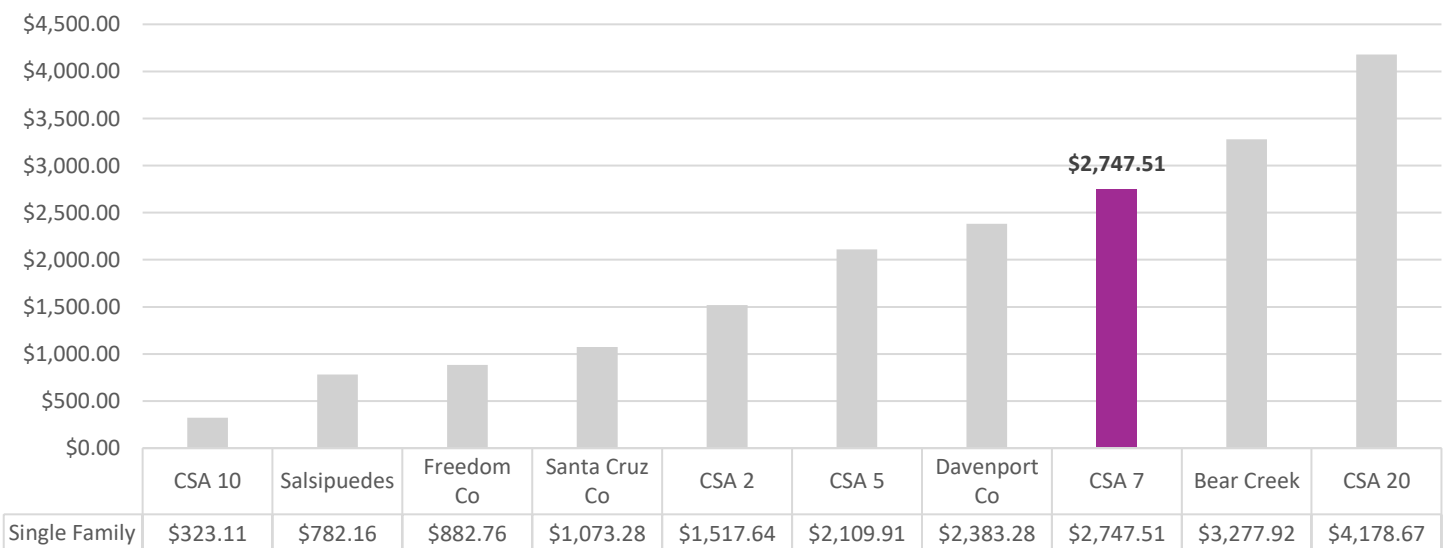


Figure 26: Annual Sewer Rates for Multi-Family Units

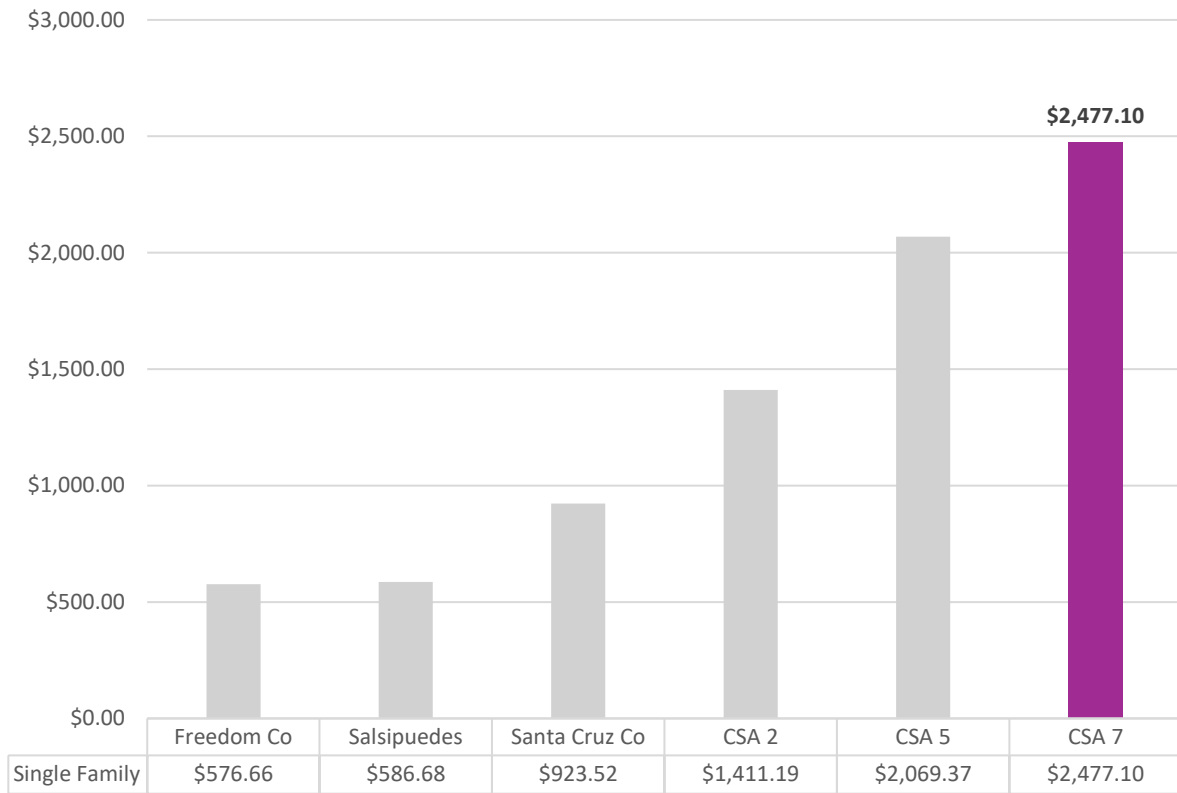
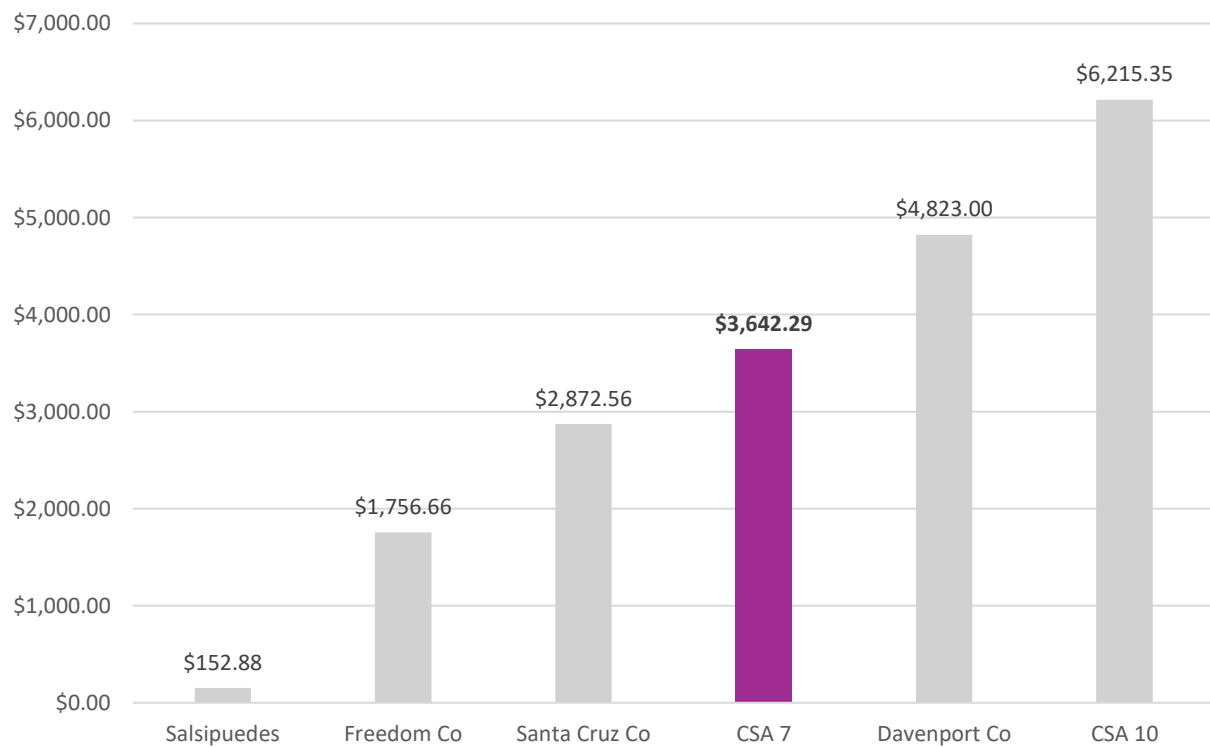


Figure 27: Annual Sewer Rates for Commercial Sites

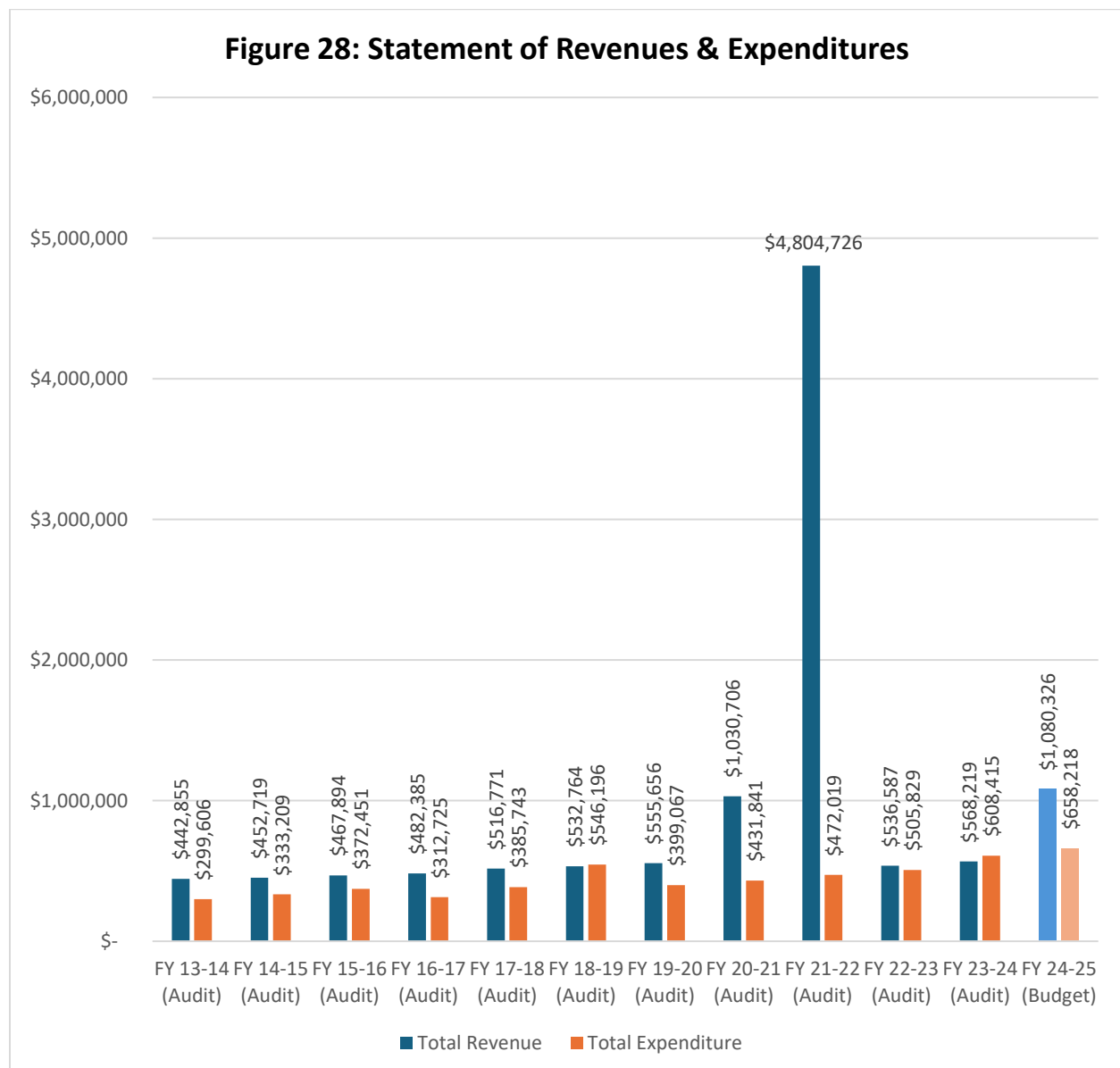


Footnote: Salsipuedes Sanitary District data only includes flat rate and does not include the average water use (HCF) and its associated HCF rate when compared to the other agencies.

Finances

This section will highlight the CSA's audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the CSA's financial performance during the past 12 years is shown in **Table 42** on page 68.

At the end of Fiscal Year 2023-24, total revenue collected was \$568,219, representing a 6% increase from the previous year (\$536,587 in FY 22-23). Total expenses for FY 2023-24 were \$608,415, which increased from the previous year by 20% (\$505,829 in FY 22-23). During LAFCO's last service review analysis in 2019, CSA 7 experienced annual surpluses in all five fiscal years (FY 13-14 to FY 17-18). However, during this service review cycle, CSA 7 experienced two non-consecutive annual deficits in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 28** below. Based on the recently adopted budget and past performances, LAFCO staff believes that CSA 7 will continue to operate effectively due to its stable revenue stream and stagnant expenditures.



CSA Revenues

CSA 7's primary source of revenue is from Charges for Services. In FY 2023-24, Charges for Services was \$592,056. On average, the District receives approximately \$505,000 each year in service fees. **Table 40** highlights the total revenue received since 2018.

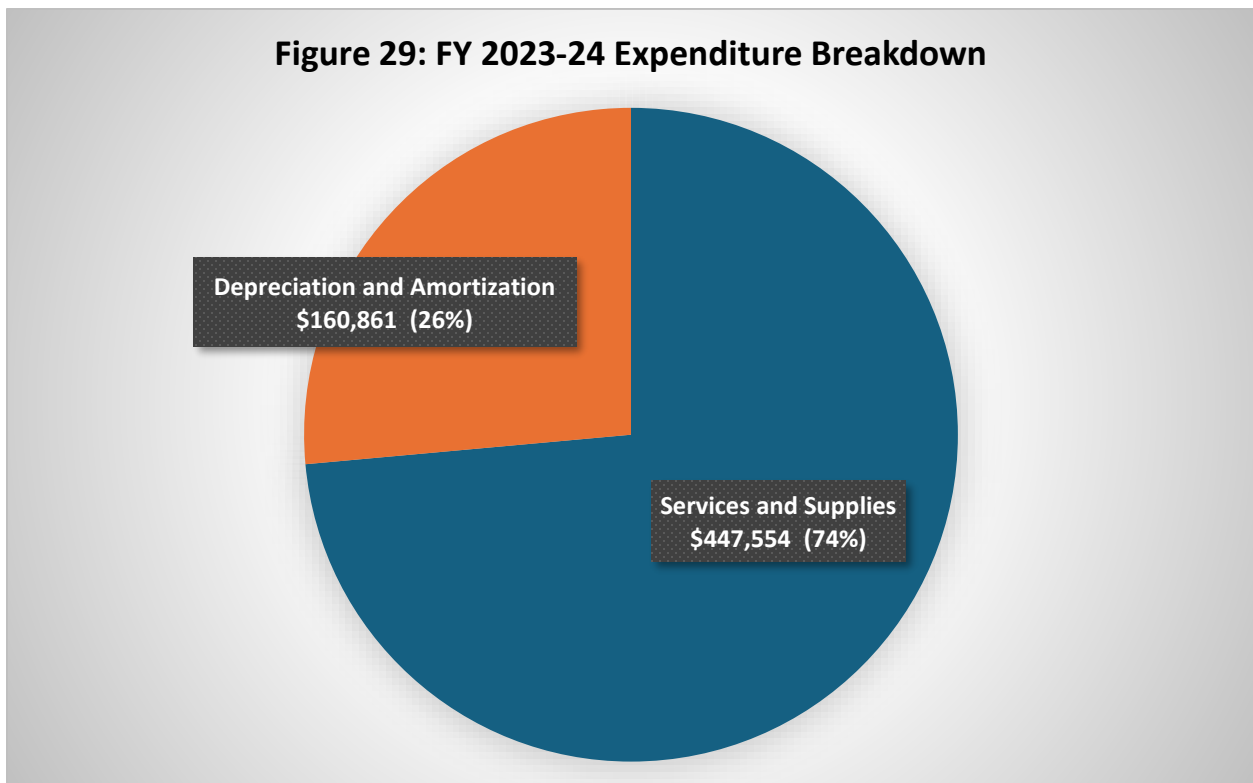
Table 40: Total Revenue (FY 18-19 to FY 23-24)

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Charges for Services	\$510,949	\$532,320	\$522,963	\$526,406	\$548,793	\$592,056
Interest & Investment Income	\$21,815	\$23,336	\$7,743	\$(4,374)	\$(16,003)	\$(23,837)
St-Natural Disaster Assistance	-	-	-	\$18,985	-	-
FED-FEMA	-	-	-	\$133,906	\$3,797	-
Insurance Proceeds	=	=	<u>\$500,000</u>	<u>\$4,129,803</u>	=	=
Total Revenue	\$532,764	\$555,656	\$1,030,706	\$4,804,726	\$536,587	\$568,219

CSA Expenditures

CSA 7's total expenditures can be categorized into 2 budgetary groups: Services & Supplies and Depreciation & Amortization. The figure below depicts how funding is distributed by category. The District's primary expenditure is associated with operational and management costs, under Services and Supplies.

Figure 29: FY 2023-24 Expenditure Breakdown



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$6.8 million. The following table highlights the Fund Balance from 2018 to 2025. As **Table 41** shows below, the District has generally experienced an increase in total reserves each year. On average, total reserves have increased by approximately \$558,000 or 25% since FY 2018-19. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 42**.

Table 41: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$1,750,132	\$1,906,721	\$2,505,584	\$6,838,291	\$6,869,050	\$5,690,019	\$7,253,178
Change in (\$) from previous year		\$156,589	\$598,863	\$4,332,707	\$30,759	-\$1,179,031	\$1,563,159
Change in (%) from previous year		9%	31%	173%	0.05%	-17%	27%

Table 42: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 439,060	\$ 449,290	\$ 461,736	\$ 474,870	\$ 491,016	\$ 510,949	\$ 532,320	\$ 522,963	\$ 526,406	\$ 548,793	\$ 592,056	\$ 655,014
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,312
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 11,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000
Interest and Investment Income	\$ 3,795	\$ 3,429	\$ 6,158	\$ 7,515	\$ 12,238	\$ 21,815	\$ 23,336	\$ 7,743	\$ (4,374)	\$ (16,003)	\$ (23,837)	\$ -
St-Natural Disaster Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,985			
FED-FEMA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,906	\$ 3,797	\$ -	\$ -
Insurance Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 4,129,803			
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 2,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 442,855	\$ 452,719	\$ 467,894	\$ 482,385	\$ 516,771	\$ 532,764	\$ 555,656	\$ 1,030,706	\$ 4,804,726	\$ 536,587	\$ 568,219	\$ 1,080,326
EXPENDITURES												
Services and Supplies	\$ 231,660	\$ 270,700	\$ 309,942	\$ 245,782	\$ 312,079	\$ 475,679	\$ 362,898	\$ 246,335	\$ 453,057	\$ 368,618	\$ 447,554	\$ 470,319
Depreciation and Amortization	\$ 67,946	\$ 62,509	\$ 62,509	\$ 66,943	\$ 73,664	\$ 70,517	\$ 36,169	\$ 36,169	\$ 18,962	\$ 137,211	\$ 160,861	\$ 187,899
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,337	\$ -	\$ -	\$ -	\$ -
Total Expenditure	\$ 299,606	\$ 333,209	\$ 372,451	\$ 312,725	\$ 385,743	\$ 546,196	\$ 399,067	\$ 431,841	\$ 472,019	\$ 505,829	\$ 608,415	\$ 658,218
Surplus/(Deficit)	\$ 143,249	\$ 119,510	\$ 95,443	\$ 169,660	\$ 131,028	\$ (13,432)	\$ 156,589	\$ 598,865	\$ 4,332,707	\$ 30,758	\$ (40,196)	\$ 422,108
Net Position - Beginning	\$1,104,674	\$1,247,923	\$1,367,433	\$1,462,876	\$1,632,536	\$1,763,564	\$1,750,132	\$1,906,719	\$2,505,584	\$6,838,292	\$ 6,869,050	\$6,828,854
Net Position - Ending	\$1,247,923	\$1,367,433	\$1,462,876	\$1,632,536	\$1,763,564	\$1,750,132	\$1,906,721	\$2,505,584	\$6,838,291	\$6,869,050	\$ 5,690,019	\$7,253,178
RESERVES												
Capital Replacement Reserve	\$ 108,311	\$ 330,621	\$ 399,283	\$ 627,805	\$ 627,805	\$ -	\$ 200,000	\$ 931,035	\$3,056,686	\$ -	\$ 327,767	\$ -

Reserves from FY23-24 were used to rebuild the plant after the CZU fire and funds that could have been applied to the reserves in FY24-25 were set aside for the replacement of the equalization tank. The County plans to start building the reserves account back up in FY26-27.

Governance

County Service Area 7 is a dependent special district governed by the County Board of Supervisors and managed by the Public Works Department. The current Board is as follows:

Table 43: 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors generally meets twice a month on a Tuesday in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County Community Development & Infrastructure Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The department also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

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 44** summarizes staff's findings on whether the website meets the statutory requirements. At present, the CSA does meet the statutory requirements set under SB 929 and SDLF's website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization's website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 44: 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)	20 (100%)

Opportunities & Challenges

County Service Area 7 is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Capital Improvement Plan

CSA 7 is part of the County's 2025/2030 Capital Improvement Program. The 2025/2030 Capital Improvement Program (CIP) presents a five-year financing implementation plan for capital improvements within the unincorporated County; Parks, Open Space and Cultural Services; and County Facility projects located Countywide. The CIP is an outgrowth of cooperative planning, programming and financing efforts through the County Administrative Office and by the County's land use departments including Planning, Public Works, and Parks, Open Space and Cultural Services, as well as non-land use departments including the Health Services Agency, General Services Department, Probation, and the Sheriff's Department. Unprogrammed road, roadside, sanitation, flood control, parks, and recycling and solid waste projects (which funding is not anticipated for in the coming five years, or longer, and meets requirements of unincorporated County service level needs at build-out under the 1994 General Plan) are also identified in the CIP. The ***Boulder Creek Wastewater Treatment Plant Equalization Tank and Mixer Replacement*** project is in the 2025/2030 CIP. Replacement of the equalization tank is planned in FY26-27. It is LAFCO's understanding that funding plan has changed for the EQ Tank project. The project is fully funded with IRWM Bond Funds, County Bonds, and CSA 7 funds (no additional loan is required). The County continuously seeks grant or loan funding to help finance these improvements.

LAFCO Staff Recommendation: *Currently CSA 7 is included in the countywide capital improvement plan. The County should consider if developing specific capital improvement plans that cover the sanitation districts managed and operated by the Public Works Department – Davenport, Freedom, Santa Cruz County Sanitation Districts, and CSAs 2, 5, 7, 10, and 20 have any added benefit compared to including it with the overall County CIP. If the benefit outweighs the cost burden of preparing the specific CIPs, the County should institute this practice.*

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following: (1) Sanitary Sewer Spills are prohibited, and (2) All Sanitary Sewer Spills, with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP). In 2025, the County adopted a Sewer System Management Plan to cover the management, operation and maintenance, design, construction and emergency response of the Davenport Sanitation District, Freedom Sanitation District, Santa Cruz County Sanitation District and three county service areas: CSAs 5, 7 and 10.

Infrastructure Deficiencies

During the wet winter, CSA 7 experienced high influent flows due to infiltration in the aging sewer system and the treatment plant could not treat the high volume of wastewater, requiring Sanitation Operations to remove wastewater from the equalization tank. As a result of the unforeseen costs to haul wastewater from the equalization tank by Sanitation Operations staff, the Board of Supervisors recently transferred funds from the Structure Upgrades to operations in the Boulder Creek Treatment Plant. A total of \$30,000 was required to cover the maintenance and operation of the wastewater treatment plant for the remainder of the fiscal year. Replacement of the equalization tank is planned in FY26-27. The Public Works Department has acknowledged that CSA 7 lacks funds to make all the necessary improvements. Infrastructure improvements continue to be an ongoing issue for not only CSA 7, but rather, most of the sanitation districts throughout the County. The County may consider adopting a long-term capital improvement plan for CSA 7 to ensure scheduled and unforeseen repairs and replacements are adequately funded.

The Big Basin WWTP sustained significant equipment damage during the CZU Complex Fire in 2020. The WWTP remained inoperable until August 2023. In 2024, CDI initiated the transitioning of the BB WWTP from a private system to a public system to be operated by the County of Santa Cruz. The Big Basin WWTP serves 32 parcels in the Fallen Leaf neighborhood. In April 2024, the Fallen Leaf neighborhood voted to approve the formation of CSA 7 Zone 2. CDI began to maintain the WWTP in July 2024 and since August 2024, the WWTP has met State issued permit regulations.

Sphere of Influence

LAFCO originally adopted a sphere of influence for CSA 7 back in 1987 and has remained the same since then, as shown in **Figure 30** on page 73. The Commission, at that time, adopted a sphere boundary that excluded 3 parcels (APNs 083-273-04, -05, and -06). This area, located outside the sphere of influence but within CSA 7, is approximately 64 acres, undeveloped, and mostly open terrain. Today, the excluded area is mostly undeveloped, but the original parcels have now been split into six parcels, as shown in **Table 45**.

Table 45: Parcels Within CSA 7 but Excluded from Sphere Boundary

APNs	Land Use Designation	Zoning Description	Acres
083-273-07	R-R	061-HOMESITE/1-4.9 ACRES	2.503
083-273-03	R-R	060-HOMESITE/< 1 ACRE	0.895
083-273-05	R-R	061-HOMESITE/1-4.9 ACRES	2.452
083-273-04	R-R	053-20- 49.9 ACRE/RURAL	29
083-273-06	R-MT	060-HOMESITE/< 1 ACRE	0.984
083-251-76	O-C; R-MT	063-HOMESITE/20-49.9 ACRES	27.7

Proposed Sphere Amendment

Since the excluded area is designated as residential use and is already within the District's jurisdictional boundary, staff is recommending that the sphere be amended to be coterminous with the District's current service area. The sphere amendment would reflect the District's jurisdiction while also clarifying who is the most logical provider of sewer service in the Big Basin community. **Figure 31** on page 74 shows the proposed sphere of influence boundary for CSA 7. It is important to note that County staff is currently working with LAFCO to analyze the potential future boundary changes under the proposed sphere amendment.

Figure 30: CSA 7's Current Sphere Map

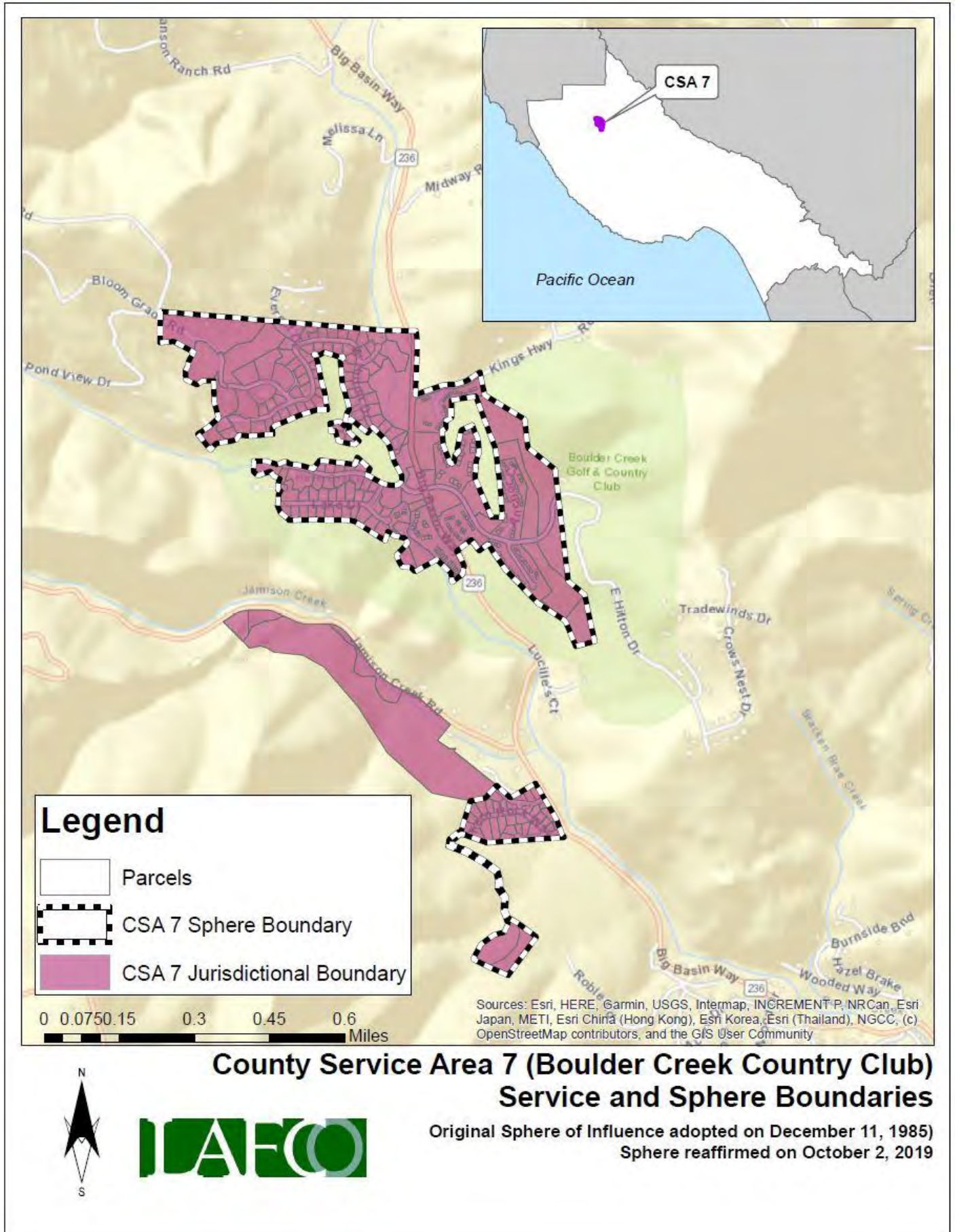
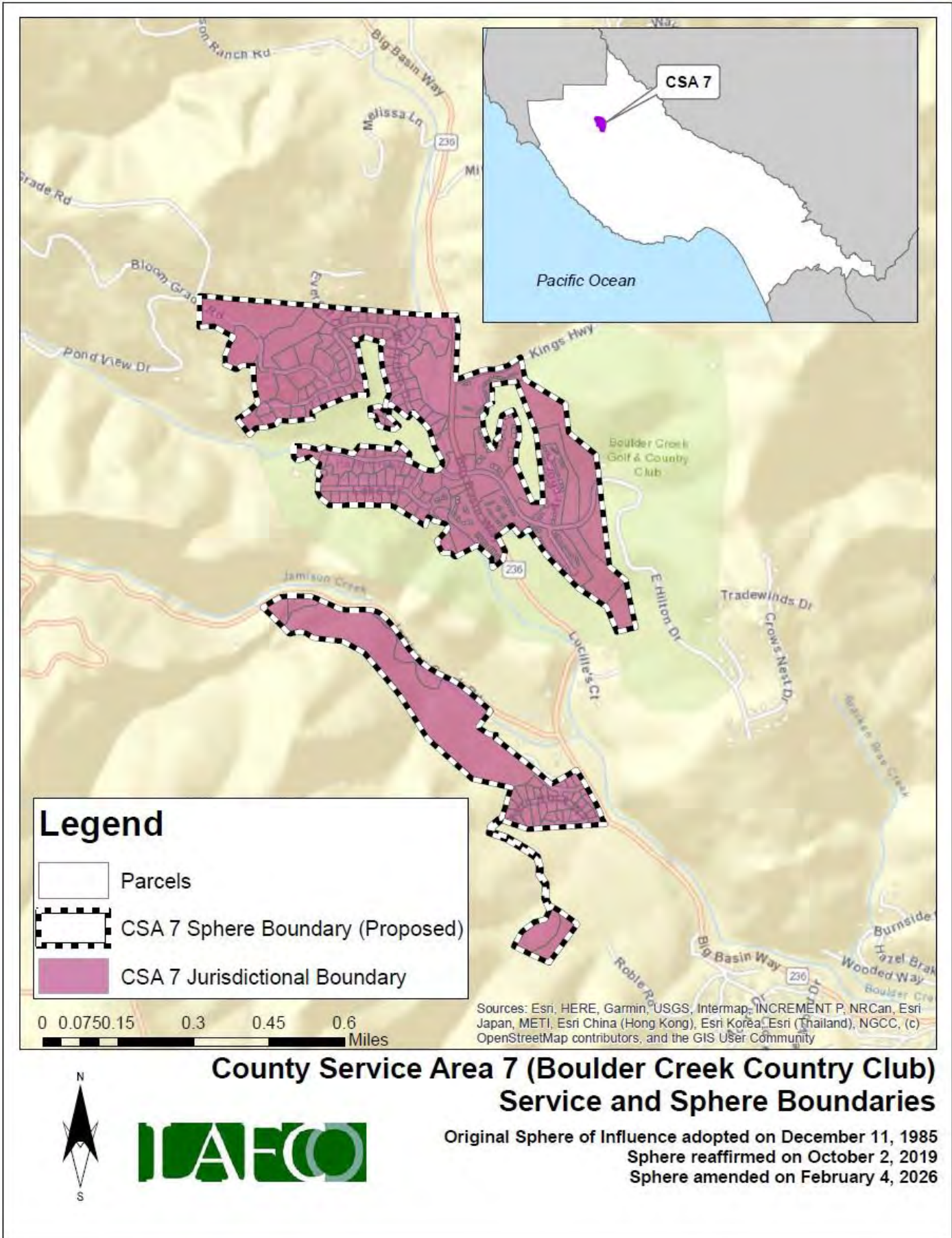


Figure 31: CSA 7's Proposed Sphere Map



District Summary

County Service Area 7 (Boulder Creek Country Club)	
Formation	California Government Code, section 25210.1 et seq. (County Service Area Law)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	1.50 full-time employee (approximately)
Facilities	Collection and Treatment Plant; 5 pump stations; 254 connections
District Area	153.6 acres (0.24 square miles)
Sphere of Influence	Smaller than the District (i.e. sphere excludes a portion of the existing jurisdictional boundary)
FY 2024-25 Budget	<p>Total Revenue = \$1,080,326</p> <p>Total Expenditure = \$658,218</p> <p>Projected Net Position (Beginning Balance) = \$6,828,854</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 54-2160</p> <p>Email Address: Matt. Machado@santacruzcountyca.gov</p> <p>Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx</p> <p>CSA Liaisons:</p> <p>Zone1: William Aragona (831-338-2111)</p> <p>Zone 1: Greg Schlaman (408-439-6571)</p> <p>Zone 2: Julie Wuest juliewuest@comcast.net</p> <p>Zone 2: Antonia & Chris Bradford antonia.bradford.slv@gmail.com</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The CSA does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Boulder Creek Country Club is substantially built-out. There are no growth projections available for CSA 7. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 7's entire population in 2040 will be around 679.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within CSA 7.

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 7 Boulder Creek has a wastewater collection and treatment plant that treats the domestic wastewater from the Boulder Creek Country Club and surrounding houses. The all-in-one wastewater treatment plant consists of an equalization tank, aeration tank, and a clarifier to remove solids, and the treated effluent is discharged to leach fields. Based on the County's 2022 Sewer System Management Plan, CSA 7 has 254 connections with 3.0 miles of gravity sewer lines, 1.27 miles of force main lines, and 6 pump stations. Annual sewer charges are the District's primary source of revenue.

4. Financial ability of agencies to provide services.

County Service Area 7's financial ability seems to be stable. The CSA has successfully kept costs below its revenue stream in most years since 2013. As of June 30, 2024, CSA 7 is operating with a net position of approximately \$6.8 million.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The County currently has a countywide capital improvement plan and a specific capital improvement plan for the Santa Cruz County Sanitation District. Additionally, the County has adopted a Sewer System Management Plan. However, CSA 7 does not have any current or proposed sewer-related capital improvement projects scheduled at this time.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

CSA 7 Boulder Creek has a wastewater collection and treatment plant that treats the domestic wastewater from the Boulder Creek Country Club and surrounding houses. The all-in-one wastewater treatment plant consists of an equalization tank, aeration tank, and a clarifier to remove solids, and the treated effluent is discharged to leach fields. CSA 7 has 254 connections and serves over 600 residents. LAFCO originally adopted a sphere of influence for CSA 7 back in 1987. The Commission, at that time, adopted a sphere boundary that excluded parcels. Staff is recommending that these parcels are included in the District's sphere.

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

County Service Area 7 serves residential housing and one commercial business within the Boulder Creek Country Club subdivision. The service area includes 192 acres (0.3 square miles) and has an estimated population of 640. The wastewater system is a full treatment plant offering secondary and tertiary treatment with primary disposal via a community leach field. The wastewater treatment plant was constructed in the 1970s and upgraded to tertiary treatment in the 1990s.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, CSA 7 has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The CSA's principal needs are repair and replacement of aging infrastructure.

COUNTY SERVICE AREA 10 (ROLLING WOODS/GRAHAM HILL)

District Overview

County Service Area 10 operates a sanitary sewer collection system in the southern part of Rolling Woods centering around Treetop Drive and covers approximately 269 acres (0.42 square miles). There are currently 157 connections within 382 parcels. CSA 10's sewage is transported through a gravity sewer main to the corner of Graham Hill Road and Henry Cowell Drive, where it connects to the Graham Hill sewer main, and then transfers to the City of Santa Cruz system. The City treats the sewage at its Neary Lagoon Wastewater Treatment Facility and disposes the treated wastewater into the Pacific Ocean off West Cliff Drive. **Figure 32**, on page 79, is a vicinity map of the service area. **Appendix F** provides a copy of the formation resolution.

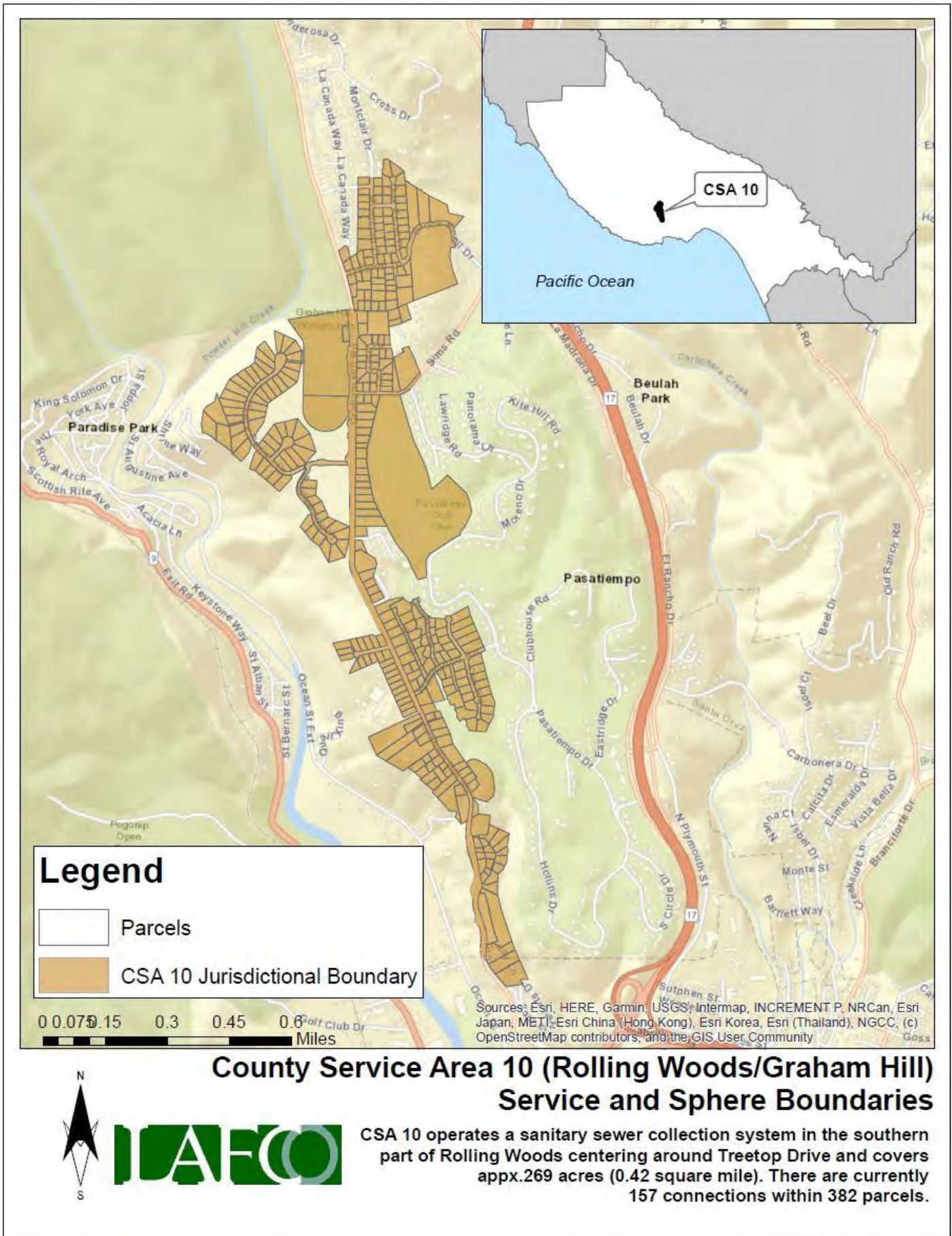
District History

Most of the Graham Hill corridor area has been developed with low-density homes on individual septic systems. The sewer mains were built in parts of the corridor in three phases. During the period of 1964-74, the County approved subdivisions in Rolling Woods. The southern portion of Rolling Woods, centered along Treetop Drive, was approved with quarter-acre lots. Sewage disposal was provided by a sanitary sewage collection system and a treatment plant located on the east side of Graham Hill Road, north of Nepenthe Drive. Disposal occurred in seepage pits near Brook Knoll School.

In 1996, after an extensive project review process involving several on-site and off-site sewage disposal options, the County approved what is now known as the Woods Cove Subdivision on the west side of Graham Road along Henry Cowell Drive. That approval included keeping the Graham Hill Showgrounds for equestrian use. In 1998, the County's revised approval process required that the residential developer construct a collection system in the new subdivision and a new sewer main along Graham Hill Road, from Henry Cowell Drive to the sewer system operated by the City of Santa Cruz. The main includes a siphon under the San Lorenzo River. The County sewer main connects to the city system near the bus maintenance yard on River Street.

In 2001, after LAFCO's approval, County Service Area 57 was formed to provide two types of services in the Woods Cove and showgrounds area. These services included storm water management for the drainage system that is directed downhill toward the San Lorenzo River and sewer services to the Woods Cove subdivision and showgrounds. In 2013, the County submitted an application to establish a single sewer provider in the Graham Hill corridor. In consultation with LAFCO, the County evaluated several alternatives for reorganizing sewer services. Based on staff's analysis at that time, CSA 10 was the most logical successor to be the single sanitation agency in this area. In 2014, the Commission approved a reorganization that transferred sewer services from CSA 57 to CSA 10. In total, 299 parcels were annexed into CSA 10 under this reorganization. Today, the District services 382 parcels within the Rolling Woods community.

Figure 32: CSA 10's Vicinity Map



Population & Growth

The Graham Hill corridor area is substantially built-out with low-density single-family homes. There are no growth projections available for CSA 10. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 10's entire population in 2040 will be around 920. The projected population for CSA 10 are as follows:

Table 46: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
CSA 10	897	904	912	920	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Services & Operations

CSA 10 has a collection system that serves the residential areas of Rolling Woods and Woods Cove, as well as the Pasatiempo Golf Club. Based on the County's 2022 Sewer System Management Plan, CSA 10 has 157 connections with 3.18 miles of gravity sewer lines, 0.35 miles of force main lines, and one pump station.

Infrastructure Summary

CSA 10 maintains and operates one pump station, a collection system, and has almost 900 residents within its service area. It currently has 157 connections and approximately 3.5 miles of sewer line. **Table 47** provides an overview of the type of service and current infrastructure:

Table 47: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
CSA 10	Collection	N/A	157	1	3.5

CDI has indicated that if there is a system failure that occurs and must be fixed on an emergency basis, depending on the size of the required repair, the CSA may require additional funds.

Septic Systems within CSA 10

The operation and repair of septic systems is regulated by the Santa Cruz County Health Department, Environmental Health Services Division. Properties currently using individual septic systems may continue to use individual systems or may choose to connect to CSA 10's sewer main. A property owner may defer the decision to connect, unless the property is less than 200 feet away from a sewer main and three of the following situations occur: (1) If a septic system fails, the property must connect to the sewer main; (2) If the property owner desires to do a major remodel but the septic system does not meet current standards, upgrade of the septic system is not an option and the property must connect to the sewer main; and (3) If a septic system repair has been completed in the last five years using an interim conventional system where enhanced treatment would have been required, the property must connect to the sewer main within 6 months of sewer availability.

Sewer Rates

At present, CSA 10's annual sewer rates derive from three areas: Rolling Woods, Woods Cove, and the Pasatiempo Golf Club. Each area has its own sewer rate. **Table 48** shows the gradual increase in annual rates during the last seven years.

Table 48: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Golf Club	\$5,834.14	\$6,096.68	\$6,096.68	\$6,096.68	\$6,096.68	\$6,096.68	\$6,069.68
Rolling Woods	\$301.36	\$314.92	\$314.92	\$314.92	\$314.92	\$314.92	\$323.11
Woods Cove	\$301.36	\$314.92	\$314.92	\$314.92	\$314.92	\$314.92	\$323.11

Pursuant to Santa Cruz County Code Section 4.26, the Director of CDI must annually compute the benefit assessment/service charge rates for CSAs and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the charge per CSA for each parcel for the upcoming fiscal year.

CSA fees are considered sewer rate charges, and any rate increase (except for preapproved annual Consumer Price Index (CPI) increases) must comply with Proposition 218 procedures. These procedures require that an increase is approved by at least half of the votes cast by the property owners, with the votes weighted according to the amount of the proposed assessment of each parcel. Furthermore, a public hearing must be held to consider any protests to the proposed increase. The following tables (**Tables 49 to 51**) depict the change in dollar amount and percentage for each specific zone.

Table 49: Pasatiempo Golf Club's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Golf Club	\$5,834.14	\$6,096.68	\$6,096.68	\$6,096.68	\$6,096.68	\$6,096.68	\$6,096.68	
<i>Change (\$)</i>	-	\$262.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$43.76
<i>Change (%)</i>	-	5%	0%	0%	0%	0%	0%	0.75%

Table 50: Rolling Wood's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Rolling Woods	\$301.36	\$314.92	\$314.92	\$314.92	\$314.92	\$314.92	\$323.11	
<i>Change (\$)</i>	-	\$13.56	\$0.00	\$0.00	\$0.00	\$0.00	\$8.19	\$3.63
<i>Change (%)</i>	-	5%	0%	0%	0%	0%	3%	1%

Table 51: Woods Cove's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Woods Cove	\$301.36	\$314.92	\$314.92	\$314.92	\$314.92	\$314.92	\$323.11	
<i>Change (\$)</i>	-	\$13.56	\$0.00	\$0.00	\$0.00	\$0.00	\$8.19	\$3.63
<i>Change (%)</i>	-	5%	0%	0%	0%	0%	3%	1%

When comparing the sewer rates with the other sanitation districts analyzed in this report, CSA 10 is ranked the lowest in charges for single family units (\$323.11/year). That rate paid by the one commercial property in CSA 10 (Pasatiempo Golf Course) is not comparable to the general business rates paid by businesses in the other districts/CSAs. However, when the amount Pasatiempo paid to CSA 10 and the City of Santa Cruz in 2024 (\$46,725) it is comparable to other similar facilities in SCCSD as shown on Figure 34. Sewer rate comparisons are shown in the following figures (**Figures 33 and 34**).

