

Hearing Draft

Scotts Valley Water District Service and Sphere of Influence Review



October 2016



Local Agency
Formation Commission
of Santa Cruz County
701 Ocean Street, Room 318D
Santa Cruz CA 95060



Project Name: 2016 Service and Sphere Review for the Scotts Valley Water District

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Date: October 24, 2016

PURPOSE OF SERVICE REVIEW

The purpose of a service review, sometimes called a “municipal service review” or “MSR”, is to provide a comprehensive inventory and analysis for improving efficiency, cost-effectiveness, accountability, and reliability of public services provided by cities, districts, and service areas. A service review evaluates the structure and operation of an agency and discusses possible areas for improvement and coordination. A service review is used by LAFCO when updating a sphere of influence, and can be used by the subject agencies when considering changes in their operations. A written statement of determinations must be made in the following areas:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged communities within or contiguous to the agency’s sphere of influence.
3. The present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including need or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the agency’s sphere of influence.
4. The financial ability of agencies to provide services.
5. The status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

PURPOSE OF SPHERE OF INFLUENCE

A “sphere of influence” is defined in state law to be a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO in county where the agency is based. The sphere of influence is adopted and amended by LAFCO following a public hearing. The sphere action includes a map, determinations, and a resolution, which may contain recommendations and implementation steps specific to the agency. State law requires LAFCO to make determinations upon the following subjects:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
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.
5. For a city or district that provides sewers, water, or structural fire protection, the present and probable need for those services in any disadvantaged unincorporated communities within the existing sphere of influence.

In this report, the sphere of influence analysis follows the service review analysis, and is organized using the above determinations as an outline. State law requires that all boundary changes (annexation, detachment, consolidation, dissolution, etc.) be consistent with LAFCO’s policies and the adopted sphere of influence of the subject agency.



Scotts Valley/San Lorenzo Valley Intertie 2016

EXECUTIVE SUMMARY

LAFCO periodically performs municipal service reviews¹ and updates, as necessary, the sphere of influence of each agency subject to LAFCO's boundary regulation. A "sphere of influence" is defined as a plan for the probable physical boundaries and service area of a local agency. This report has been prepared to analyze the Scotts Valley Water District.

The main conclusions of this report are:

- The Scotts Valley Water District is operating in a responsible manner to provide water services to its customers.
- The District is working within Scotts Valley and with regional partners to address long-term sustainability of the regional groundwater resources.
- The proposed sphere amendment area west of Highway 17 (Monte Fiore/La Madrona) is currently being served by the District, and the proposed amendment would facilitate a future annexation so that the residents of the area may participate in District elections.
- The proposed sphere amendment area east of Highway 17 (Glen Canyon/El Rancho) is planned by both the County and City of Scotts Valley to continue to be rural and mountain residential uses. Though rural and mountain residential areas typically have lot sizes that allow for individual wells, the District is able to provide water to the area if the residents desire this service.

AGENCY PROFILE

Board of Directors	Title	Year of First Service on the Board	Date of Term Expiration
Danny Reber	Board President	2012	2016
Ruth Stiles	Vice President	2015	2016
David T. Hodgjin	Director	2002	2018
Ken Kannegaard	Director	2006	2018
Chris Perri	Director	2007	2016

Regular Meetings: The Board of Directors meetings are held on the second Thursday of the month at 7:00 p.m. in the District Board Room, 2 Civic Center Drive, Scotts Valley.

General Manager: Piret Harmon, PHarmon@svwd.org

Address: 2 Civic Center Drive, Scotts Valley, CA 95066-4159

Phone: (831) 438-2363

Fax: (831) 438-6235

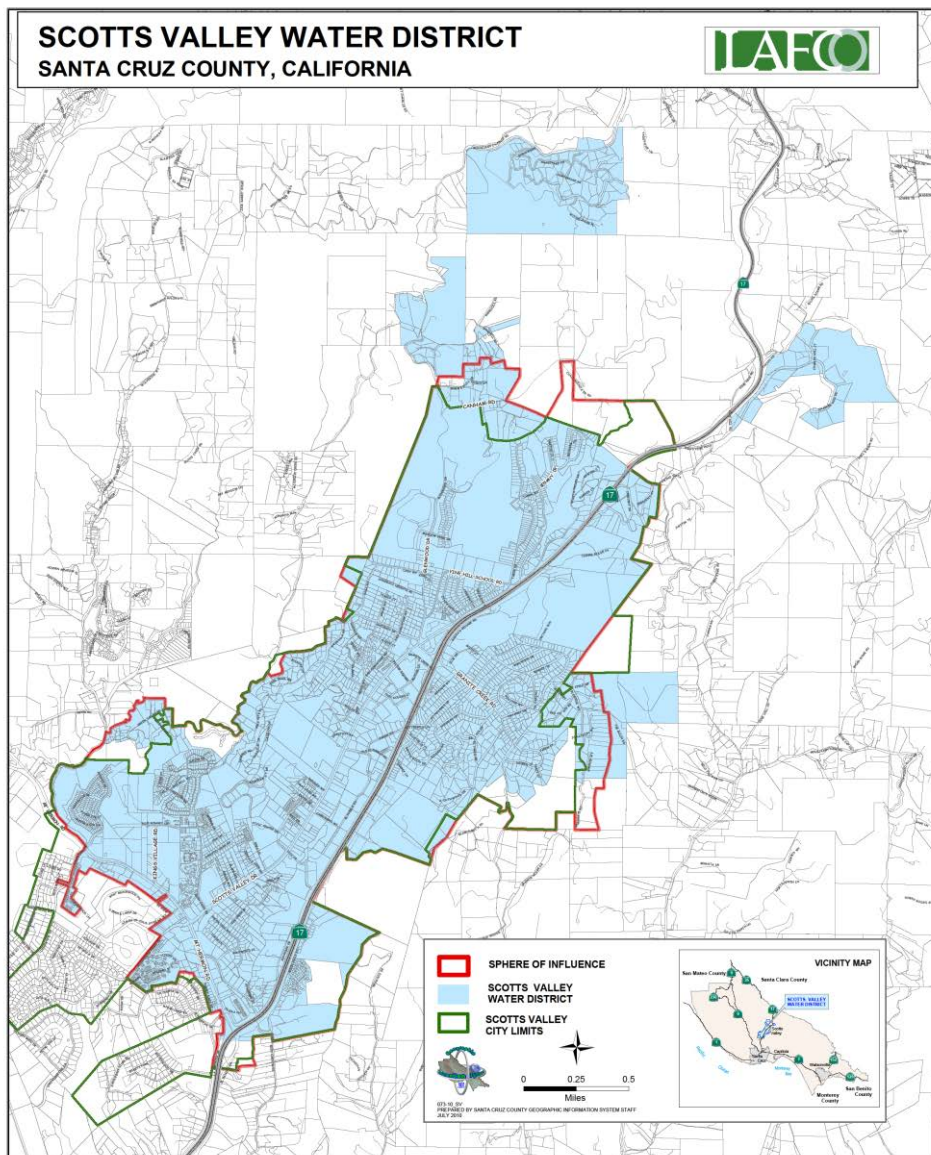
¹ Government Code Section 56430 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). The last service review of the Scotts Valley Water District was prepared by LAFCO in 2005:

<http://www.santacruzlafco.org/wp-content/uploads/2016/02/Whole-Public-Review-Draft.pdf>

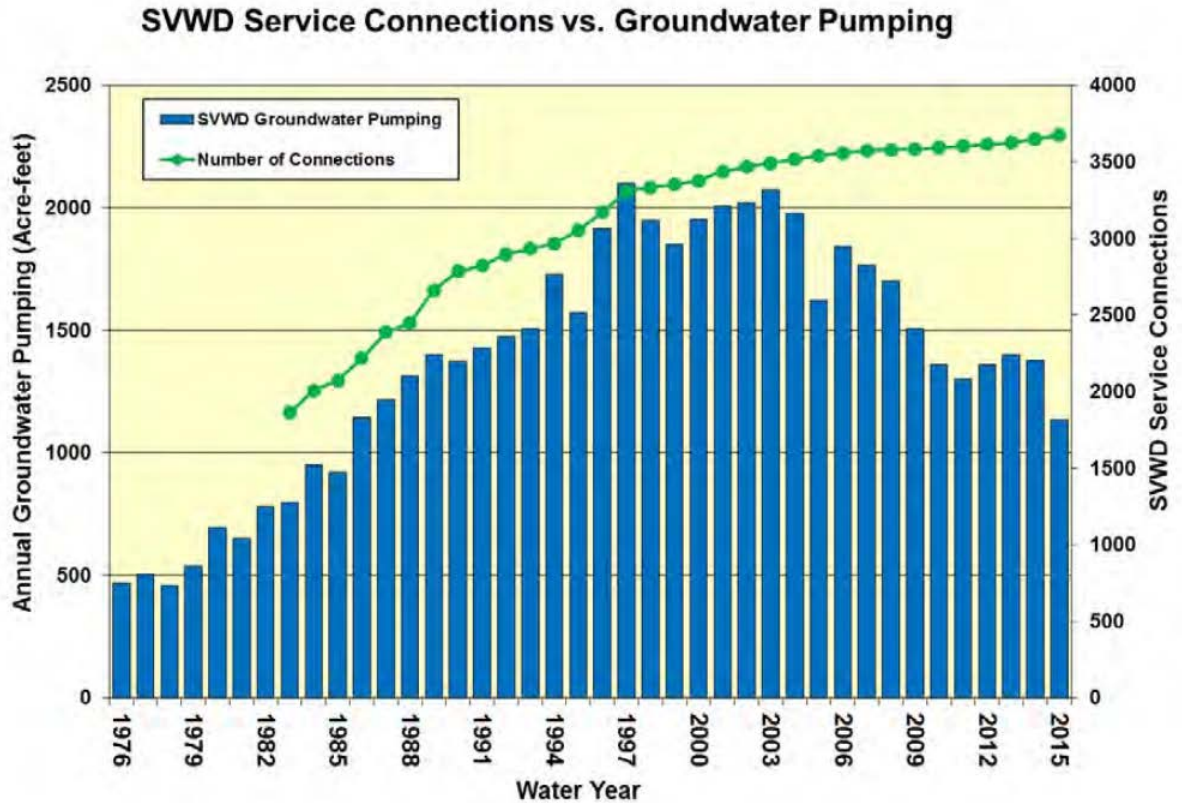
Website: www.svwd.org

Scotts Valley Water District 2016 Service Review
 Services Currently Being Provided by the Scotts Valley Water District

Scotts Valley Water District	Retail Domestic Potable Water	●
	Wholesale Water	
	Water Treatment	●
	Recycled Water	●
	Agricultural Water	
	Groundwater Replenishment	
	Water Conservation Programs	●