Figure 33: Annual Sewer Rates for Single-Family Units

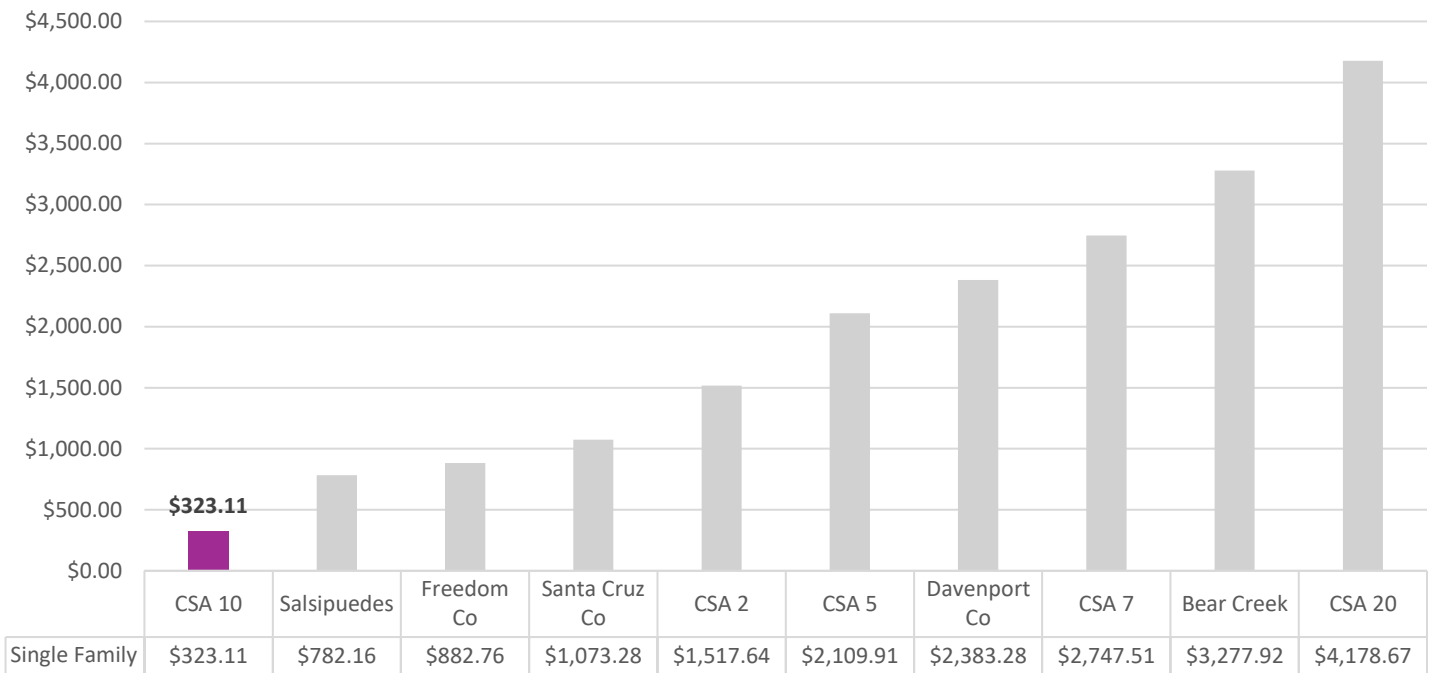
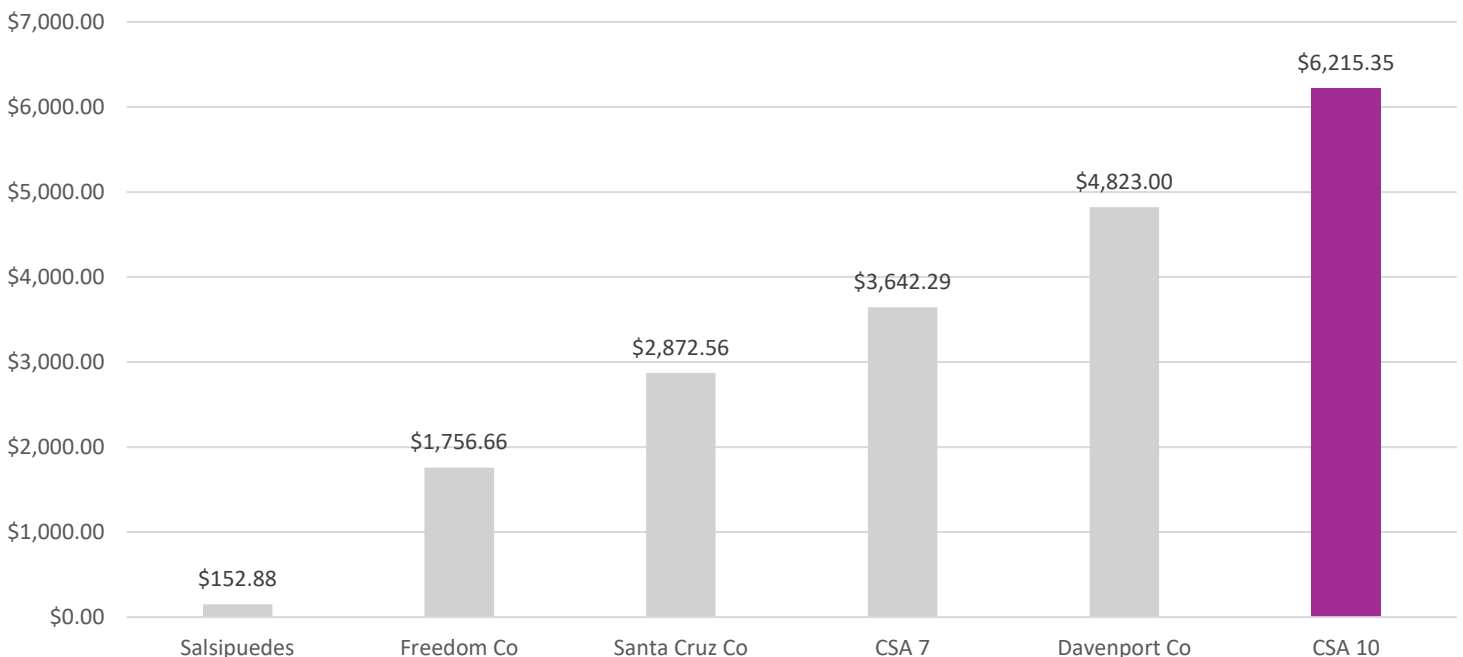


Figure 34: Annual Sewer Rates for Commercial Sites

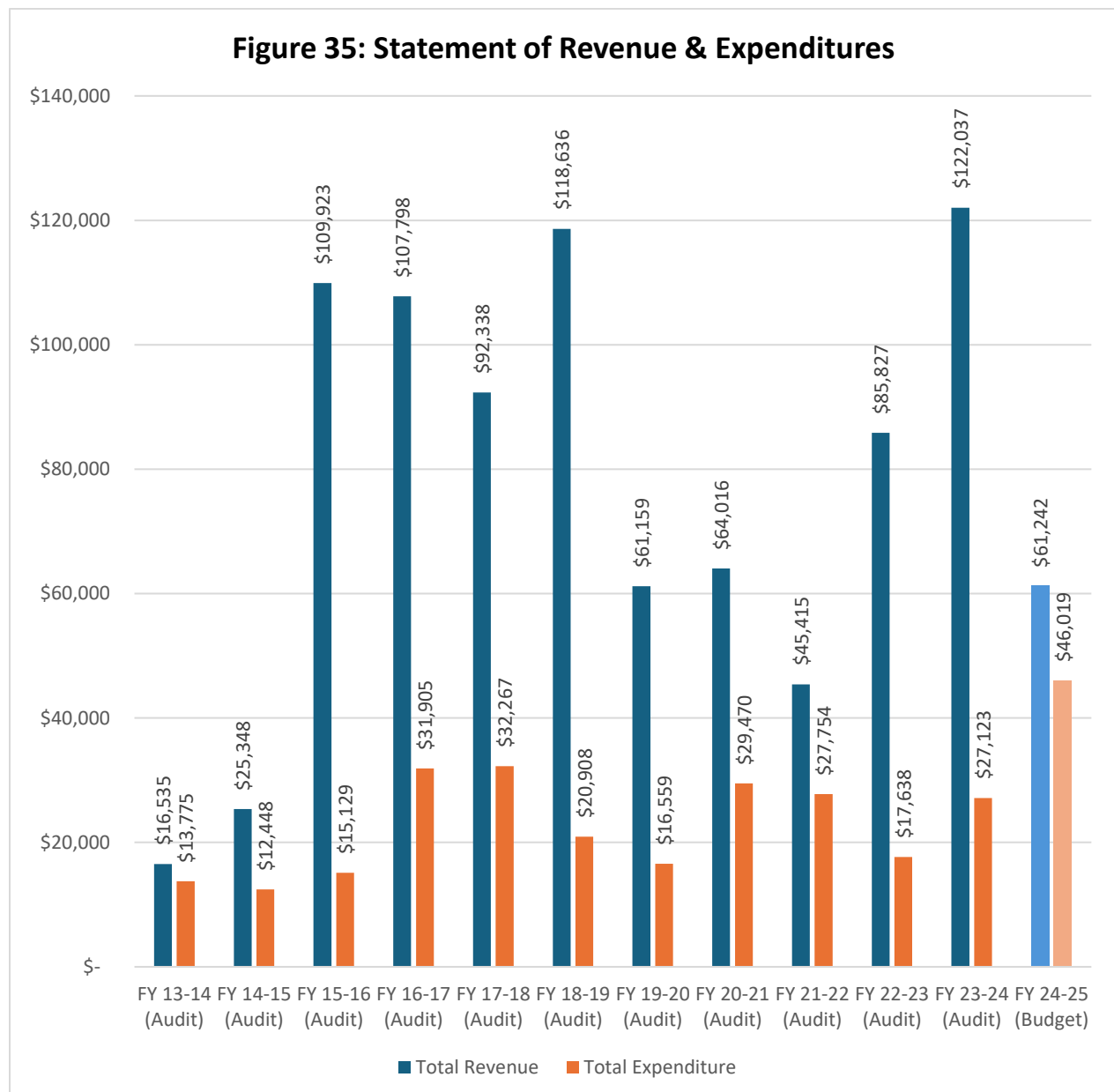


Footnote: Salsipuedes Sanitary District data only includes flat rate and does not include the average water use (HCF) and its associated HCF rate when compared to the other agencies.

Finances

This section will highlight the CSA's audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the CSA's financial performance during the past 12 years is shown in **Table 54** on page 85.

At the end of Fiscal Year 2023-24, total revenue collected was \$122,037, representing a 42% increase from the previous year (\$85,827 in FY 22-23). Total expenses for FY 2023-24 were \$27,123, which increased from the previous year by 54% (\$17,638 in FY 22-23). During LAFCO's last service review analysis in 2019, CSA 10 experienced annual surpluses in all five fiscal years (FY 13-14 to FY 17-18). During this service review cycle, CSA 10 continued that positive trend by completing six consecutive annual surpluses in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 35** below. Based on the recently adopted budget and past performances, LAFCO staff believes that CSA 10 will continue to operate effectively due to its stable revenue stream and stagnant expenditures.



CSA Revenues

CSA 10's primary source of revenue is from Charges for Services. In FY 2023-24, the CSA received revenue from four different sources: Charges for Services, Interest & Investment Income, Connection Fees, and Assessments. On average, the District receives approximately \$55,000 each year in service fees. **Table 52** highlights the total revenue received since 2013.

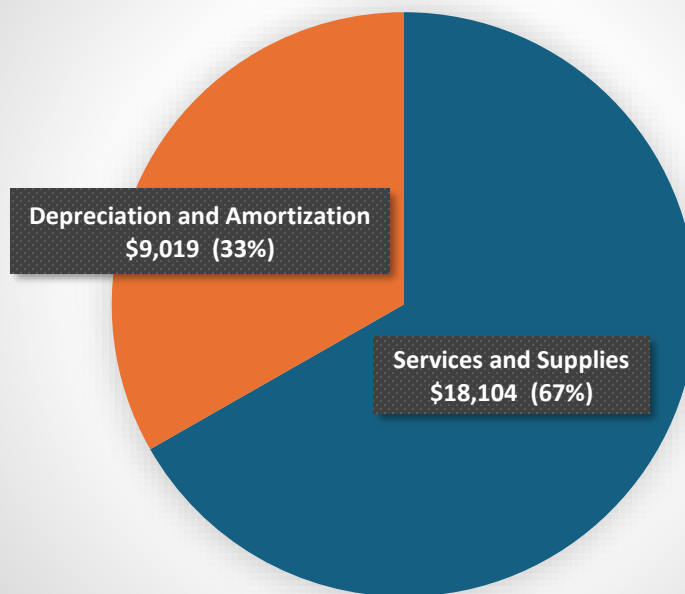
Table 52: Total Revenue (FY 18-19 to FY 23-24)

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Charges for Services	\$36,804	\$38,810	\$40,207	\$50,567	\$51,249	\$51,872
Interest & Investment Income	\$14,506	\$16,072	\$5,854	-\$18,346	\$20,983	\$40,929
Connection Fees	\$64,379	\$3,330	\$8,947	\$10,247	\$13,595	\$17,447
Assessments	\$2,947	\$2,947	\$8,842	\$2,947	\$-	\$11,789
Permit Processing Fees	\$-	\$-	\$166	\$-	\$-	\$-
Total Revenue	\$118,636	\$61,159	\$64,016	\$45,415	\$85,827	\$122,037

CSA Expenditures

CSA 10's total expenditures can be categorized into two budgetary groups: Services & Supplies and Depreciation & Amortization. The figure below depicts how funding is distributed by category. The CSA's primary expenditure is associated with operational and management costs, under Services and Supplies.

Figure 36: FY 2023-24 Expenditure Breakdown



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$1.15 million. The following table highlights the Fund Balance from 2018 to 2025. As **Table 53** shows below, the District has experienced a steady increase in total reserves each year. On average, total reserves have increased by approximately \$99,000 or 34% since FY 2013-14. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 54**.

Table 53: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$895,224	\$939,824	\$974,371	\$992,032	\$1,063,634	\$1,155,134	\$1,169,250
Change in (\$) from previous year		\$44,600	\$34,547	\$17,661	\$71,602	\$91,500	\$14,116
Change in (%) from previous year		5%	4%	2%	7%	9%	1%

Table 54: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 16,518	\$ 25,234	\$107,867	\$102,909	\$ 83,423	\$ 36,804	\$ 38,810	\$ 40,207	\$ 50,567	\$ 51,249	\$ 51,872	\$ 51,242
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and Investment Income	\$ 17	\$ 114	\$ 2,056	\$ 4,889	\$ 8,915	\$ 14,506	\$ 16,072	\$ 5,854	\$ (18,346)	\$ 20,983	\$ 40,929	\$ 10,000
Permit Processing Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166				
Assessment DST Buy-in Cnct Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,947	\$ 2,947	\$ 8,842	\$ 2,947	\$ -	\$ 11,789	\$ -
Connection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,379	\$ 3,330	\$ 8,947	\$ 10,247	\$ 13,595	\$ 17,447	\$ -
Insurance Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 16,535	\$ 25,348	\$109,923	\$107,798	\$ 92,338	\$ 118,636	\$ 61,159	\$ 64,016	\$ 45,415	\$ 85,827	\$ 122,037	\$ 61,242
EXPENDITURES												
Services and Supplies	\$ 4,455	\$ 3,129	\$ 5,904	\$ 22,697	\$ 21,357	\$ 11,889	\$ 7,540	\$ 20,451	\$ 18,735	\$ 8,619	\$ 18,104	\$ 37,000
Depreciation and Amortization	\$ 9,320	\$ 9,319	\$ 9,225	\$ 9,208	\$ 9,019	\$ 9,019	\$ 9,019	\$ 9,019	\$ 9,019	\$ 9,019	\$ 9,019	\$ 9,019
Approp for Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 1,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditure	\$ 13,775	\$ 12,448	\$ 15,129	\$ 31,905	\$ 32,267	\$ 20,908	\$ 16,559	\$ 29,470	\$ 27,754	\$ 17,638	\$ 27,123	\$ 46,019
Surplus/(Deficit)	\$ 2,760	\$ 12,900	\$ 94,794	\$ 75,893	\$ 60,071	\$ 97,728	\$ 44,600	\$ 34,546	\$ 17,661	\$ 68,189	\$ 94,914	\$ 15,223
Capital Contributions	\$ -	\$ -	\$391,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position - Beginning	\$159,519	\$162,279	\$175,179	\$661,532	\$ 737,425	\$ 797,496	\$ 895,224	\$ 939,825	\$ 974,371	\$ 995,445	\$1,060,220	\$1,155,134
Net Position - Ending	\$162,279	\$175,179	\$661,532	\$737,425	\$ 797,496	\$ 895,224	\$ 939,824	\$ 974,371	\$ 992,032	\$1,063,634	\$1,155,134	\$1,169,250
RESERVES												
Capital Replacement Reserve	\$ 6,102	\$ 51,735	\$817,059	\$436,039	\$ 436,039	\$ 608,807	\$ 686,728	\$ 824,608	\$ 862,111	\$ 909,745	\$ 964,049	\$1,104,332

Governance

County Service Area 10 is a dependent special district governed by the County Board of Supervisors and managed by the Public Works Department. The current Board is as follows:

Table 55: 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors generally meets twice a month on a Tuesday in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County Community Development & Infrastructure Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The department also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

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 56** summarizes staff's findings on whether the website meets the statutory requirements. At present, the CSA does meet the statutory requirements set under SB 929 and SDLF's website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization's website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 56: 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)	20 (100%)

Opportunities & Challenges

County Service Area 10 is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Capital Improvement Plan

There is no specific capital improvement plan for CSA 10. The County has a countywide CIP to address the replacement of the aging sewer system, however, CSA 10 lacks funds to make all the improvements. The County of Public Works continually seek grant or loan funding to help finance these improvements.

LAFCO Staff Recommendation: *Currently CSA 10 is included in the countywide capital improvement plan. The County should consider if developing specific capital improvement plans that cover the sanitation districts managed and operated by the Public Works Department – Davenport, Freedom, Santa Cruz County Sanitation Districts, and CSAs 2, 5, 7, 10, and 20 have any added benefit compared to including it with the overall County CIP. If the benefit outweighs the cost burden of preparing the specific CIPs, the County should institute this practice.*

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following:

- Sanitary Sewer Spills are prohibited, and
- All Sanitary Sewer Spills, with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP).

In 2025, the County adopted a Sewer System Management Plan to cover the management, operation and maintenance, design, construction and emergency response of the Davenport Sanitation District, Freedom Sanitation District, Santa Cruz County Sanitation District and three county service areas: CSAs 5, 7 and 10.

Governance Structure Options

CSA 10 is just north of the boundary for the City of Santa Cruz's wastewater collection system. The wastewater from the CSA is transported to the City's treatment plant where it is processed. Due to the proximity of the two systems, the shared transmission line to the treatment plant, and the shared treatment plant, the County has requested that LAFCO consider expanding the boundary of the City of Santa Cruz's service area to include the limits of this CSA. LAFCO staff sees value in local agencies collaborating and exploring opportunities to improve delivery of municipal services. It is still unknown whether it is feasible for the City or another local service provider to assume

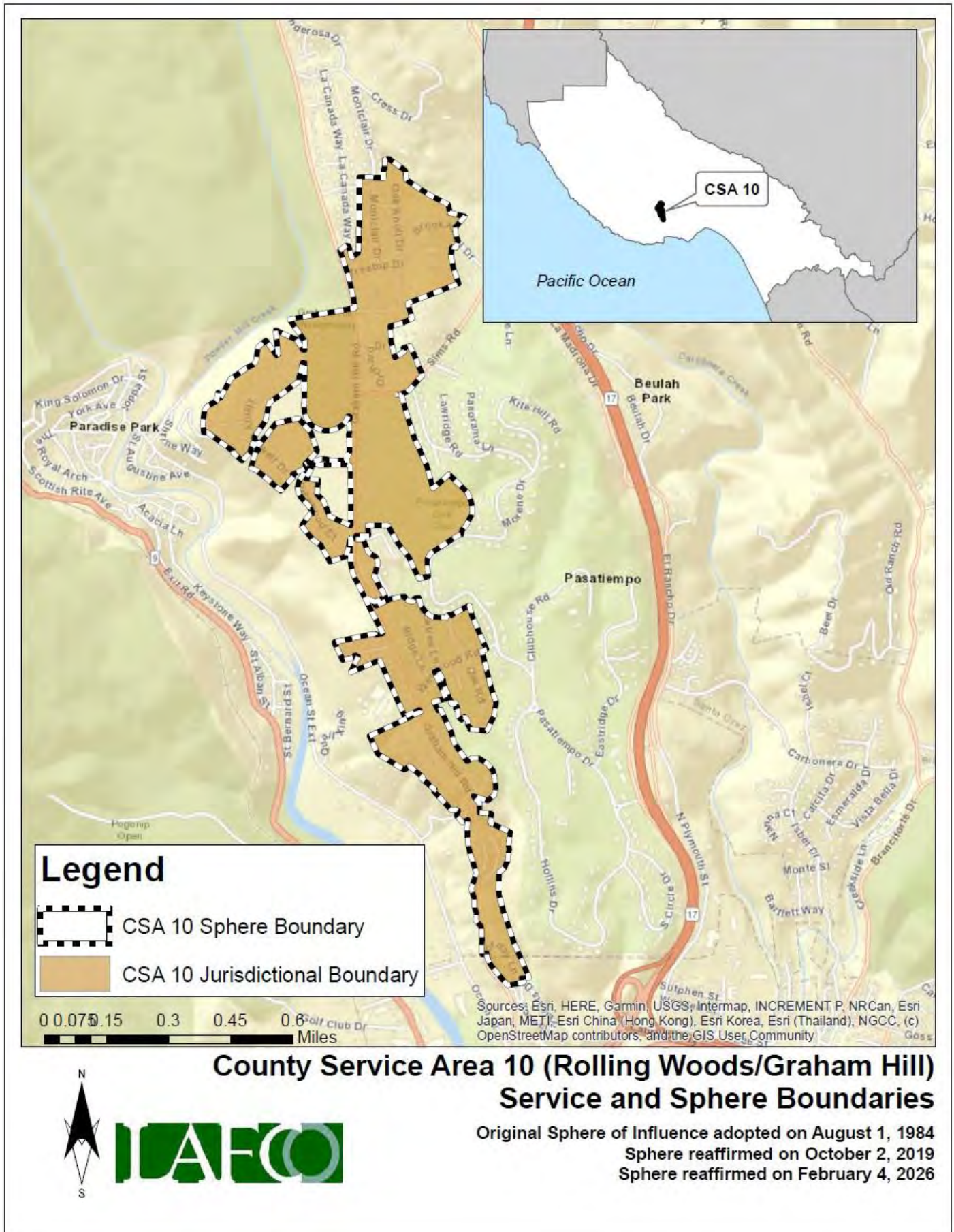
responsibilities within this area. Therefore, LAFCO staff recommends that the County continue to discuss possible partnerships with the City and other neighboring agencies.

Sphere of Influence

LAFCO originally adopted a sphere of influence for the District in 1984. In 2014, the Commission approved a reorganization that transferred sewer services from CSA 57 to CSA 10. In total, 299 parcels were annexed into CSA 10 under this reorganization. As part of the reorganization, CSA 10's sphere of influence was amended to reflect the annexation. Today, the sphere of influence for CSA 10 is coterminous with its service area and includes 382 parcels. **Figure 37** on page 90 shows the current sphere of influence boundary for CSA 10.



Figure 37: CSA 10's Current Sphere Map



District Summary

County Service Area 10 (Rolling Woods/Graham Hill)	
Formation	California Government Code, section 25210.1 et seq. (County Service Area Law)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	1 full-time employee (approximately)
Facilities	Collection System; 1 pump station; 157 connections
District Area	269 acres (0.42 square mile)
Sphere of Influence	Coterminous with District (i.e. no sphere beyond existing jurisdictional boundary)
FY 2024-25 Budget	<p>Total Revenue = \$61,242</p> <p>Total Expenditure = \$46,019</p> <p>Projected Net Position (Beginning Balance) = \$1,155,134</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 54-2160</p> <p>Email Address: Matt. Machado@santacruzcountyca.gov</p> <p>Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx</p> <p>CSA Liaison: Bergman Family (831-588-8760)</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The CSA does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Graham Hill corridor area is substantially built-out with low-density single-family homes. There are no growth projections available for CSA 10. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 10's entire population in 2040 will be around 920.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within CSA 10.

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 10 has a collection system and one lift station that serves the residential areas of Rolling Woods and Woods Cove, as well as the Pasatiempo Golf Club. The plant is maintained by the County of Santa Cruz. Based on the County's 2022 Sewer System Management Plan, CSA 10 has 104 connections with 3.18 miles of gravity sewer lines, 0.35 miles of force main lines, and zero pump stations.

4. Financial ability of agencies to provide services.

County Service Area 10's financial ability to provide services is well-established. The CSA has successfully kept costs below its revenue stream since 2013. As of June 30, 2024, CSA 10 is operating with a net position of approximately \$1.15 million.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The County currently has a countywide capital improvement plan and a specific capital improvement plan for the Santa Cruz County Sanitation District. Additionally, the County has adopted a Sewer System Management Plan. However, CSA 10 does not have any current or proposed sewer-related capital improvement projects scheduled at this time.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

CSA 10 has an aging collection system that serves the residential areas of Rolling Woods and Woods Cove, as well as the Pasatiempo Golf Club. The plant is maintained by the County of Santa Cruz. Based on the County's 2022 Sewer System Management Plan, CSA 10 has 104 connections with 3.18 miles of gravity sewer lines, 0.35 miles of force main lines, and zero pump stations. Annual sewer charges are the District's primary source of revenue.

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

County Service Area 10 operates a sanitary sewer collection system and serves the residential areas of Rolling Woods and Woods Cove, as well as the Pasatiempo Golf Club. The County currently has a contractual agreement with the City of Santa Cruz to transfer collected wastewater to the City of Santa Cruz's treatment system. The City treats the sewage at its Neary Lagoon Wastewater Treatment Facility and disposes the treated wastewater into the Pacific Ocean off West Cliff Drive. CSA 10 has 104 connections and has almost 900 residents within its service area.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, CSA 10 has adequate transmission capacity for the present and planned facilities within the sphere of influence. The CSA's principal needs are repair and replacement of aging infrastructure.

COUNTY SERVICE AREA 20 (TRESTLE BEACH)

District Overview

County Service Area 20 serves the Trestle Beach subdivision near La Selva Beach, which encompasses 12.8 acres (0.02 square miles) and has a population of 43 within 38 parcels. The County formed CSA 20 in June 1980. Today, the wastewater system provides on-site treatment to a secondary level. **Figure 38**, on page 95, is a vicinity map of the service area. **Appendix G** provides a copy of the formation resolution.

Population & Growth

The Trestle Beach subdivision is built-out with low-density single-family homes. There are no growth projections available for CSA 20. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 20's entire population in 2040 will be around 44. The projected population for CSA 20 are as follows:

Table 57: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
CSA 20	43	43	44	44	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Services & Operations

CSA 20 has a wastewater collection and treatment plant that treats the domestic wastewater from the Trestle Beach community. Based on staff's analysis, CSA 20 has 22 connections with 0.3 miles of sewer lines and 1 onsite treatment system. Annual sewer charges are the District's primary source of revenue.

Infrastructure Summary

CSA 20 operates a collection and treatment plant and serves about 40 residents. It currently has 22 connections and approximately 0.3 miles of sewer line. **Table 58** provides an overview of the type of service and current infrastructure:

Table 58: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
CSA 20	Collection and Treatment	Secondary	22	1	0.3

CDI has indicated that the current infrastructure is aging, deteriorating, and in need of repair. The wastewater treatment plant currently also requires routine maintenance such as painting and lining of sewer manholes. If there is a system failure that occurs and must be fixed on an emergency basis, depending on the size of the required repair, the CSA may require additional funds.

Figure 38: CSA 20's Vicinity Map



Sewer Rates

At present, CSA 20's annual sewer rates derive from single family units in the Trestle Beach community. **Table 59** shows the gradual increase in annual rates during the last seven years.

Table 59: Annual Sewer Rates

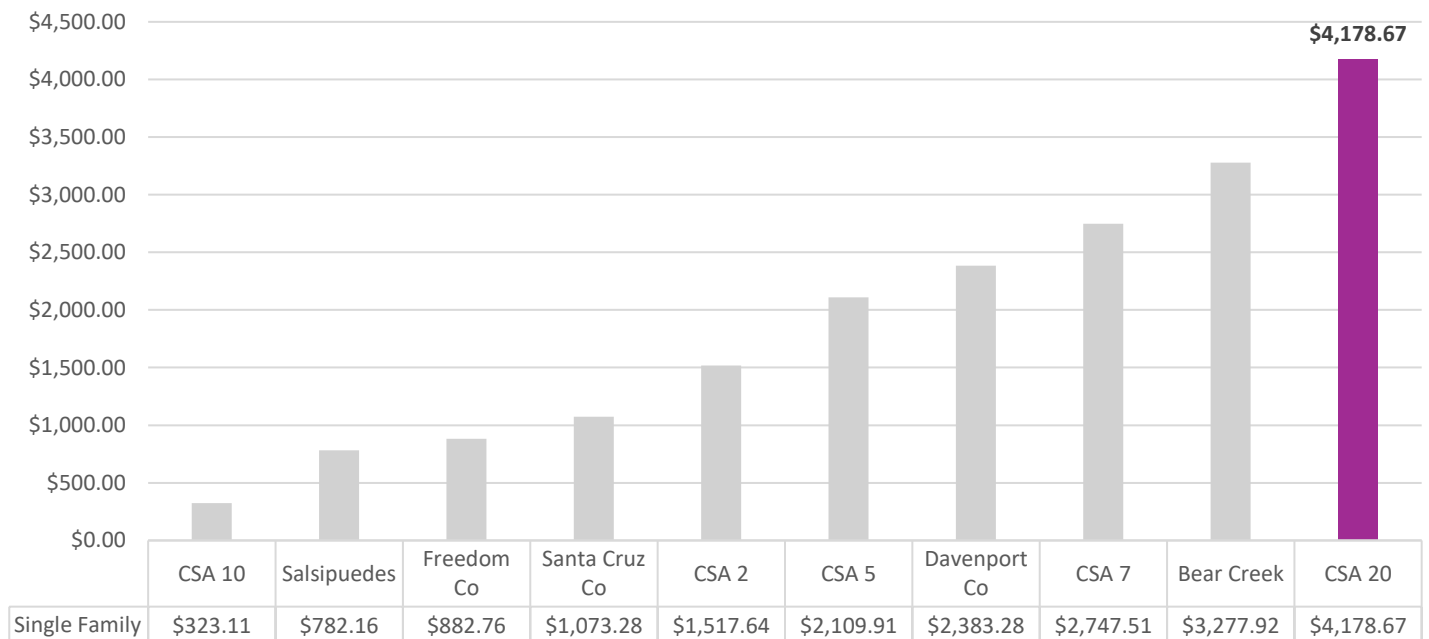
	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Single Family	\$2,410.81	\$2,519.29	\$3,652.98	\$3,726.04	\$3,882.53	\$4,072.78	\$4,178.67
<i>Change (\$)</i>		\$108.48	\$1,133.69	\$73.06	\$156.49	\$190.25	\$105.89
<i>Change (%)</i>		4%	45%	2%	4%	5%	3%

Pursuant to Santa Cruz County Code Section 4.26, the Director of Public Works must annually compute the benefit assessment/service charge rates for CSAs and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the charge per CSA for each parcel for the upcoming fiscal year.

CSA fees are considered sewer rate charges, and any rate increase (except for preapproved annual Consumer Price Index (CPI) increases) must comply with Proposition 218 procedures. These procedures require that an increase is approved by at least half of the votes cast by the property owners, with the votes weighted according to the amount of the proposed assessment of each parcel. Furthermore, a public hearing must be held to consider any protests to the proposed increase.

When comparing the sewer rates with the other sanitation districts analyzed in this report, CSA 20 is ranked the highest in charges for single family units (\$4,178.67/year), as shown in the figure below.

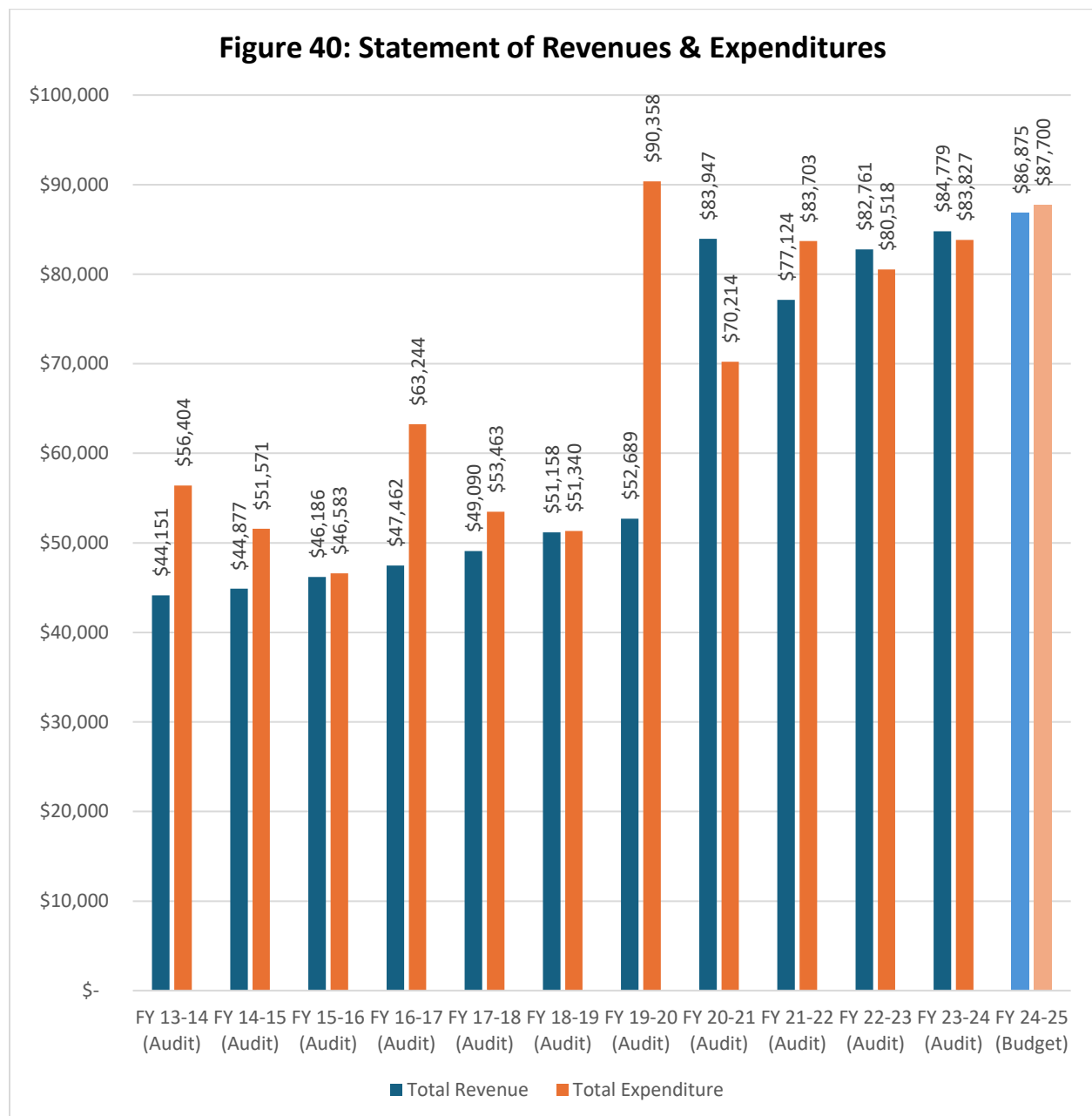
Figure 39: Annual Sewer Rates for Single-Family Units



Finances

This section will highlight the District’s audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the District’s financial performance during the past 12 years is shown in **Table 63** on page 99.

At the end of Fiscal Year 2023-24, total revenue collected was \$84,779, representing a 2% increase from the previous year (\$82,827 in FY 22-23). Total expenses for FY 2023-24 were \$83,827, which increased from the previous year by 4% (\$80,518 in FY 22-23). During LAFCO’s last service review analysis in 2019, CSA 20 experienced annual deficits in all five fiscal years (FY 13-14 to FY 17-18). During this service review cycle, CSA 20 experienced three annual deficits in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 40** below. Based on the recently adopted budget and past performances, LAFCO staff believes that the negative trend will continue unless additional revenue sources are allocated to cover annual expenses.



CSA Revenues

CSA 20's primary source of revenue is from Charges for Services. In FY 2023-24, Charges for Services were \$84,673 and Interest and Investment Income was \$106. On average, the District receives approximately \$70,000 each year in service fees. **Table 60** highlights the total revenue received since 2018.

Table 60: Total Revenue (FY 18-19 to FY 23-24)

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Charges for Services	\$50,121	\$52,376	\$75,945	\$77,464	\$80,718	\$84,673
Connection Fees	\$400	\$-	\$8,000	\$-	\$1,825	\$-
Interest & Investment Income	\$637	\$313	\$2	\$(340)	\$218	\$106
Total Revenue	\$51,158	\$52,689	\$83,947	\$77,124	\$82,761	\$84,779

CSA Expenditures

CSA 20's only budgetary expense is associated with operational and management costs, under Services and Supplies. Based on staff's analysis of the County's audited financial statements, no other expenses have been reported for the past six years. As **Table 61** shows, the CSA's only expenditure fluctuates each year with more annual increases spiking at a significant amount in comparison to years when reduction in expenses are incurred.

Table 61: Total Expenditure (FY 18-19 to FY 23-24)

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Services and Supplies	\$51,340	\$90,358	\$70,214	\$83,703	\$80,518	\$83,827
<i>Change (\$)</i>		\$39,018	\$(20,144)	\$13,489	\$(3,185)	\$3,309
<i>Change (%)</i>		76%	-22%	19%	-4%	4%

Additional Information

The Sanitation CSAs are primarily maintained by licensed Treatment Plant Operators. Newly hired employees begin working as Operators In Training (OIT) under the guidance of a licensed operator, upon obtaining their license the OIT can begin to work independently. Staff can promote within the Treatment Plant Operator series, progressing from an OIT, TPO to Sr. TPO. Salaries for TPOs represent a significant portion of the maintenance expenses for the sanitation CSAs. Over the past five years, the County has faced persistent challenges in recruiting at the TPO and Sr. TPO levels, due to high housing costs in the County. For a small CSA, the assignment of a higher level of TPO can impact the operating budget and ending fund balance.

Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$5,900. The following table highlights the Fund Balance from 2018 to 2025. As **Table 62** shows below, the District has generally experienced a decrease in total reserves each year. On average, total reserves have decreased by approximately \$5,500 or 45% since FY 2013-14. A full review of the District's revenues and expenditures from FY 2013-14 to FY 2024-25 is shown on **Table 63**.

The ending fund balance of \$14.4k will be added to the \$9.4k budgeted in FY25-26 for capital improvement needs. As always, County staff will consider at increasing reserves when they analyze the rate increase for FY26-27. They will seek community involvement during the rate setting process to balance the need to increase reserves while still providing reasonable rates.

Table 62: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$33,245	\$(4,424)	\$9,309	\$2,730	\$4,973	\$5,925	\$4,914
Change in (\$) from previous year		\$(37,669)	\$13,733	\$(6,579)	\$2,243	\$952	\$(1,011)
Change in (%) from previous year		-113%	-310%	-71%	82%	19%	-17%

Footnote: In FY20-21, CSA 20 sewer rates were increased by 45% due to repairs made to the treatment plant, to account for operator expenses, and have money for needed capital expenses. Historically, rather than showing a reserve fund balance, all budgeted funds have been included in line items for maintenance, operations, and replacements.

Table 63: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 43,659	\$ 44,620	\$ 45,869	\$ 47,061	\$ 48,708	\$ 50,121	\$ 52,376	\$ 75,945	\$ 77,464	\$ 80,718	\$ 84,673	\$ 86,875
Connection Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ 8,000	\$ -	\$ 1,825	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest and Investment Income	\$ 492	\$ 257	\$ 317	\$ 401	\$ 382	\$ 637	\$ 313	\$ 2	\$ (340)	\$ 218	\$ 106	\$ -
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 44,151	\$ 44,877	\$ 46,186	\$ 47,462	\$ 49,090	\$ 51,158	\$ 52,689	\$ 83,947	\$ 77,124	\$ 82,761	\$ 84,779	\$ 86,875
EXPENDITURES												
Services and Supplies	\$ 55,738	\$ 50,893	\$ 46,583	\$ 63,244	\$ 53,463	\$ 51,340	\$ 90,358	\$ 70,214	\$ 83,703	\$ 80,518	\$ 83,827	\$ 87,700
Depreciation and Amortization	\$ 666	\$ 678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditure	\$ 56,404	\$ 51,571	\$ 46,583	\$ 63,244	\$ 53,463	\$ 51,340	\$ 90,358	\$ 70,214	\$ 83,703	\$ 80,518	\$ 83,827	\$ 87,700
Surplus/(Deficit)	\$ (12,253)	\$ (6,694)	\$ (397)	\$ (15,782)	\$ (4,373)	\$ (182)	\$ (37,669)	\$ 13,733	\$ (6,579)	\$ 2,243	\$ 952	\$ (825)
Net Position - Beginning	\$ 72,926	\$ 60,673	\$ 53,979	\$ 53,582	\$ 37,800	\$ 33,427	\$ 33,245	\$ (4,424)	\$ 9,309	\$ 2,730	\$ 4,973	\$ 5,739
Net Position - Ending	\$ 60,673	\$ 53,979	\$ 53,582	\$ 37,800	\$ 33,427	\$ 33,245	\$ (4,424)	\$ 9,309	\$ 2,730	\$ 4,973	\$ 5,925	\$ 4,914
RESERVES												
Capital Replacement Reserve	\$ -	\$ 5,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Footnote: The FY24-25 Budget numbers show an ending balance of \$4,914 but the actual ending balance that will be reflected in next year's audit is nearly \$15,000.

Governance

County Service Area 20 is a dependent special district governed by the County Board of Supervisors and managed by the Public Works Department. The current Board is as follows:

Table 64: 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County of Santa Cruz Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The department also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

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 65** summarizes staff's findings on whether the website meets the statutory requirements. At present, the CSA does meet the statutory requirements set under SB 929 and SDLF's website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization's website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 65: 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)	20 (100%)

Opportunities & Challenges

County Service Area 20 is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Capital Improvement Plan

There is no specific capital improvement plan for CSA 20. The County has a countywide CIP to address the replacement of the aging sewer system, however, CSA 20 lacks funds to make all the improvements. The County of Public Works continually seek grant or loan funding to help finance these improvements.

LAFCO Staff Recommendation: *Currently CSA 20 is included in the countywide capital improvement plan. The County should consider if developing specific capital improvement plans that cover the sanitation districts managed and operated by the Public Works Department – Davenport, Freedom, Santa Cruz County Sanitation Districts, and CSAs 2, 5, 7, 10, and 20 have any added benefit compared to including it with the overall County CIP. If the benefit outweighs the cost burden of preparing the specific CIPs, the County should institute this practice.*

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following:

- Sanitary Sewer Spills are prohibited, and
- All Sanitary Sewer Spills, with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP).

In 2022, the County adopted a Sewer System Management Plan to cover the management, operation and maintenance, design, construction and emergency response of the Davenport Sanitation District, Freedom Sanitation District, Santa Cruz County Sanitation District and three county service areas (CSAs 5, 7, and 10). However, it is LAFCO staff's understanding that CSA 20 is excluded from the County SSMP because the CSA does not meet the minimum requirements to enroll under the Waste Discharge Requirements.

LAFCO Staff Recommendation: *While SSMP only requires inclusion of collection systems with more than one mile of sewer mains, the County may want to consider including CSA 20 in the County's Sewer System Management Plan to ensure that the Trestle Beach community's sewer infrastructure has proper management and oversight for current and future needs.*

Sphere of Influence

LAFCO originally adopted spheres of influence for a number of CSAs back in the 1980s. Based on staff's analysis and research, it was determined that there is no sphere of influence for CSA 20. In accordance to Government Code Section 56425, the Commission shall adopt a sphere of influence for cities, special districts, and county service areas.

During the months of August and September in 2019, LAFCO staff met with representatives of CSA 20 to discuss the sphere designation. While the CSA was experiencing a financial shortage at that time, the County reassured LAFCO that they were working to make CSA 20 economically sustainable. As a result of LAFCO's ongoing discussions with the County, the Commission adopted a coterminous sphere of influence with a note that if the financial shortage continued, the Commission should consider a zero sphere during the next service review cycle.

It appears that the County has made some improvements to CSA 20's finances, operations, and transparency. Therefore, LAFCO staff is recommending that the Commission reaffirm the existing sphere boundary, as shown in **Figure 41** on page 104.



Figure 41: CSA 20 Current Sphere



District Summary

County Service Area 20 (Trestle Beach)	
Formation	California Government Code, section 25210.1 et seq. (County Service Area Law)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	1.25 full-time employee (approximately)
Facilities	Collection and Treatment Plant; 1 pump station; 22 connections
District Area	12.8 acres (0.02 square mile)
Sphere of Influence	Coterminous with District (i.e. no sphere beyond existing jurisdictional boundary)
FY 2024-25 Budget	Total Revenue = \$86,875 Total Expenditure = \$87,700 Projected Net Position (Beginning Balance) = \$5,739
Contact Information	Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060 Phone Number: (831) 454-2160 Email Address: Matt.Machado@santacruzcountyca.gov Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx CSA Liaison: Reed Welch (408) 472-7390
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The CSA does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Trestle Beach subdivision is built-out with low-density single-family homes. There are no growth projections available for CSA 20. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO projects that CSA 20's entire population in 2040 will be around 44.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within CSA 20.

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 20 has a wastewater collection and treatment plant that treats the domestic wastewater from the Trestle Beach community. Based on staff's analysis, CSA 20 has 22 connections with 0.3 miles of sewer lines and 1 pump station. Annual sewer charges are the District's primary source of revenue.

4. Financial ability of agencies to provide services.

County Service Area 20 has experienced an annual deficit in three of the last six years. As of June 30, 2024, CSA 20 is operating with a net position of approximately \$5,900. LAFCO staff projects that this negative trend will continue unless the CSA increases its overall revenue stream or decreases annual expenses.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The County currently has a countywide capital improvement plan and a specific capital improvement plan for the Santa Cruz County Sanitation District. Additionally, the County has adopted a Sewer System Management Plan. However, CSA 20 does not have any current or proposed sewer-related capital improvement projects scheduled at this time.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

CSA 20 operates a collection and treatment plant located in the Trestle Beach subdivision near La Selva Beach. The wastewater system provides on-site treatment to a secondary level and serves a small community of around 40 residents.

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

The Public Works Department has indicated that the current infrastructure is aging, deteriorating, and in need of repair. The wastewater treatment plant currently requires approximately \$95,000 in repairs.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, CSA 20 has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The CSA's principal needs are repair and replacement of aging infrastructure.

DAVENPORT COUNTY SANITATION DISTRICT

District Overview

The Davenport County Sanitation District (District) owns and operates a wastewater treatment facility serving the community of Davenport, which includes a domestic wastewater collection system, influent headworks, aerated lagoon, sand filter, and a chlorine contact tank. The District provides service to approximately 109 sewer connections within 136 parcels. More recently, the District now operates a recycled water treatment plant, with a recycled water fill station and a recycled water storage pond. **Figure 42**, on page 109, is a vicinity map of the service area. **Appendix H** provides a copy of the formation resolution.

The Davenport County Sanitation District serves 112 water connections in the Old Town, New Town, and San Vicente areas of Davenport. The District relies on surface water diverted from Mill Creek and San Vicente Creek for supply. The District is managed by the County Department of Public Works and infrastructure needs are funded by water and sewer rates and grants. For purposes of this report, staff’s analysis will focus on the sanitation services provided by the District.

Infrastructure Summary

Davenport County Sanitation District provides treated drinking water and sewage collection, treatment and disposal services to the town of Davenport. It currently has 109 connections and approximately 3.2 miles of sewer line. **Table 66** provides an overview of the type of service and current infrastructure:

Table 66: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
Davenport County Sanitation District	Collection, Treatment, and Recycled Water	Tertiary	109	3	3.0

Population & Growth

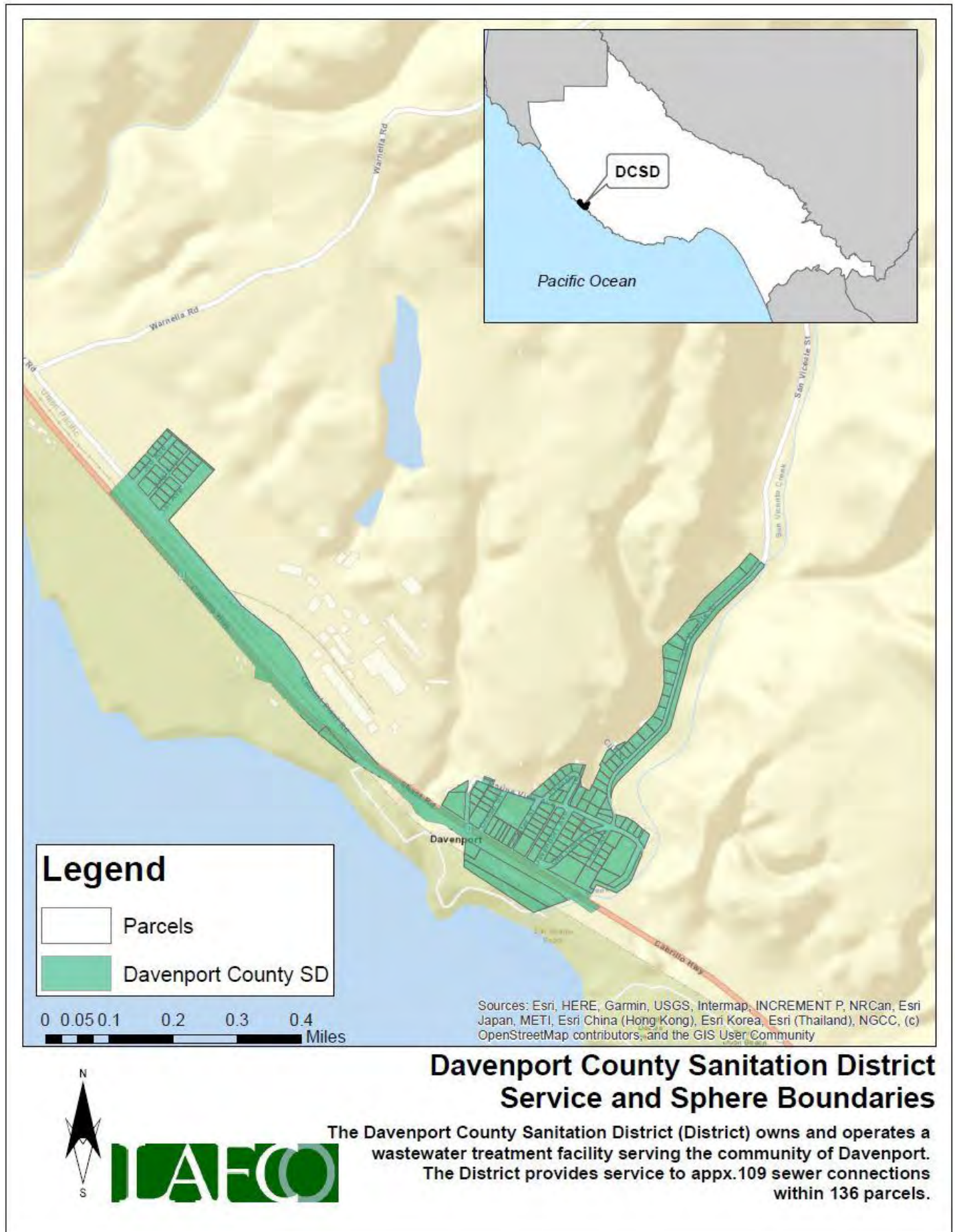
The Davenport community is generally built-out with residential and commercial use. There are no growth projections available for the District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that the District’s entire population in 2040 will be 225. The projected population for the Davenport County Sanitation District are as follows:

Table 67: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
Davenport County Sanitation District	219	221	223	225	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Figure 42: Davenport County Sanitation District's Vicinity Map



Services & Operations

The Davenport County Sanitation District has an aging collection and treatment plant that serves residential units in the Davenport Community. The District also operates a recycled water system. The infrastructure is maintained by the County of Santa Cruz. Based on the County's 2022 Sewer System Management Plan, Davenport County Sanitation District has 109 connections with 3.0 miles of gravity sewer lines, 1.30 miles of force main lines, and 3 pump stations. Revenues to operate the District are collected yearly from residents and businesses that are connected to either the waterworks or the sanitary sewer system.

The volume of wastewater is determined from records of water usage as metered by the Davenport Water Facility. Due to the lead time involved in getting the yearly sewer charges placed on the County property tax statements, the current fiscal year's charges are based on water use and strength factors from the previous calendar year.

Prior to its closure in 2008, the CEMEX Cement Plant was the primary user of effluent from the wastewater treatment facility. Today, CEMEX still owns the parcel and has an existing extraterritorial service agreement in place for water and sewer services. The existing facility treats about 28 acre-feet of water annually to Title 22 disinfected tertiary level and the treated water is spray irrigated onto un-mowed turf adjacent to the treatment plant. The wastewater is treated in a 4-million-gallon capacity aerated lagoon where it undergoes primary and secondary treatment. Coagulant and hypochlorite are added to lagoon effluent prior to tertiary treatment in an up-flow sand filter. The filter has an area of 19 square feet; this equates to a maximum capacity of 95 gpm (136,800 gpd) at the maximum allowable loading rate under Title 22 requirements.

The treated wastewater then passes through a 3,000-gallon chlorine contact chamber for disinfection. For disinfected tertiary quality water Title 22 requires 90 minutes of contact time and a CT of not less than 450 mg-min/L; to meet this requirement the flow rate would need to be no more than 48,000 gpd with a chlorine residual of 5 mg/L. Sodium bisulfite is injected after the chlorine contact chamber for de-chlorination and the treated effluent is pumped to a spray field adjacent to the plant for application to un-mowed grass.

Sewer Rates

At present, the District's annual sewer rates derive from three areas: Single Family Dwelling, Commercial, and Schools. Each area has its own sewer rate. **Table 68** shows the gradual increase in annual rates during the last seven years.

Table 68: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Residential	\$2,333.00	\$2,433.56	\$2,546.96	\$2,664.00	\$2,575.22	\$2,775.52	\$2,383.28
Commercial	\$759.76	\$803.26	\$837.92	\$874.70	\$832.74	\$899.70	\$749.72
<i>Additional Charge*</i>	\$19.98	\$19.98	\$20.94	\$20.94	\$21.35	\$30.65	\$20.02
School*	\$759.76	\$803.26	\$837.92	\$874.70	\$832.74	\$899.70	\$749.72
<i>Additional Charge*</i>	\$53.34	\$53.34	\$55.92	\$55.92	\$51.46	\$55.40	\$48.25

Note: Additional Charge is for "Commercial" is per Hundred Cubic Feet of Water (HCF); Additional Charge is for "School" is per Average Daily Attendance (ADA)

Revenues to operate the Davenport County Sanitation District are collected annually from residents, businesses and schools that are connected to the sanitary sewer system through property taxes and manual bills. Sewer service rates are established through hearings held with the Santa Cruz County Board of Supervisors.

Using information supplied by District staff, the rates are reviewed each year by an independent engineering firm which specializes in revenue studies for utility districts and are subject to final approval by the Board. Before the rates are set, a notice of public hearing is mailed to all owners of property within the Sanitation District boundaries, another notice is published in the Santa Cruz Sentinel, and the public hearing is held. The public hearing is normally scheduled in April or May of each year, with the rates becoming effective on the first of July. The following tables (**Tables 69 to 71**) show the gradual increase in annual rates for each area.

Table 69: Residential's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Residential	\$2,333.00	\$2,433.56	\$2,546.96	\$2,664.00	\$2,575.22	\$2,775.52	\$2,383.28	
<i>Change (\$)</i>		\$100.56	\$113.40	\$117.04	-\$88.78	\$200.30	-\$392.24	\$22.11
<i>Change (%)</i>		4%	5%	5%	-3%	8%	-14%	1%

Table 70: Commercial's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Commercial	\$759.76	\$803.26	\$837.92	\$874.70	\$832.74	\$899.70	\$749.72	
<i>Change (\$)</i>		\$43.50	\$34.66	\$36.78	-\$41.96	\$66.96	-\$149.98	\$3.19
<i>Change (%)</i>		6%	4%	4%	-5%	8%	-17%	1%

Table 71: School's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
School	\$759.76	\$803.26	\$837.92	\$874.70	\$832.74	\$899.70	\$749.72	
<i>Change (\$)</i>		\$43.50	\$34.66	\$36.78	-\$41.96	\$66.96	-\$149.98	\$3.19
<i>Change (%)</i>		6%	4%	4%	-5%	8%	-17%	1%

When comparing the sewer rates with the other sanitation districts analyzed in this report, Davenport County Sanitation District is ranked the fourth highest in charges for single family units (\$2,383.28/year). Using a general business with a water usage of 192 hundred cubic feet of annual water usage, Davenport's commercial charges are ranked the second highest(\$4,823/year). When comparing schools with 135 students, Davenport ranked the highest compared to school sites in other Districts/CSAs (\$7,635/year). Sewer rate comparisons are shown in the following figures (**Figures 43 to 45**) on page 112.

Figure 43: Annual Sewer Rates for Single-Family Units

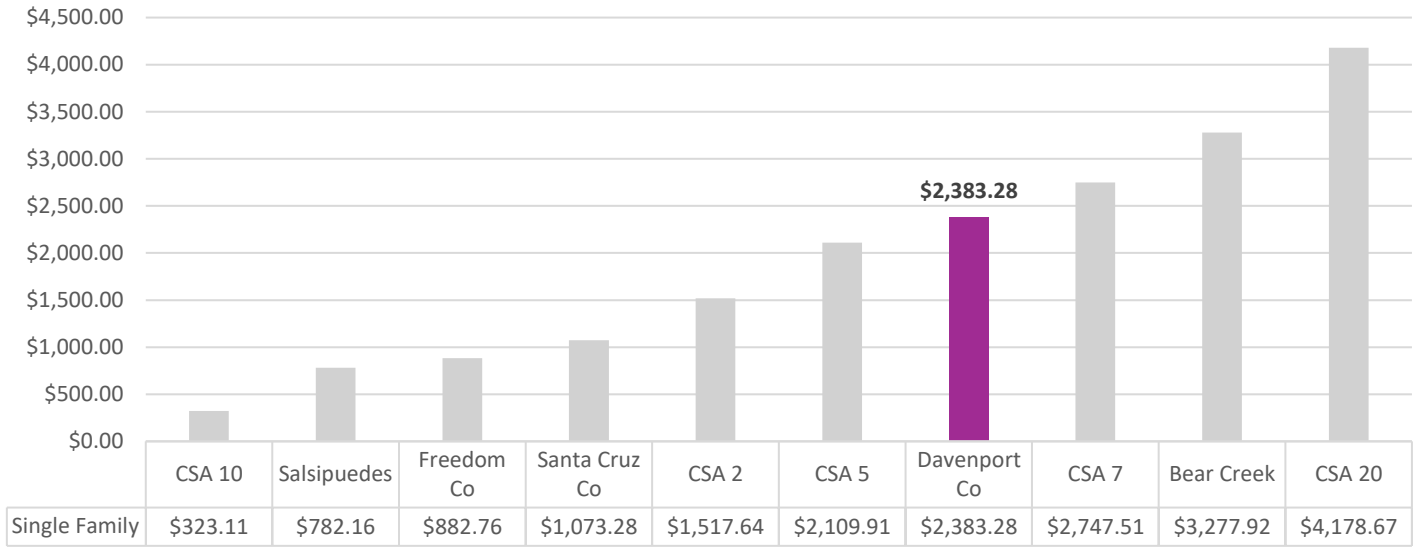


Figure 44: Annual Sewer Rates for Commercial Sites

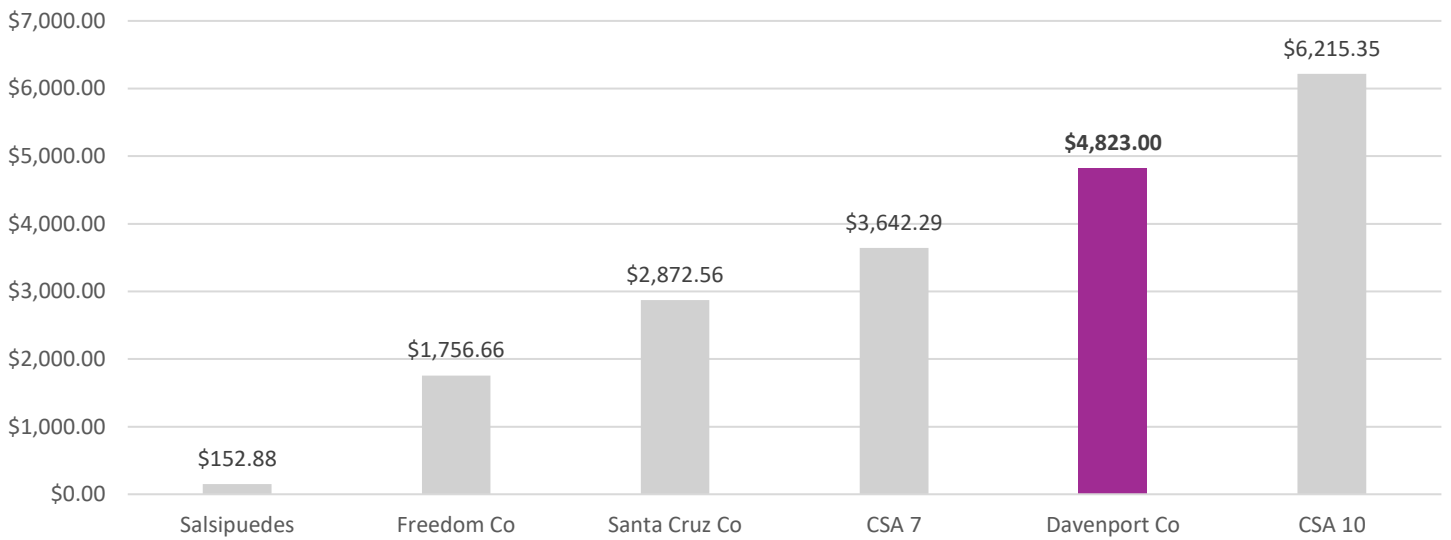
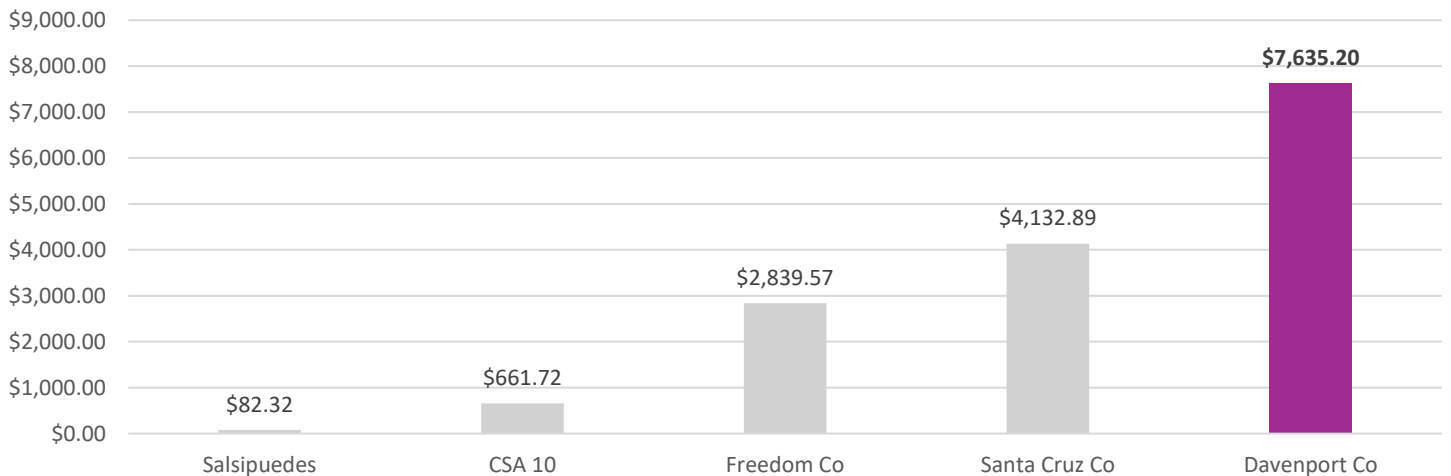


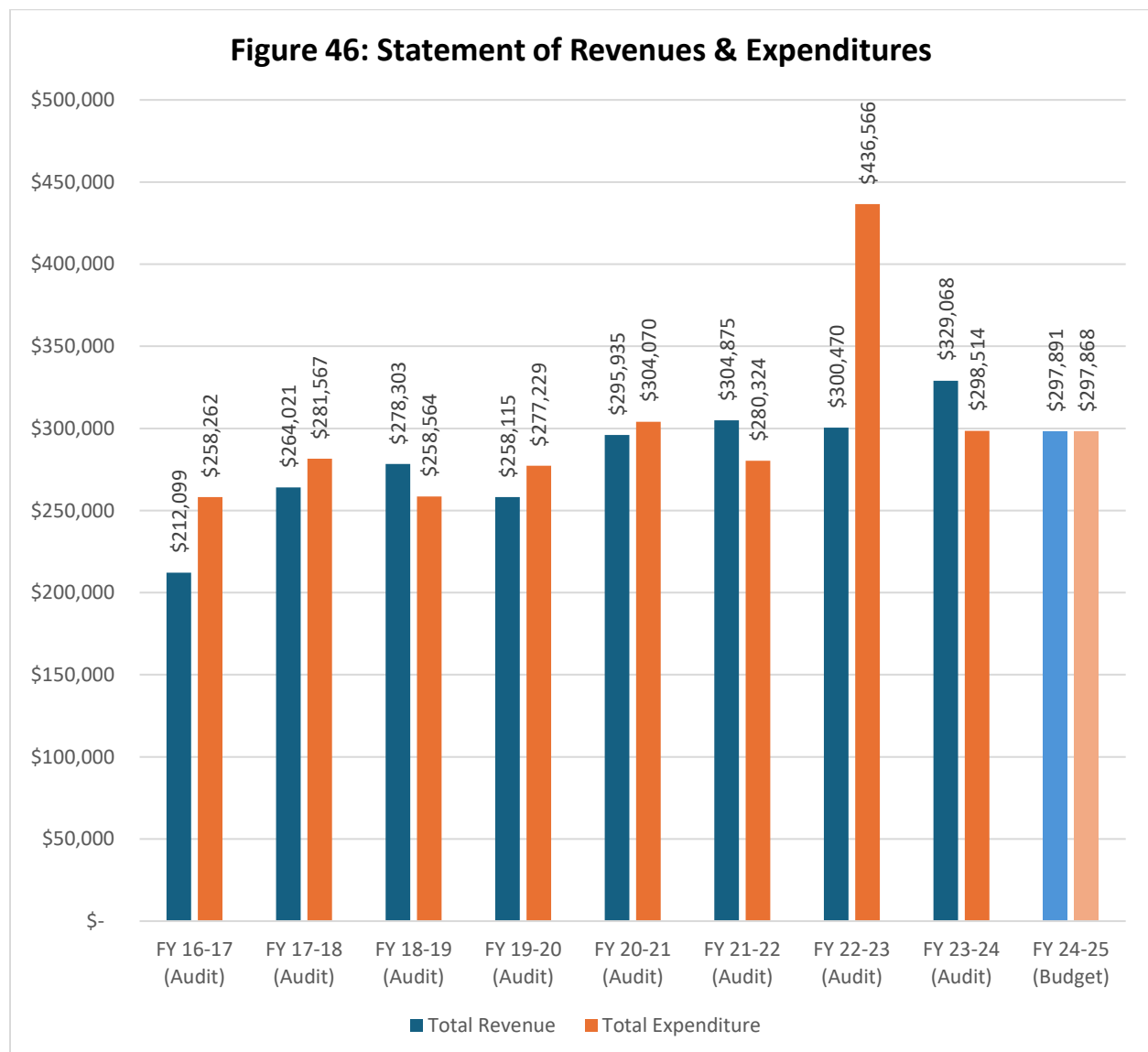
Figure 45: Annual Sewer Rates for School Sites



Finances

This section will highlight the District’s audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the District’s financial performance during the past 9 years is shown in **Table 73** on page 115.

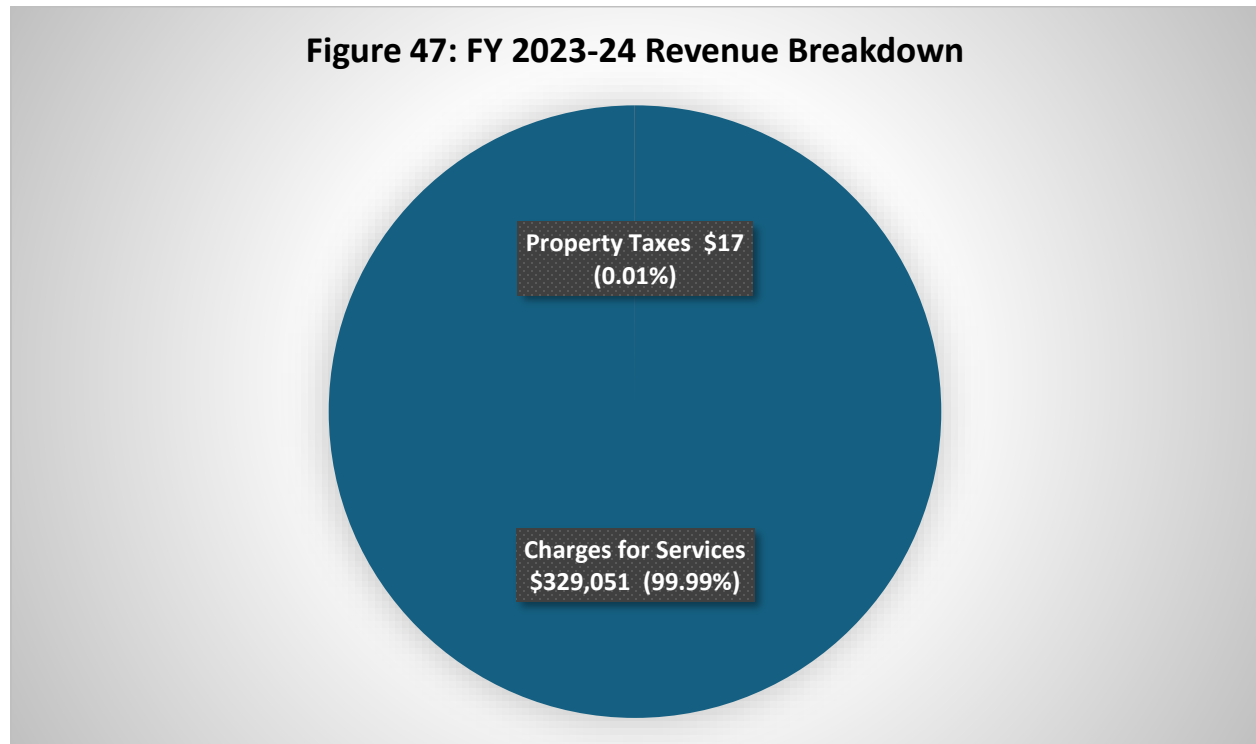
At the end of Fiscal Year 2023-24, total revenue collected was \$329,068, representing a 10% increase from the previous year (\$300,470 in FY 22-23). Total expenses for FY 2023-24 were \$298,514, which decreased from the previous year by 32% (\$436,566 in FY 22-23). During LAFCO’s last service review analysis in 2019, the District experienced consecutive annual deficits in FY 16-17 and FY 17-18. During this service review cycle, the District continued to experience annual deficits in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 46** below. While the recently adopted budget is anticipating a positive fiscal year, LAFCO staff believes that the historical negative trend will continue unless additional revenue sources are allocated to cover annual expenses.



Footnote: DCSD is a small district; therefore, any expense is split between a small number of users. The sewer system is aging and as a result the County has been balancing building up reserves while trying to keep sewer charges reasonable.

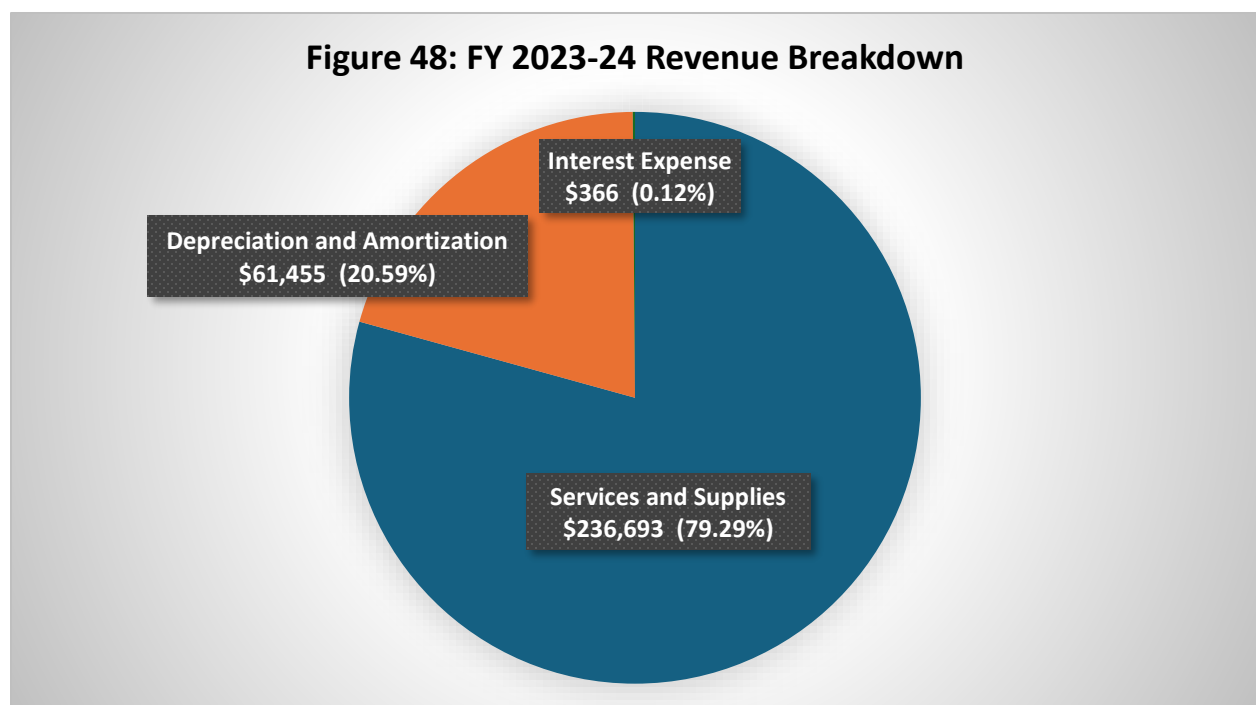
District Revenues

The District's primary source of revenue is from Charges for Services. In FY 2023-24, Charges for Services represented 99% of total revenue, as shown in **Figure 47**.



District Expenditures

The District's total expenditures can be categorized into three budgetary groups: Services & Supplies, Depreciation & Amortization, and Interest Expense. The figure below depicts how funding is distributed by category. The District's primary expenditure is associated with operational and management costs, under Services and Supplies.



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$10 million. The following table highlights the Fund Balance from 2018 to 2025. As **Table 72** shows below, the District has generally experienced a decrease in total reserves each year. On average, total reserves have decreased by approximately \$63,000 or 4% between FY 19-20 to FY 23-24. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 73**.

Table 72: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$921,802	\$902,687	\$738,703	\$724,271	\$576,716	\$762,535	\$762,558
Change in (\$) from previous year		\$(19,115)	\$(163,984)	\$(14,432)	\$(147,555)	\$185,819	\$23
Change in (%) from previous year		-2%	-18%	-2%	-20%	32%	0%

Table 73: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ -	\$ -	\$ -	\$ 211,387	\$ 266,379	\$ 281,409	\$ 289,918	\$ 298,271	\$ 306,411	\$ 299,627	\$ 329,051	
Interest and Investment Income	\$ -	\$ -	\$ -	\$ 712	\$ (2,358)	\$ (20,925)	\$ (31,803)	\$ (2,336)	\$ (1,536)	\$ 843	\$ -	
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17	
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,819	\$ -	\$ -	\$ -		\$ -	
Total Revenue	\$ -	\$ -	\$ -	\$ 212,099	\$ 264,021	\$ 278,303	\$ 258,115	\$ 295,935	\$ 304,875	\$ 300,470	\$ 329,068	\$ 297,891
EXPENDITURES												
Services and Supplies	\$ -	\$ -	\$ -	\$ 195,908	\$ 220,215	\$ 197,572	\$ 216,607	\$ 244,597	\$ 220,851	\$ 375,919	\$ 236,693	
Depreciation and Amortization	\$ -	\$ -	\$ -	\$ 59,335	\$ 58,637	\$ 58,637	\$ 58,637	\$ 58,637	\$ 58,637	\$ 59,811	\$ 61,455	
Interest Expense	\$ -	\$ -	\$ -	\$ 3,019	\$ 2,715	\$ 2,355	\$ 1,985	\$ 836	\$ 836	\$ 836	\$ 366	
Total Expenditure	\$ -	\$ -	\$ -	\$ 258,262	\$ 281,567	\$ 258,564	\$ 277,229	\$ 304,070	\$ 280,324	\$ 436,566	\$ 298,514	\$ 297,868
Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ (46,163)	\$ (17,546)	\$ 19,739	\$ (19,114)	\$ (8,135)	\$ 24,551	\$ (136,096)	\$ 30,554	\$ 23
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Position - Beginning	\$ -	\$ -	\$ -	\$ 965,777	\$ 919,614	\$ 902,068	\$ 921,802	\$ 902,687	\$ 738,703	\$ 724,271	\$ 576,716	\$ 762,535
Net Position - Ending	\$ -	\$ -	\$ -	\$ 919,614	\$ 902,068	\$ 921,802	\$ 902,687	\$ 738,703	\$ 724,271	\$ 576,716	\$ 762,535	\$ 762,558
RESERVES												
Capital Improvement Reserves	\$ 67,951	\$ -	\$ -	\$ 248,195	\$ -	\$ -	\$ 18,409	\$ 10,000	\$ 125,751	\$ 131,075	\$ 56,655	\$ 10,000

Governance

The Davenport County Sanitation District is governed by a District Board comprised of members of the Santa Cruz County Board of Supervisors. The DCSD is a nonprofit public agency providing treated drinking water and sewage collection, treatment and disposal services to the town of Davenport. The current Board is as follows:

Table 74: 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County of Santa Cruz Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The division also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

Based on SB 929’s criteria and the recommendations set by the SDLF, LAFCO conducted a thorough review of the District’s website (even though said law only applies to independent special districts). **Table 75** summarizes staff’s findings on whether the website meets the statutory requirements. At present, the District does meet the statutory requirements set under SB 929 and SDLF’s website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization’s website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 75: 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)	20 (100%)

Opportunities & Challenges

The Davenport County Sanitation District is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Infrastructure Deficiencies

Older infrastructure is aging, deteriorating, and in need of repair. The County previously indicated that one undersized sewer trunk required upsizing to lift a sanitary sewer moratorium: this project was scheduled for 2020-2021. The District also expressed interest in the past to relocate the existing water line from the intake at San Vicente Creek and through the creek bed to a more secure location in the adjacent roadway. This would take significant funds to study viable options, complete the necessary studies, obtain permits, and construct the new pump station and pipeline. Today, infrastructure improvements continues to be an ongoing issue for not only the District, but rather, most of the sanitation districts throughout the County – which highlights the importance of a robust capital improvement plan.

Capital Improvement Plan

The Davenport County Sanitation District is part of the County's 2025/30 Capital Improvement Program. The 2025/30 Capital Improvement Program (CIP) presents a five-year financing implementation plan for capital improvements within the unincorporated County; Parks, Open Space and Cultural Services; and County Facility projects located Countywide. The CIP is an outgrowth of cooperative planning, programming and financing efforts through the County Administrative Office and by the County's land use departments including Planning, Public Works, and Parks, Open Space and Cultural Services, as well as non-land use departments including the Health Services Agency, General Services Department, Probation, and the Sheriff's Department. Unprogrammed road, roadside, sanitation, flood control, parks, and recycling and solid waste projects (which funding is not anticipated for in the coming five years, or longer, and meets requirements of unincorporated County service level needs at build-out under the 1994 General Plan) are also identified in the CIP. The 2025/30 CIP currently identifies two projects within the Davenport County Sanitation District, the **Davenport Drinking Water Improvements Phase III** and the **Davenport Water Tank Rehabilitation**. Neither of these projects impact the sewer system.

LAFCO Staff Recommendation: *Currently Davenport is included in the countywide capital improvement plan. The County should consider if developing specific capital improvement plans that cover the sanitation districts managed and operated by the Public Works Department – Davenport, Freedom, Santa Cruz County Sanitation Districts, and CSAs 2, 5, 7, 10, and 20 have any added benefit compared to including it with the overall County CIP. If the benefit outweighs the cost burden of preparing the specific CIPs, the County should institute this practice.*

Sphere of Influence

LAFCO originally adopted a coterminous sphere of influence for the District in 1991, as shown in **Figure 49** on page 120. A coterminous sphere of influence is identical to the agency's jurisdictional boundary. For the past 34 years, the sphere boundary has remained unchanged. Although the CEMEX site is and has been served by the District, the sphere of influence boundary does not include the CEMEX property.

Proposed Sphere Amendment

The CEMEX parcel has been receiving services from the District since 2005 under an extraterritorial service agreement (ESA) and the County has previously expressed interest in annexing the parcel. The parcel is approximately 112 acres and is designated for agricultural and rural mountain residential use under the County's General Plan. To ensure that the District's sphere accurately reflects its service area, LAFCO is recommending that the Commission amend the sphere to include the existing ESA. **Figure 50** on page 121 shows the proposed sphere boundary.



Figure 49: Davenport County Sanitation District's Current Sphere Map

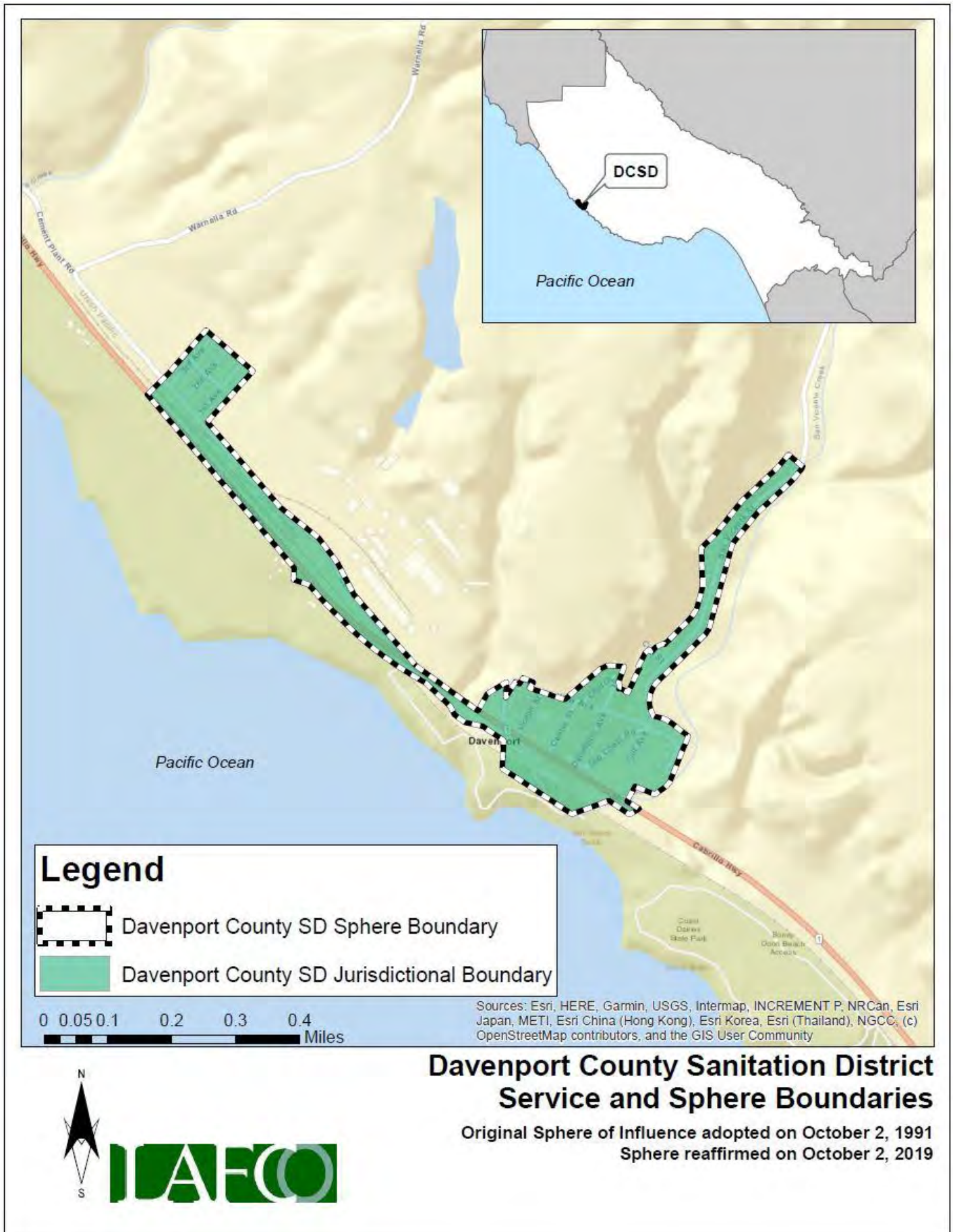


Figure 50: Davenport County Sanitation District's Proposed Sphere Map



District Summary

Davenport County Sanitation District	
Formation	County Sanitation District Act (Health and Safety Code Sections 4700-4858)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	2.50 full-time employee (approximately)
Facilities	Collection, Treatment, and Recycled Water Plant; 3 pump stations; 109 connections
District Area	64 acres (0.1 square mile)
Sphere of Influence	Coterminous with District (i.e. no sphere beyond existing jurisdictional boundary)
FY 2024-25 Budget	<p>Total Revenue = \$297,891</p> <p>Total Expenditure = \$297,868</p> <p>Projected Net Position (Beginning Balance) = \$762,558</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: Matt.Machado@santacruzcountyca.gov</p> <p>Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The District does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Davenport community is generally built-out with residential and commercial use. There are no growth projections available for the District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO projects that the District's entire population in 2040 will be 225.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within the District.

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.

The Davenport County Sanitation District has an aging collection and treatment plant that serves residential units in the Davenport Community. The District also operates a recycled water system. The infrastructure is maintained by the County of Santa Cruz. Based on the County's 2022 Sewer System Management Plan, Davenport County Sanitation District has 109 connections with 3.0 miles of gravity sewer lines, 1.30 miles of force main lines, and 3 pump stations. Revenues to operate the District are collected yearly from residents and businesses that are connected to either the waterworks or the sanitary sewer system.

4. Financial ability of agencies to provide services.

The Davenport County Sanitation District continues to experience annual deficits. LAFCO staff projects that this negative trend will continue unless the District increases its overall revenue stream or decreases annual expenses. As of June 30, 2024, the District is operating with a net position of approximately \$10 million.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The CEMEX plant closed in 2008. The County has indicated that if the CEMEX plant is sold and developed, it could add a significant population to the Davenport County Sanitation District's service area. Any added commercial or residential use would be

beneficial to the District, as the revenue generated from the sewer and water rates could fund necessary infrastructure improvements that are too expensive for the small population of the District to fund. If the CEMEX site were to be developed, the water treatment plant and recycled water plant would need to be expanded to meet the new demands. There would also be a need for new transmission lines and possibly pump stations to serve the new development.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

The Davenport County Sanitation District owns and operates a wastewater treatment facility serving the community of Davenport, which includes a domestic wastewater collection system, influent headworks, aerated lagoon, sand filter, and a chlorine contact tank. More recently, the District now operates a recycled water treatment plant, with a recycled water fill station and a recycled water storage pond. The District currently has 109 connections and serves over 200 residents.

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

The CEMEX plant closed in 2008. The County has indicated that if the CEMEX plant is sold and developed, it could add a significant population to the Davenport County Sanitation District's service area.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The District's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, the District has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The District's principal needs are repair and replacement of aging infrastructure.

FREEDOM COUNTY SANITATION DISTRICT

District Overview

The Freedom County Sanitation District provides wastewater collection service for the Buena Vista/Calabasas area of Freedom and the Green Valley Road corridor outside the Watsonville city limits (totaling 1,504 parcels). **Figure 51**, on page 126, is a vicinity map of the service area. The Santa Cruz County Board of Supervisors acts as the Board of Directors to the District. The County Public Works Department operates the District's sewage collection system. The District contracts with the City of Watsonville to treat, recycle, and dispose of the District's wastewater at the city treatment plant. **Appendix I** provides a copy of the formation resolution.

Population & Growth

The Freedom area is substantially built-out. There are no growth projections available for the District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that the District's entire population in 2040 will be around 4,300. The projected population for the Freedom County Sanitation District are as follows:

Table 76: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
Freedom County Sanitation District	4,236	4,272	4,308	4,345	0.86%

Source: AMBAG 2018 Regional Growth Forecast

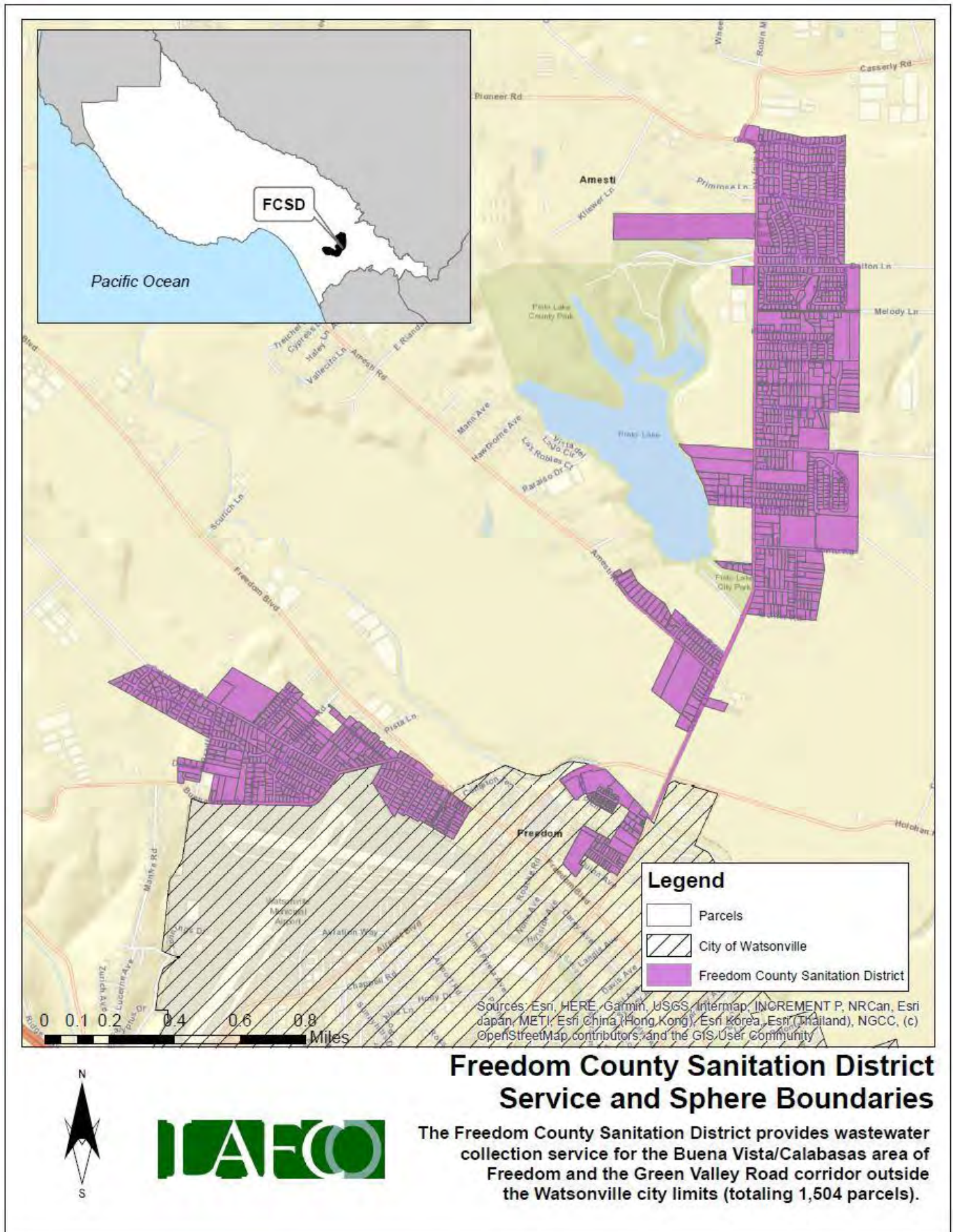
Services & Operations

The Freedom County Sanitation District has two non-contiguous service zones. The western zone serves the neighborhoods of the Watsonville Airport off Freedom Boulevard, Buena Vista Drive, Calabasas Road, and Bowker Road. The northern service zone serves the Green Valley Road corridor, including neighborhoods off Steward Street, Pajaro Lane, Amesti Road, Paulsen Road, Melody Lane, and Mesa Verde. The District collection system is pumped to the wastewater treatment plant on Beach Street, owned and operated by the City of Watsonville. The volume of wastewater is determined from records of water usage as metered by the Watsonville Water Department. Based on the County's 2022 Sewer System Management Plan, Freedom County Sanitation District has approximately 1,891 connections with over 15miles of gravity sewer lines, and 9 pump stations, as shown in **Table 77**.

Table 77: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
Freedom County Sanitation District	Collection	N/A	1,891	9	15.30

Figure 51: Freedom County Sanitation District's Vicinity Map



Sewer Rates

At present, the District's annual sewer rates derive from five user classes: Single-Family Units, Multi-Family Units, Mobile Homes, Commercial, and Schools. Each user class has its own sewer rate. **Table 78** shows a gradual increase in annual rates during the last seven years.

Table 78: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Single-Family	\$559.80	\$593.54	\$640.86	\$694.80	\$746.96	\$814.44	\$882.76
Multi-Family	\$418.22	\$417.70	\$443.60	\$453.72	\$488.10	\$532.32	\$576.66
Mobile Homes	\$478.80	\$546.64	\$614.56	\$700.84	\$753.42	\$821.50	\$890.42
Commercial	\$142.74	\$146.26	\$161.78	\$156.88	\$171.70	\$190.50	\$198.92
<i>Additional Charge (per HCF)*</i>	<i>\$4.14</i>	<i>\$4.80</i>	<i>\$5.39</i>	<i>\$6.18</i>	<i>\$6.63</i>	<i>\$7.23</i>	<i>\$7.84</i>
School*	\$142.74	\$146.26	\$161.78	\$156.88	\$171.70	\$190.50	\$198.92
<i>Additional Charge (per ADA)*</i>	<i>\$11.05</i>	<i>\$12.83</i>	<i>\$14.39</i>	<i>\$16.49</i>	<i>\$15.98</i>	<i>\$17.42</i>	<i>\$18.90</i>

Note: Additional Charge is for "Commercial" is per Hundred Cubic Feet of Water (HCF); Additional Charge is for "School" is per Average Daily Attendance (ADA)

Revenues to operate the Freedom County Sanitation District are collected annually from residents, businesses and schools that are connected to the sanitary sewer system through property taxes and manual bills. Sewer service rates are established through hearings held with the Santa Cruz County Board of Supervisors.

Using information supplied by District staff, the rates are reviewed each year by an independent engineering firm which specializes in revenue studies for utility districts and are subject to final approval by the Board. Before the rates are set, a notice of public hearing is mailed to all owners of property within the Sanitation District boundaries, another notice is published in the Santa Cruz Sentinel, and the public hearing is held. The public hearing is normally scheduled in April or May of each year, with the rates becoming effective on the first of July. The following tables (**Tables 79 to 83**) show the gradual increase in annual rates for each area.

Table 79: Single-Family Unit's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Single Family	\$559.80	\$593.54	\$640.86	\$694.80	\$746.96	\$814.44	\$882.76	
<i>Change (\$)</i>		<i>\$33.74</i>	<i>\$47.32</i>	<i>\$53.94</i>	<i>\$52.16</i>	<i>\$67.48</i>	<i>\$68.32</i>	<i>\$40.57</i>
<i>Change (%)</i>		<i>6%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>9%</i>	<i>8%</i>	<i>6.68%</i>

Table 80: Multi-Family Unit's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Multi-Family	\$418.22	\$417.70	\$443.60	\$453.72	\$488.10	\$532.32	\$576.66	
<i>Change (\$)</i>		-\$0.52	\$25.90	\$10.12	\$34.38	\$44.22	\$44.34	\$21.26
<i>Change (%)</i>		0%	6%	2%	8%	9%	8%	4.89%

Table 81: Mobile Home Unit's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Mobile Homes	\$478.80	\$546.64	\$614.56	\$700.84	\$753.42	\$821.50	\$890.42	
<i>Change (\$)</i>		\$67.84	\$67.92	\$86.28	\$52.58	\$68.08	\$68.92	\$49.41
<i>Change (%)</i>		14.2%	12%	14%	8%	9%	8%	10.9%

Table 82: Commercial's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Commercial	\$142.74	\$146.26	\$161.78	\$156.88	\$171.70	\$190.50	\$198.92	
<i>Change (\$)</i>		\$3.52	\$15.52	-\$4.90	\$14.82	\$18.80	\$8.42	\$4.52
<i>Change (%)</i>		2%	11%	-3%	9%	11%	4%	2.77%

Table 83: School's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
School	\$142.74	\$146.26	\$161.78	\$156.88	\$171.70	\$190.50	\$198.92	
<i>Change (\$)</i>		\$3.52	\$15.52	-\$4.90	\$14.82	\$18.80	\$8.42	\$4.52
<i>Change (%)</i>		2%	11%	-3%	9%	11%	4%	2.77%

When comparing the sewer rates with the other sanitation districts analyzed in this report, Freedom County Sanitation District is ranked the third lowest in charges for single family units (\$882.76/year), ranked the lowest in charges for multi-family units (\$576.66/year) and ranked the highest in charges to mobile home units (\$890.42/year). Using a general business with a water usage of 192 hundred cubic feet of annual water usage, Freedom's commercial charges are ranked the second lowest (\$1,757/year). When comparing schools with 135 students, Freedom ranked the second lowest compared to school sites in other Districts/CSAs (\$2,840/year). Sewer rate comparisons are shown in the following figures (**Figures 52 to 56**).

Figure 52: Annual Sewer Rates for Single-Family Units

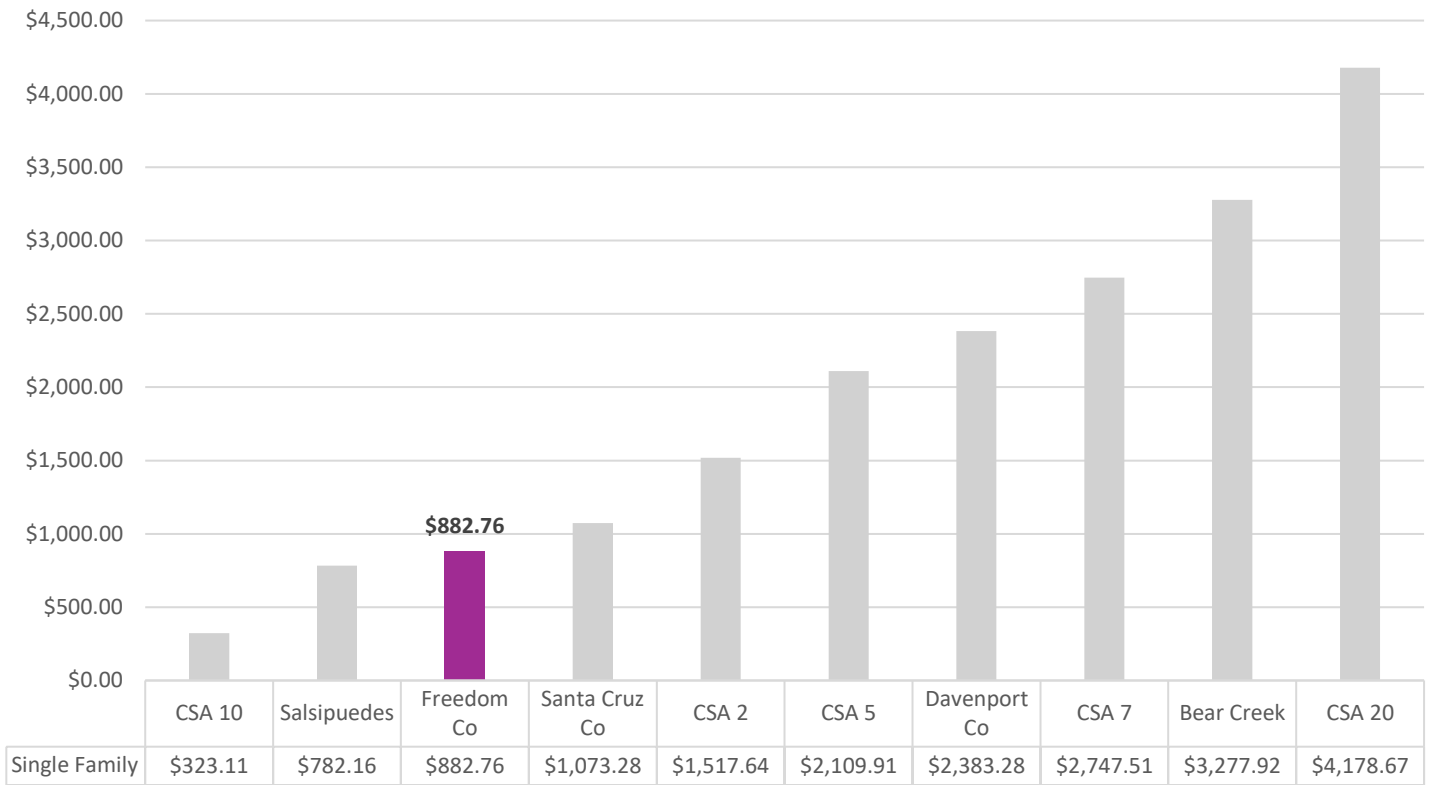


Figure 53: Annual Sewer Rates for Multi-Family Units

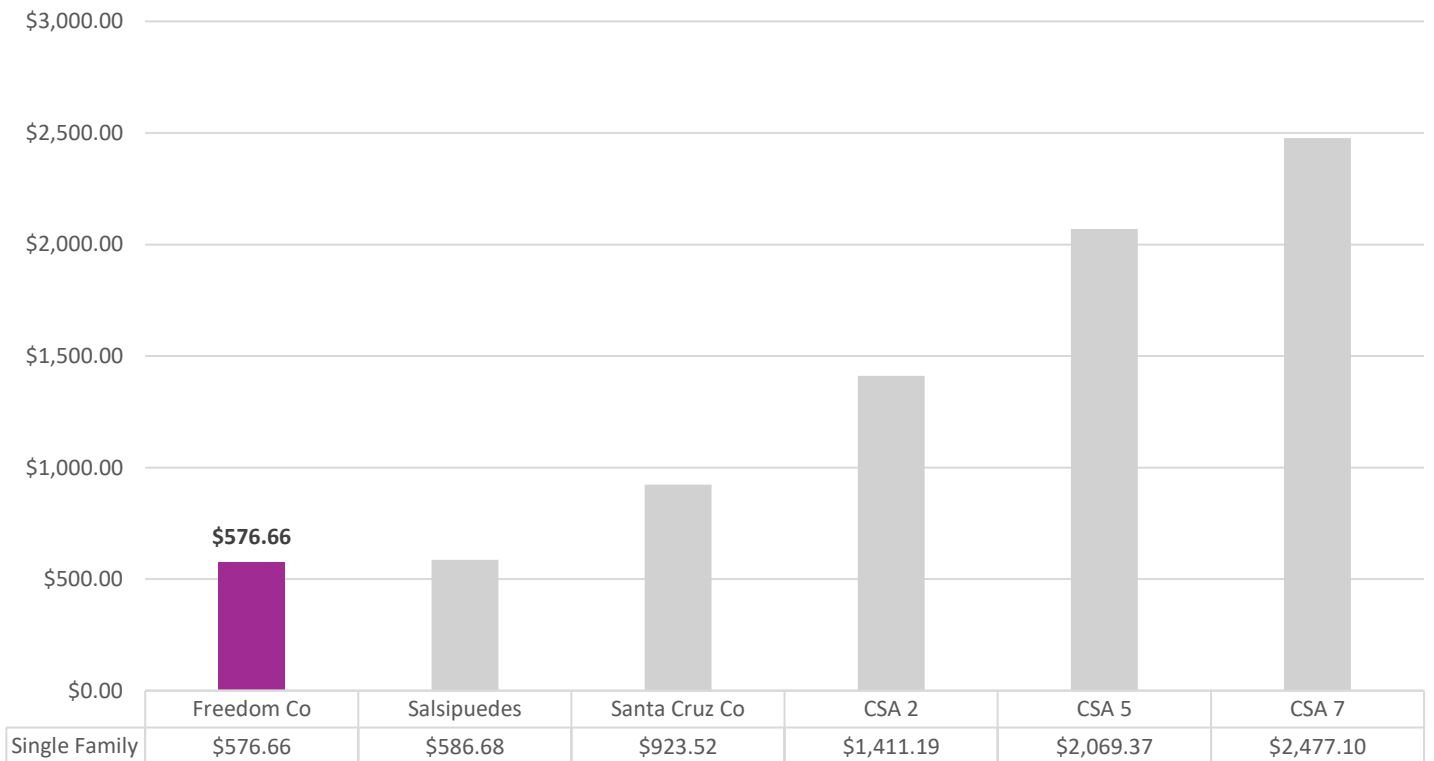


Figure 54: Annual Sewer Rates for Mobile Home Units

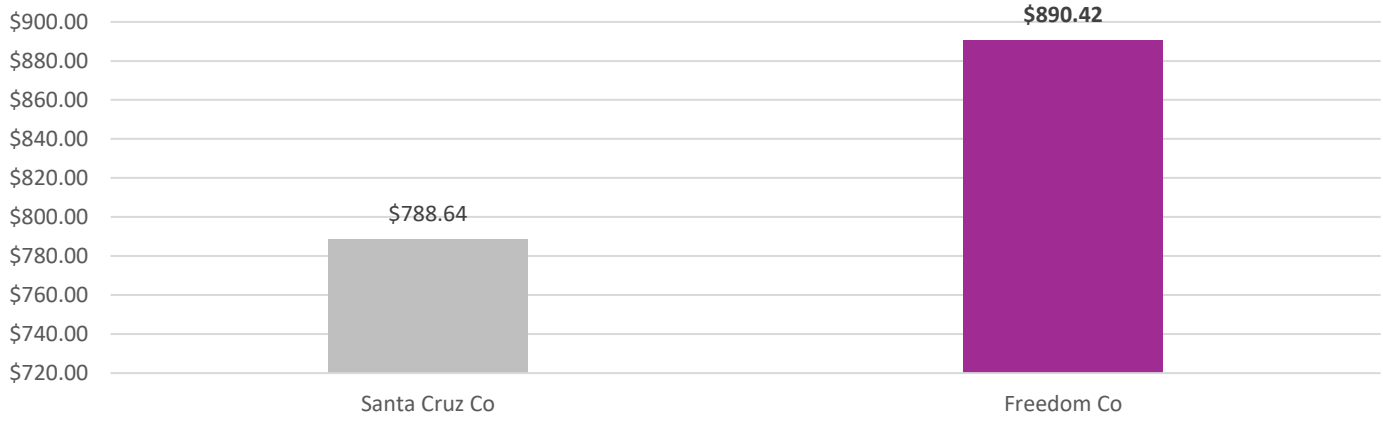


Figure 55: Annual Sewer Rates for Commercial Sites

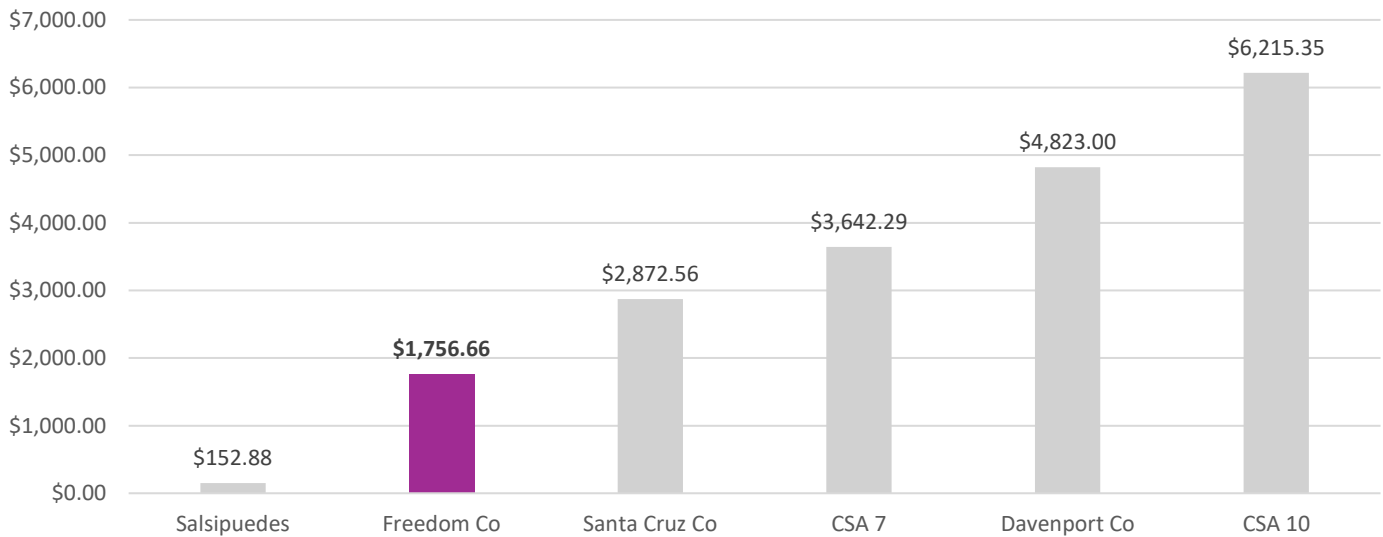
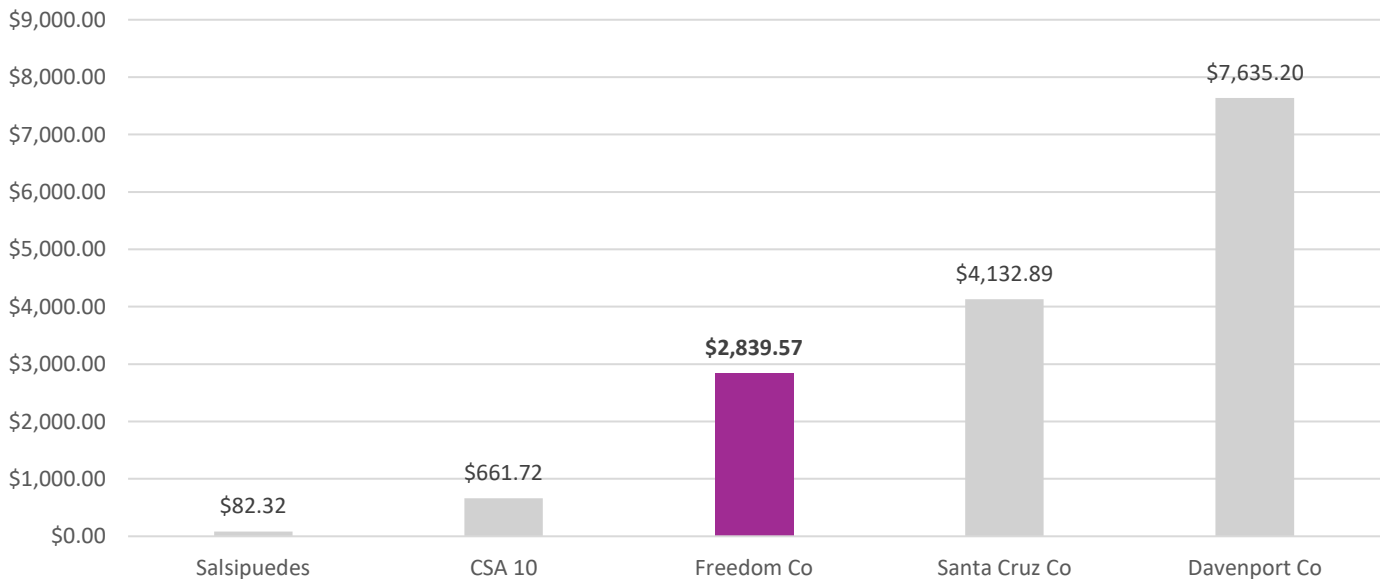


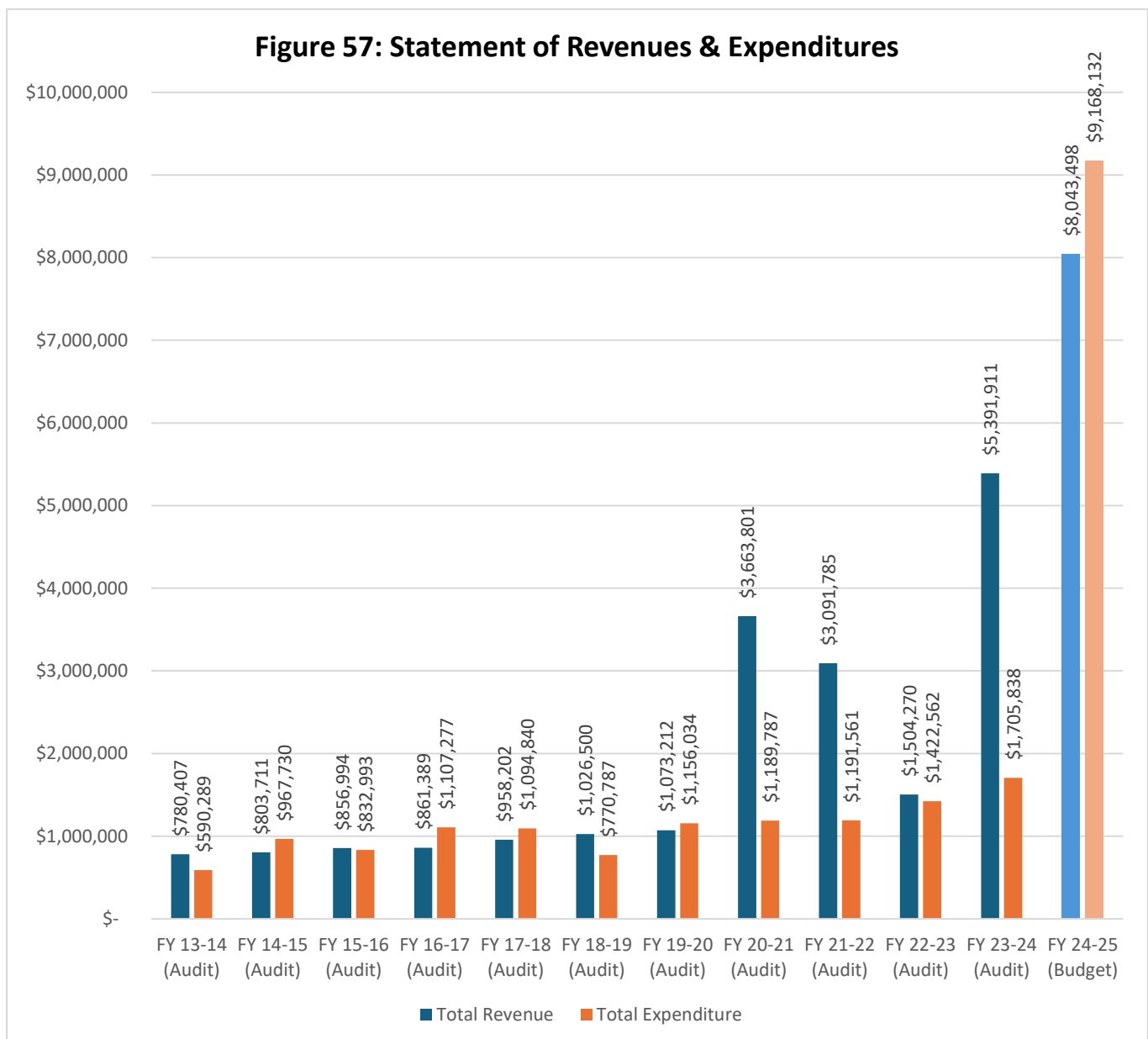
Figure 56: Annual Sewer Rates for School Sites



Finances

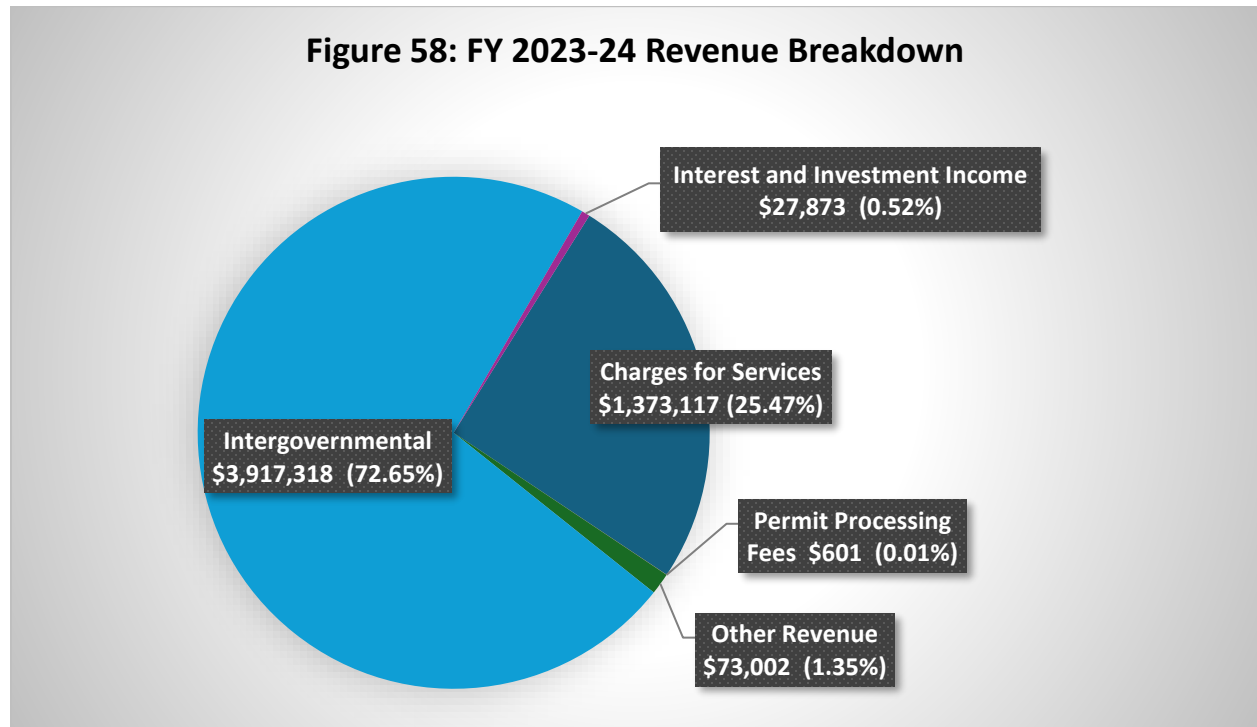
This section will highlight the District's audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the District's financial performance during the past 12 years is shown in **Table 85** on page 133.

At the end of Fiscal Year 2023-24, total revenue collected was approximately \$5 million, representing a 258% increase from the previous year (\$1.5 million in FY 22-23). Total expenses for FY 2023-24 were approximately \$1.7 million, which increased from the previous year by 20% (\$1.4 million in FY 22-23). During LAFCO's last service review analysis in 2019, the District experienced annual deficits in three of the five fiscal years (FY 13-14 to FY 17-18). During this service review cycle, the District continued to experience annual deficits in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 57** below. The recently adopted budget also anticipates another negative year. LAFCO staff believes that the historical negative trend will continue unless additional revenue sources are allocated to cover annual expenses.



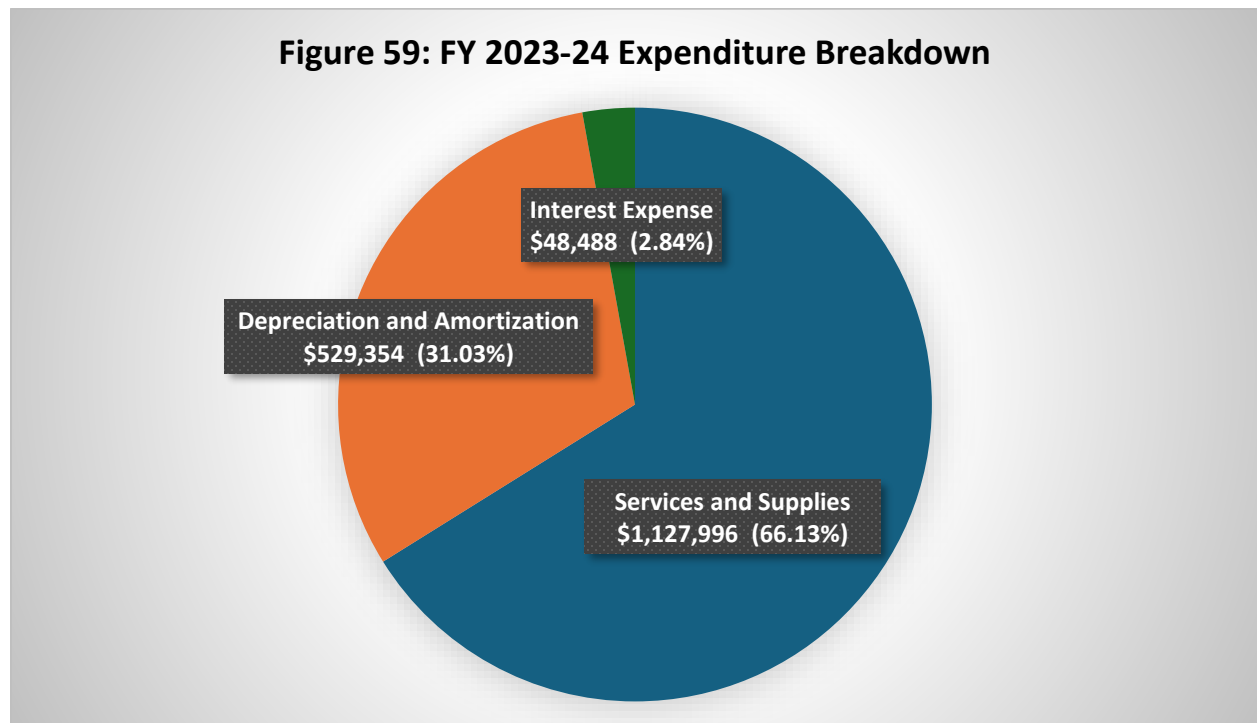
District Revenues

Freedom County Sanitation District's primary source of revenue is Charges for Services. In FY 2023-24, the District received revenue from multiple sources as shown in **Figure 58**.



District Expenditures

The District's total expenditures can be categorized into three budgetary groups, as shown in **Figure 59**. The District's primary expenditure is associated with operational and management costs, under Services and Supplies.



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$9.5 million. The following table highlights the Fund Balance from 2018 to 2025. As **Table 84** shows below, the District has generally experienced a decrease in total reserves each year due to an influx of intergovernmental assistance in certain years. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 85**.

Table 84: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$6,359,690	\$6,439,370	\$8,913,384	\$12,480,184	\$10,895,316	\$14,581,389	\$9,475,500
Change in (\$) from previous year		\$79,680	\$2,474,014	\$3,566,800	\$(1,584,868)	\$3,686,073	\$(5,105,889)
Change in (%) from previous year		1%	38%	40%	-13%	34%	-35%

Table 85: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 765,831	\$ 795,227	\$ 845,074	\$ 844,752	\$ 935,805	\$ 988,340	\$ 1,048,619	\$ 1,118,875	\$ 1,239,427	\$ 1,316,750	\$ 1,373,117	\$ 1,580,500
Permit Processing Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 601	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,993	\$ 73,002	\$ 6,456,998
Job Cost Billings Only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,977	\$ 3,917,318	\$ -
Interest and Investment Income	\$ 14,576	\$ 8,484	\$ 11,920	\$ 16,637	\$ 22,397	\$ 38,160	\$ 24,593	\$ 6,567	\$ (29,934)	\$ 37,550	\$ 27,873	\$ 6,000
Fed-Misc Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,538,359	\$ 1,882,292	\$ -	\$ -	\$ -
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 780,407	\$ 803,711	\$ 856,994	\$ 861,389	\$ 958,202	\$ 1,026,500	\$ 1,073,212	\$ 3,663,801	\$ 3,091,785	\$ 1,504,270	\$ 5,391,911	\$ 8,043,498
EXPENDITURES												
Services and Supplies	\$ 402,847	\$ 759,792	\$ 627,096	\$ 899,002	\$ 869,217	\$ 560,803	\$ 908,795	\$ 957,588	\$ 899,557	\$ 855,247	\$ 1,127,996	\$ 1,075,391
Depreciation and Amortization	\$ 187,442	\$ 207,938	\$ 205,897	\$ 208,275	\$ 210,881	\$ 209,984	\$ 247,239	\$ 232,199	\$ 223,519	\$ 517,770	\$ 529,354	\$ 755,347
Operating Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,142,032
Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,485	\$ 49,545	\$ 48,488	\$ 47,419
Contrib to Other Agencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,943
Loss on Disposal of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 14,742	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditure	\$ 590,289	\$ 967,730	\$ 832,993	\$ 1,107,277	\$ 1,094,840	\$ 770,787	\$ 1,156,034	\$ 1,189,787	\$ 1,191,561	\$ 1,422,562	\$ 1,705,838	\$ 9,168,132
Surplus/(Deficit)	\$ 190,118	\$ (164,019)	\$ 24,001	\$ (245,888)	\$ (136,638)	\$ 255,713	\$ (82,822)	\$ 2,474,014	\$ 1,900,224	\$ 81,708	\$ 3,686,073	\$ (1,124,634)
Net Position - Beginning	\$ 6,598,905	\$ 6,789,023	\$ 6,625,004	\$ 6,649,005	\$ 6,403,117	\$ 6,266,479	\$ 6,522,192	\$ 6,439,370	\$ 8,913,384	\$ 10,813,608	\$ 10,895,316	\$ 10,600,134
Net Position - Ending	\$ 6,789,023	\$ 6,625,004	\$ 6,649,005	\$ 6,403,117	\$ 6,266,479	\$ 6,522,192	\$ 6,439,370	\$ 8,913,384	\$ 10,813,608	\$ 10,895,316	\$ 14,581,389	\$ 9,475,500
RESERVES												
Wastewater Reserves	\$ 921	\$ 49,445	\$ 27,408	\$ -	\$ -	\$ -	\$ 400,000	\$ 612,103	\$ -	\$ -	\$ -	\$ -
Sewer Project Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
M&O Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 37,813	\$ 10,000	\$ 10,000	\$ 14,071	\$ 100,000
Total Reserves	\$ 921	\$ 49,445	\$ 27,408	\$ -	\$ -	\$ -	\$ 450,000	\$ 649,916	\$ 10,000	\$ 10,000	\$ 14,071	\$ 100,000

Governance

The Freedom County Sanitation District is governed by a District Board comprised of members of the Santa Cruz County Board of Supervisors. The FCSD is a nonprofit public agency providing sewage collection to the town of Freedom. The current Board is as follows:

Table 86: Board of Directors

Board Member	Supervisorial 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
Kimberly De Serpa	Second District (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2024 Next Election: Primary 2028
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
Monica Martinez	Fifth District (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2024 Next Election: Primary 2028

The Board of Directors meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

The County of Santa Cruz Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The division also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations. Most of the County Code pertaining to sanitary sewer collection systems is adopted by reference from the SCCSD Code.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

Based on SB 929's criteria and the recommendations set by the SDLF, LAFCO conducted a thorough review of the District's website (even though said law only applies to independent special districts). **Table 87** summarizes staff's findings on whether the website meets the statutory requirements. At present, the District does meet the statutory requirements set under SB 929 and SDLF's website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization's website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 87: 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)	20 (100%)

Opportunities & Challenges

The Freedom County Sanitation District is affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Capital Improvement Plan

The Freedom County Sanitation District is part of the County's 2021/22 Capital Improvement Program. The 2021/22 Capital Improvement Program (CIP) presents a five-year financing implementation plan for capital improvements within the unincorporated County; Parks, Open Space and Cultural Services; and County Facility projects located Countywide. The CIP is an outgrowth of cooperative planning, programming and financing efforts through the County Administrative Office and by the County's land use departments including Planning, Public Works, and Parks, Open Space and Cultural Services, as well as non-land use departments including the Health Services Agency, General Services Department, Probation, and the Sheriff's Department. Unprogrammed road, roadside, sanitation, flood control, parks, and recycling and solid waste projects (which funding is not anticipated for in the coming five years, or longer, and meets requirements of unincorporated County service level needs at build-out under the 1994 General Plan) are also identified in the CIP. The ***Freedom Sewer Rehabilitation Phase I*** and ***Freedom Sewer Rehabilitation Phase III*** projects are included in the 2021/22 CIP. These projects are now completed. Together they rehabilitated over 4.2 miles of sewer mains and associated manholes.

Sewer System Management Plan

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems. These requirements include the following:

- Sanitary Sewer Spills are prohibited, and
- All Sanitary Sewer Spills, with the exception of Private Sewer Lateral Discharge (PLSDs), irrespective of size, must be reported to the State Water Board electronically using the California Integrated Water Quality System, and the Districts/CSAs must prepare and implement a Sewer System Management Plan (SSMP).

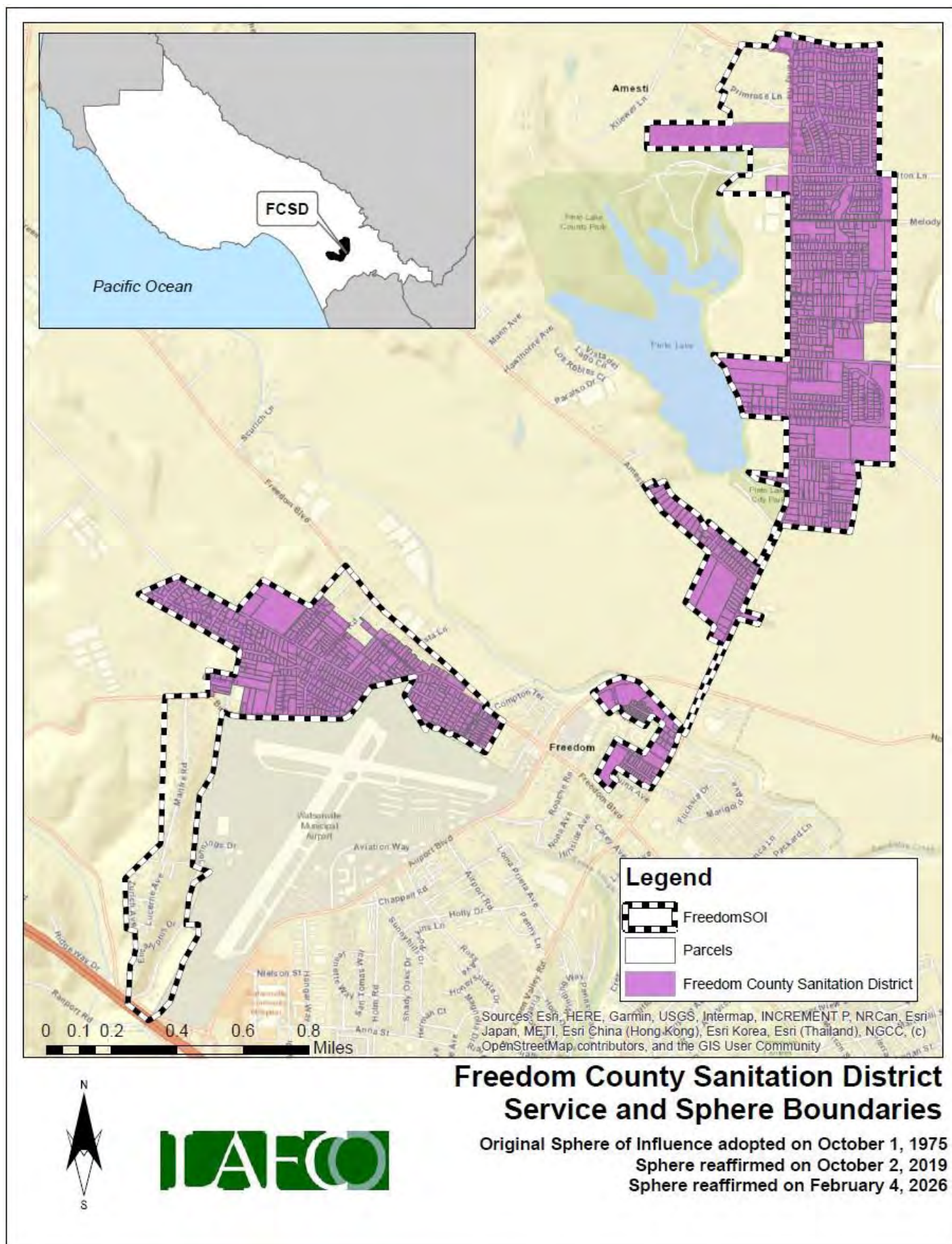
In 2022, the County adopted a Sewer System Management Plan to cover the management, operation and maintenance, design, construction and emergency response of the Davenport Sanitation District, Freedom Sanitation District, Santa Cruz County Sanitation District and County Service Areas sanitary sewer systems.

Sphere of Influence

The Freedom County Sanitation District was formed in 1958, before the establishment of LAFCOs. Santa Cruz LAFCO adopted the first sphere of influence for the District in 1975, and performed a major review of the District's sphere boundary in 1990. The last sphere update for the Freedom County Sanitation District was in March 2011. At present, the sphere boundary goes beyond the jurisdictional boundary of the District. A total of 266 parcels are located within the District's sphere. Staff recommends that the Commission reaffirm the sphere boundary. **Figure 60** on page 138 shows the current sphere of influence boundary for the Freedom County Sanitation District.



Figure 60: Freedom County Sanitation District's Current Sphere Map



District Summary

Freedom County Sanitation District	
Formation	County Sanitation District Act (Health and Safety Code Sections 4700-4858)
Board of Directors	5 members, elected at-large to four-year terms
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	8 full-time employees (approximately)
Facilities	Collection System; 9 pump stations; 1,891 connections
District Area	704 acres (1.1 square mile)
Sphere of Influence	Larger than District (i.e. sphere goes beyond existing jurisdictional boundary)
FY 2024-25 Budget	<p>Total Revenue = \$8,043,498</p> <p>Total Expenditure = \$9,168,132</p> <p>Projected Net Position (Beginning Balance) = \$14,581,389</p>
Contact Information	<p>Mailing Address: 701 Ocean Street, Room 410 Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: Matt.Machado@santacruzcountyca.gov</p> <p>Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx</p>
Public Meetings	The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.
Mission Statement	The District does not have a published mission statement. However, their mission aligns with the published mission statement for the Santa Cruz County Sanitation District.

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

The Freedom area is substantially built-out. There are no growth projections available for the District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that the District's entire population in 2040 will be around 4,300.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within the District.

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.

The Freedom County Sanitation District provides wastewater collection service for the Buena Vista/Calabasas area of Freedom and the Green Valley Road corridor outside the Watsonville city limits (totaling 1,504 parcels).

4. Financial ability of agencies to provide services.

The Freedom County Sanitation District has recently experienced annual deficits. During the last six fiscal years, deficits have ranged from \$1.1 to \$1.6 million. As of June 30, 2024, the District is operating with a net position of approximately \$15 million.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The Freedom County Sanitation District provides wastewater collection service for the Buena Vista/Calabasas area of Freedom and the Green Valley Road corridor outside the Watsonville city limits. The District also serves three connections outside its boundaries, including one duplex, one single family dwelling, and the Pinto Lake County Park ranger's residence. The District currently has over 1,800 connections and serves approximately 4,000 residents.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

The Freedom County Sanitation District provides wastewater collection service for the Buena Vista/Calabasas area of Freedom and the Green Valley Road corridor outside the Watsonville city limits. The District also serves three connections outside its boundaries, including one duplex, one single family dwelling, and the Pinto Lake County Park ranger's residence. The District currently has over 1,800 connections and serves approximately 4,000 residents.

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

The Freedom County Sanitation District was formed in 1958, before the establishment of LAFCOs. Santa Cruz LAFCO adopted the first sphere of influence for the District in 1975, and performed a major review of the District's sphere boundary in 1990. Since then, the City of Watsonville has annexed over 300 acres of the District involving thousands of residents at the time of annexation. The last sphere update for the Freedom County Sanitation District was in March 2011. LAFCO is recommending that the current sphere be reaffirmed.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The District's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, the District has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The District's principal needs are repair and replacement of aging infrastructure.

SALSIPUEDES SANITARY DISTRICT

District Overview

The Salsipuedes Sanitary District has provided wastewater collection services to the unincorporated area northeast of Watsonville since 1965. The service area of the District encompasses about 800 acres and includes 502 parcels. Today, the District provides services to residential properties, as well as to Lakeview Middle School, St. Francis High School, Our Lady Help of Christians Catholic Church, the Santa Cruz County Fairgrounds, and several commercial businesses. **Appendix J** provides a copy of the formation resolution. The main streets in Salsipuedes Sanitary District's jurisdictional boundary include East Lake Avenue (Highway 152) and College Road. The District has 512 connections, and rents an office at 739 East Lake Avenue in Watsonville. The District has a five-person board of directors and employs a part-time Secretary-Manager. The District has a contract with the City of Watsonville to treat, recycle, and/or dispose sewage at the City's plant on Beach Road. **Figure 61**, on page 143, is a vicinity map of the service area.

District History

Salsipuedes Sanitary District was formed in 1965 following an election. Prior to the formation of the Salsipuedes Sanitary District, the Interlocken County Sanitary District provided limited sanitary sewer service to the unincorporated area in southern Santa Cruz County, northeast of the City of Watsonville. Upon formation, the District boundary extended from the Watsonville city limits at Hushbeck Avenue to the north end of Cutter Drive. The District has experienced a series of boundary changes of which the principal annexations were along East Lake Avenue (Highway 152) to include what is now Lakeview Middle School, Our Lady Help of Christians Catholic Church, St. Francis High School, two cemeteries, and the Santa Cruz County Fairgrounds. Detachments involving the District have also occurred as land was annexed to the City of Watsonville, which took over the sanitary sewer service responsibilities. A significant detachment occurred in 1987, in which LAFCO conditioned the Fairgrounds Reorganization to detach 200 acres of commercial agricultural land. This land was previously annexed into the District in the 1960s but was unlikely to need sewer service due to the agricultural land preservation policies enacted by the County in the 1970s and 1980s.

Population & Growth

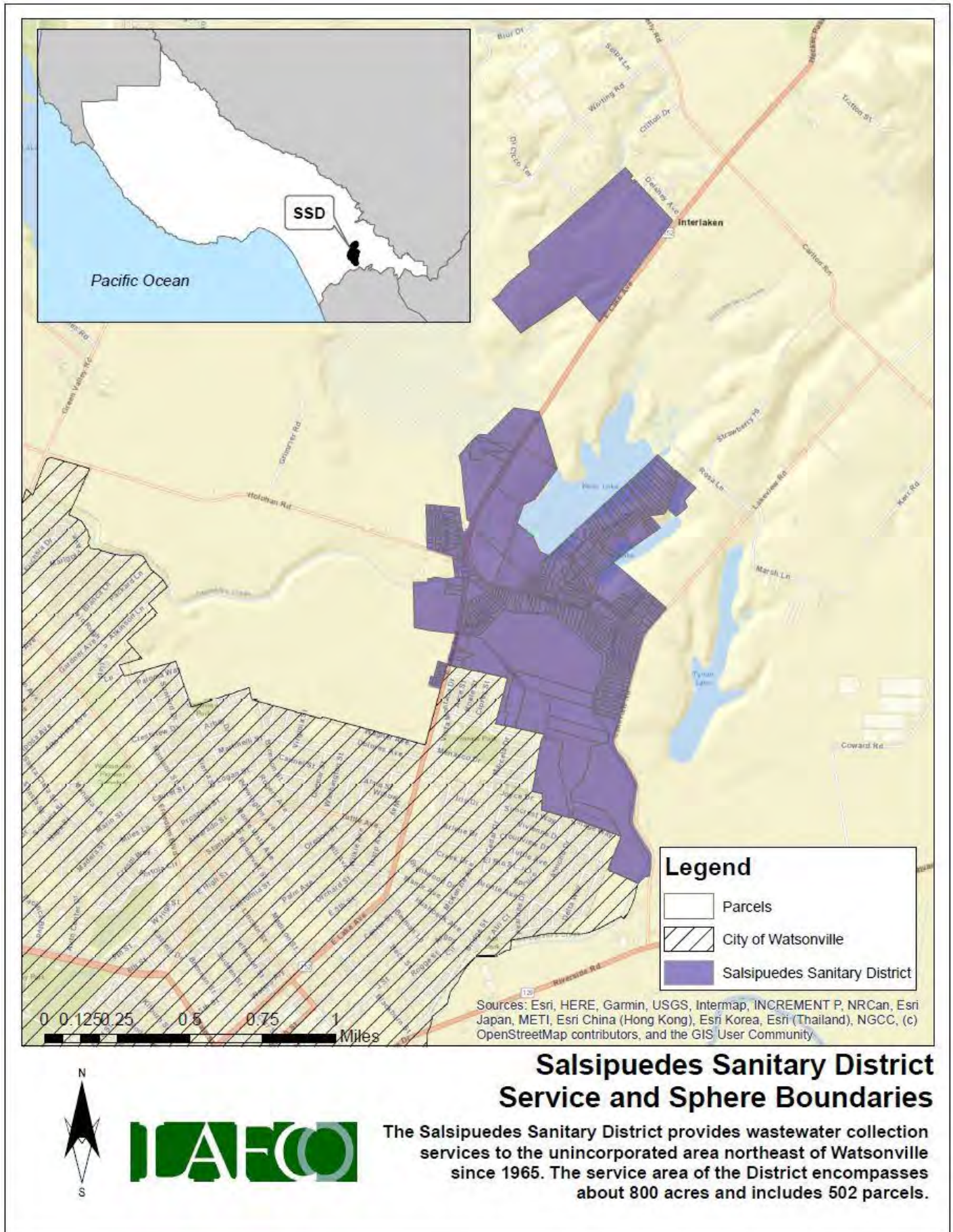
There are no growth projections available for the Salsipuedes Sanitary District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that the District's population in 2040 will be around 2,228. In the daytime, the population in the District increases from attendance at the schools, churches, and fairgrounds. The projected population for the Salsipuedes Sanitary District is as follows:

Table 88: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
Salsipuedes Sanitary District	2,172	2,190	2,209	2,228	0.86%

Source: AMBAG 2018 Regional Growth Forecast

Figure 61: Salsipuedes Sanitary District's Vicinity Map



Services & Operations

Salsipuedes Sanitary District provides wastewater collection services for 512 connections within an unincorporated area northeast of Watsonville. Treatment of collected wastewater is provided by the Watsonville Wastewater Treatment Plant. The District has two lift stations and seven miles of sewer pipeline. The only reported sewer spill in the last ten years occurred in May 2014 when forty gallons spilled in the Beverly Drive neighborhood. To avoid a repeat spill, the district added that sewer segment to its preventive maintenance program. The District utilizes a private contractor, Green Line, to perform the maintenance on the mains and pump stations.

Table 89: Current Infrastructure

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
Salsipuedes Sanitary District	Collection	N/A	512	2	7.0

In 2009, in cooperation with the Pajaro Valley Water Management Agency, the City of Watsonville began treating part of its effluent flow to an advanced tertiary level, and providing it to the Pajaro Valley Water Management Agency to mix with inland well water and distribute through its Coastal Distribution System to irrigate farms in the coastal area of the Pajaro Valley. This recycled water use is a major component in reducing saltwater intrusion into the groundwater aquifers. The tertiary plant has a capacity of 7.7 million gallons per day. On October 1, 2015, the Pajaro Valley Water Management Agency broke ground on a 1.5-million-gallon storage tank that will increase tertiary water deliveries during the peak irrigation periods.

Contractual Agreement with the City of Watsonville

The District has acquired certain capacity rights to the City of Watsonville's Wastewater Treatment Facilities under an agreement dated March 28, 1985. The agreement provides for the apportionment of the costs of construction, reconstruction, enlargement, maintenance and operation of the existing and proposed facilities for the treatment and disposal of all sanitary sewage and industrial waste.

Under the agreement, the District does not obtain any ownership rights or other property rights, other than capacity rights. Capacity rights are for the right to discharge to the City of Watsonville's collection system and treatment plant up to a maximum of 0.281 million-gallon-per-day (mgd) of wastewater flow, 440 pounds a day biochemical oxygen demand, and 514 pounds a day suspended solids reflecting 1.7%, 0.71% and 1.00%, respectively of the treatment plant's capacity. Charges under the contract include operations and maintenance (based on the total flow from the District divided by the total flow to the treatment plant) and city collection system capital improvements (based on the District's rights to use in the improved facility). Charges under the contract totaled \$157,252 for FY 2023-24. The following table depicts the City's contractual charges for the District's share of the treatment plant's operating and maintenance expenses during the last 5 years.

Table 90: Charges under the contract with the City of Watsonville

	FY 18-19 (audit)	FY 19-20 (audit)	FY 20-21 (audit)	FY 21-22 (audit)	FY 22-23 (audit)	FY 23-24 (audit)
Contractual Charges	\$94,838	\$128,580	\$174,395	\$173,536	\$164,575	\$157,252
Change (\$)		\$33,742	\$45,815	\$(859)	\$(8,960)	\$(7,323)
Change (%)		35.6%	35.6%	-0.5%	-5.2%	-4.4%

Sewer Rates

At present, the District's annual sewer rates derive from five primary areas: Single Family Dwelling, Condominiums, Commercial, the Lakeview Middle School, and the Fairgrounds. Each area has its own sewer rate. The following tables (**Tables 91 to 96**) show the gradual increase in annual flat rates during the last seven years.

Table 91: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Residential	\$694.80	\$715.68	\$729.96	\$729.96	\$751.80	\$766.80	\$782.16
Condos	\$521.16	\$536.76	\$547.44	\$547.44	\$563.88	\$575.16	\$586.68
Commercial	\$117.96	\$122.40	\$126.12	\$136.56	\$141.84	\$150.84	\$152.88
School	\$74.04	\$76.20	\$77.64	\$77.16	\$79.32	\$80.64	\$82.32
Fairgrounds	\$18,069.00	\$19,277.04	\$18,976.08	\$15,642.96	\$18,462.00	\$19,332.00	\$21,852.00

Table 92: Single Family Dwelling's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Single-Family	\$694.80	\$715.68	\$729.96	\$729.96	\$751.80	\$766.80	\$782.16	
<i>Change (\$)</i>		\$20.88	\$14.28	\$0.00	\$21.84	\$15.00	\$15.36	\$16.06
<i>Change (%)</i>		3%	2%	0%	3%	2%	2%	2%

Table 93: Condominium's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Multi-Family	\$521.16	\$536.76	\$547.44	\$547.44	\$563.88	\$575.16	\$586.68	
<i>Change (\$)</i>		\$15.60	\$10.68	\$0.00	\$16.44	\$11.28	\$11.52	\$12.04
<i>Change (%)</i>		3%	2%	0%	3%	2%	2%	2%

Table 94: Commercial's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Commercial	\$117.96	\$122.40	\$126.12	\$136.56	\$141.84	\$150.84	\$152.88	
<i>Change (\$)</i>		\$4.44	\$3.72	\$10.44	\$5.28	\$9.00	\$2.04	\$5.28
<i>Change (%)</i>		4%	3%	8%	4%	6%	1%	4%

Table 95: School's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
School	\$74.04	\$76.20	\$77.64	\$77.16	\$79.32	\$80.64	\$82.32	
<i>Change (\$)</i>		\$2.16	\$1.44	-\$0.48	\$2.16	\$1.32	\$1.68	\$1.38
<i>Change (%)</i>		3%	2%	-1%	3%	2%	2%	2%

Table 96: Fairground's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Fairgrounds	\$18,069.00	\$19,277.04	\$18,976.08	\$15,642.96	\$18,462.00	\$19,332.00	\$21,852.00	
<i>Change (\$)</i>		\$1,208.04	-\$300.96	-\$3,333.12	\$2,819.04	\$870.00	\$2,520.00	\$740.45
<i>Change (%)</i>		7%	-2%	-18%	18%	5%	13%	5%

When comparing the sewer rates with the other sanitation districts analyzed in this report, Salsipuedes Sanitary District is ranked the second lowest in charges for single family units (\$782.16/year), ranked the second lowest in charges for multi-family units (\$586.68/year), and ranked the lowest in commercial sites (\$152.88/year), and ranked the lowest in charges to school units (\$82.32/year). Sewer rate comparisons are shown in the following figures (**Figures 62 and 65**). It is important to note that the sewer rates for SSD only includes flat rates and no other supplemental charges regarding commercial or school rates as included in the other sewer agencies in Figures 64 and 65.

Figure 62: Annual Sewer Rates for Single-Family Units

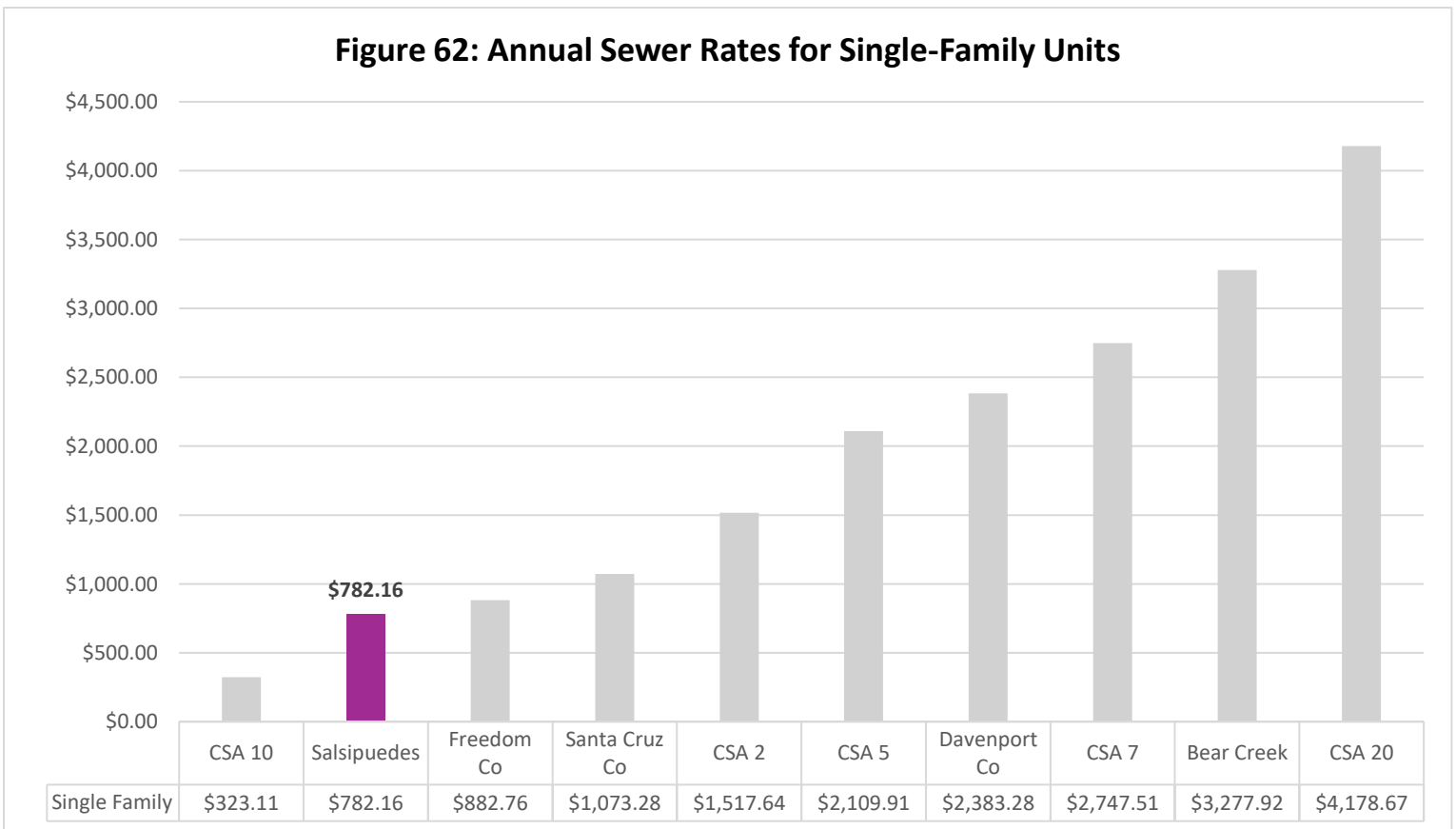


Figure 63: Annual Sewer Rates for Multi-Family Units

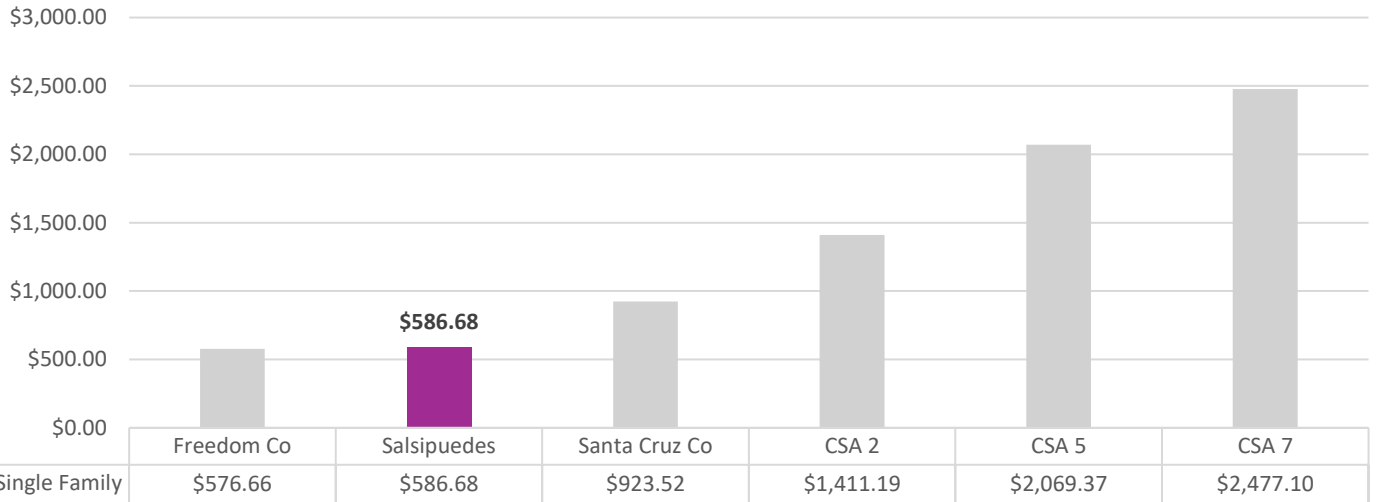
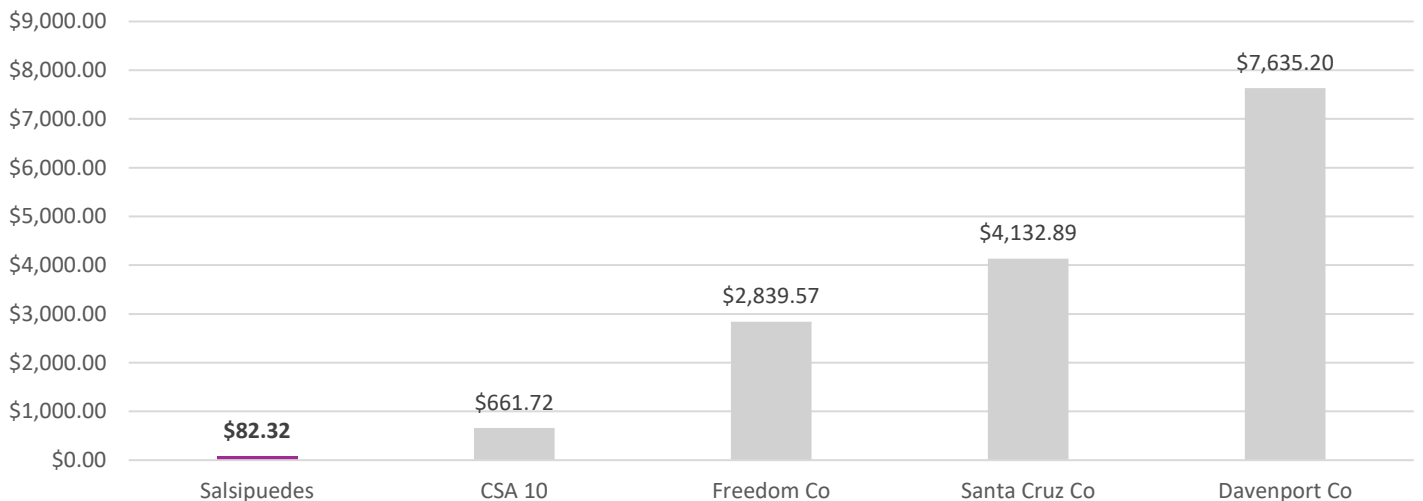


Figure 64: Annual Sewer Rates for Commercial Sites



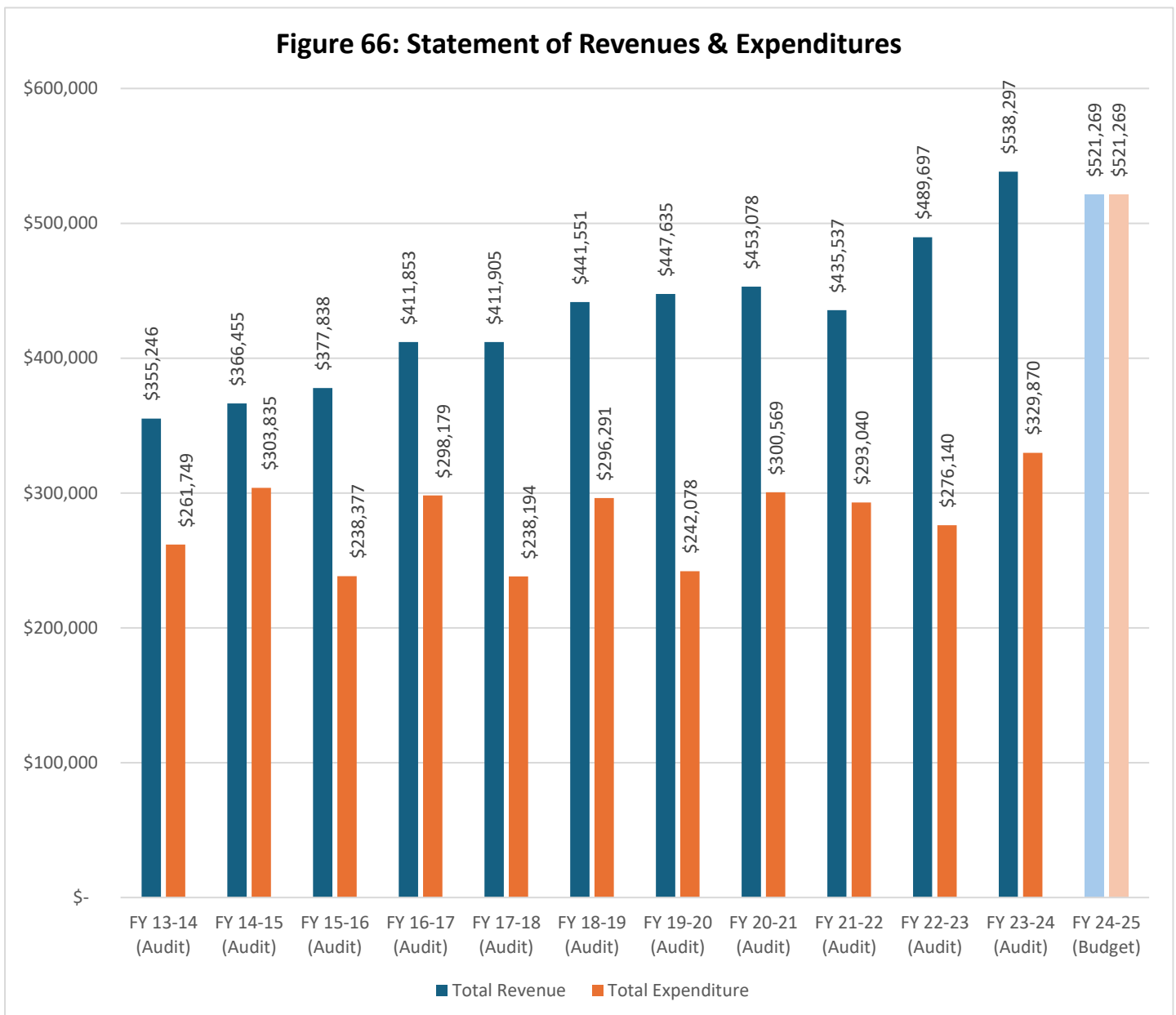
Figure 65: Annual Sewer Rates for School Sites



Finances

This section will highlight the District’s audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the District’s financial performance during the past 12 years is shown in **Table 99** on page 150.

At the end of Fiscal Year 2023-24, total revenue collected was \$538,297, representing a 10% increase from the previous year (\$489,697 in FY 22-23). Total expenses for FY 2023-24 were \$329,870, which increased from the previous year by 19% (\$276,140 in FY 22-23). During LAFCO’s last service review analysis in 2019, the District experienced annual surpluses in all five fiscal years (FY 13-14 to FY 17-18). During this service review cycle, the District continued to experience consecutive annual surpluses in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 66** below. Based on the recently adopted budget and past performances, LAFCO staff believes that the District will continue to operate effectively due to its stable revenue stream and stagnant expenditures.



District Revenues

Operating Revenue

Salsipuedes Sanitary District’s primary source of revenue is from Sewer Service Charges. In FY 2023-24, Sewer Service Charges totaled approximately \$424,000. Overall, operating revenue represents 79% of the District’s entire revenue stream. **Table 97** highlights the operating revenue funds for FY 2023-24.

Non-Operating Revenue

In FY 2023-24, the District collected approximately \$114,000 in non-operating revenue. Interest Income (\$86,231) and Property Taxes (\$26,824) are the largest contributors to the non-operating revenue stream. Overall, non-operating revenue represents 21% of the District’s entire revenue stream. **Table 97** highlights the non-operating revenue funds for FY 2023-24.

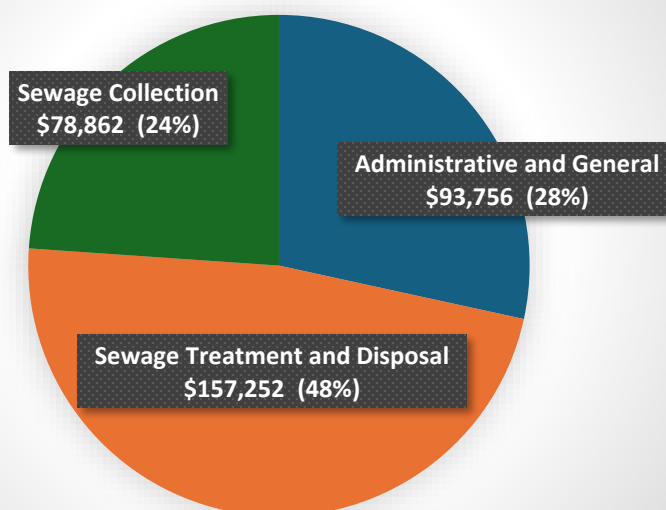
Table 97: Fiscal Year 2023-24 Revenue Breakdown

Operating Revenues:	(\$)	(%)
Sewer Service Charges	\$424,117	78.79%
Miscellaneous Revenue	=	0.00%
Sub-total: Operating Revenue	\$424,117	78.79%
Non-Operating Revenues:		
Interest Income	\$86,231	16.02%
Taxes – Property	\$26,824	4.98%
Homeowners Property Tax Relief	\$124	0.02%
Sewer Inspection and Fees	\$1,000	0.19%
Sub-total: Non-Operating Revenue	\$114,179	21.21%
Total Revenue	\$538,297	100.0%

District Expenditures

Salsipuedes Sanitary District’s total expenditures can be categorized into three budgetary groups: Administrative and General, Sewerage Treatment & Disposal, and Sewage Collection. **Figure 67** depicts the how funding is distributed by category.

Figure 67: FY 2023-24 Expenditure Breakdown



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$3 million. The following table highlights the Fund Balance from 2018 to 2025. As **Table 98** shows below, the District has generally experienced an increase in total reserves each year. On average, total reserves have increased by approximately \$156,000 or 8% since 2013. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 99**.

Table 98: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$1,935,487	\$2,141,044	\$2,293,553	\$2,436,050	\$2,649,607	\$2,858,033	\$2,858,033
Change in (\$) from previous year	-	\$205,557	\$152,508	\$142,497	\$213,557	\$208,427	-
Change in (%) from previous year	-	11%	7%	6%	9%	8%	-

Table 99: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUE												
Operating Revenue												
Sewer Service Charges	\$ 334,605	\$ 343,747	\$ 352,535	\$ 374,990	\$ 357,786	\$ 390,457	\$ 393,583	\$ 416,210	\$ 400,284	\$ 424,910	\$ 424,117	\$ 455,844
Miscellaneous Revenue	\$ -	\$ 1,667	\$ 705	\$ 978	\$ -	\$ 519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Revenue Sub-total	\$ 334,605	\$ 345,414	\$ 353,240	\$ 375,968	\$ 357,786	\$ 390,976	\$ 393,583	\$ 416,210	\$ 400,284	\$ 424,910	\$ 424,117	\$ 455,844
Non-Operating Revenue												
Interest Income	\$ 2,466	\$ 3,663	\$ 5,853	\$ 9,191	\$ 15,076	\$ 28,248	\$ 31,092	\$ 11,974	\$ 8,852	\$ 37,978	\$ 86,231	\$ 29,590
Taxes - Property	\$ 15,601	\$ 17,248	\$ 18,219	\$ 19,367	\$ 20,535	\$ 22,200	\$ 22,835	\$ 23,571	\$ 24,879	\$ 26,088	\$ 26,824	\$ 29,110
Homeowners Property Tax Relief	\$ 124	\$ 130	\$ 126	\$ 127	\$ 125	\$ 126	\$ 125	\$ 122	\$ 122	\$ 121	\$ 124	\$ 125
Connection Fees	\$ 1,650	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,600
Sewer Inspection and Fees	\$ 800	\$ -	\$ 400	\$ 1,200	\$ 18,383	\$ -	\$ -	\$ 1,200	\$ 1,400	\$ 600	\$ 1,000	\$ 3,000
Non-Operating Revenue Sub-total	\$ 20,641	\$ 21,041	\$ 24,598	\$ 35,885	\$ 54,119	\$ 50,574	\$ 54,052	\$ 36,868	\$ 35,253	\$ 64,787	\$ 114,179	\$ 65,425
Total Revenue	\$ 355,246	\$ 366,455	\$ 377,838	\$ 411,853	\$ 411,905	\$ 441,551	\$ 447,635	\$ 453,078	\$ 435,537	\$ 489,697	\$ 538,297	\$ 521,269
EXPENDITURE												
Administrative and General												
Salaries & Benefits	\$ 44,090	\$ 37,888	\$ 32,025	\$ -	\$ 34,890	\$ 42,407	\$ 38,388	\$ 41,776	\$ 42,487	\$ 43,455	\$ 43,579	\$ 44,960
Payroll Taxes	\$ 4,022	\$ 3,405	\$ 2,917	\$ -	\$ 3,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Workers' Compensation	\$ 1,583	\$ 2,147	\$ 2,344	\$ -	\$ 2,294	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000
Attorney Fees	\$ 2,534	\$ 4,089	\$ 200	\$ -	\$ -	\$ 408	\$ 239	\$ 1,689	\$ 4,194	\$ -	\$ 162	\$ 3,350
Accounting and Auditing Fees	\$ 7,880	\$ 8,920	\$ 9,457	\$ -	\$ 1,529	\$ 8,337	\$ 1,589	\$ 5,003	\$ 5,406	\$ 1,819	\$ 11,717	\$ 13,845
Custodial Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Directors' Fees	\$ 8,090	\$ 5,210	\$ 6,100	\$ -	\$ 6,400	\$ 6,500	\$ 6,800	\$ 6,450	\$ 6,200	\$ 5,550	\$ 6,250	\$ 7,150
Professional and Special Services	\$ 284	\$ -	\$ -	\$ -	\$ -	\$ 1,126	\$ 1,604	\$ 2,274	\$ 2,064	\$ 2,114	\$ 2,444	\$ 2,350
Telephone	\$ 2,324	\$ 2,466	\$ 2,399	\$ -	\$ 2,812	\$ 2,330	\$ 2,572	\$ 2,418	\$ 2,172	\$ 2,577	\$ 2,272	\$ 3,350
Property Insurance	\$ 1,155	\$ 1,373	\$ 1,459	\$ -	\$ 1,360	\$ 3,812	\$ 3,605	\$ 8,363	\$ 2,502	\$ 5,636	\$ 4,000	\$ -
Utilities	\$ 1,916	\$ 2,141	\$ 2,491	\$ -	\$ 3,357	\$ 4,196	\$ 2,462	\$ 2,645	\$ 2,913	\$ 3,497	\$ 3,136	\$ 3,850
Office Expense - Supplies	\$ 6,506	\$ 2,421	\$ 2,584	\$ -	\$ 3,405	\$ 5,146	\$ 3,112	\$ 1,985	\$ 1,639	\$ 858	\$ 1,342	\$ 2,781
Publication and Legal Notices	\$ 1,461	\$ -	\$ 1,177	\$ -	\$ 983	\$ 392	\$ 853	\$ 748	\$ 644	\$ -	\$ 1,567	\$ 1,350
Rent	\$ 7,620	\$ 7,720	\$ 8,220	\$ -	\$ 12,000	\$ 11,000	\$ 13,000	\$ 13,201	\$ 12,430	\$ 13,800	\$ 13,580	\$ 15,350
Election Expense	\$ 75	\$ -	\$ -	\$ -	\$ 75	\$ -	\$ 75	\$ -	\$ -	\$ -	\$ -	\$ 389
Travel - Mileage	\$ 1,301	\$ 1,465	\$ 1,042	\$ -	\$ 1,362	\$ 2,048	\$ 1,353	\$ 1,450	\$ 1,357	\$ 1,552	\$ 1,514	\$ 2,781
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,000
Contribution to Other Agencies	\$ 455	\$ 505	\$ 505	\$ -	\$ 538	\$ -	\$ 587	\$ 515	\$ 531	\$ 501	\$ 556	\$ 455
Administrative and General Sub-total	\$ 91,296	\$ 79,750	\$ 72,920	\$ 75,209	\$ 74,273	\$ 88,243	\$ 76,237	\$ 88,516	\$ 82,038	\$ 78,225	\$ 93,756	\$ 132,461
Sewage Treatment and Disposal												
Treatment Plant Operating and Maintenance Contract	\$ 83,381	\$ 83,147	\$ 95,330	\$ 155,783	\$ 114,953	\$ 94,838	\$ 129,892	\$ 174,395	\$ 173,536	\$ 164,575	\$ 157,252	\$ 233,272
Sewage Collection												
Maintenance and Repair Projects - Sewer Line - MRO	\$ 46,782	\$ 106,961	\$ 37,444	\$ -	\$ 18,821	\$ 109,782	\$ 35,414	\$ 35,879	\$ 29,683	\$ 30,791	\$ 77,147	\$ 139,186
Engineering	\$ 13,659	\$ 7,346	\$ 6,052	\$ -	\$ 3,471	\$ 3,428	\$ 534	\$ 1,780	\$ 5,283	\$ 2,548	\$ 1,715	\$ 4,350
Sewage Collection Sub-total	\$ 60,441	\$ 114,307	\$ 43,496	\$ 40,556	\$ 22,292	\$ 113,210	\$ 35,948	\$ 37,659	\$ 34,966	\$ 33,339	\$ 78,862	\$ 143,536
Other Expenses												
Capital Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,000
Depreciation	\$ 26,631	\$ 26,631	\$ 26,631	\$ -	\$ 26,676	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses Sub-total	\$ 26,631	\$ 26,631	\$ 26,631	\$ 26,631	\$ 26,676	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ 12,000
Total Expenditure	\$ 261,749	\$ 303,835	\$ 238,377	\$ 298,179	\$ 238,194	\$ 296,291	\$ 242,078	\$ 300,569	\$ 293,040	\$ 276,140	\$ 329,870	\$ 521,269
Surplus/(Deficit)	\$ 93,497	\$ 62,620	\$ 139,461	\$ 113,674	\$ 173,711	\$ 145,260	\$ 205,557	\$ 152,508	\$ 142,497	\$ 213,557	\$ 208,427	\$ -
Net Position - Beginning of Year	\$ 1,207,264	\$ 1,300,761	\$ 1,363,381	\$ 1,502,842	\$ 1,616,516	\$ 1,790,227	\$ 1,935,487	\$ 2,141,044	\$ 2,293,553	\$ 2,436,050	\$ 2,649,607	\$ 2,858,033
Net Position - End of Year	\$ 1,300,761	\$ 1,363,381	\$ 1,502,842	\$ 1,616,516	\$ 1,790,227	\$ 1,935,487	\$ 2,141,044	\$ 2,293,553	\$ 2,436,050	\$ 2,649,607	\$ 2,858,033	\$ 2,858,033

Governance

Salsipuedes Sanitary District is an independent special district governed by a five-member Board of Directors elected at large by the voters within the District. When candidates run unopposed, they are appointed by the County Board of Supervisors in lieu of conducting the election. The current Board is as follows:

Table 100: Board of Directors

Board Member	Title	Term of Office Expiration
David Ferracane	Director	2027
Jenet DeCosta	Director	2027
Robert Roberts	Director	2027
Allen Rusler	Director	2027
Dan Dewig	Director	2025

The Board of Directors meet on the third Wednesday of each month at 7:00 PM at the District's offices. Public notice is provided through posting. The District contracts for independent audits.

Infrastructure Management Plans

The State Water Resources Control Board regulates wastewater discharges to surface water (rivers, ocean, etc.) and to groundwater (via land). The State Water Board requires sanitation districts to follow the Statewide General Waste Discharge Requirements for Sanitary Sewer Systems.

The District's sewer system management plan consists of weekly inspections to both pump lift stations by a maintenance staff. Regular inspections ensure that wastewater flow is at adequate levels. Additionally, the District is scheduled for annual flushing.

At present, the District does not have a capital improvement plan. The District's General Manager has indicated that the District is developing a CIP plan which will identify future infrastructure repairs/replacements. The District is currently reviewing grant information to prepare for costs of future infrastructure needs.

LAFCO Staff Recommendation: *The District should consider adopting a long-term maintenance plan to ensure scheduled and unforeseen repairs, replacements, and installations are adequately funded.*



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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

Based on SB 929’s criteria and the recommendations set by the SDLF, LAFCO conducted a thorough review of the District’s website. **Table 101** summarizes staff’s findings on whether the website meets the statutory requirements. At present, the District does meet most of the statutory requirements set under SB 929 and SDLF’s website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization’s website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 101: 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)	17 (85%)

Opportunities & Challenges

Salsipuedes Sanitary District is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Regional Collaboration

Several sanitation districts, including entities managed and operated by the County, have expressed interest in transferring sewer responsibilities to another agency due to funding issues, limited long-term planning, or lack of economies of scale. Establishment of a countywide memorandum of understanding or a joint powers authority may unify the already-established collaboration set by the sanitation providers in the county. Such agreements may also lay the foundation for future changes of organization, including but not limited to annexations, consolidations, or mergers.

Sphere of Influence

LAFCO originally adopted a sphere of influence for the District back in 1987. The Commission, at that time, adopted a sphere boundary that goes beyond the District's jurisdictional boundary in the north but also excluded areas from being part of the sphere boundary adjacent to Watsonville's city limits. The area outside the sphere of influence but within the District is approximately 60 acres, undeveloped, and primarily used for agriculture. **Figure 68** on page 154 shows the current sphere of influence boundary for the Salsipuedes Sanitary District.

The current sphere has been in place for almost 40 years without any change or anticipated action. Therefore, staff is recommending that the Commission adopt a coterminous sphere to accurately reflect the District's current service area. **Figure 69** on page 155 shows the proposed sphere boundary.



Figure 68: Salsipuedes Sanitary District's Current Sphere Map

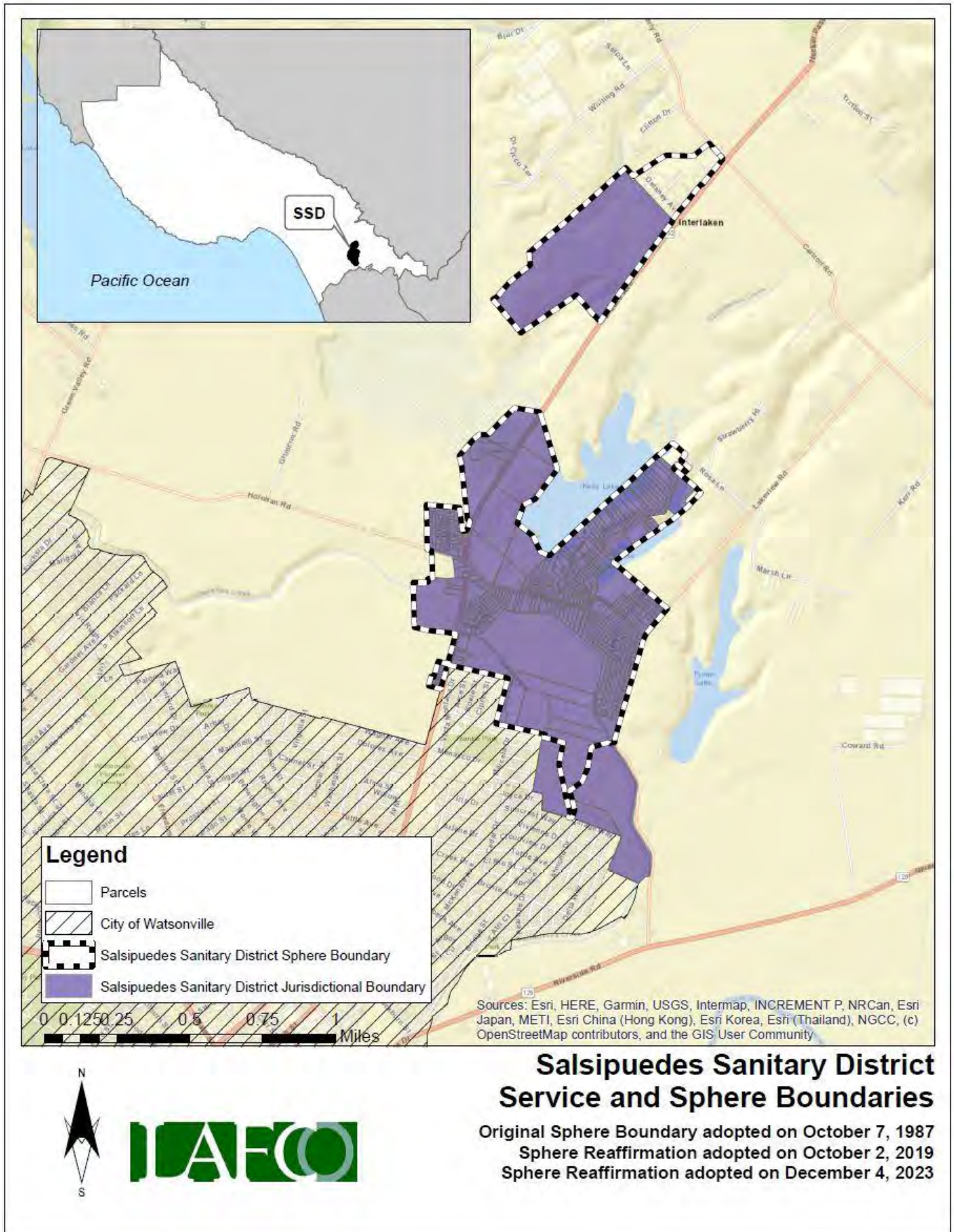
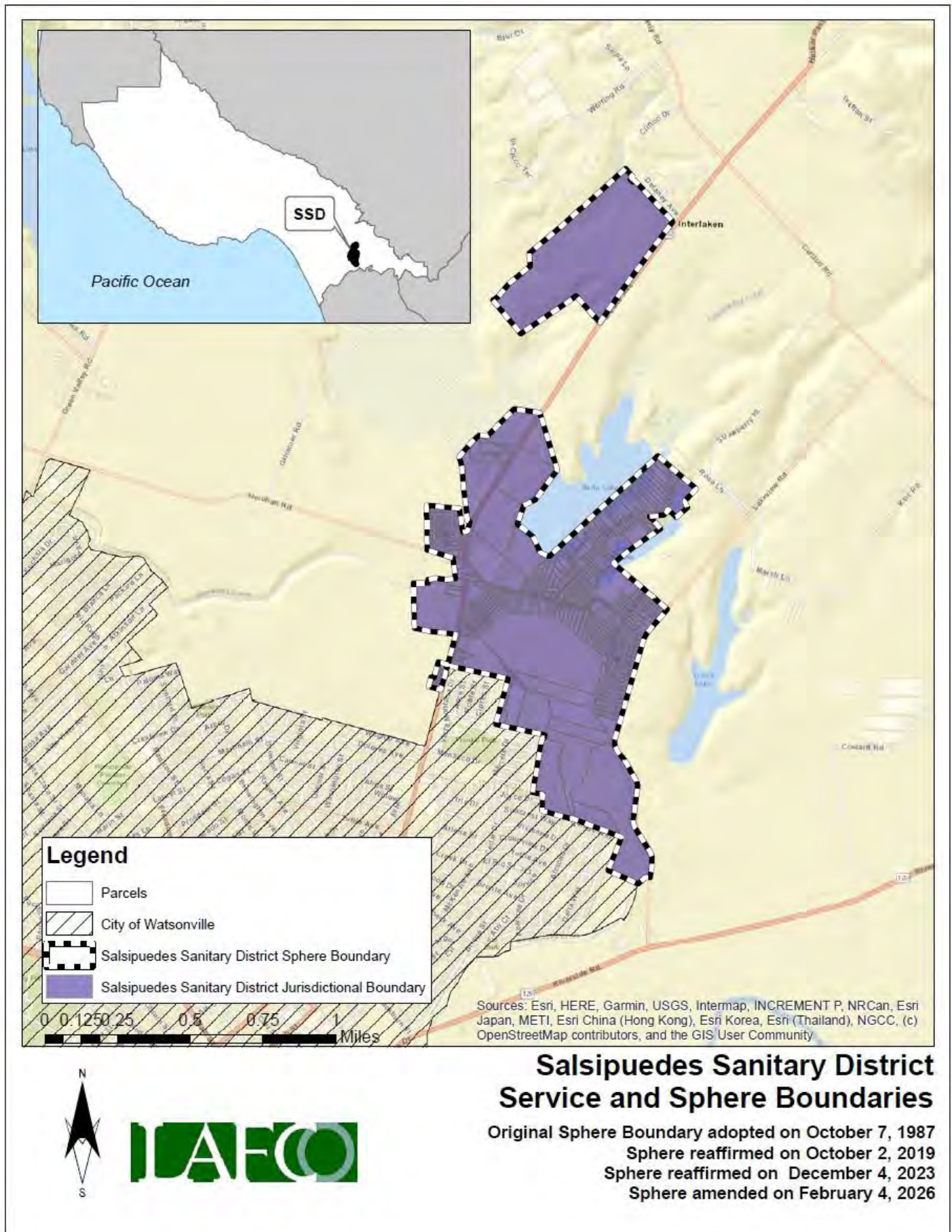


Figure 69: Salsipuedes Sanitary District's Proposed Sphere Map



District Summary

Salsipuedes Sanitary District	
Formation	Health and Safety Code §6400 et seq. (Sanitary District Act of 1923)
Board of Directors	Five members, elected at-large to four-year terms
Contact Person	Delia N. Brambila, Secretary/Manager
Employees	2 Part-Time Employees
Facilities	Collection Plant; 2 pump stations; 512 connections
District Area	7 square miles
Sphere of Influence	<p>Current Sphere: Slightly Larger than the District (i.e. sphere goes beyond existing jurisdictional boundary)</p> <p>Proposed Sphere: Coterminous with District's service area</p>
FY 2024-25 Budget	<p>Total Revenue = \$521,269</p> <p>Total Expenditure = \$ 521,269</p> <p>Projected Net Position (Beginning Balance) = \$2,858,033</p>
Contact Information	<p>Mailing Address: 739 East Lake Avenue, Suite 2, Watsonville CA 95076</p> <p>Phone Number: (831) 722-7760</p> <p>Email Address: salsisanitary@gmail.com</p> <p>Website: https://salsipuedessanitary.specialdistrict.org/</p>
Public Meetings	The Board of Directors meets on the third Wednesday of each month at 7:00 PM at the District's offices. Public noticed is provided through posting.
Mission Statement	None

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

Salsipuedes Sanitary District serves an unincorporated community northeast of the City of Watsonville. The population of the District is approximately 2,100. The County General Plan anticipates very little future growth within the District's jurisdictional and sphere of influence boundaries.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within the District.

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.

Salsipuedes Sanitary District serves 512 connections. It has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The District's principal needs are repair and replacement of aging infrastructure.

4. Financial ability of agencies to provide services.

Salsipuedes Sanitary District's financial ability to provide services is well-established. The District has successfully kept costs below its revenue stream since 2013. As of June 30, 2024, the District is operating with a net position of approximately \$3 million.

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

Salsipuedes Sanitary District has an active contract with the City of Watsonville to utilize their regional treatment plant. The District should explore other collaborative efforts with neighboring agencies, which may help to reduce costs and/or maximize economies of scale.

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

Salsipuedes Sanitary District should consider adopting a long-term maintenance plan to ensure scheduled and unforeseen repairs, replacements, and installations are adequately funded.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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 in the Salsipuedes Sanitary District are principally suburban residential and public facilities. There are some neighborhood commercial uses near the corner of Holohan Road and East Lake Avenue. Rural homes and agricultural buildings in the southern agricultural portion of the District's jurisdictional and sphere boundaries are connected to the District's mains. The County of Santa Cruz plans for the southern portion of the District, between Salsipuedes Creek and the City of Watsonville, to remain in commercial agricultural uses.

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

The present and probable future need for public facilities and services in the Salsipuedes Sanitary District is the maintenance, repair, and replacement of aging main lines and pumps.

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

Salsipuedes Sanitary District serves 512 connections. It has adequate transmission and treatment capacity for the present and planned facilities within the District's jurisdictional and sphere of influence boundaries. The District's principal needs are repair and replacement of aging infrastructure.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The District's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the Salsipuedes Sanitary District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, the District has adequate transmission and treatment capacity for the present and planned facilities within the sphere of influence. The District's principal needs are repair and replacement of aging infrastructure.

SANTA CRUZ COUNTY SANITATION DISTRICT

District Overview

The Santa Cruz County Sanitation District provides wastewater collection service for the City of Capitola and the unincorporated communities of Aptos, Soquel and Live Oak. The District also serves Harbor High School, a satellite medical center and the Port District which are within the City of Santa Cruz and outside the District's boundary. The District receives periodic inquiries regarding sewer service in the La Selva Beach area due to septic problems in that area, but that area lies outside its current sphere of influence. **Figure 70**, on page 160, is a vicinity map of the service area. **Appendix K** provides a copy of the formation resolution.

The Santa Cruz County Sanitation District was formed in 1973 by the consolidation of three sanitation districts: East Cliff, Capitola, and Aptos. At that time each district had a primary treatment plant and ocean outfall into Monterey Bay. The discharges did not meet either the Federal or State clean water standards. During the 1970s the District participated in regional sewer studies and ultimately acted to abandon its treatment plants and outfall, build a transmission line into the City of Santa Cruz, and contract with the city to treat and dispose of the district's sewage. The city built a new outfall in 1989 and added secondary treatment in 1998.

Population & Growth

There are no growth projections available for the Santa Cruz County Sanitation District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. However, the District also includes the entire City of Capitola. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that the District's entire population in 2040 will be around 76,500. The projected population for the Santa Cruz County Sanitation District are as follows:

Table 102: Projected Population

	2025	2030	2035	2040	Growth Rate
Santa Cruz County (unincorporated)	137,896	139,105	140,356	141,645	0.86%
City of Capitola	10,312	10,451	10,622	10,809	1.48%
Santa Cruz County Sanitation District	73,894	74,756	75,628	76,510	1.17%

Source: AMBAG 2018 Regional Growth Forecast

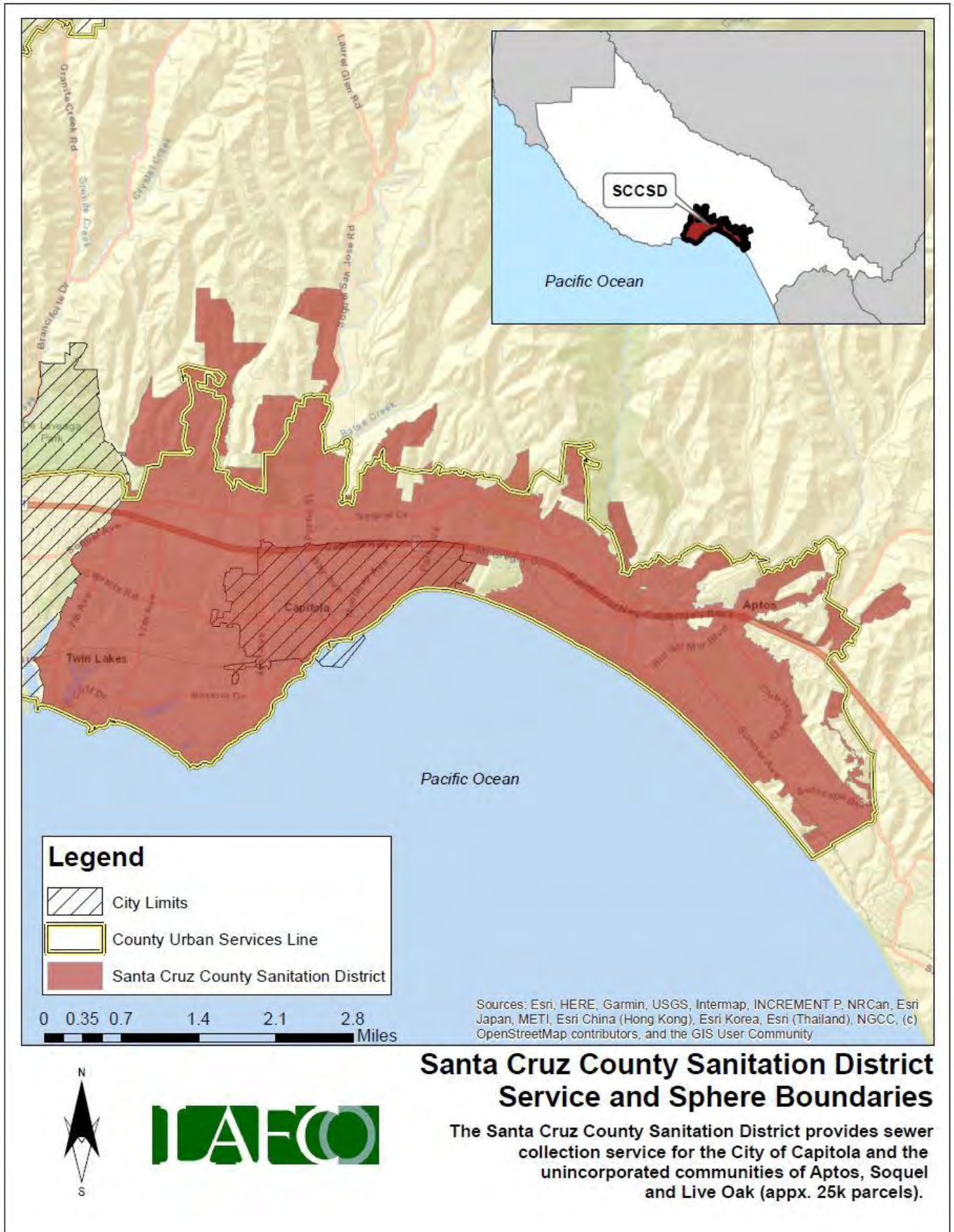
Infrastructure Summary

Santa Cruz County Sanitation District operates a collection system and serves about 72,000 residents. It currently has 36,000 connections and approximately 200 miles of sewer line. **Table 103** provides an overview of the type of service and current infrastructure:

Table 103: Infrastructure Summary

	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
Santa Cruz County Sanitation District	Collection	N/A	36,000	35	220.0

Figure 70: Santa Cruz County Sanitation District's Vicinity Map



Services & Operations

The Santa Cruz County Sanitation District includes the following areas in the County with sewer service: Aptos, Capitola, Soquel, and Live Oak. The District collection system is pumped to the City of Santa Cruz POTW for treatment. The District is required to comply with the requirements of the City of Santa Cruz NPDES permit NO. CA0048194. The main pump station along the transmission main is located at the D. A. Porath Facility at 2750 Lode Street off 26th Avenue in Live Oak. That facility pumps sewage from the entire District before it is pumped to the City of Santa Cruz for treatment. The District uses a Supervisory Control and Data Acquisition (SCADA) system to remotely monitor its pumping stations.

The volume of wastewater is determined from records of water usage as metered by the Santa Cruz City Water Department (their jurisdiction within the Santa Cruz County Sanitation District covers the Live Oak area from Lake Avenue on the east side of the Yacht Harbor to 41st Avenue) and Soquel Creek Water District (from 41st Avenue to San Andreas Road). Due to the lead time involved in getting the yearly sewer charges placed on the County property tax statements, the current fiscal year's charges are based on water use and strength factors from the previous calendar year.

Sewer Rates

At present, the District's annual sewer rates derive from five user classes: Single-Family Units, Multi-Family Units, Mobile Homes, Commercial, and Schools. Each user class has its own sewer rate. **Table 104** shows the gradual increase in annual rates.

Table 104: Annual Sewer Rates

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Single-Family	\$783.00	\$824.16	\$846.96	\$880.92	\$939.96	\$997.56	\$1,073.28
Multi-Family	\$676.80	\$712.80	\$731.76	\$762.48	\$812.28	\$861.36	\$923.52
Mobile Homes	\$581.04	\$612.48	\$628.20	\$655.80	\$697.44	\$738.84	\$788.64
Commercial	\$353.88	\$368.40	\$351.36	\$372.48	\$390.12	\$407.64	\$427.08
<i>Additional Charge (HCF)*</i>	\$8.25 - \$13.20	\$8.43 - \$13.40	\$8.97 - \$13.95	\$9.05 - \$13.74	\$9.63 - \$15.32	\$13.63 - \$24.63	\$11.24 - \$40.56
School*	\$353.88	\$368.40	\$351.36	\$372.48	\$390.12	\$407.64	\$427.08
<i>Additional Charge (ADA)*</i>	\$7.97 - \$31.95	\$8.43 - \$33.82	\$8.97 - \$35.50	\$9.05 - \$36.30	\$9.63 - \$34.75	\$13.63 - \$36.89	\$11.24 - \$40.56

Note: Additional Charge is for "Commercial" is per Hundred Cubic Feet of Water (HCF); Additional Charge is for "School" is per Average Daily Attendance (ADA)

Using information supplied by District staff, the rates are reviewed each year by an independent engineering firm which specializes in revenue studies for utility districts and are subject to final approval by the Board. Before the rates are set, a notice of public hearing is mailed to all owners of property within the Sanitation District boundaries, another notice is published in the Santa Cruz Sentinel, and the public hearing is held. The public hearing is normally scheduled in April or May of each year, with the rates becoming effective on the first of July. Customers are encouraged to participate in the public hearings and can send written comments to the attention of the District Engineer.

The following tables (**Tables 105 to 109**) show the gradual increase in annual rates for each area. Please note that FY 24-25 data was not available for LAFCO's analysis.

Table 105: Single-Family Unit's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Single Family	\$783.00	\$824.16	\$846.96	\$880.92	\$939.96	\$997.56	\$1,073.28	
<i>Change (\$)</i>		\$41.16	\$22.80	\$33.96	\$59.04	\$57.60	\$75.72	\$37.72
<i>Change (%)</i>		5%	3%	4%	7%	6%	8%	8%

Table 106: Multi-Family Unit's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Multi-Family	\$676.80	\$712.80	\$731.76	\$762.48	\$812.28	\$861.36	\$923.52	
<i>Change (\$)</i>		\$36.00	\$18.96	\$30.72	\$49.80	\$49.08	\$62.16	\$34.24
<i>Change (%)</i>		5%	3%	4%	7%	6%	7%	7%

Table 107: Mobile Home Unit's Annual Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Mobile Homes	\$581.04	\$612.48	\$628.20	\$655.80	\$697.44	\$738.84	\$788.64	
<i>Change (\$)</i>		\$31.44	\$15.72	\$27.60	\$41.64	\$41.40	\$49.80	\$28.72
<i>Change (%)</i>		5%	3%	4%	6%	6%	7%	7%

Table 108: Commercial's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
Commercial	\$353.88	\$368.40	\$351.36	\$372.48	\$390.12	\$407.64	\$427.08	
<i>Change (\$)</i>		\$14.52	-\$17.04	\$21.12	\$17.64	\$17.52	\$19.44	\$16.04
<i>Change (%)</i>		4%	-5%	6%	5%	4%	5%	5%

Table 109: School's Annual Flat Sewer Rates Review

	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	Average Change
School	\$353.88	\$368.40	\$351.36	\$372.48	\$390.12	\$407.64	\$427.08	
<i>Change (\$)</i>		\$14.52	-\$17.04	\$21.12	\$17.64	\$17.52	\$19.44	\$16.04
<i>Change (%)</i>		4%	-5%	6%	5%	4%	5%	5%

When comparing the sewer rates with the other sanitation districts analyzed in this report, Santa Cruz County Sanitation District is ranked fourth in charges for single family units (\$1,073.28/year), ranked the third lowest in charges for multi-family units (\$923.52/year) and ranked the lowest in charges to mobile home units (\$788.64/year). Using a general business with a water usage of 192 hundred cubic feet of annual water usage, SCCSD's commercial charges are ranked the third lowest (\$2,873/year). When comparing schools with 135 students, SCCSD ranked second highest compared to school sites in other Districts/CSAs (\$4,133/year). Sewer rate comparisons are shown in the following figures (Figures 71 to 75).

Figure 71: Annual Sewer Rates for Single-Family Units

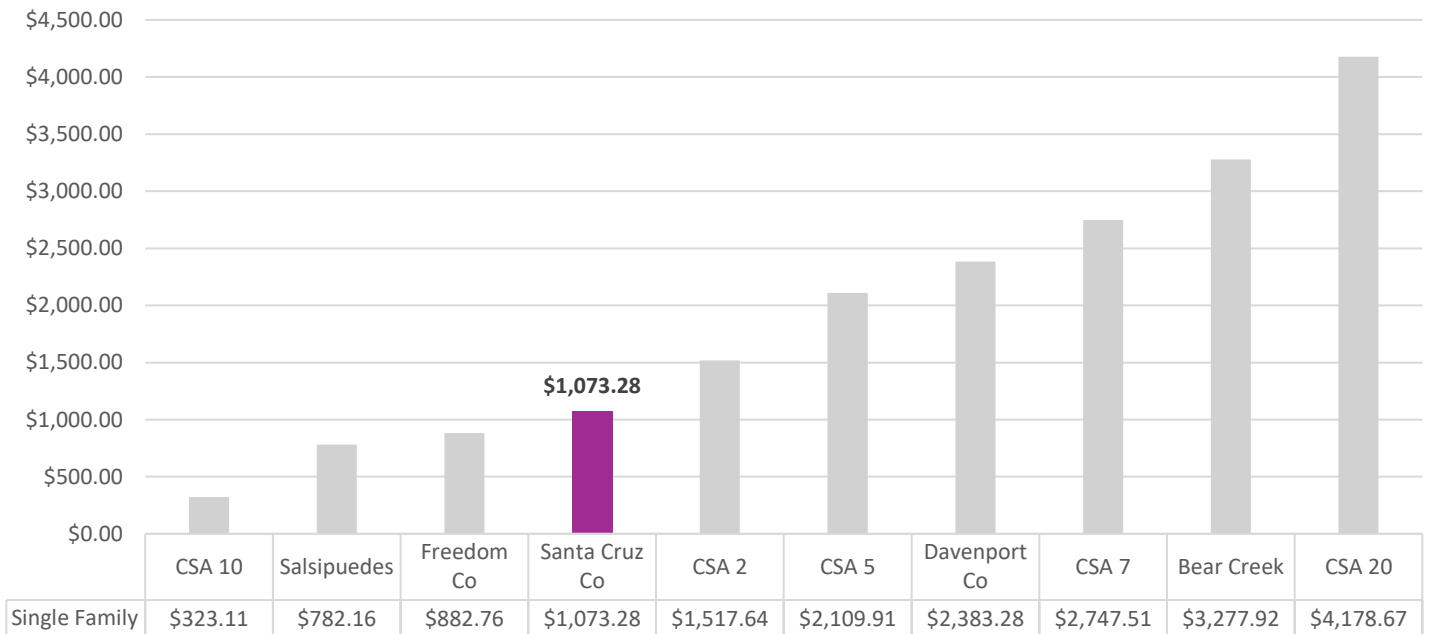


Figure 72: Annual Sewer Rates for Multi-Family Units

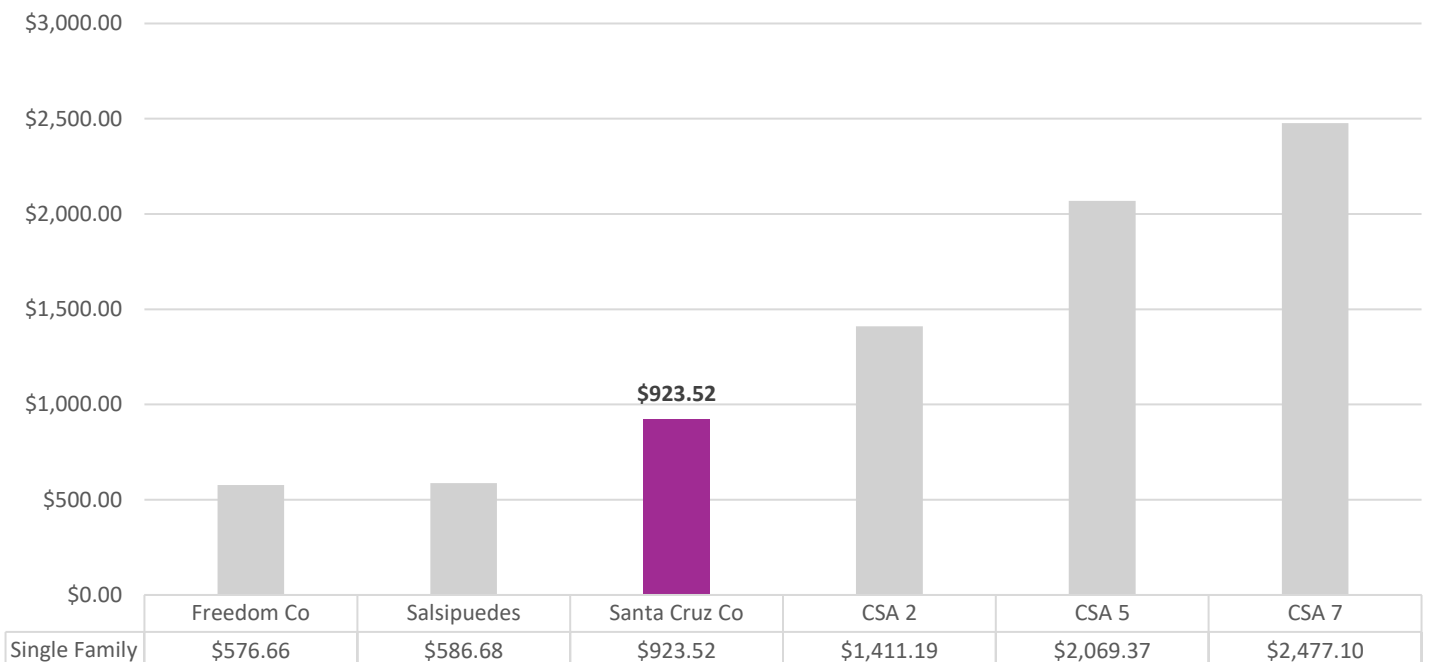


Figure 73: Annual Sewer Rates for Mobile Home Units



Figure 74: Annual Sewer Rates for Commercial Sites

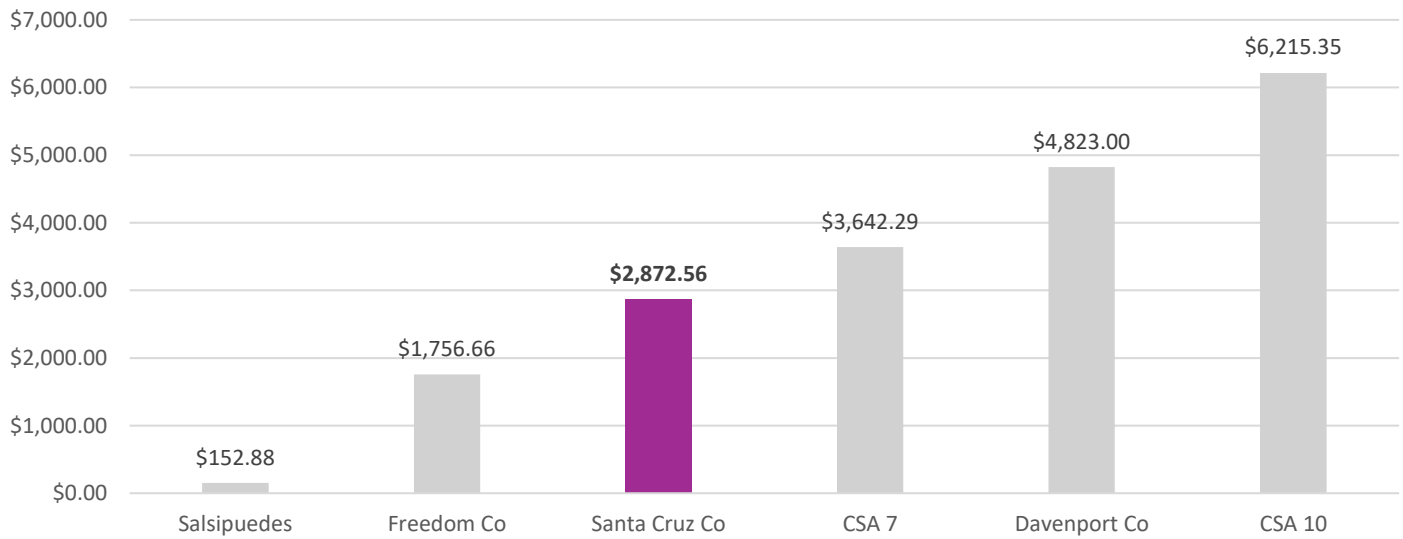
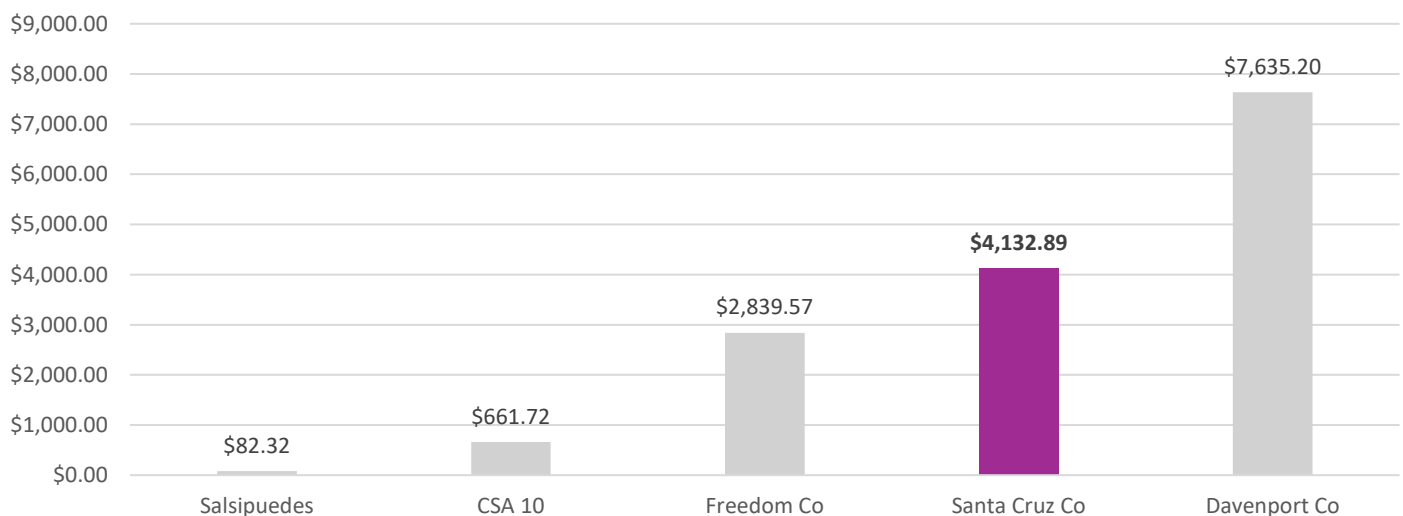


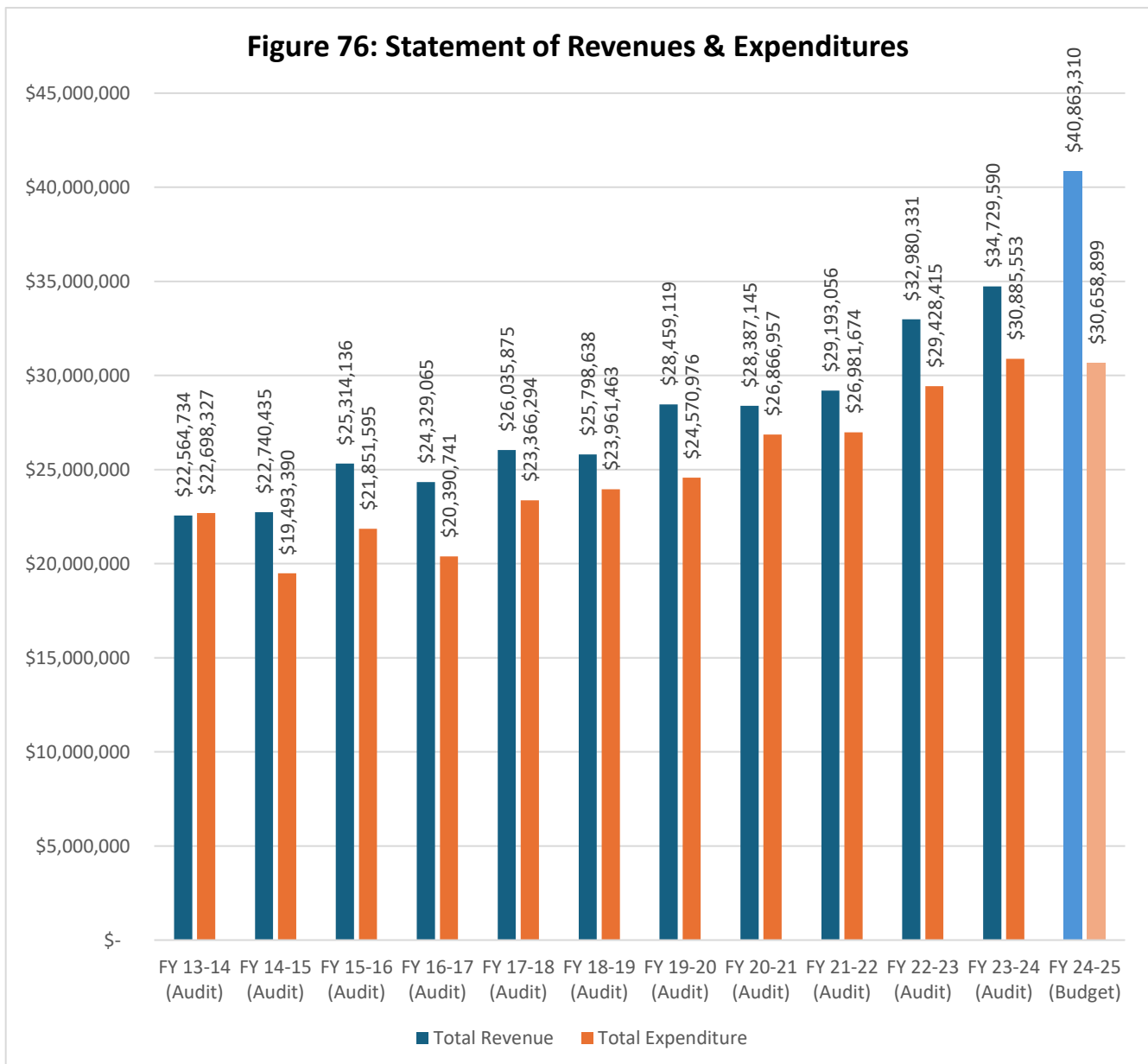
Figure 75: Annual Sewer Rates for School Sites



Finances

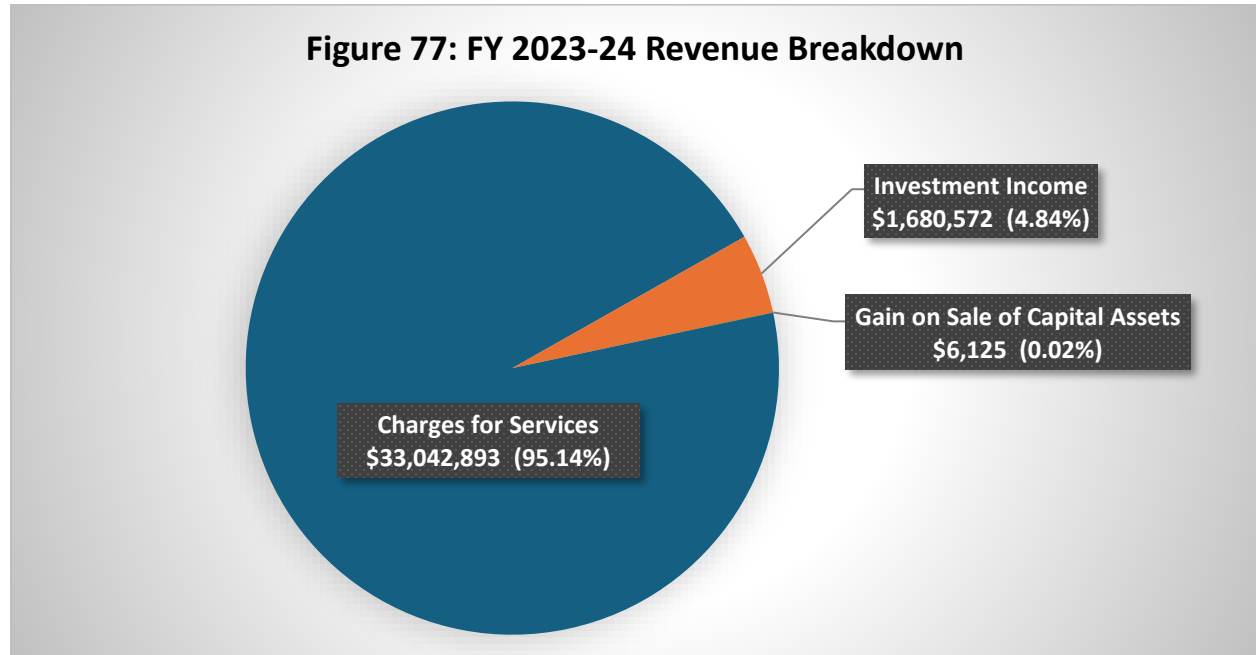
This section will highlight the District’s audited financial performance during the most recent fiscal years. Fiscal Year 2023-24 is the latest audited financial statement available. A comprehensive analysis of the District’s financial performance during the past 12 years is shown in **Table 111** on page 167.

At the end of Fiscal Year 2023-24, total revenue collected was approximately \$35 million, representing a 5% increase from the previous year (\$33 million in FY 22-23). Total expenses for FY 2023-24 were approximately \$31 million, which increased from the previous year by 5% (\$29 million in FY 22-23). During LAFCO’s last service review analysis in 2019, the District experienced an annual surplus in four of the five fiscal years (FY 13-14 to FY 17-18). During this service review cycle, the District continued that positive trend by completing six consecutive annual surpluses in the past six years (FY 18-19 to FY 23-24), as shown in **Figure 76** below. LAFCO staff believes that the District will continue to operate effectively due to its stable revenue stream and stagnant expenditures.



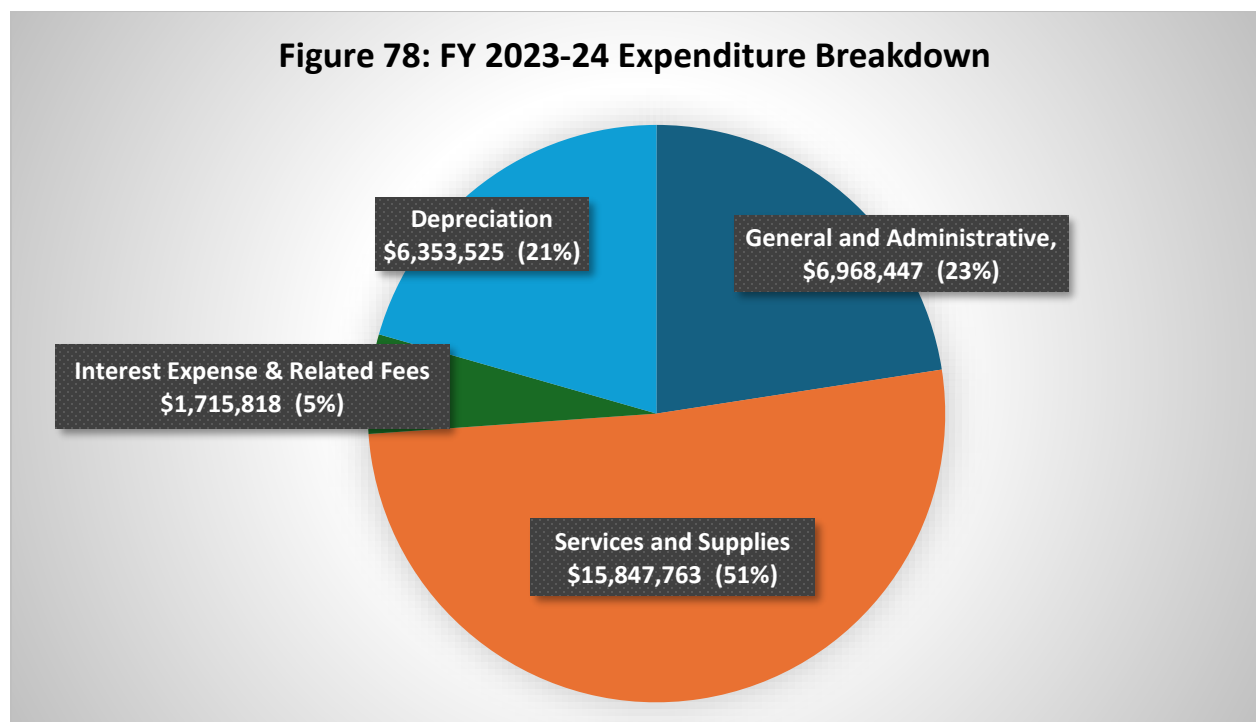
District Revenues

The District's primary source of revenue is from Charges for Services. In FY 2023-24, the District received revenue from three different sources: Charges for Services, Interest Income, and Gain on Sale of Capital Assets. On average, the District receives approximately \$26 million each year in service fees. **Figure 77** highlights the total revenue received in FY 2023-24.



District Expenditures

The District's total expenditures can be categorized into four budgetary groups: General & Administrative, Services & Supplies, Interest Expense, and Depreciation, as shown in **Figure 78**.



Fund Balance/Net Position

As of June 30, 2024, the total fund balance is approximately \$151 million. The following table highlights the Fund Balance from 2018 to 2025. As **Table 110** shows below, the District has generally experienced an increase in total reserves each year. On average, total reserves have decreased by approximately \$2.9 million or 2% between FY 13-14 to FY 23-24. A full review of the District's revenues and expenditures from FY 2013-14 to FY 24-25 is shown on **Table 111**.

Table 110: Fund Balance/Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)	FY 23-24 (Audited)	FY 24-25 (Budget)
Net Position	\$135,574,234	\$139,462,377	\$140,982,565	\$143,193,947	\$146,745,863	\$150,589,900	\$160,749,311
Change in (\$) from previous year		\$3,888,143	\$1,520,188	\$2,211,382	\$3,551,916	\$3,844,037	\$10,204,411
Change in (%) from previous year		3%	1%	2%	2%	3%	7%

Table 111: Total Revenues & Expenditures

	FY 13-14 (Audit)	FY 14-15 (Audit)	FY 15-16 (Audit)	FY 16-17 (Audit)	FY 17-18 (Audit)	FY 18-19 (Audit)	FY 19-20 (Audit)	FY 20-21 (Audit)	FY 21-22 (Audit)	FY 22-23 (Audit)	FY 23-24 (Audit)	FY 24-25 (Budget)
REVENUES												
Charges for Services	\$ 21,977,224	\$ 22,412,016	\$ 23,491,067	\$ 23,814,123	\$ 24,758,144	\$ 25,664,972	\$ 27,096,778	\$ 27,780,566	\$ 29,088,620	\$ 31,679,491	\$ 33,042,893	\$ 40,750,390
Special Assessments	\$ 93,064	\$ 90,297	\$ 91,598	\$ 91,703	\$ 91,348	\$ (129,567)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aid from Other Government Agencies	\$ 21,898		\$ 1,586,016	\$ 307,000	\$ 965,497	\$ -	\$ 1,160,140	\$ 514,482	\$ 104,436	\$ 189,673	\$ -	\$ -
Investment Income	\$ 229,497	\$ 153,593	\$ 144,855	\$ 116,239	\$ 220,886	\$ 263,233	\$ 202,201	\$ 92,097	\$ -	\$ 1,101,758	\$ 1,680,572	\$ 112,920
Contributions and Donations	\$ 238,396		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain on Sale of Capital Assets	\$ 4,655	\$ 84,529	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,409	\$ 6,125	\$ -
Total Revenue	\$ 22,564,734	\$ 22,740,435	\$ 25,314,136	\$ 24,329,065	\$ 26,035,875	\$ 25,798,638	\$ 28,459,119	\$ 28,387,145	\$ 29,193,056	\$ 32,980,331	\$ 34,729,590	\$ 40,863,310
EXPENDITURES												
General and Administrative	\$ 4,438,926	\$ 4,639,987	\$ 5,331,941	\$ 5,357,032	\$ 5,434,920	\$ 5,771,734	\$ 6,114,191	\$ 6,163,848	\$ 6,296,211	\$ 6,894,506	\$ 6,968,447	\$ -
Services and Supplies	\$ 12,971,877	\$ 9,545,195	\$ 11,784,103	\$ 9,817,855	\$ 12,444,069	\$ 12,869,924	\$ 12,675,255	\$ 14,699,556	\$ 13,570,675	\$ 15,054,640	\$ 15,847,763	\$ 27,992,035
Bond Interest and Related Fees	\$ 855,013	\$ 671,143	\$ 401,514	\$ 447,909	\$ 298,209	\$ 231,732	\$ 452,935	\$ 510,219	\$ 1,000,241	\$ 1,303,947	\$ -	\$ 2,666,864
Loss on Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 66,796	\$ -	\$ 9,245	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Expense & Related Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 430,016	\$ -	\$ 1,715,818	\$ -
Depreciation	\$ 4,432,511	\$ 4,637,065	\$ 4,334,037	\$ 4,767,945	\$ 5,122,300	\$ 5,088,073	\$ 5,319,350	\$ 5,493,334	\$ 5,684,531	\$ 6,175,322	\$ 6,353,525	\$ -
Total Expenditure	\$ 22,698,327	\$ 19,493,390	\$ 21,851,595	\$ 20,390,741	\$ 23,366,294	\$ 23,961,463	\$ 24,570,976	\$ 26,866,957	\$ 26,981,674	\$ 29,428,415	\$ 30,885,553	\$ 30,658,899
Surplus/(Deficit)	\$ (133,593)	\$ 3,247,045	\$ 3,462,541	\$ 3,938,324	\$ 2,669,581	\$ 1,837,175	\$ 3,888,143	\$ 1,520,188	\$ 2,211,382	\$ 3,551,916	\$ 3,844,037	\$ 10,204,411
Net Position - Beginning	\$121,523,635	\$ 121,390,042	\$ 123,666,613	\$127,129,154	\$ 131,067,478	\$ 133,737,059	\$ 135,574,234	\$ 139,462,377	\$ 140,982,565	\$ 143,193,947	\$ 146,745,863	\$ 150,589,900
Net Position - Ending	\$121,390,042	\$ 124,637,087	\$ 127,129,154	\$131,067,478	\$ 133,737,059	\$ 135,574,234	\$ 139,462,377	\$ 140,982,565	\$ 143,193,947	\$ 146,745,863	\$ 150,589,900	\$ 160,794,311
RESERVES												
Revenue Trust Reserves	\$ 3,617,413	\$ 4,246,905	\$ 4,866,765	\$ 3,434,705	\$ 3,836,858	\$ 3,736,949	\$ 3,659,894	\$ 3,705,097	\$ 3,556,912	\$ 3,453,638	\$ 12,823,612	\$ 3,458,418
2005 Bond Payment Reserves Fund	\$ 969,937	\$ 969,937	\$ 969,937	\$ 969,937	\$ 969,937							
SRF Debt Reserve Fund (136419)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 791,029	\$ 805,304	\$ 836,024	\$ 872,487
IBANK Reserve Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,357	\$ 277,779	\$ 289,985
SRF Debt Reserve Fund (625174)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,226	\$ 54,187	\$ 56,254	\$ 126,007
SRF Debt Resere Fund (625178)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 218,469	\$ 491,072	\$ 228,577	\$ 241,226	\$ 252,127

The District has made the change to have the reserve funds restricted so the funds budgeted will remain in the reserve accounts each year. For FY25-26, the budgeted reserves in the revenue trust account is \$3.6M; this amount is planned to be increased by a minimum of \$100,000 per year, with \$300,000 being proposed annually for the next five years.

Governance

The Santa Cruz County Sanitation District operates under the authority of the County Sanitation District Act. The Board consists of the Mayor of Capitola (or his or her council representative) and the County Supervisors representing the 1st and 2nd Districts. The current Board is as follows:

Table 112: Board of Directors

Board Member	Title	Years of Service	Term of Office Expiration
Kimberly De Serpa	Director 2 nd District	First Year	Next Election: Primary 2028
Manu Koenig	Director 1 st District	4 years	Next Election: Primary 2028
Joe Clarke	Chairperson	First Year	Next Election: Primary 2026
<i>Gerry Jensen</i>	<i>Alternate Director</i>	<i>First Year</i>	<i>Next Election: Primary 2028</i>
<i>Jacques Bertrand</i>	<i>Alternate Director</i>	<i>6 years</i>	<i>Next Election: April 2029</i>

Board members receive \$100 compensation per meeting. The Board's meeting room is located at the D.A. Porath Facility, 2750 Lode Street, Santa Cruz. The Board's regular meeting dates are the first and third Thursday of the month at 4:45 p.m. Public notice is provided through posting. The District contracts for independent audits.

The County of Santa Cruz Public Works Division is responsible for the administration, engineering, maintenance, emergency response and construction of all County sanitation services. The division also manages various Board-governed special districts and CSAs. The Sanitation Operations unit is one of six organizational units within the Special Services Division of Public Works and provides operation and maintenance services to County sanitation districts and CSAs. Sanitation operations employees work in all Districts and CSAs. Each sanitation district is governed according to its specific code of regulations. The Districts' codes are very similar, and some sections are adopted by reference from the Santa Cruz County Sanitation District Code. CSAs are governed according to the Santa Cruz County Code of Regulations.

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 a number of 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 in an effort to promote transparency in the operations and governance of special districts to the public and to provide special districts with an opportunity to showcase their efforts in transparency.

Based on SB 929's criteria and the recommendations set by the SDLF, LAFCO conducted a thorough review of the District's website (even though said law only applies to

Comprehensive Sanitation Service and Sphere Review Page 168 of 177

independent special districts). **Table 113** summarizes staff’s findings on whether the website meets the statutory requirements. At present, the District does meet the statutory requirements set under SB 929 and SDLF’s website transparency criteria. LAFCO appreciates the recent efforts by the County to revamp the organization’s website, which included a new webpage specifically for the sewer agencies governed and managed by the County.

Table 113: 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)	20 (100%)

Opportunities & Challenges

The Santa Cruz County Sanitation District is significantly affected by aging infrastructure, escalating operational costs, and changes to state laws and regulations that may introduce new requirements without additional funding. These issues are common with other sanitation districts in Santa Cruz County. The following section discusses these challenges and identifies possible opportunities to ensure the delivery of wastewater services in an efficient and effective manner.

Awards / Recognitions

In 2022, SCCSD was recognized as Small Collection System of the Year by the California Water Environment Association Monterey Bay Section and in 2023 SCCSD placed third at the State level. The award recognizes outstanding maintenance programs, regulatory compliance and safety and training procedures.

Urban Services Line

The County General Plan, the Local Coastal Program Land Use Plan and Chapter 17.01 SCCC (Growth Management) requires the County to preserve a distinction between urban and rural areas, to encourage the location of new development in urban areas, and to protect agricultural land and natural resources in rural areas. These policies are supported by the establishment of a rural services line (RSL) and an Urban Services Line (USL) to define areas which are or have the potential to be urban and areas which are and should remain rural. The establishment of distinct urban boundaries serves the following purposes:

- To administer separate urban and rural growth rates and the allocation of residential building permits;
- To encourage residential development to locate in urban areas and to discourage division of land in rural areas;
- To develop and apply different policies governing urban and rural development;
- To provide a basis for a County capital improvements program;
- To coordinate planning for the public services among the County, cities, special districts, and the Local Agency Formation Commission (LAFCO);
- To ensure that urban development proceeds at a pace consistent with the provision of urban public services; and
- To limit the extension of urban services to those areas within the rural services line in the Coastal Zone. [Ord. 4416 § 27, 1996; Ord. 4406 § 27, 1996; Ord. 3327 § 1, 1982; Ord. 2657, 1979].

It is important to note that the Urban Services Line was developed and managed by the County, not LAFCO. Historically, LAFCO staff receives inquiries from confused landowners who are interested in connecting to the Santa Cruz County Sanitation District but are unfamiliar with the Urban Services Line restrictions. A primary reason for such confusion is the inconsistency between the District's jurisdictional and sphere boundaries and the Urban Services Line, as shown on the map on page 172 (refer to **Figure 79**).

The Santa Cruz County Sanitation District's northern boundary does not match the County Urban Services Line. In some cases, before the adoption of the Urban Services Line in 1979, the District annexed strips of land up into the lower elevations of Santa Cruz Mountains. The Urban Services Line was subsequently adopted closer to the urbanized and sewer areas of the Mid-County. The current County General Plan does not envision urban or suburban development occurring further than the Urban Services Line at the edge of the mountains, and the County and District may want to propose detachments of the areas within the district boundary that are unsewered and beyond the Urban Services Line.

In other cases, there are areas within the Urban Services Line and the adopted District Sphere of Influence that are not within the County Sanitation District's boundaries. The current practice is for individual property owners to apply for annexation either when a septic system fails at an existing house, or when the planning approvals are secured for new development. The County and District may want to propose wholesale annexations of areas within the Urban Service Area that are developed or are planned for development at a density that only utilizes sanitary sewers.

Sphere of Influence

LAFCO originally adopted a sphere of influence for the Santa Cruz County Sanitation District on October 5, 1983. The main theme of that sphere boundary was to utilize the County's Urban Services Line as the primary tool to locate the sphere line. Sanitary sewer is perhaps the clearest example of an "urban service." The adopted sphere of influence line included the areas of the District in Live Oak, Capitola, Soquel, and Aptos and many developed and undeveloped areas of Live Oak (Santa Cruz Gardens), Soquel, and Aptos that were inside the Urban Services Line, but not yet annexed or connected for sewer service. **Figure 79** on page 173 shows the current sphere boundary.

The 1983 sphere excluded a series of unserved rural areas in the lower Santa Cruz Mountains above Live Oak, Soquel, and Aptos that were outside the Urban Services Line, but had annexed to the Sanitation District, by its predecessor district during the 1950s, 1960s, and 1970s. To ensure that the sphere boundary accurately reflects the District's service area and reduces the confusion on where the District can provide services, staff is recommending that the Commission amend the sphere to be generally coterminous with the District's current jurisdictional boundary. **Figure 80** on page 173 shows the proposed sphere of influence boundary for the Santa Cruz County Sanitation District.

Figure 79: Santa Cruz County Sanitation District's Current Sphere Map

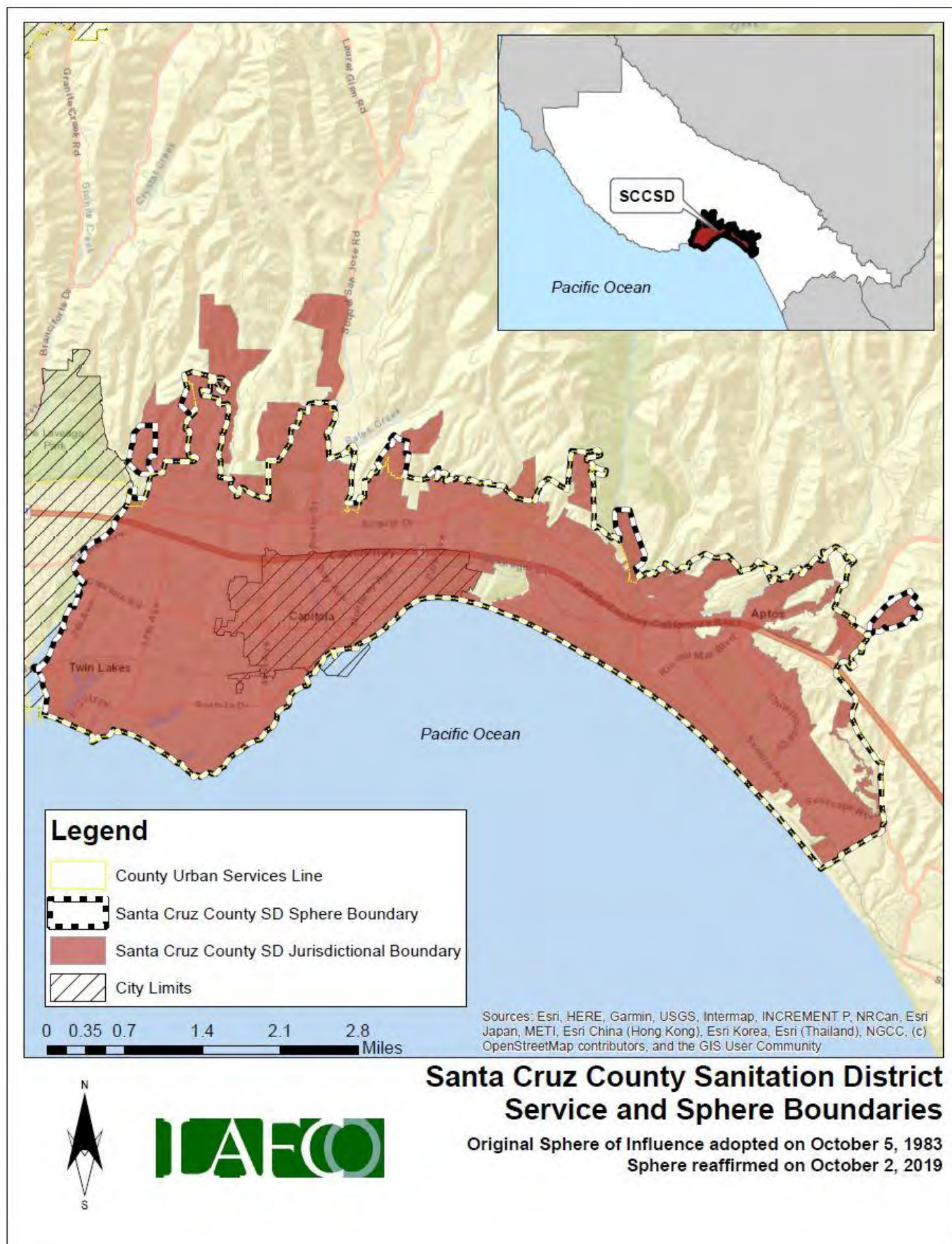
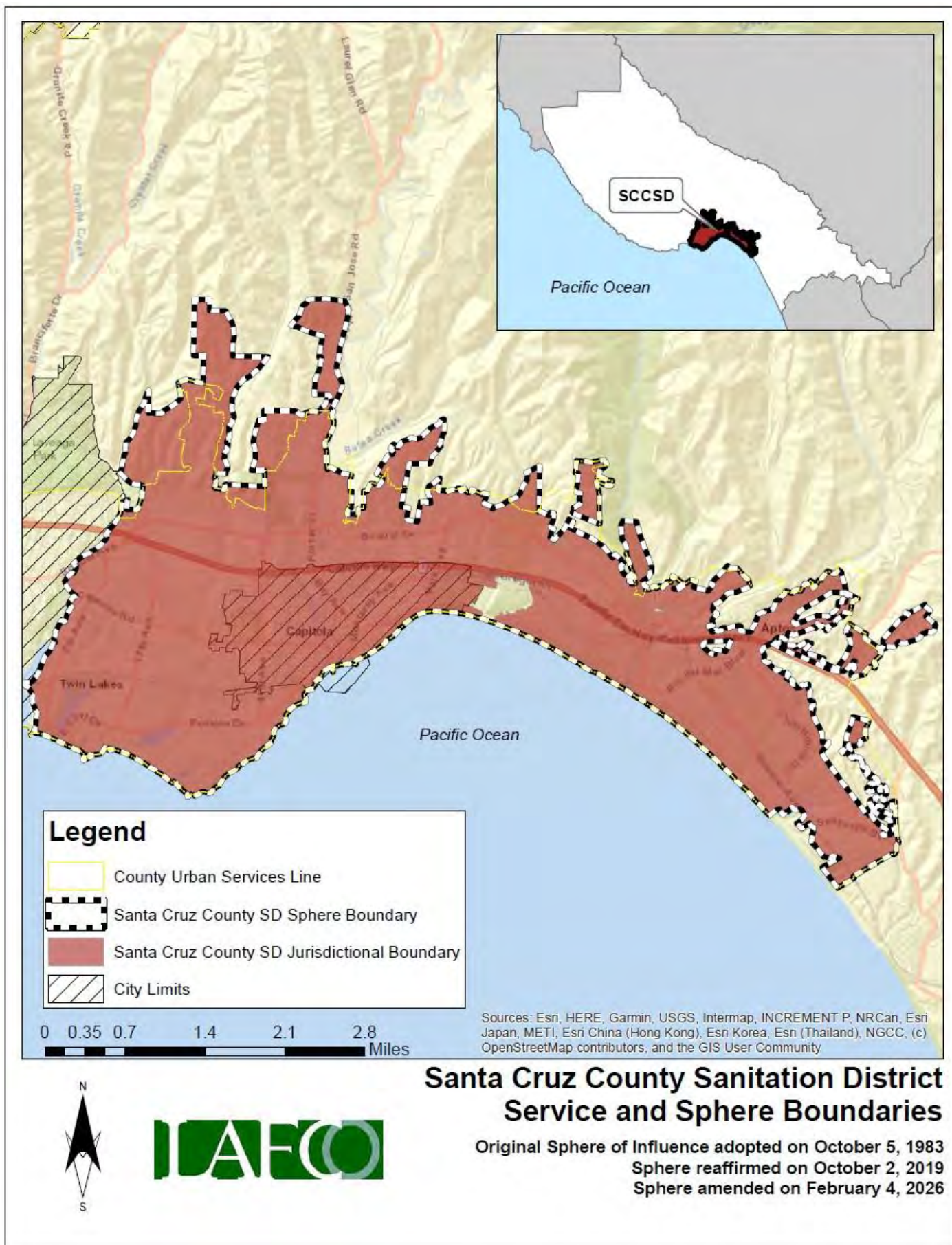


Figure 80: Santa Cruz County Sanitation District's Proposed Sphere Map



District Summary

Santa Cruz County Sanitation District	
Formation	County Sanitation District Act (Health and Safety Code Sections 4700-4858)
Board of Directors	Three-member board; two County Board of Supervisors and one Capitola City Council Member.
Contact Person	Matt Machado, Deputy CAO/Director of Community Development and Infrastructure
Employees	52 full-time employees (approximately)
Facilities	Collection Plant; 35 pump stations; 36,000 connections
District Area	870 acres (1.36 square mile)
Sphere of Influence	Slightly larger than the District in the south-eastern side (i.e. sphere goes beyond existing jurisdictional boundary); and
FY 2024-25 Budget	Total Revenue = \$40,863,310 Total Expenditure = \$30,658,899 Projected Net Position (Beginning Balance) = \$160,794,311
Contact Information	Mailing Address: 701 Ocean Street, Room 410 Santa Cruz CA 95060 Phone Number: (831) 454-2160 Email Address: Matt.Machado@santacruzcountyca.gov Website: http://dpw.co.santa-cruz.ca.us/Home/SewerWater.aspx
Public Meetings	The Board's regular meeting dates are the first and third Thursday of the month at 4:45 p.m. Meetings are held at 2750 Lode Street, Santa Cruz.
Mission Statement	"The purpose of the District is to construct and maintain pipelines transporting waste from the District to the Wastewater Treatment Facility, as well as to provide instruction, services, and monitoring for environmental compliance. To accomplish this last item, the District's Environmental Compliance Unit conducts programs to educate residents, professionals, and business owners about the proper use of their sewer and drainage systems in order to help preserve their own, as well as the District's facilities and to help protect the environment."

Service and Sphere Review Determinations

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

Service Determinations

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

1. Growth and population projections for the affected area.

There are no growth projections available for the Santa Cruz County Sanitation District. In general, the Santa Cruz County unincorporated area is projected to have slow growth over the next fifteen years. However, the District also includes the entire City of Capitola. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that the District's entire population in 2040 will be around 76,500.

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

In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. Based on the criteria set forth by SB 244, staff's analysis indicated that there are no DUCs within the District.

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.

The Santa Cruz County Sanitation District provides wastewater collection service for the City of Capitola and the unincorporated communities of Aptos, Soquel and Live Oak. The District also serves Harbor High School, a satellite medical center and the Port District which are within the City of Santa Cruz and outside the District's boundary. The District receives periodic inquiries regarding sewer service in the La Selva Beach area due to septic problems in that area, but that area lies outside its current sphere of influence. The Santa Cruz County Sanitation District was formed in 1973 by the consolidation of three sanitation districts: East Cliff, Capitola, and Aptos. At that time each district had a primary treatment plant and ocean outfall into Monterey Bay. The discharges did not meet either the Federal or State clean water standards. During the 1970s the District participated in regional sewer studies and ultimately acted to abandon its treatment plants and outfall, build a transmission line into the City of Santa Cruz, and contract with the city to treat and dispose of the District's sewage. The city built a new outfall in 1989 and added secondary treatment in 1998.

4. Financial ability of agencies to provide services.

The Santa Cruz County Sanitation District continues to experience annual surpluses. LAFCO staff projects that this positive trend will continue. As of June 30, 2024, the District is operating with a net position of approximately \$151 million.

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

The County manages and operates eight of the ten sanitation districts countywide. This allows for the opportunity for economies of scale, maximizing existing resources and staffing, and promoting best practices.

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

The Santa Cruz County Sanitation District provides wastewater collection service for the City of Capitola and the unincorporated communities of Aptos, Soquel and Live Oak. The District also serves a high school, a medical center and the Port District that are outside the County boundaries.

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 and sphere review.

Sphere Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres 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.

There are no agricultural or open-space lands within the service area.

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

The Santa Cruz County Sanitation District provides wastewater collection service for the City of Capitola and the unincorporated communities of Aptos, Soquel and Live Oak. The District also serves Harbor High School, a satellite medical center and the Port District which are within the City of Santa Cruz and outside the District's boundary. The District currently has approximately 36,000 connections and serves over 73,000 residents.

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

LAFCO originally adopted a sphere of influence for the Santa Cruz County Sanitation District back in 1983. Staff is recommending that the Commission modify the sphere boundary to better reflect the District's current service area.

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.

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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.

Neither the County nor LAFCO has identified any sub-area within or contiguous to the District's service or sphere boundaries that meet the definition of a disadvantaged unincorporated community. That said, the District has adequate transmission and treatment capacity (at the City of Santa Cruz's Wastewater Treatment Plant) for the present and planned facilities within the sphere of influence. The District's principal needs are repair and replacement of aging infrastructure.

APPENDICES

- A. Bear Creek Estates Wastewater System – Formation Document**
- B. CSA 2 (Place de Mer) – Formation Resolution**
- C. CSA 5 (Sand Dollar/Canon del Sol) – Formation Resolution**
- D. CSA 7 (Boulder Creek) – Formation Resolution**
- E. CSA 7 (Zone 2) – Formation Resolution**
- F. CSA 10 (Rolling Woods/Graham Hill) – Formation Resolution**
- G. CSA 20 (Trestle Beach) – Formation Resolution**
- H. Davenport County Sanitation District – Formation Resolution**
- I. Freedom County Sanitation District – Formation Resolution**
- J. Salsipuedes Sanitary District – Formation Resolution**
- K. Santa Cruz County Sanitation District – Formation Resolution**



APPENDIX A:

BEAR CREEK ESTATES WASTEWATER SYSTEM (FORMATION DOCUMENT)



California Regional Water Quality Control Board Central Coast Region



Gray Davis
Governor

Winston H. Hickox
Secretary for
Environmental
Protection

Internet Address: <http://www.swrcb.ca.gov/~rvqcb3>
81 Higuera Street, Suite 200, San Luis Obispo, California 93401-5427
Phone (805) 549-3147 • FAX (805) 543-0397

July 25, 2000

RECEIVED

COPY JUL 28 2000
SAN LORENZO VALLEY
WATER DISTRICT

Mr. James Mueller
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Dear Mr. Mueller:

RENEWAL OF BEAR CREEK ESTATES WASTEWATER FACILITY, SANTA CRUZ COUNTY, ORDER NO. 00-043

Enclosed is an updated copy of Waste Discharge Requirements Order No. 00-043, for Bear Creek Estates Wastewater Facility, Santa Cruz County. This Order was adopted by the Board at July 14, 2000 meeting.

If you have any questions or comments please call Howard Kolb at 805/549-3331 or Chris Adair 805/542-4629 of my staff.

5/2-502-12-1-11
149 3761
Sincerely,

Roddy E. Hageman
FK Roger W. Briggs
Executive Officer

Enclosure

s:/northern/howard/permits/wdr/san lorenzo valley water dist. bear creek estates/final renewal bear creek
Discharger File: San Lorenzo Valley Water District Bear Creek Estates

California Environmental Protection Agency





**CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
CUSTOMER SERVICE SURVEY**

One of Cal/EPA's objectives is to provide superior levels of customer service. Your feedback telling us what is going well and what needs improvement is essential to our success in our efforts to better serve you. Please take a moment to respond to the following questions.

Winston H. Hickox, Secretary for Environmental Protection

SERVICE PROVIDER: Regional Water Quality Control Board (San Luis Obispo)

What was the nature of your contact with us? (Please check only one box)

- General Information Problem Resolution Technical Assistance
 Permitting/Licensing Assistance Registration Assistance Other: _____

STATEMENTS	Check (✓) As Appropriate			
	Strongly Agree	Agree	Disagree	Strongly Disagree
Staff was courteous and helpful.				
Staff provided complete, accurate information to you.				
A timely response was provided.				
My overall experience was positive.				
<i>Please complete this section below if your contact with us involved permitting/licensing/registration assistance.</i>				
The regulations were understandable.				
The application instructions were understandable.				
The permit/license/registration terms and conditions were understandable.				

◇ Please indicate any staff person you would like to commend: _____
Name(s)

◇ Comments:

◇ If you feel we fell short in meeting your service expectations, please describe the situation, including name of the staff person involved and the date the incident occurred.

◇ As a result of your experience with us, what service-related improvements can you recommend?

☐ Please fold this survey in thirds, staple/tape, and mail. Postage will be paid by Cal/EPA.

STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION
81 Higuera Street, Suite 200
San Luis Obispo, California 93401-5427

WASTE DISCHARGE REQUIREMENTS ORDER NO. 00-043
Waste Discharger Identification No. 3 440107001

FOR
SAN LORENZO VALLEY WATER DISTRICT,
BEAR CREEK ESTATES WASTEWATER TREATMENT FACILITY,
SANTA CRUZ COUNTY

The California Regional Water Quality Control Board, Central Coast Region (hereinafter called the Board) finds that:

SITE OWNER AND LOCATION

1. On January 27, 2000, James A. Mueller, San Lorenzo Valley Water District (SLVWD) District Manager, filed a Report of Waste Discharge. The report was filed on behalf of Bear Creek Estates Wastewater Treatment Facility for authorization to continue discharging treated domestic wastewater within the San Lorenzo River sub-basin.
2. San Lorenzo Valley Water District (hereafter Discharger), 13060 Highway 9, Boulder Creek, owns and operates a wastewater treatment facility. The facility includes collection lines and a septic-tank/leachfield system. It is located in Santa Cruz County along Bear Creek Road approximately 2 1/2 miles northeast of the community of Boulder Creek as shown on Attachment "A" of this Order.

PURPOSE OF ORDER

3. The primary objectives of this order are to: 1) Permit the discharge of treated domestic wastewater; 2) Review and revise discharge limits; and 3) Review and revise a discharge monitoring program to evaluate the impact to water quality.

SITE/FACILITY DESCRIPTION

Discharge Type

4. The facility is designed to treat and dispose domestic wastewater from the Bear Creek Estates Subdivision, Units 3, 4, and 5.

Design and Current Capacity

5. The facility treatment system consists of two single-chambered septic tanks in series, each having a liquid volume of approximately 16,800 gallons (total capacity of approximately 33,600 gpd).
6. Septic tank effluent is alternately discharged among five leachfields.
7. The facility is designed to treat an average dry weather flow of 12,000 gallons per day gpd and a peak wet weather flow of 32,500 gpd.
8. The system treats and disposes up to 16,500 gallons-per-day (gpd) of domestic wastewater.

Geology

9. The leachfield disposal area is located on approximately 2.1 acres of sloping (5-30%) topography consisting of silty/clay soils underlain by siltstone and sandstone.

Surface and Groundwater

10. Bear Creek, a tributary to San Lorenzo River, flows around the eastern portion of the disposal area. The edge of the leachfield disposal area is over 100 feet from the creek.

11. Depth to ground water was measured during wet weather at a depth of 12 feet and generally migrates in a southerly direction. Ground water in the vicinity of the discharge has the following average concentrations based on results of ground water samples collected from March 1986 to September 1994:

Constituent	Concentration
Total dissolved solids	552 mg/l
Sodium	102 mg/l
Chloride	31 mg/l
Total nitrogen	3.4 mg/l
Nitrate as NO ₃	1.8 mg/l

Ground water samples collected from December 1991 to December 1999 have the following average concentrations:

Constituent	Concentration
Total dissolved solids	503 mg/l
Sodium	95 mg/l
Chloride	36 mg/l
Total nitrogen	7.4 mg/l
Nitrate as NO ₃	1.4 mg/l

12. Storm water flows over the leachfield area and into Bear Creek. Because the flow is less than one million gpd, the facility is not required to have a storm water pollution prevention plan.

Monitoring and Reporting Program (MRP)

The MRP requires effluent monitoring, ground water monitoring, receiving water monitoring, leachfield/seep monitoring, and system performance monitoring.

BASIN PLAN

13. The Water Quality Control Plan, Central Coastal Basin (Basin Plan), was adopted by the Board on November 17, 1989, and approved by

the State Water Resources Control Board on August 16, 1990. The Regional Board approved amendments of the Plan on February 11, 1994 and September 8, 1994. The Basin Plan incorporates statewide plans and policies by reference and contains a strategy for protecting beneficial uses of State waters. BP

14. Present and anticipated beneficial uses of Bear Creek that could be affected by the discharge include: BP

- a. Domestic and municipal supply;
- b. Agricultural supply;
- c. Ground water recharge;
- d. Industrial service supply;
- e. Water contact recreation;
- f. Non-contact water recreation;
- g. Wildlife habitat;
- h. Cold fresh-water habitat;
- i. Fish migration;
- j. Fish spawning
- k. Preservation of Biological Habitats of Special Significance;
- l. Rare, Threatened, or Endangered Species;
- m. Fresh Water Replenishment and,
- n. Commercial and Sport Fishing.

15. Present and anticipated uses of ground in the vicinity of the discharge include: BP

- a. Domestic supply;
- b. Agricultural supply;
- c. Industrial process supply; and,
- d. Industrial service supply.

16. The San Lorenzo Wastewater Management Plan (WWMP), adopted by Santa Cruz County Board of Supervisors, was approved by the Regional Board on April 5, 1995 as Resolution 95-04. The WWMP includes findings and recommendations resulting from investigation of elevated nitrate levels in surface water and groundwater in the San Lorenzo River watershed. The WWMP recommends the Regional Board require nitrogen control measures in the issuance of new or revised waste discharge requirements. The WWMP's

goal is for at least 50 % reduction in nitrogen from onsite disposal systems. ^{BP}

17. This order requires 50 % reduction of nitrogen in effluent, consistent with Resolution No. 95-04. ^{BP}
18. The surface water quality objectives specified in the Basin Plan for the San Lorenzo River above Bear Creek, are: ^{BP}

Analyte	Value	Units
Total Dissolved Solids	400	mg/l
Sodium	50	mg/l
Chloride	60	mg/l
Boron	0.2	mg/l
Sulfate	80	mg/l

19. The range of median ground water quality objectives in the San Lorenzo Sub-Basin, as specified in the Basin Plan, are reported as follows: ^{BP}

Analyte	Range	Units
Total Dissolved Solids	100-250	mg/l
Sodium	10-20	mg/l
Chloride	20-30	mg/l
Nitrate (as N)	1-5	mg/l
Sulfate	10-50	mg/l

CEQA

20. These waste discharge requirements are for an existing facility and are exempt from provisions of the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.) in accordance with Section 15301, Chapter 3, Title 14, of the California Code of Regulations.

EXISTING ORDERS AND GENERAL FINDINGS

21. The discharge has been regulated by Waste Discharge Requirements Order No. 95-09, adopted by the Board on March 10, 1995. The discharge from Bear Creek Estates has been regulated by the Board since February 15, 1963.
22. Discharge of waste is a privilege, not a right,

and authorization to discharge is conditional upon the discharge complying with provisions of Division 7 of the California Water Code and any more stringent effluent limitations necessary to implement water quality control plans, to protect beneficial uses, and to prevent nuisance. Compliance with this Order should assure this and mitigate any potential adverse changes in water quality due to the discharge.

23. On March 28, 2000, the Board notified the Discharger and interested agencies and persons of its intent to adopt waste discharge requirements for the discharge and has provided them with a copy of the proposed Order and an opportunity to submit written views and comments.
24. In a public hearing on July 14, 2000, the Regional Board heard and considered all comments pertaining to the discharge and found this Order consistent with the above findings.

IT IS HEREBY ORDERED, pursuant to authority in Section 13263 of the California Water Code, that San Lorenzo Valley Water District, its agents, successors, and assigns, may discharge wastewater at Bear Creek Estates Wastewater Treatment Facility providing compliance is maintained with the following:

[Note: Other prohibitions and conditions, definitions, and the method of determining compliance are contained in the attached "Standard Provisions and Reporting Requirements for Waste Discharge Requirements" dated January, 1984. Applicable paragraphs are referenced in paragraph E.3. of this Order.

Throughout the Order superscripts (^{BP}) are provided to indicate requirements taken from the Basin Plan. Requirements not referenced are based on staff's professional judgment.]

PROHIBITIONS

1. Discharge of wastewater to the treatment system from other than Bear Creek Estates

Units 3, 4, and 5, is prohibited.

2. Discharge of wastewater is prohibited outside of the leachfield disposal area shown on Attachment "A".
3. Discharge of wastewater within 100 feet of Bear Creek is prohibited.
4. Wastewater on the soil surface of the leachfield disposal area is prohibited.
5. Bypass of the collection and treatment systems and discharge of untreated or partially treated wastes directly to the leachfield disposal area is prohibited.

SPECIFICATIONS

Effluent Limitations

1. Daily flow averaged over each month shall not exceed 16,500 gallons.
2. Effluent discharged to the leachfield shall not have a pH less than 6.5 or greater than 8.3^{BP}.

Receiving Water Limitations

3. The discharge shall not cause a statistically significant increase in fecal coliform concentration in Bear Creek. Compliance is evaluated by statistically comparing fecal coliform concentrations in creek samples collected upstream and downstream of the leachfield disposal area.

Ground Water Limitations

4. The discharge shall not cause a statistically significant increase of mineral constituent (total dissolved solids, sodium, chloride, and nitrate) concentrations in the ground water. This is determined by statistical analysis of water quality data from the disposal area's monitoring wells.
5. The discharge shall not cause ground water to exceed concentrations of chemical constituents limits specified in Title 22, Chapter 15, Article

4, Section 64435, of the California Code of Regulations as listed below ^{BP}.

Constituents	Maximum Contaminant Level (mg/l)
Nitrate (as NO ₃)	45

System Operation Specifications

6. The wastewater discharge shall be rotated among the five leaching areas at least once every nine months.
7. High water alarms, readily audible or visible to maintenance personnel, shall be installed at each raw wastewater pumping station.
8. Stand-by power or portable pumps shall be available for use when wastewater-pumping facilities fail.
9. The Discharger currently has an onsite septic system. To comply with the San Lorenzo Wastewater Management Plan, this system shall be modified to reduce nitrogen levels by a minimum of 50%. The Discharger will comply with the timeline listed below for system construction:

Task	Completion Date
Completion of extended treatment system design	1/1/2002
Installation of extended treatment system	7/1/2003
Submit a technical report detailing optimal system performance	1/1/2004

Solids/Solid Waste Control

10. Solids accumulation in each septic tank shall be measured semi-annually and the appropriate tank cleaned when it appears (a) the bottom of the scum layer will be within 4" of the bottom of the outlet device before the next scheduled inspection or (b) the sludge level will be within 10" of the outlet device before the next scheduled inspection.
11. Solids cleaned from tanks shall be disposed of at an approved septage receiving facility.

Stormwater Control

12. Extraneous surface drainage shall be diverted away from the treatment system and leachfield disposal area.

Inflow/Infiltration Control

13. The Discharger shall develop and implement an Infiltration/Inflow and Spill Prevention Program (Program). The Program shall be reviewed and updated as necessary by every five years.
- A. The Program shall be developed in accordance with good engineering practices and shall address the following objectives:
- identify infiltration and inflow sources that may affect treatment facility operation or possibly result in overflow or exceed pump station capacity; and,
 - identify, assign, and implement spill prevention measures and collection system management practices to ensure overflows and contribution of pollutants or incompatible wastes to Discharger's treatment system are minimized.
- B. The District shall make a copy of the Program available upon request to a representative of the Regional Board.
- C. The Program shall provide a description of the collection and transport system, measures used to ensure proper operation, and other

information necessary to determine compliance with these requirements. The Program shall include, at a minimum, the following items:

- A map showing: collection system lines greater than 12 inches, pump stations, standby power facilities, surface water bodies (including discharge point(s) where pump station overflows may occur), storm drain inlets, and date of last revision.
- A narrative description of the following:
 - Line Flushing and Cleaning: Describe available equipment and projected schedule necessary to clean and flush entire system every two years, and assigned staff. Describe coordination with area plumbers to address introduction of incompatible wastes (e.g., root balls, construction debris, etc.) during lateral cleaning and efforts to abate introduction of material into the system, which might cause system backup.
 - Visual System Inspection: Describe visual inspection methods (e.g., televising lines), replacement schedules, frequency, collection system length and assigned staff. Describe results and detail problem areas found. Inspection records shall be retained for five years.
 - Inflow & Infiltration: Describe current and five year projected investigation methods (e.g., smoke testing), frequency, results, and efforts to reduce storm water inflows and sewer line ex-filtration. Inspection records shall be retained for five years. Preventive Repair and Replacement: Describe a projected schedule to eliminate sewage conveyance systems determined or projected to be structurally compromised. List each project or reach of conveyance to be replaced separately along with proposed start and estimated completion dates.

- iv. Pump Station Maintenance: Describe each pump station, location, flow monitoring (wet and dry weather), and the previous year's operational problems and overflows.
- v. Alternate Power Supply for Pump Station Operation: Describe alternate power supply for each pump station within the member entity's system.

D. Fiscal Resources: The Program shall provide a description of fiscal resources necessary to ensure system operation. The Program shall include, at a minimum, the following items:

- a. Fee Structure: Quantification of current and five year projected sewer assessment fees necessary to implement the Program.
- b. Available Fiscal Resources: Actual and five year projected budget expenses for staffing, operation and replacement of the collection system, including a description of a capital improvement or sinking fund to provide funding for item E.e., below.

E. Personnel and Training: The Program shall provide a description of staffing available to ensure system operation. The Program shall include, at a minimum, the following items:

- a. Personnel: Identify specific individuals (and job titles) who are responsible for developing, implementing, and revising the Program. Provide an organizational chart of all staff, position, duties, and training received during the past year. Identify managers and provide a list of contacts with associated phone numbers.
- b. Training: List the frequency of training, qualification of each employee. Periodic dates for training shall be identified.

. Planning and Reporting: The Program shall

provide a description of planning efforts and reporting of system operation. The Program shall include, at a minimum, the following items:

- a. Spill Response: Describe a plan, identify employees responsible and duties necessary to implement your response to spills. Identify posting, notification, and spill estimation efforts used.
- b. Annual Reporting: List spills or system problems during the previous year, cleanups, amounts, location, and efforts to ensure similar spills or problems do not reoccur. A tracking or follow-up procedure shall be used to ensure appropriate response has been taken. Inspections and maintenance activities shall be documented and recorded.
- c. Offsite and Onsite Spill Alarms: Describe the current or proposed alarm system (or why unnecessary), central information location, staffing and response times for detecting spills from the system.
- d. Wet Season Manhole Inspections: Describe or propose frequency to conduct inspections to detect line blockage during wet season flows to avoid system overflows, staffing, and available and projected equipment to ensure safe and effective inspections.
- e. Capital Improvement - Describe a current and projected work plan.
- f. Five Year Planning - Describe projected planning efforts.
- g. 20 Year Planning - Describe long term planning efforts.

G. The District shall provide an annual report, due January 30th of each year, describing program development and permit compliance over the previous twelve months. Report shall be of

sufficient content as to enable the Regional Board to determine compliance with requirements.

PROVISIONS

1. Order No. 95-09, "Waste Discharge Requirements for San Lorenzo Valley Water District, Bear Creek Estates, Santa Cruz County" adopted by the Board on March 10, 1995 is hereby rescinded.
2. Discharger shall comply with "Monitoring and Reporting Program No. 00-043", and any amendments thereto, as specified by the Executive Officer.
3. The Discharger shall comply with all items of the attached "Standard Provisions and Reporting Requirements for Waste Discharge Requirements" dated January, 1984; except Item Nos. A.8. and A11.
4. Pursuant to Title 23, Division 3, Chapter 9, of the California Code of Regulations, the Discharger must submit a written report to the Executive Officer not later than January 1, 2009, addressing:
 - a. Whether there will be changes in the continuity, character, location, or volume of the discharge; and,
 - b. Whether, in their opinion, there is any portion of the Order that is incorrect, obsolete, or otherwise in need of revision.

I, Roger W. Briggs, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Central Coast Region, on July 14, 2000.

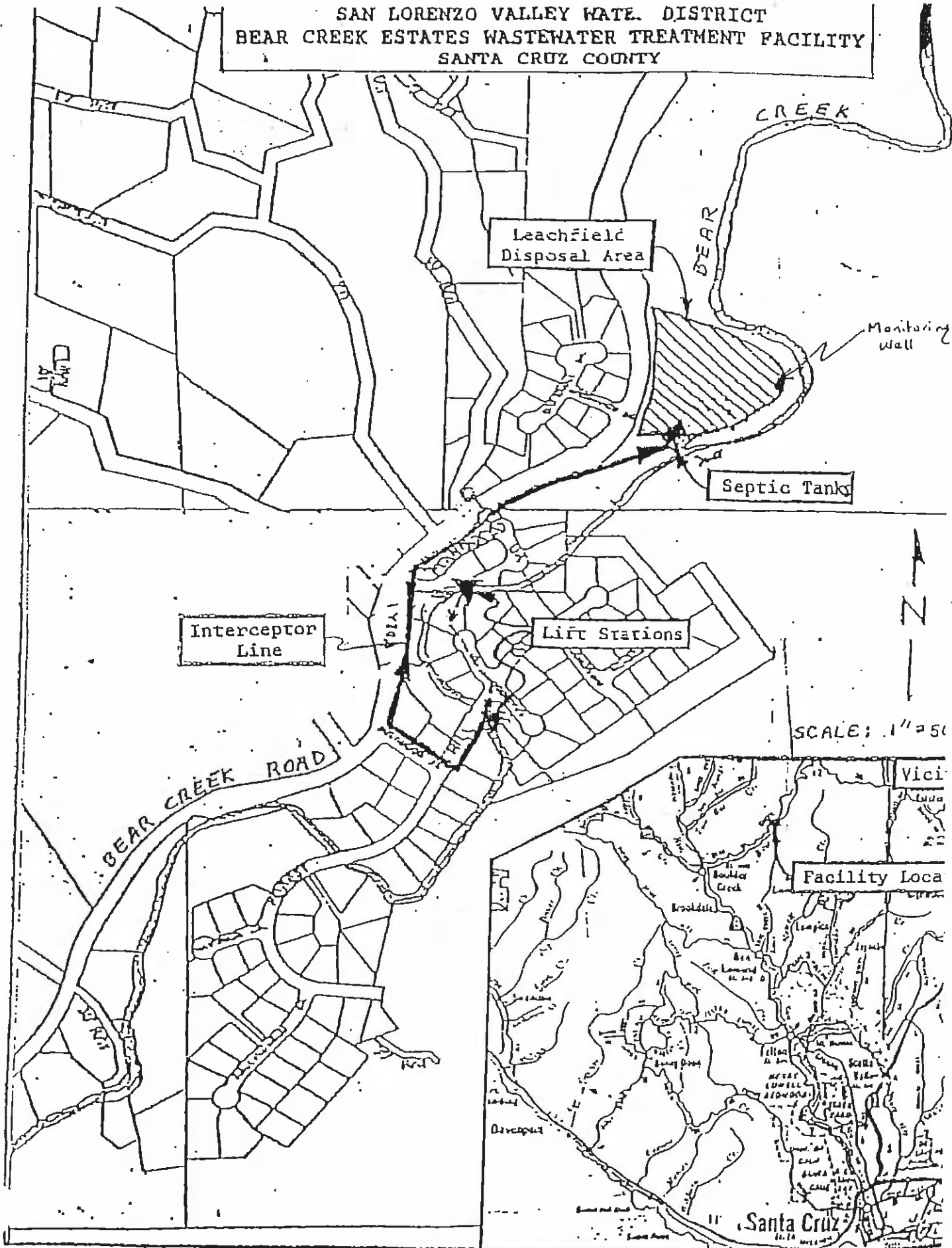

for EXECUTIVE OFFICER

HEK/SLR/Permits/Bear Creek/00-043 WDR

Task: 121-01

File: Discharger file; San Lorenzo Valley WD, Bear Creek Estates WWF

SAN LORENZO VALLEY WATE. DISTRICT
BEAR CREEK ESTATES WASTEWATER TREATMENT FACILITY
SANTA CRUZ COUNTY



STATE OF CALIFORNIA
 CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
 CENTRAL COAST REGION
 81 Higuera Street, Suite 200
 San Luis Obispo, CA 93401-5427

MONITORING AND REPORTING PROGRAM NO. 00-043
 FOR
 SAN LORENZO VALLEY WATER DISTRICT
 BEAR CREEK ESTATES WASTEWATER TREATMENT FACILITY
 SANTA CRUZ COUNTY

INFLUENT MONITORING¹

Representative influent samples shall be collected before treatment and analyzed for the following:

Parameter	Units	Type of Sample	Minimum Measuring Frequency
BOD	mg/l	Grab	Monthly
pH	"	"	"
Organic Nitrogen (N)	"	"	* Twice per month
Nitrate (N)	"	"	"
Nitrite (N)	"	"	"
Ammonia (N)	"	"	"
Total dissolved solids	"	"	Quarterly
Total suspended solids	"	"	"

(N) – All nitrogen data shall be reported as nitrogen.

*Staff requires monitoring twice per month for the Nitrogen series (Organic Nitrogen, Nitrate, Nitrite, and Ammonia) for a minimum of 15 months. After 15 months Discharger shall submit a report analyzing the nitrogen removal efficiency of the wastewater treatment plant. Regional Board staff will evaluate the report to determine the need and frequency for continued nitrogen monitoring.

¹ Influent monitoring shall begin after installation of enhanced wastewater treatment system. The enhanced wastewater treatment system shall be installed by July 1, 2003.

EFFLUENT MONITORING

Representative effluent samples shall be collected prior to leachfield disposal and analyzed for the following:

Parameter	Units	Type of Sample	Minimum Measuring Frequency
Flow to Leachfield	Gallons per day	Metered	Monthly
BOD	mg/l	Grab	"
pH	"	"	"
Organic Nitrogen (N)	"	"	* Twice per month ²
Nitrate (N)	"	"	"
Nitrite (N)	"	"	"
Ammonia (N)	"	"	"
Total suspended solids	"	"	Quarterly
Total dissolved solids	"	"	"
Sodium	"	"	"
Chloride	"	"	"

(N) – All nitrogen data shall be reported as nitrogen.

*Staff requires monitoring twice per month for the Nitrogen series (Organic Nitrogen, Nitrate, Nitrite, and Ammonia) for a minimum of 15 months. After 15 months Discharger shall submit a report analyzing the nitrogen removal efficiency of the wastewater treatment plant. Regional Board staff will evaluate the report to determine the need and frequency for continued nitrogen monitoring.

² Effluent nitrogen monitoring shall be conducted quarterly until the installation of enhanced wastewater treatment system. The additional effluent nitrogen monitoring shall commence once the enhanced wastewater treatment system is installed or July 1, 2003, which ever comes first.

SEPTIC TANK MONITORING

Each septic tank shall be opened and measured for the following items:

Measurement	Units	Type of Measurement	Minimum Measuring Frequency
Distance of scum layer from bottom of outlet device	Inches	Staff gauge	Semi-Annually (June & Dec.)
Distance of sludge layer from bottom of outlet device	Inches	Staff gauge	Semi-Annually (June & Dec.)

Septic tanks shall be pumped as necessary to ensure proper performance and protection of the leachfield. In the event of a leachfield failure or impending failure, the Executive Officer and the County Environmental Health Department shall be notified immediately. In the event of failure, the area shall be posted to prevent public contact with domestic wastewater.

GROUND WATER MONITORING

The Discharger shall install one monitoring well upgradient and two wells downgradient of the leachfield disposal area. Prior to the installation of monitoring wells, Discharger shall submit a report to the Executive Officer discussing the proposed locations, monitoring well depths, and the technical justification of the proposal. The report shall include an estimated direction of groundwater flow and depth, to accurately position up gradient and down gradient wells. Reports detailing groundwater monitoring well installation and flow must be prepared by a registered professional engineer or hydrogeologist or equivalent professional knowledgeable in hydrogeology and ground water monitoring. The wells shall be installed by January 1, 2001.

The Discharger shall sample monitoring wells in accordance with the following schedule:

Constituent	Units	Type of Sample	Minimum Sampling and Analyzing Frequency
Total Dissolved Solids	mg/l	Grab	Semi-annually (June & Dec)
Sodium	"	"	"
Chloride	"	"	"
Organic Nitrogen (N)	"	"	"
Nitrate (N)	"	"	"
Nitrite (N)	"	"	"
Ammonia (N)	"	"	"
pH	"	"	"

BEAR CREEK MONITORING

Discharger shall establish two Bear Creek monitoring stations to determine impact of discharge. One station shall be located 100 feet upstream of the leachfield disposal area. The second station shall be located 100 feet downstream of the disposal area. Creek samples from these stations shall be collected and analyzed according to the following:

Constltuent	Units	Type of Sample	Minimum Sampling and Analyzing Frequency
Fecal coliform	MPN/100 ml	Grab	Monthly*
Enterococci	"	"	"
Nitrate as N	mg/l	"	"
Total dissolved solids	"	"	"

*Monthly samples shall be collected during the 1st working day of the month. After one year of creek sampling (twelve samples) the Discharger may provide an analysis of coliform monitoring data to determine if a significant change has occurred due to the discharge. If no significant change has occurred, the Discharger may request a reduction in creek monitoring subject to Executive Officer approval.

DISPOSAL AREA INSPECTION

Monthly inspections shall be made of the leachfield disposal area for evidence of surfacing effluent. During the inspection, the level of effluent in each leachfield trench shall be recorded. Notes shall be kept of observations and shall be summarized in the Quarterly Monitoring Reports. In the event of a leachfield failure or impending failure, the Executive Officer and the County Environmental Health Department shall be notified immediately. In the event of failure, the area shall be posted to prevent public contact with domestic wastewater. Repairs shall be made as quickly as possible. To assure compliance with discharge specifications the discharger shall describe which leachfield is in use and when the leachfield was last rotated.

Monthly inspections shall be made of seep areas (along Bear Creek) for evidence of surfacing effluent. Notes shall be kept of observations and shall be summarized in the Quarterly Monitoring Reports. In the event of a surfacing effluent, the Executive Officer and the County Environmental Health Department shall be notified immediately. In the event of failure, the area shall be posted to prevent public contact with domestic wastewater. Repairs shall be made as quickly as possible.

REPORTING

Monthly sampling and inspection results shall be reported quarterly by the 1st day of February, May, August, and November. Semi-annual sampling results shall be submitted with the January and July quarterly reports.

The quarterly reports shall also include a summary of sewage collection or treatment or disposal systems spill(s) during the reporting quarter. At a minimum, the following information shall be reported:

July 14, 2000

1. Location, volume, date, and time of sewage spill, and the number of times spill has occurred at this location within the last five years.
2. Corrective action(s) taken to stop and mitigate spill and prevent future spills.

If there is no spill during the reporting quarter, a "no sewage spill" statement shall be included in the quarterly report.

All data (weekly, monthly, and semi-annual) shall be submitted to the Board in both hard copy and electronic format. The electronic data submission shall conform to criteria approved by the Central Coast Regional Water Quality Control Board Executive Officer.

ORDERED BY *Madley E. Hagman*
P/E: Executive Officer

July 14, 2000
Date

HEK/SLR/Permits/Bear Creek/00-043 MRP
Task: 121-01
File: Discharger file; San Lorenzo Valley WD, Bear Creek Estates WWF

APPENDIX B:

COUNTY SERVICE AREA 2 (FORMATION RESOLUTION)

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 301-68

On the motion of Supervisor Black
duly seconded by Supervisor Locatelli
the following resolution is adopted:

RESOLUTION AUTHORIZING ACCEPTANCE OF CON-
VEYANCES EXECUTION OF GRANT OF EASEMENT
AND QUIT CLAIM OF UNNECESSARY EASEMENT -
PLACE DE MER TR. 386, UNIT NO. 3 -
COUNTY SERVICE AREA NO. 2 PLACE DE MER

WHEREAS, construction and improvement of the Place
de Mer Planned Unit Development has been completed, and

WHEREAS, as a condition of approving the final map
of said development certain improvements and dedications of
service facilities were required which are now completed.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that
this Board hereby authorizes and directs as follows:

1. That the conveyance of all easements, fees, and
appurtenances connected with the sewer, water,
park and that portion of Oceanview Drive not
accepted into the County Highway System, (said
easements to be maintained, repaired and
operated through the Place De Mer County
Service Area No. 2, as required by the Use
Permit and final map of said Unit No. 3) are
hereby accepted, and the Chairman of this Board
is directed to indicate thereon Acceptance by
the County of Santa Cruz for said Service Area,
and recording of the documents is hereby ordered.
2. That a grant of easement from the County of Santa
Cruz to the owners of the Place De Mer Condominium

for the right to landscape and construct improvements (paths and stairways) subject to the prior right of the County of Santa Cruz for utility purposes over a portion of Lot 1 of said Unit No. 3 be and hereby is authorized to be executed by the Chairman of this Board.

3. That the 10 foot drainage easement over lot 57 of said Unit 3 be and hereby is declared no longer necessary and the Chairman is authorized and directed to execute said quit claim.
4. That all of the subdivision bonds filed pursuant to the subdivision agreement for said Unit 3 be and hereby are authorized to be released.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 7th day of May, 1968, by the following vote:

AYES: SUPERVISORS Burton, Black, Locatelli and McCallie
NOES: SUPERVISORS None
ABSENT: SUPERVISORS Mello

RUSS McCALLIE
Chairman of said Board

ATTEST: TOM M. KELLEY
Clerk of said Board

DISTRIBUTION: Recorder
Public Works

Approved as to form

JERRY W. BARTHOLOW
Assistant County Counsel

STATE OF CALIFORNIA COUNTY OF SANTA CRUZ] SS
I, TOM M. KELLEY, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said Board.	
In Witness whereof I have hereunto set my hand and affixed the seal of the said Board, on <u>MAY 10 1968</u>	
TOM M. KELLEY, County Clerk	
By <u>Helenie Davis</u>	Deputy

J
B
L.S.O.A

STATEMENT OF FUNCTIONS AND SERVICES

1/12/96

DISTRICT: CSA 2 Place de Mer

On January 4, 1995, this district was providing the following functions and services:

<u>FUNCTION</u>	<u>SERVICES</u>	<u>STATE CODE SECTIONS</u>
<input type="checkbox"/> Cemeteries	<input type="checkbox"/> Cemeteries	
<input type="checkbox"/> Fire and All Emergency Medical Services	<input type="checkbox"/> Fire protection <input type="checkbox"/> First response, basic life support <input type="checkbox"/> First response, paramedic <input type="checkbox"/> Patient transport <input type="checkbox"/> Hazardous materials (including administration and response) <input type="checkbox"/> Rescue services <input type="checkbox"/> Disaster planning and response <input type="checkbox"/> Weed abatement	
<input type="checkbox"/> Flood Control	<input type="checkbox"/> Flood control	
<input checked="" type="checkbox"/> Harbor	<input type="checkbox"/> Harbor facilities and services <input checked="" type="checkbox"/> Public access (beach access) <input type="checkbox"/> Safety <input type="checkbox"/> Visitor services	Government Code Section 25210.4
<input checked="" type="checkbox"/> Parks and Recreation	<input checked="" type="checkbox"/> Park acquisition <input checked="" type="checkbox"/> Development <input checked="" type="checkbox"/> Operation and maintenance <input type="checkbox"/> Recreational and educational activities	
<input type="checkbox"/> Pest and Vector Control	<input type="checkbox"/> Pest and vector control	
<input checked="" type="checkbox"/> Police	<input checked="" type="checkbox"/> Police <input checked="" type="checkbox"/> Security patrols	
<input type="checkbox"/> Public Transportation	<input type="checkbox"/> Land transportation	
<input checked="" type="checkbox"/> Roads, Streets and Highways	<input checked="" type="checkbox"/> Road improvement <input checked="" type="checkbox"/> Road maintenance <input checked="" type="checkbox"/> Road landscaping <input type="checkbox"/> School crossing guards	

Statement of Functions and Services (continued)

<u>FUNCTION</u>	<u>SERVICES</u>	<u>STATE CODE SECTIONS</u>
<input checked="" type="checkbox"/> Sewer	<input checked="" type="checkbox"/> Sewage collection <input checked="" type="checkbox"/> Sewage transportation <input checked="" type="checkbox"/> Sewage treatment <input checked="" type="checkbox"/> Sewage reclamation <input checked="" type="checkbox"/> Sewage disposal <input type="checkbox"/> Septic tank maintenance	Health and Safety 4741
<input type="checkbox"/> Soil Conservation	<input type="checkbox"/> Soil conservation	
<input type="checkbox"/> Solid Wastes	<input type="checkbox"/> Waste collection <input type="checkbox"/> Waste disposal <input type="checkbox"/> Recycling <input type="checkbox"/> Litter control <input type="checkbox"/> Graffiti control	
<input checked="" type="checkbox"/> Street Lighting	<input checked="" type="checkbox"/> Street lighting	
<input checked="" type="checkbox"/> Water	<input checked="" type="checkbox"/> Water supply <input checked="" type="checkbox"/> Water treatment <input checked="" type="checkbox"/> Water distribution	
<input type="checkbox"/> Water Management	<input type="checkbox"/> Groundwater management <input type="checkbox"/> Surface Water management <input type="checkbox"/> Conservation and education	

Additional Information

Additional information is attached to explain the categories checked above.

No additional information is attached.

Certification

Signature: Susann Rogberg

Printed or typed name: Susann Rogberg

Title: CSA Administrator

District: Co Service Areas

Date: Jan 12, 1996

Please return the completed form to the LAFCO office. An envelope is provided.

RESOLUTION NO. 680-63

On the motion of Supervisor McCallie
duly seconded by Supervisor Burton
the following resolution is adopted:

RESOLUTION OF INTENTION TO ESTABLISH A COUNTY
SERVICE AREA IN THE SOQUEL SUPERVISORIAL DISTRICT

BE IT RESOLVED AND ORDERED by the Board of Supervisors of
Santa Cruz County:

1. That a county service area is proposed to be established under the terms of Title 3, Division 2, Part 2, Chapter 2 of the Government Code, Sections 25210.1 et seq., in the unincorporated area of the Second Supervisorial District of the County of Santa Cruz.
2. That the boundaries of the territory proposed for inclusion in the area are described as set forth in Exhibit "A" attached hereto and made a part hereof, as fully as though set forth at length herein.
3. That the name proposed for the area is COUNTY SERVICE AREA NO. 2.
4. That the types of extended county services already provided or proposed to be provided are:
 - (a) Establishment and maintenance of local Park, Recreation or Parkway facilities.
 - (b) Maintenance of roads.
 - (c) Acquisition, development, distribution and sale of water.
 - (d) Extended police protection.
 - (e) Extended sewer service.
 - (f) Street lighting service.
5. That a tax sufficient to pay for all such services which are furnished on an extended basis will be annually levied upon all taxable property within the said county service area.

BE IT FURTHER RESOLVED AND ORDERED that Tuesday, the
12th day of November, 1963, at 2:15 o'clock P.M.,
in the supervisors Room, Courthouse Annex, Santa Cruz, California, be
fixed as the time and place for a public hearing on the establishment
of the area.

BE IT FURTHER RESOLVED AND ORDERED that the clerk shall publish a notice of the hearing one time in the Watsonville Register-Pajaronian, a newspaper of general circulation published in the county, and that publication shall be complete at least seven (7) days prior to the date of the hearing.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 28th day of October 1963 by the following vote:

AYES: SUPERVISORS McCallie, Burton, Silliman, Locatelli and Nelson

NOES: SUPERVISORS None

ABSENT: SUPERVISORS None

Levin Nelson
Chairman of said Board

ATTEST: Tom M. Kelley
Clerk of said Board

Approved as to form
William A. Coad
County Counsel

STATE OF CALIFORNIA] SS
COUNTY OF SANTA CRUZ]
I, TOM M. KELLEY, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said Board.
In Witness whereof I have hereunto set my hand and affixed the seal of the said Board, on Nov 15, 1965
TOM M. KELLEY, County Clerk
By Fluence Dames Deputy

Jerry Halworth

RESOLUTION NO. 703-63

On the motion of Supervisor McCallie
duly seconded by Supervisor Burton
the following resolution is adopted:

RESOLUTION ESTABLISHING COUNTY SERVICE AREA NO. 2

WHEREAS, this board by its Resolution No. 680-63, adopted October 28, 1963, declared its intention to establish a County Service Area in a certain area of the unincorporated territory of Santa Cruz County, and for that purpose fixed a time and place for public hearing on said resolution, and

WHEREAS, At the time and place fixed no protests were received and the property owners affected urged the formation of said service area.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of Santa Cruz County, California, that said Board of Supervisors does hereby so declare and determine that the County Service Area No. 2 be and it hereby is established.

BE IT FOUND AND DETERMINED that the boundaries of County Service Area No. 2 shall be as set forth in Exhibit "A", attached hereto and by this reference made a part hereof.

BE IT FURTHER RESOLVED AND ORDERED that the types of services to be performed in County Service Area No. 2 shall include any one or more of the following:

- (a) Establishment and maintenance of local Park, Recreation or Parkway facilities.
- (b) Maintenance of roads.
- (c) Acquisition, development, distribution and sale of water.
- (d) Extended police protection.
- (e) Extended sewer service.
- (f) Street lighting service.

BE IT FURTHER RESOLVED AND ORDERED that the County Clerk shall comply with the provisions of Government Code §§54900, et seq.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 12th day of November, 1963 by the following vote:

AYES: SUPERVISORS McCallie, Burton, Locatelli and Nelson

NOES: SUPERVISORS None

ABSENT: SUPERVISORS Silliman

ATTEST: Tom M. Kelley
Clerk of said Board

Lewis Nelson
Chairman of said Board

DISTRIBUTION: Assessor
Auditor
Surveyor
Dept. of Public Works

STATE OF CALIFORNIA COUNTY OF SANTA CRUZ
I, TOM M. KELLEY, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said Board.
In Witness whereof I have hereunto set my hand and affixed the seal of the said Board, on <u>Nov 15</u> , 19 <u>65</u>
TOM M. KELLEY, County Clerk
By <u>Therese Davis</u> , Deputy

Approved as to form
William N. O'Neil
County Counsel

EXHIBIT "A"

BEING a part of the San Andreas Rancho and beginning at a 3/4 inch pipe on the Southwestern line of San Andreas Road at the most Northern corner of Ocean View Drive as shown on the Map entitled, "Tract 295, Place De Mer, Unit No. 1", filed for record September 12, 1961 in Map Book 37, Page 52, Santa Cruz County Records; thence along the Northwestern and Northern line of Oceanview Drive and the prolongation thereof, curving to the right with a radius of 20.00 feet through an angle of 84° 54' 06" a distance of 29.64 feet to a 3/4 inch pipe; thence South 21° 28' 26" West 247.42 feet to a 3/4 inch pipe; thence curving to the right with a radius of 100.00 feet through an angle of 65° 05' a distance of 113.59 feet to a 3/4 inch pipe; thence South 86° 33' 26" West 537.60 feet to a 3/4 inch pipe at the Northwestern corner of Lot 1, as shown on the above mentioned Map; thence along the Northeasterly boundary of lands of the State of California as said boundary is shown on the Record of Survey Map in Volume 33 of Maps at page 81; thence South 30° 19' 34" East 630.52 feet to an angle; thence South 26° 28' 34" East 668.02 feet to the most Southern corner of the lands conveyed to George A. Place, et ux., by Deed recorded in Volume 1334 at page 65, Official Records of Santa Cruz County; thence along the southeastern boundary of said last mentioned lands, North 21° 28' 20" West 1380.14 feet to a concrete monument on the Southwestern line of San Andreas Road; thence along the Southwestern line of San Andreas Road, North 63° 25' 40" West 466.19 feet to the point of beginning.

APPENDIX C:

COUNTY SERVICE AREA 5 (FORMATION RESOLUTION)

RESOLUTION NO. 195

On the motion of Commissioner McCallie
Duly seconded by Commissioner Fleming
The following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE
COUNTY OF SANTA CRUZ WAIVING PUBLIC HEARING AND APPROVING
BOUNDARIES OF SPECIAL FIRE PROTECTION ZONE "A" IN THE SCOTTS
VALLEY FIRE PROTECTION DISTRICT

The Local Agency Formation Commission of the County of Santa Cruz DOES
HEREBY DETERMINE, FIND AND RESOLVE as follows:

1. The Scotts Valley Fire Protection District, by Resolution, has requested this Local Agency Formation Commission to review, in accordance with the provisions of Section 54790(f) of the Government Code, the boundaries of territory involved in a Special Fire Protection Zone "A" with respect to the definiteness and certainty thereof.
2. A Special Fire Protection Zone is not a "Special District" as defined in Section 54775(i) of the Government Code and therefore not subject to the provisions of District Reorganizations Act.
3. The Local Agency Formation Commission hereby waives any requirement for a public hearing on the formation of said Special Fire Protection Zone before this Commission.
4. The proposed boundaries of said Fire Protection Zone have been reviewed by the County Surveyor of the County of Santa Cruz and a report on the same made to this Commission.
5. The Local Agency Formation Commission finds the said boundaries to be definite and certain and that there is no non-conformance with lines of assessment or ownership.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 17th day of December, 1969 by the following vote:

AYES: Commissioners Hall, Fleming, Haber, McCallie, Forbus

NOES:

ABSENT:



EDWARD C. HALL - Chairman
Local Agency Formation Commission
of the County of Santa Cruz

ATTEST:



E. R. Hanna,
Executive Officer

APPENDIX D:

COUNTY SERVICE AREA 7 ZONE 1 (FORMATION RESOLUTION)

On the motion of Commissioner Mello
duly seconded by Commissioner Fleming
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION
COMMISSION OF THE COUNTY OF SANTA CRUZ
MAKING DETERMINATIONS AND APPROVING THE
PROPOSED ~~ANNEXATION~~ OF TERRITORY DESIGNATED
AS FORMATION
TO THE BOULDER CREEK GOLF AND COUNTRY CLUB COUNTY SERVICE AREA

WHEREAS a petition for the proposed ^{formation} ~~annexation~~ of certain
territory ~~to~~ known as BOULDER CREEK GOLF AND COUNTRY CLUB COUNTY SERVICE AREA
in the County of Santa Cruz was heretofore filed with the Executive
Officer of this Local Agency Formation Commission, and said Executive
Officer has examined said petition and executed his certificate
determining and certifying that said petition is sufficient as a
petition; and

WHEREAS, at the times and in the form and manner provided by
law, said Executive Officer has given notice of public hearing by
this Commission upon said petition; and

WHEREAS said Executive Officer has reviewed said petition
and prepared a report, including his recommendations, thereon, said
petition and report having been presented to and considered by this
Commission; and

WHEREAS the public hearing by this Commission was held upon
the date and at the time and place specified in said notice of public
hearing and in any order or orders continuing such hearing; and

WHEREAS at such hearing this Commission heard and received
all oral and written protests, objections and evidence which were
made, presented or filed and received evidence as to whether the
(a)

BOORUM & PEASE "NOTEPAR" ®

BOORUM & PEASE "NOTEPAR" ®

BOORUM & PEASE "NOTEAR" ®

territory proposed to be ^{formed}~~annexed~~ is inhabited or uninhabited and all persons present were given an opportunity to hear and be heard in respect to any matter relating to said petition and report,

NOW, THEREFORE, the Local Agency Formation Commission of the County of Santa Cruz DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Subject to the terms and conditions hereinafter specified, if any, said petition is approved.

Section 2. The boundaries, as set forth in the petition of the territory proposed to be ^{formed}~~annexed~~ are approved, said territory is found to be inhabited and said territory is assigned the following short form designation:

BOULDER CREEK COUNTY SERVICE AREA

Section 3. Any resolution ordering such ^{formation}~~annexation~~ shall provide that such ^{formation}~~annexation~~ shall be made subject to the following specified terms conditions:

- (a) The terms and conditions contained in said petition, and
- (b) The following additional term and condition:

NONE

Section 4. The Boulder Creek Golf and Country Club County Service Area is designated as the conducting district and the Board of Directors of said district is hereby directed to initiate ^{formation}~~annexation~~ proceedings in compliance with this resolution. Any election called by said

(b)

Board of Directors upon the question of confirming an order for
such ~~annexation~~ ^{formation} shall be called, held and conducted upon such
question only within the territory ordered to be ~~annexed~~ ^{formed}.

Section 5. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Section 56272 of the Government Code. In addition, said Executive Officer shall also mail to said conducting district a certified copy, without signatures, of said petition.


PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz, State of California, this 20th day of March, 1968, by the following vote:

AYES: Commissioners Burton, Mello, Fleming, Hall
NOES: Commissioners None
ABSENT: Commissioners Silliman



Chairman of said Commission

ATTEST:


Executive Officer

Distribution: County Counsel
County Surveyor
Ben B. White & Associates, Inc.
621 Capitola Avenue
Capitola, California(c)

APPENDIX E:

COUNTY SERVICE AREA 7 ZONE 2 (FORMATION RESOLUTION)



Adopted 04/30/2024
Board of Supervisors
DOC-2024-365 12.c

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 90-2024

On the motion of Supervisor McPherson:
Duly seconded by Supervisor Friend:

The following resolution is adopted:

RESOLUTION AUTHORIZING THE CREATION OF ZONES WITHIN
COUNTY SERVICE AREA NO. 7 BOULDER CREEK

WHEREAS, this Board, by its Resolution No. 54-2024, adopted March 12, 2024, declared its intention to create zones 1 and 2 within County Service Area No. 7, Boulder Creek as shown on Exhibit 1 attached hereto, and with proper notice set April 30, 2024, at 9:00 a.m. or thereafter, as the time for hearing on said matter; and

WHEREAS, at this time and place fixed, with no majority protest; and

WHEREAS, pursuant to California Government Code 25210.30 et seq., this Board considers creation of zones to be in the best interest of CSA No. 7, Boulder Creek.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the County of Santa Cruz that said Board does hereby so declare and determine that CSA No. 7, Boulder Creek zones 1 and 2 are hereby established.

BE IT FURTHER RESOLVED AND ORDERED that the geographic boundaries of each zone CSA No. 7, Boulder Creek Zone 1 and Zone 2 are reflected and shown on Exhibit 1.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 30th day of April, 2024, by the following vote:

AYES: Supervisors Koenig, Friend, McPherson, Cummings
NOES: None
ABSENT: Supervisor Hernandez
ABSTAIN: None

Resolution 90-2024

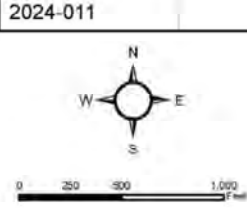
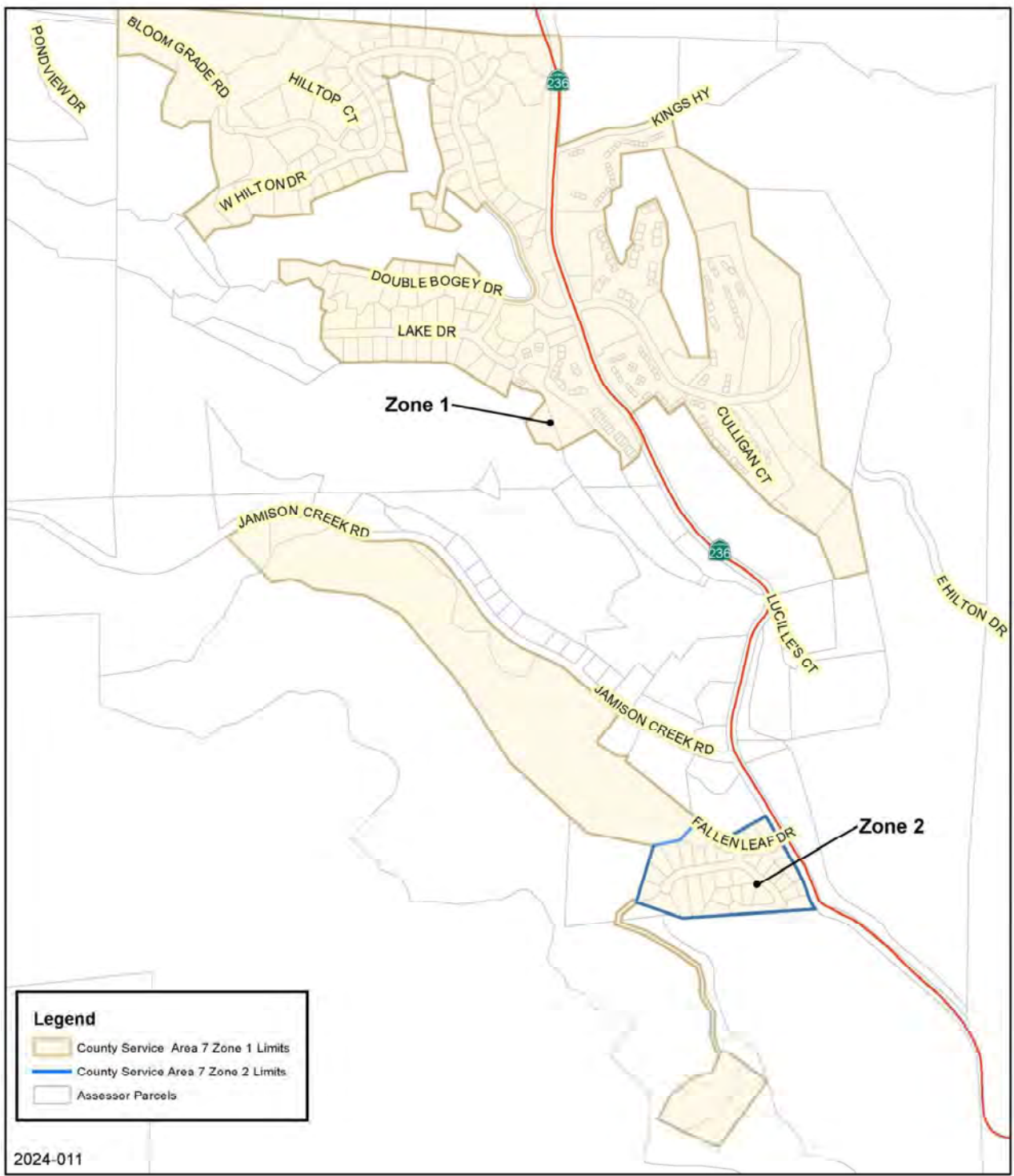
DocuSigned by:
Justin Cummings 5/1/2024
C15905D366C8451...
Justin Cummings
Chair of the Board of Supervisors

ATTEST: DocuSigned by:
Juliette Rezzato 5/1/2024
466B074F3141450...
Juliette Rezzato
Clerk of the Board

Approved as to Form:
DocuSigned by:
Michael De Smidt
77B7BAAA5B324F0... 3/29/2024
Office of the County Counsel
3/28/2024 (AMS 15862)

Attachment: Exhibit 1

Resolution _____



CSA No. 7 Boulder Creek Zone 1 and 2

Exhibit 1



Date: 2/21/2024

COB Rev. 8-1-22

Certificate Of Completion

Envelope Id: E9C03AA9E8084E74A792CB5803771DBF

Status: Completed

Subject: Resolution - Authorizing Creation of Zones (15862) BOS 4/30/2024

Source Envelope:

Document Pages: 3

Signatures: 1

Envelope Originator:

Certificate Pages: 4

Initials: 0

Blanca Martinez
701 Ocean Street

AutoNav: Enabled

Santa Cruz, CA 95060

Envelope Stamping: Enabled

Blanca.Martinez@santacruzcountyca.gov

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

IP Address: 108.64.244.228

Record Tracking

Status: Original

Holder: Blanca Martinez

Location: DocuSign

3/29/2024 7:51:19 AM

Blanca.Martinez@santacruzcountyca.gov

Security Appliance Status: Connected

Pool: FedRamp

Storage Appliance Status: Connected

Pool: County of Santa Cruz

Location: DocuSign

Signer Events

Michael De Smidt

Michael.DeSmidt@santacruzcountyca.gov

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:

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Signature Adoption: Pre-selected Style

Using IP Address: 24.5.158.121

Timestamp

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Viewed: 3/29/2024 10:59:37 AM

Signed: 3/29/2024 10:59:54 AM

Electronic Record and Signature Disclosure:

Accepted: 3/29/2024 10:59:37 AM

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In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp****Agent Delivery Events****Status****Timestamp****Intermediary Delivery Events****Status****Timestamp****Certified Delivery Events****Status****Timestamp****Carbon Copy Events****Status****Timestamp****Witness Events****Signature****Timestamp****Notary Events****Signature****Timestamp****Envelope Summary Events****Status****Timestamps**

Envelope Sent

Hashed/Encrypted

3/29/2024 7:53:16 AM

Certified Delivered

Security Checked

3/29/2024 10:59:37 AM

Signing Complete

Security Checked

3/29/2024 10:59:54 AM

Completed

Security Checked

3/29/2024 10:59:54 AM

Payment Events**Status****Timestamps****Electronic Record and Signature Disclosure**

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact County of Santa Cruz:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: nada.algharib@santacruzcounty.us

To advise County of Santa Cruz of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at nada.algharib@santacruzcounty.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from County of Santa Cruz

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with County of Santa Cruz

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

Certificate Of Completion

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Subject: Complete with DocuSign: Resolution 90-2024 Authorizing Creation of Zones Within CSA 7 Boulder C...
Source Envelope:
Document Pages: 7 Signatures: 2 Envelope Originator:
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AutoNav: Enabled Stamps: 1 701 Ocean Street
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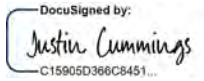
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Storage Appliance Status: Connected Pool: County of Santa Cruz Location: DocuSign

Signer Events

Justin Cummings
Justin.Cummings@santacruzcountyca.gov
Security Level: Email, Account Authentication (None)

Signature



Signature Adoption: Pre-selected Style
Using IP Address: 63.194.190.100

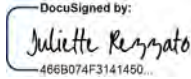
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Juliette Rezzato
Juliette.Rezzato@santacruzcountyca.gov
Chief Deputy Clerk of the Board of Supervisors
County of Santa Cruz
Security Level: Email, Account Authentication (None)



Signature Adoption: Pre-selected Style
Using IP Address: 63.194.190.100

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Electronic Record and Signature Disclosure:

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CBD eSignature
cbd.esignature@santacruzcountyca.gov
County of Santa Cruz
Security Level: Email, Account Authentication (None)



Using IP Address: 63.194.190.100

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Viewed: 5/1/2024 3:53:32 PM
Signed: 5/1/2024 3:53:55 PM
Freeform Signing

Electronic Record and Signature Disclosure:

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Certified Delivery Events	Status	Timestamp
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Carbon Copy Events	Status	Timestamp
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Beatriz Barranco Beatriz.Barranco@santacruzcountyca.gov Sr. Civil Engineer County of Santa Cruz Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 1/25/2024 12:26:22 PM ID: edb23b86-e633-4a7e-980d-86a085ffcaaa	COPIED	Sent: 5/1/2024 3:53:56 PM
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	5/1/2024 3:53:55 PM
Completed	Security Checked	5/1/2024 3:53:57 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, County of Santa Cruz (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

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To contact us by email send messages to: nada.algharib@santacruzcounty.us

To advise County of Santa Cruz of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at nada.algharib@santacruzcounty.us and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from County of Santa Cruz

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with County of Santa Cruz

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to nada.algharib@santacruzcounty.us and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

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Acknowledging your access and consent to receive and sign documents electronically

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- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

APPENDIX F:

COUNTY SERVICE AREA 10 (FORMATION RESOLUTION)

RESOLUTION NO. 228

On motion of Commissioner Lappin
seconded by Commissioner Forbus

The following Resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF
THE COUNTY OF SANTA CRUZ MAKING DETERMINATIONS AND
AUTHORIZING PROCEEDINGS FOR THE FORMATION OF "ROLLING
WOODS COUNTY SERVICE AREA NO. 10"

The Local Agency Formation Commission of the County of Santa Cruz
DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

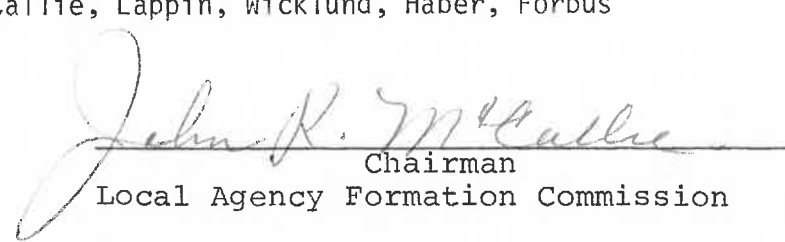
1. A petition for the proposed formation of "Rolling Woods County Service Area No. 10" was heretofore filed with the Executive Officer of this Commission; said County Service Area is assigned the short form designation of "Rolling Woods County Service Area No. 10" the County of Santa Cruz is designated as the conducting agency; and the Board of Supervisors of said County is hereby authorized to conduct proceedings in compliance with this resolution.
2. The Executive Officer of this Commission has examined said petition and executed his certificate determining and certifying that said petition is sufficient as a legal document; has given notice of public hearing by this Commission upon said petition in the form and manner provided by law; and has reviewed said petition and has prepared a report, including his recommendations, thereon, and has presented the same before this Commission for consideration.
3. The public hearing by this Commission was held on August 19, 1970 being the time and date, and at the place specified in said notice of public hearing, and at such hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented, or filed.
4. The boundaries set forth in said petition are approved as submitted.
5. The approval of such formation is conditioned upon the following terms and conditions:


Rolling Woods County Service Area No. 10 shall perform only the following extended services:

1. To own, operate and maintain a sewerage system.
2. To plan, construct, finance, and any other act or function necessary to the furnishing of a complete sewerage service.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 19th day of August by the following vote:

AYES: Commissioners McCallie, Lappin, Wicklund, Haber, Forbus
NOES: Commissioners
ABSENT: Commissioners


Chairman
Local Agency Formation Commission

Attest: 
E. R. Hanna, Executive Officer

APPENDIX G:

COUNTY SERVICE AREA 20 (FORMATION RESOLUTION)

RESOLUTION NO. 564

On the motion of Commissioner Liddicoat
duly seconded by Commissioner Liberty
The following Resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SANTA CRUZ
MAKING DETERMINATIONS AND AUTHORIZING PROCEEDINGS TO
CREATE A COUNTY SERVICE AREA DESIGNATED AS
TRESTLE BEACH NO. 564

The Local Agency Formation Commission of the County of Santa Cruz DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

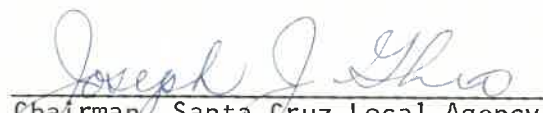
1. A petition for the proposed formation of a County Service Area was heretofore filed with the Executive Officer of this Commission; said County Service Area is assigned the short form designation of "Trestle Beach No. 564," the County of Santa Cruz is designated as the conducting agency; and the Board of Supervisors of said County is hereby authorized to conduct proceedings in compliance with this Resolution.
2. The Executive Officer of this Commission has examined said petition and executed his certificate determining and certifying that said petition is sufficient as a legal document; has given notice of public hearing by this Commission upon said petition in the form and manner provided by law; and has reviewed said petition and has prepared a report, including his recommendations, thereon, and has presented the same before this Commission for consideration.
3. The public hearing by this Commission was held on August 8, 1979, being the time and date, and at the place specified in said notice of public hearing, and at such hearing this Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed.
4. The boundaries set forth in said petition are approved as submitted.
5. Creation of said County Service Area is in order to provide a County controlled public agency to operate and maintain a sanitary sewer system. The Board of supervisors of Santa Cruz County may complete these proceedings only after receiving the recommendations of the County Environmental Health Officer and the Director of Public Works that the proper handling of sewage can best be accomplished through the vehicle of the proposed County Service Area.
6. For the purposes of complying with the California Environmental Quality Act and the Local Agency Formation Commission Environmental Impact Guidelines, the County of Santa Cruz is the Lead Agency.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 8th day of August , 1979 by the following vote:

AYES: Commissioners Liddicoat, Palmtag, Liberty, Levy, Ghio

NOES: Commissioners None

ABSENT: Commissioners None


Chairman, Santa Cruz Local Agency
Formation Commission


ATTEST: 
Acting Executive Officer

APPENDIX H:

DAVENPORT COUNTY SANITATION DISTRICT (FORMATION RESOLUTION)

RESOLUTION NO. 565

On the motion of Commissioner Levy
duly seconded by Commissioner Liberty
The following Resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
OF THE COUNTY OF SANTA CRUZ
MAKING DETERMINATIONS AND AUTHORIZING PROCEEDINGS FOR THE
FORMATION OF THE DAVENPORT COUNTY SANITATION DISTRICT

The Local Agency Formation Commission of the County of Santa Cruz DOES HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

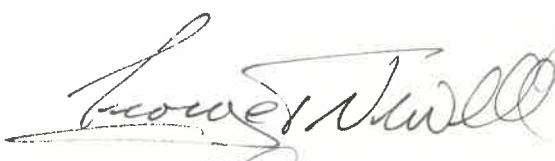
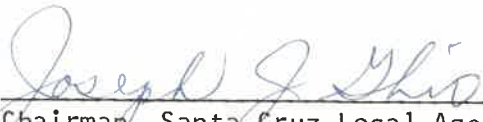
1. A resolution for the proposed formation of the Davenport County Sanitation District was heretofore filed with the Executive Officer of this Commission; the County of Santa Cruz is designated as the conducting agency; and the Board of Supervisors of said County is hereby authorized to conduct proceedings in compliance with this Resolution.
2. The Executive Officer of this Commission has examined said petition and executed his certificate determining and certifying that said resolution is sufficient as a legal document; has given notice of public hearing by this Commission upon said petition in the form and manner provided by law; and has reviewed said petition and has prepared a report, including his recommendations, thereon, and has presented the same before this Commission for consideration.
3. The public hearing by this Commission was held on August 8, 1979, being the time and date, and at the place specified in said notice of public hearing, and at such hearing this Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed.
4. The boundaries set forth in said petition are approved as submitted.
5. The approval of such formation is conditioned upon the following terms and conditions: None.
6. The boundaries set forth in said petition of territory to be included in the formation are approved as amended.
7. Said territory is found to be inhabited for purposes of District formation.
8. The formation of this District will not have a significant effect on the environment and, therefore, a negative declaration is issued as defined in the California Environmental Quality Act.

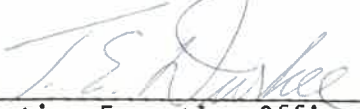
PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 8th day of August, 1979, by the following vote:

AYES: Commissioners Liddicoat, Palmtag, Liberty, Levy, Ghio

NOES: Commissioners None

ABSENT: Commissioners None



Chairman, Santa Cruz Local Agency
Formation Commission

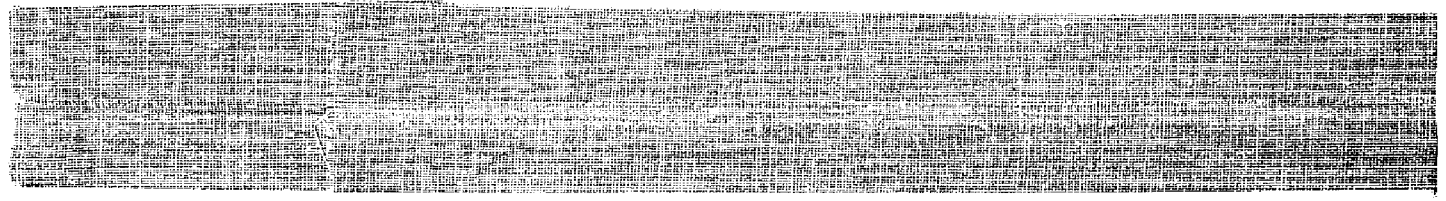
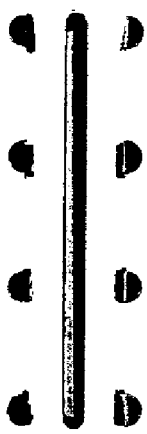
ATTEST: 
Acting Executive Officer

APPENDIX I:

FREEDOM COUNTY SANITATION DISTRICT (FORMATION RESOLUTION)

SANITATION DISTRICTS 588 2
Freedom Sanitation Dist
General - Prior 1969

588 2



RESOLUTION NO. 904-65

On the motion of Director Silliman

Duly seconded by Director Black

the following resolution is adopted:

RESOLUTION AUTHORIZING AND DIRECTING THE COUNTY TREASURER TO DEPOSIT FUNDS PRESENTLY IN THE FREEDOM COUNTY SANITATION DISTRICT CONSTRUCTION FUND # 532

WHEREAS, there are in the Freedom County Sanitation District Construction Fund #532 certain monies which are not presently needed for the district's purposes, and

WHEREAS, the Public Works Director recommends that said funds be invested.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the County Treasurer be and he hereby is authorized and directed to deposit the sum of \$65,100.00 from the funds presently in the Freedom County Sanitation District Construction Fund #532 with the Wells Fargo Bank for six months.

PASSED AND ADOPTED by the Board of Directors of Freedom County Sanitation District, County of Santa Cruz, State of California, this 21st day of December, 1965, by the following vote:

AYES: DIRECTORS Black, Silliman, Locatelli and McCallie
NAYS: DIRECTORS None
ABSENT: DIRECTORS Burton

WES McCALLIE
Chairman of said Board

ATTEST: TOM M. KELLEY
Clerk of said Board

DISTRIBUTION: Treasurer & Tax Collector
Auditor-Controller
Director of Public Works

Approved as to form

WILLIAM M. CAMP
County Counsel

STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ } SS
I, TOM M. KELLEY, County Clerk and ex officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and on behalf of the members of the said Board.
In Witness whereof I have hereunto set my hand and affixed the seal of the said Board this 22nd day of December, 1965.
TOM M. KELLEY, County Clerk
By Estelle E. Kirk, Deputy

RESOLUTION NO. 10-65

On the motion of Director **Silliman**
duly seconded by Director **Nelson**
the following resolution is adopted:

RESOLUTION CREATING FREEDOM COUNTY SANITATION DISTRICT
EXPANSION CONSTRUCTION FUND

BE IT RESOLVED AND ORDERED by the Board of Directors of the Freedom County Sanitation District that there is hereby created a fund No. 531 to be known as the Freedom County Sanitation District Expansion Construction Fund, the purpose of which shall be to receive such amounts as are collected by the Department of Public Works representing connection fees from new dwellings and subdivisions, the proceeds of which are to be used in the expansion of the existing system from time to time as requirements may indicate.

PASSED AND ADOPTED by the Board of Directors of Freedom County Sanitation District, County of Santa Cruz, State of California, this 4th day of January, 1965, by the following vote:

AYES: DIRECTORS Nelson, Burton, Silliman, Locatelli and McCallie
NOES: DIRECTORS None
ABSENT: DIRECTORS None

[Signature]
Chairman of said Board

ATTEST: *[Signature]*
Clerk of said Board

DISTRIBUTION: Auditor
County Counsel

Approved as to form
[Signature]
County Counsel

STATE OF CALIFORNIA
COUNTY OF SANTA CRUZ] SS
I, TOM M. KELLEY, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said Board.
In Witness whereof I have hereunto set my hand and affixed the seal of the said Board, on Jan 20, 1965
TOM M. KELLEY, County Clerk
By *[Signature]* Deputy

RESOLUTION NO. 421-66

On the motion of Director **Silliman**
Duly seconded by Director **Locatelli**
The following resolution is adopted:

**RESOLUTION AUTHORIZING AND DIRECTING THE COUNTY
TREASURER TO DEPOSIT FUNDS PRESENTLY IN THE FREEDOM
COUNTY SANITATION DISTRICT CONSTRUCTION FUND #532**

WHEREAS, there are in the Freedom County Sanitation District Construction Fund #532 certain monies which are not presently needed for the district's purposes; and

WHEREAS, the Public Works Director recommends that said funds be invested.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the County Treasurer be and he hereby is authorized and directed to deposit the sum of \$45,100. from the funds presently in the Freedom County Sanitation District Construction Fund #532 with the Wells Fargo Bank for six (6) months.

PASSED AND ADOPTED by the Board of Directors of Freedom County Sanitation District, County of Santa Cruz, State of California, this 28th day of June,

1966, by the following vote:

- AYES: DIRECTORS McCallie, Burton, Silliman, Locatelli
- None
- NOES: DIRECTORS Black
- ABSENT: DIRECTORS

RUSS McCALLIE

Chairman of said Board

Temporary

ATTEST: **TOM M. KELLEY**

Clerk of said Board

DISTRIBUTION: County Council
Treasurer-Tax Collector
Auditor-Controller
Dir of Public Works

APPROVED AS TO FORM:

County Council

STATE OF CALIFORNIA] SS
COUNTY OF SANTA CRUZ	
I, TOM M. KELLEY, County Clerk and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the minutes of the said Board.	
In Witness whereof I have hereunto set my hand and affixed the seal of the said Board, on <u>JUL 6 1966</u>	
TOM M. KELLEY, County Clerk	
By	<i>R. S. Gorman</i> , Deputy

THE BOARD NOW MEETS AS THE BOARD OF DIRECTORS OF FREEDOM COUNTY SANITATION DISTRICT

(Resolution No. 584-58
(Freedom County Sanitation District
Directing preparation of Survey & Report.....

On motion of Director Locatelli, seconded by Director McLean, the following resolution is adopted:

RESOLVED, by the Board of Directors of the Freedom County Sanitation District, Santa Cruz County, California, that

WHEREAS, Section 4748 of the Health and Safety Code provides that said Board shall employ one or more sanitation engineers to make a survey of the problems of said District concerning sanitation and especially with reference to the matters of sewage collection, treatment and disposal.

NOW, THEREFORE, IT IS HEREBY ORDERED, as follows:

1. That the engineering office of Bowman & Williams is hereby employed and ordered and directed to make and file a survey and report called for under Section 4748 of said Code, for said District, setting forth the following:

(a) A general description of existing facilities for sewage collection, treatment and disposal.

(b) A general description of the work proposed to be done to carry out the objects of the District.

(c) ~~A general plan and general specifications of the work.~~

(d) A general description of the property proposed to be acquired or damaged in carrying out the work.

(e) A map showing the boundaries of the District and in general the location of the work proposed to be done, property taken or damaged, and any other information useful to an understanding of the work.

(f) An estimate of the cost of the proposed work.

(Resolution No. 585-58
(Freedom County Sanitation Dist.
(Fixing time and place for hearing
(Engineer's Report.....

On motion of Director Locatelli, seconded by Director McLean, the following resolution

September 2, 1958

is adopted:

RESOLVED, by the Board of Directors of the Freedom County Sanitation District, Santa Cruz County, California, that

WHEREAS, Section 4748 of the Health and Safety Code of the State of California provides that said Board shall employ one or more sanitation engineers to make a survey of the problems of said District concerning sanitation and especially with reference to the matter of sewage collection, treatment and disposal; and

WHEREAS, the Engineer employed to make such survey has prepared and filed with this Board a report entitled "Report on Existing and Proposed Sanitary Sewerage Facilities for Freedom County Sanitation District, Santa Cruz County, California, Project No. 58-1", dated September 2, 1958; and

WHEREAS, this Board has examined said report and found that said report complies with the provisions of the County Sanitation District Act and is satisfactory to this Board;

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED AND ORDERED, as follows:

1. Monday, the 8th day of September 1958, at the hour of 2:00 o'clock P.M. in the regular meeting place of this Board, Board of Supervisors Room, Court House Annex, Santa Cruz, California, are hereby fixed as the time and place for hearing objections to the said report and to doing all or any part of the work referred to therein.

2. Notice of the hearing shall be given by publishing a notice, in form a copy of which is hereto attached and made a part hereof by reference, for five times in the Watsonville Register-Pajaronian, a daily newspaper of general circulation circulated within the District.

(Resolution No. 582-58
(Freedom Sanitation District
(Dissolving District.....

*NOTE: Freedom Sanitation Dist.
formed 10/23/37.*

On motion of Supervisor Locatelli, seconded by Supervisor McLean, the following resolution is adopted:

RESOLVED, by the Board of Supervisors of the County of Santa Cruz, State of California,
WHEREAS, in 1937 this Board conducted proceedings for the formation of the Freedom Sanitation District under an act then designated "County Sanitation District Act" (Stats. 1923, page 498; Deering Act 7106);

WHEREAS, the office of said District is located in the County of Santa Cruz, State of California;

WHEREAS, said District has no outstanding obligations;

WHEREAS, said District owns no property;

WHEREAS, for five years said District has not collected taxes or other revenues, or disbursed any District funds; and

WHEREAS, the Clerk of this Board has, not less than thirty days prior to this date,

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September 2, 1958

sent notice to the last known principal place of business of said District that under the provisions of Article 2, Division 1, Title 6, Government Code, State of California, this Board will on this date consider a dissolution resolution concerning said District.

NOW, THEREFORE, IT IS HEREBY ORDERED, as follows:

1. That pursuant to Section 58980 of the Government Code of the State of California the Freedom Sanitation District is dissolved.
2. That the Clerk of this Board be, and he is hereby, instructed to file certified copies of this resolution with the Secretary of State, the State Board of Equalization, the County Clerk, County of Santa Cruz; and the County Assessor, County of Santa Cruz, State of California.

(Freedom County Sanitation Dist.
(Hearing on formation.....

This being the time fixed for a public hearing on the formation of Freedom County Sanitation District the Board now proceeds with said hearing and all persons desiring to be heard were heard. Tom P. Williams, Jr., Engineer, now files his affidavit that the territory proposed to be formed into Freedom County Sanitation District will be benefited by said formation

(Resolution No. 583-58
(Freedom County Sanitation Dist.
(Creation of District.....

On motion of Supervisor Locatelli, seconded by Supervisor McLean, the following resolution is adopted:

RESOLVED, by the Board of Supervisors of the County of Santa Cruz, California, that

WHEREAS, said Board of Supervisors did on July 28, 1958 adopt its Resolution of Intention No. 467-58 to create a County Sanitation District in said County under the County Sanitation District Act, Chapter 3, Part 3, Division 5, Health and Safety Code, to be known as "Freedom County Sanitation District", which Resolution of Intention defined and established the boundaries of the proposed district and fixed this as the time and place for hearing objections to the formation of said District or to the extent thereof;

WHEREAS, as therein directed, said Resolution of Intention, including notice of the time and place of said hearing, has been published at length twice in the Watsonville Register-Pajaronian, a newspaper of general circulation in said County and circulated in the proposed district, as more fully appears from the affidavit of publication on file in the office of the County Clerk of said County;

WHEREAS, no protests and objections to the formation of the District were made; the hearing has been held and oral and documentary evidence as to benefits duly taken and considered by this Board;

NOW, THEREFORE, IT IS FOUND, ORDERED AND DETERMINED, as follows:

1. That written objections to the creation of said District signed by two percent (2%) of the registered electors of said District were not filed with said Board.
2. That no persons appeared and objected orally or in writing to the creation of said District.
3. That the lands proposed to be embraced within said District are all of the lands that would be especially benefited by the creation of said District and that no lands

September 2, 1958

have been excluded from said District which would be especially benefited therefrom.

4. That the territorial extent of said District shall encompass and include the unincorporated territory, the exterior boundaries of which are more particularly described in Exhibit "A" hereto attached and by reference made a part hereof.

5. That no part of said territory is included with any other District formed for similar purposes.

6. That the said proposed District, more particularly defined and established in said Exhibit "A", and to be known as the FREEDOM COUNTY SANITATION DISTRICT, be, and the same is hereby, created and established as a County Sanitation District under the County Sanitation District Act.

7. That the County Clerk file a copy of this Resolution, together with a map showing the boundaries of the District, with the County Assessor and the State Board of Equalization, pursuant to Section 54900, et seq., of the Government Code of the State of California.

ORDINANCES

*new fee
Ord*

ORDINANCE NO. 1329

The Board of Supervisors of the County of Santa Cruz do ordain as follows:

Section I

1. That this ordinance shall be cited as the "Freedom Sewer Maintenance District Capacity Expansion Ordinance".
2. That District may extend or enlarge the capacity of certain portions of sewer main necessitated by road or free-way construction or reconstruction, or other reasons, which said extension or enlarged capacity will serve future users.
3. That District Engineer shall prepare a repayment plan to recover the cost of said extension or enlarged capacity which shall determine the fee to be collected from future users of said extension or enlarged capacity. Said fee may be computed on either a per connection or gallonage basis, whichever is determined to be most equitable by District Engineer.
4. That any person, firm, or corporation which connects to or uses the extension or enlarged capacity of said sewer main shall pay, in addition to the regular connection fee charged by District, the fee as determined by District Engineer in paragraph 3, above. Said fee shall be paid at the time necessary building permits are obtained or prior to the time said connection is made if no building permits are required.

Section II

This ordinance shall take effect thirty (30) days from and after the date of its adoption and before the expiration of fifteen (15) days after its passage shall be

published once, with the names of the Board of Supervisors voting for and against the same in the Watsonville Register-Pajaronian, a newspaper of general circulation printed and published in the County of Santa Cruz, State of California.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 28th day of May, 1968, by the following vote:

AYES: SUPERVISORS Burton, Black, Locatelli, Mello and McCallie

NOES: SUPERVISORS None

ABSENT: SUPERVISORS None

RUSS McCALLIE
Chairman of said Board

ATTEST: TOM M. KELLEY
Clerk of said Board

Approved as to form

JERRY W. BARTHOLOW
Assistant County Counsel

no file
1 Cap Exp Ord

ORDINANCE NO. 1328

The Board of Directors of the Freedom County Sanitation
District do ordain as follows:

Section I

1. That this ordinance shall be cited as the
" Freedom County Sanitation District Capacity
Expansion Ordinance".

2. That District may extend or enlarge the capacity
of certain portions of sewer main necessitated by road or free-
way construction or reconstruction, or other reasons, which
said extension or enlarged capacity will serve future users.

3. That District Engineer shall prepare a repay-
ment plan to recover the cost of said extension or enlarged
capacity which shall determine the fee to be collected from
future users of said extension or enlarged capacity. Said
fee may be computed on either a per connection or gallonage
basis, whichever is determined to be most equitable by District
Engineer.

4. That any person, firm, or corporation which
connects to or uses the extension or enlarged capacity of
said sewer main shall pay, in addition to the regular con-
nection fee charged by District, the fee as determined by
District Engineer in paragraph 3, above. Said fee shall be
paid at the time necessary building permits are obtained
or prior to the time said connection is made if no building
permits are required.

Section II

This ordinance shall take effect thirty (30) days
from and after the date of its adoption and before the ex-
piration of fifteen (15) days after its passage shall be

published once, with the names of the Board of Directors voting for and against the same in the newspaper of general circulation printed and published in the County of Santa Cruz, State of California.

PASSED AND ADOPTED by the Board of Directors of the Freedom County Sanitation District, County of Santa Cruz, State of California, this 28th day of May, 1968, by the following vote:

AYES: DIRECTORS Burton, Black, Locatelli, Mello and McCallie

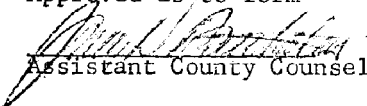
NOES: DIRECTORS None

ABSENT: DIRECTORS None

RUSS McCALLIE
Chairman of said Board

ATTEST: TOM M. KELLEY
Clerk of said Board

Approved as to form


Assistant County Counsel

RECEIVED
SANTA CRUZ CO.

1968 MAY 13 AM 8:00

ORDINANCE NO. 1317

The Board of Supervisors of the County of Santa Cruz do ordain
as follows:

Section I

1. That this ordinance shall be cited as the "Freedom Sewer Maintenance District Line Extension Ordinance."

2. That the definition of the following terms when applied herein shall be as follows:

- a. repayment fee: that amount collected by the Freedom Sewer Maintenance District for each connection made to the line installed which said fee shall be 1.25 times the repayment rate and be for the purpose of reimbursing the installer of such sewer line as provided hereunder.
- b. repayment rate: the total cost of constructing said sewer line divided by the total number of connections to said sewer line as computed by District Engineer.
- c. reimbursable portion: the total number of connections to said sewer line, as computed by District Engineer, less the number of connections to be made by the installer, as computed by District Engineer.

3. That a private party or parties who construct any sewer line 300 feet or more in length which will be of use to and benefit properties of others shall be entitled to reimbursement of a portion of the actual cost of said construction when the following requirements have been met:

- a. Prior to construction of said sewer line, the Board of Supervisors agree to repayment for the reimbursable portion of the work.

b. The construction of the line is completed in accordance with plans and specifications approved by the District Engineer and is inspected and accepted by the District Engineer.

c. The party claiming reimbursement provides satisfactory evidence to show the actual cost of construction including engineering costs.

4. After all requirements have been met, the District Engineer shall determine the total number of connections which can reasonably be made to the line including those to be made by the installer, and the repayment rate shall be computed by dividing the total actual cost of construction including engineering costs by the total number of connections. Upon determination of the number of connections, the repayment rate and the reimbursable portion as provided for hereunder, installer shall enter into an agreement with the Freedom Sewer Maintenance District upon the terms, conditions and provisions set forth in Paragraphs 5, 6, and 7 herein.

5. After acceptance by the District Engineer of a line installed pursuant to this ordinance, the Freedom Sewer Maintenance District shall collect a repayment fee for each connection made to such line in an amount equal to 1.25 times the repayment rate. Twenty percent (20%) of said amount shall be deposited in the operating fund of the Freedom Sewer Maintenance District and the remainder shall be deposited in a trust fund account. Said repayment fee shall be in addition to regular standard connection fees applicable.

6. The installer of the line shall be paid on January 1, and July 1 of each year (or as soon thereafter as may be practical) all funds contained in the trust fund account

established for the line.

7. When the total amount paid to any installer of a line subject to repayment pursuant to this ordinance shall equal the repayment rate multiplied by the total number of connections as determined under paragraph 4 minus the repayment rate multiplied by the number of connections made by the installer, or when ten (10) years have elapsed subsequent to the date of acceptance of the line, whichever shall first occur, all payments to such installer shall cease and the 80 percent portion of all sums collected thereafter pursuant to this ordinance shall be deposited in the expansion construction fund of the Freedom Sewer Maintenance District.

8. In the event any person is dissatisfied with the determination of the total number of connections which can be made to the line, that person may appeal therefrom within fifteen (15) days after receipt of such determination by filing written notice of appeal, stating the grounds thereof, with the Board of Supervisors.

At the next regular meeting of the Board of Supervisors, said Board shall hear such appeal and make its determination which shall be final for the purposes of the application of this Ordinance.

9. That the Freedom Sewer Maintenance District shall incur no liability whatsoever either as to funds collected pursuant to this Ordinance or for funds which may become due hereunder, or for their collection.

10. That no right, title or interest is hereby created; that this Ordinance may be modified or repealed at any time without affecting any property right; that no property right shall become vested by operation of this Ordinance; and

that no liability of any kind shall be incurred by the
Freedom Sewer Maintenance District by reason of any amend-
ment to or repeal of this Ordinance.

Section II

This ordinance shall take effect thirty (30) days
from and after the date of its adoption and before the ex-
piration of fifteen (15) days after its passage shall be
published once, with the names of the Board of Supervisors voting
for and against the same in a newspaper of general circulation
printed and published in the County of Santa Cruz, State of
California.

PASSED AND ADOPTED by the Board of Supervisors of the
County of Santa Cruz, State of California, this 7th day of
May, 1968, by the following vote:

AYES: SUPERVISORS Black, Locatelli and McCallie

NOES: SUPERVISORS Burston

ABSENT: SUPERVISORS Mello

RUSSELL McCALLIE

Chairman of said Board

ATTEST: TOM M. KELLEY
Clerk of said Board

Approved as to form

JERRY W. BARTHOLOW
Assistant County Counsel

RECEIVED
SANTA CRUZ CO.

1968 MAY 13 AM 8:07

ORDINANCE NO. 1316

DEPT. OF
The Board of Directors of Freedom County Sanitation District
do ordain as follows:

Section I

1. That this ordinance shall be cited as the "Freedom County Sanitation District Line Extension Ordinance."

2. That the definition of the following terms when applied herein shall be as follows:

- a. repayment fee: that amount collected by the Freedom County Sanitation District for each connection made to the line installed which said fee shall be 1.25 times the repayment rate and be for the purpose of reimbursing the installer of such sewer line as provided hereunder.
- b. repayment rate: the total cost of constructing said sewer line divided by the total number of connections to said sewer line as computed by District Engineer.
- c. reimbursable portion: the total number of connections to said sewer line, as computed by District Engineer, less the number of connections to be made by the installer, as computed by District Engineer.

3. That a private party or parties who construct any sewer line 300 feet or more in length which will be of use to and benefit properties of others shall be entitled to reimbursement of a portion of the actual cost of said construction when the following requirements have been met:

- a. Prior to construction of said sewer line, the Board of Directors agree to repayment for the reimbursable portion of the work.

- b. The construction of the line is completed in accordance with plans and specifications approved by the District Engineer and is inspected and accepted by the District Engineer.
- c. The party claiming reimbursement provides satisfactory evidence to show the actual cost of construction including engineering costs.

4. After all requirements have been met, the District Engineer shall determine the total number of connections which can reasonably be made to the line including those to be made by the installer, and the repayment rate shall be computed by dividing the total actual cost of construction including engineering costs by the total number of connections. Upon determination of the number of connections, the repayment rate and the reimbursable portion as provided for hereunder, installer shall enter into an agreement with the Freedom County Sanitation District upon the terms, conditions and provisions set forth in Paragraphs 5, 6, and 7 herein.

5. After acceptance by the District Engineer of a line installed pursuant to this ordinance, the Freedom County Sanitation District shall collect a repayment fee for each connection made to such line in an amount equal to 1.25 times the repayment rate. Twenty percent (20%) of said amount shall be deposited in the operating fund of the Freedom County Sanitation District and the remainder shall be deposited in a trust fund account. Said repayment fee shall be in addition to regular standard connection fees applicable.

6. The installer of the line shall be paid on January 1 and July 1 of each year (or as soon thereafter as may be practical) all funds contained in the trust fund account.

established for the line.

7. When the total amount paid to any installer of a line subject to repayment pursuant to this ordinance shall equal the repayment rate multiplied by the total number of connections as determined under paragraph 4 minus the repayment rate multiplied by the number of connections made by the installer, or when ten (10) years have elapsed subsequent to the date of acceptance of the line, whichever shall first occur, all payments to such installer shall cease and the 80 percent portion of all sums collected thereafter pursuant to this ordinance shall be deposited in the expansion construction fund of the Freedom County Sanitation District.

8. In the event any person is dissatisfied with the determination of the total number of connections which can be made to the line, that person may appeal therefrom within fifteen (15) days after receipt of such determination by filing written notice of appeal, stating the grounds thereof, with the District Board.

At the next regular meeting of the District Board, said Board shall hear such appeal and make its determination which shall be final for the purposes of the application of this Ordinance.

9. That the Sanitation District shall incur no liability whatsoever either as to funds collected pursuant to this Ordinance or for funds which may become due hereunder, or for their collection.

10. That no right, title or interest is hereby created; that this Ordinance may be modified or repealed at any time without affecting any property right; that no property right shall become vested by operation of this Ordinance; and

that no liability of any kind shall be incurred by the Freedom County Sanitation District by reason of any amendment to or repeal of this Ordinance.

Section II

This ordinance shall take effect thirty (30) days from and after the date of its adoption and before the expiration of fifteen (15) days after its passage shall be published once, with the names of the Board of Directors voting for and against the same in a newspaper of general circulation printed and published in the County of Santa Cruz, State of California,

PASSED AND ADOPTED by the Board of Directors of Freedom County Sanitation District, County of Santa Cruz, State of California, this 7th day of May, 1968, by the following vote:

AYES: DIRECTORS Black, Locatelli and McCallie

NOES: DIRECTORS Burton

ABSENT: DIRECTORS Mello

RUSS McCALLIE
Chairman of said Board

ATTEST: TOM M. KELLEY
Clerk of said Board

Approved as to form

JERRY W. BARTHOLOW
Assistant County Counsel

AN ORDINANCE ESTABLISHING LINE EXTENSION REGULATIONS
FOR THE FREEDOM COUNTY SANITATION DISTRICT

The Board of Directors of the Freedom
County Sanitation District, DOES ORDAIN as follows:

1. Definitions. For purposes of this Ordinance, the terms
used herein are defined as follows:

a) District means the Freedom County Sanitation District
as it now exists or as its boundaries may be hereafter changed
by annexation or exclusion.

b) Board is the Board of Supervisors of the County of
Santa Cruz acting ex-officio as the Board of Directors of
the District.

c) County is the County of Santa Cruz.

d) Director of Sanitation means that person appointed
by the Board to direct and control the operation of the
sanitation system of the District.

e) Sewer is a pipe or conduit including manholes,
lampholes, wye branches and appurtenances, which carries
sewage and/or industrial wastes to which storm, surface and
ground waters are not intentionally admitted.

f) Public sewer is a sewer lying within a street or
public easement and which is owned and controlled or under
the jurisdiction of the District.

g) Total units of use means the number of units of use
to be required by the person constructing the line which is
the subject of this Ordinance, plus the number of additional
units that may reasonably be expected to be required to use
the said line.

h) Units of additional use means that portion of the
total units of use which will not be required by the person
constructing the line.

i) Units of use means the number of units to be required by the person constructing the line.

j) Total cost factor means the total cost of the sewer as constructed as determined from the records and accounts of the person installing same, divided by the total units of use.

k) Use factor means the total cost factor multiplied by 1.25.

2. Determination of Use. Upon the construction of any public sewer to the requirements of the District by private parties, the Director of Sanitation shall, if requested by the person constructing said sewer, make a determination as to whether the sewer so constructed will provide sewer service to properties other than those owned or in control of the person constructing such sewer.

3. Determination of Total Units of Use. If the Director of Sanitation advises that the sewer will provide sewer service to others he shall determine the total units of use. Such determination shall be in writing to the person constructing the sewer and shall expressly state the units of use, the units of additional use and total units of use.

4. Determination of Cost and Use Factors. The Director of Sanitation shall thereupon determine the total cost of the sewer and shall determine the total cost factor by dividing such total cost by the total units of use. He shall thereupon multiply the total cost factor by 1.25, thereby determining the use factor.

5. Subsequent Connection and Payment to District. Upon such determination and the establishment of the use factor as aforesaid, every subsequent connection to the public sewer, excepting connections made by the person who constructed the sewer or his assigns, shall be made only after payment to the District of an amount to be determined by multiplying the number of units of use required by the connection of the property, by the use factor, as hereinabove established. Said payment shall be in addition to all other charges required to be paid to the District.

6. Payment by District. The amount so collected shall be deposited in a fund to be established and known as the "Line Extension Fund", with appropriate accounting for each public sewer so installed, identifying the location of the public sewer, the name and address of the person who constructed same, the determined units of use, units of additional use and the use factor. On January 1 and July 1 of each year, or as soon thereafter as may be practical, the District shall audit said account and return to the person who constructed the same, an amount calculated by multiplying all amounts collected from later users of the public sewer by a factor of 0.8, less any amounts previously paid. When the total amount so paid to any person installing said public sewer shall equal the total cost of constructing said public sewer, minus the units of use multiplied by the total cost factor, or ten (10) years have elapsed from the date of acceptance of the public sewer, whichever occurs first, all payments to such person shall cease and all sums thereafter collected pursuant to this Ordinance shall be deposited in the Sewer Construction Fund of the District and expended for any lawful purpose.

7. Appeal to Board. In the event any person is dissatisfied with the determinations of the District Director of Sanitation, that person may appeal therefrom within fifteen (15) days after receipt of written notice of such determination, by filing a written notice of appeal with the Board stating the grounds thereof.

At the next regular meeting of the Board, it shall hear such appeal and make its determination, which shall be final and conclusive.

8. Non-Liability. The District shall in no way be obligated to assure that the persons constructing such public sewer are paid the total or any part of the cost thereof, nor to initiate any action nor incur any expense to collect any sum to be paid such person; nor shall any refund be made from any revenues or assets of the District derived from any source other than the payments collected pursuant to Section 5 hereof.

9. Amendment or Repeal. This Ordinance may be amended or repealed at any time without liability on the part of the District to make or continue to make any payments under this Ordinance. No property rights shall become vested by reason of this Ordinance and no liability of any kind or nature shall be devolved upon the District by reason of any such amendment or repeal.

Section II

This ordinance shall take effect 30 days from and after the date of its adoption and before the expiration of 15 days after its passage shall be published once, with the names of the Board of Directors of the Freedom County Sanitation District voting for and against the same in the Watsonville Register-Pajaronian, a newspaper of general circulation, printed and published in the County of Santa Cruz, State of California.

PASSED AND ADOPTED this 6th day of August, 1962,
by the following vote:

AYES: DIRECTORS McLean, Burton, Nelson, Locatelli and Silliman

NOES: DIRECTORS None

ABSENT: DIRECTORS None

ATTEST

Tom M. Kelley
Clerk of said Board

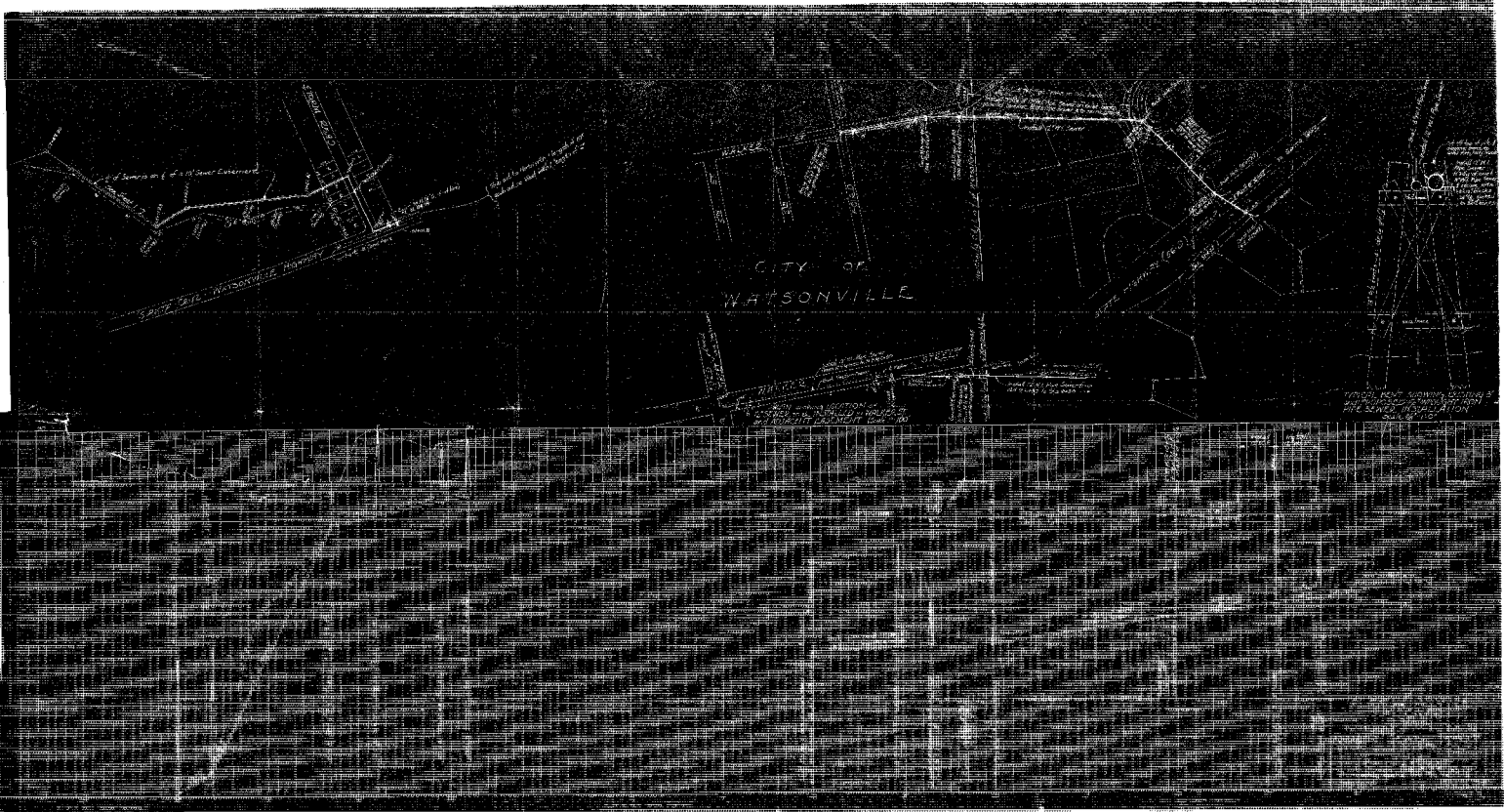
[Signature]
Chairman of said Board

Approved as to form

[Signature]
County Counsel

1110

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PUBLIC WORKS



APPENDIX J:

**SALSIPUEDES
SANITARY DISTRICT
(FORMATION RESOLUTION)**

RESOLUTION NO. 56-LAFC

On the motion of Commissioner Silliman
duly seconded by Commissioner Lezin
the following resolution is adopted:

RESOLUTION APPROVING FORMATION OF SALSIPUEDES SANITARY
DISTRICT

BE IT RESOLVED AND ORDERED that the FORMATION OF SALSIPUEDES
SANITARY DISTRICT be approved, pursuant to the filing of Notice of
Intention, legal description and map, which are on file in the
office of the Executive Officer.

PASSED AND ADOPTED by the Local Agency Formation
Commission of the County of Santa Cruz, State of California,
this 21st day of July 1965, by the following vote:

AYES: Commissioners Lezin, Burton, Silliman, Mello and Flodberg
NOES: Commissioners None
ABSENT: Commissioners None



FRED W. FLODBERG, Chairman

ATTEST:



TOM M. KELLEY, Executive Officer

cc: Petitioners

APPENDIX K:

SANTA CRUZ COUNTY SANITATION DISTRICT (FORMATION RESOLUTION)

RESOLUTION NO. 174

On motion of Commissioner Wicklund
seconded by Commissioner Liteky
The following Resolution is adopted:

RESOLUTION OF THE SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
APPROVING AND AUTHORIZING PROCEEDINGS FOR THE CONSOLIDATION OF
THE APTOS, CAPITOLA AND EAST CLIFF SANITATION DISTRICTS INTO A
SINGLE DISTRICT

The Santa Cruz Local Agency Formation Commission DOES HEREBY DETERMINE, RESOLVE AND ORDER as follows:


1. The Boards of Directors of the Aptos, Capitola and East Cliff County Sanitation Districts have, by Resolution unanimously adopted, petitioned this Local Agency Formation Commission for consent to consolidate into a single District subject to certain terms and conditions.
2. The Executive Officer of this Commission has given notice of public hearing by this Commission upon said petition in the form and manner prescribed by law; has reviewed said petition and has prepared a report, including his recommendations thereon, and has represented the same before this Commission.
3. The public hearing by this Commission was held on May 2, 1973, being the time and date, and at the place specified in said notice of public hearing, and at such hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented or filed.
4. The proposal to consolidate into a single district is approved; the County of Santa Cruz is designated as the conducting agency; and the Board of Supervisors of said County is hereby authorized and directed to conduct proceedings in compliance with this Resolution.
5. The approval of such consolidation is conditioned upon the following terms and conditions:
 - a. Upon the effective date of consolidation, all of the assets, liabilities and powers of said consolidating Districts shall become those of the consolidated District.
 - b. The consolidated District shall be known as the Santa Cruz County Sanitation District.
 - c. For purposes of taxes or assessments, the boundaries of the consolidating Districts shall continue in existence until there has been a substitution of the boundaries of the consolidated District for such purposes, and rates and charges of the consolidated District to be collected on the tax rolls of the consolidating Districts as if such Districts continued to exist independently.
 - d. The Resolution of the Board of Supervisors ordering consolidation shall expressly recite the express intention of the Boards of Directors of the consolidating Districts in their petitions to consolidate as being also the express intent of the Board of Supervisors regarding designation of the voting Directors of the consolidated District.
 - e. The consolidated District shall have the authority to sell any authorized but unsold securities or bonds of the consolidating Districts and to deposit the proceeds of such sale or sales in the appropriate funds of the consolidated District.
6. Waiving of Notice and Hearing before the conducting agency in conformance with provisions of Section 56261.1 of the Government Code is approved.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 2 day of May, 1973 by the following vote:

AYES: Commissioners Richards, Forbus, Wicklund, Liteky

NOES: Commissioners

ABSENT: Commissioners Haber



(Acting) Chairman
Santa Cruz Local Agency Formation Commission

Attest: 

E. R. Hanna, Executive Officer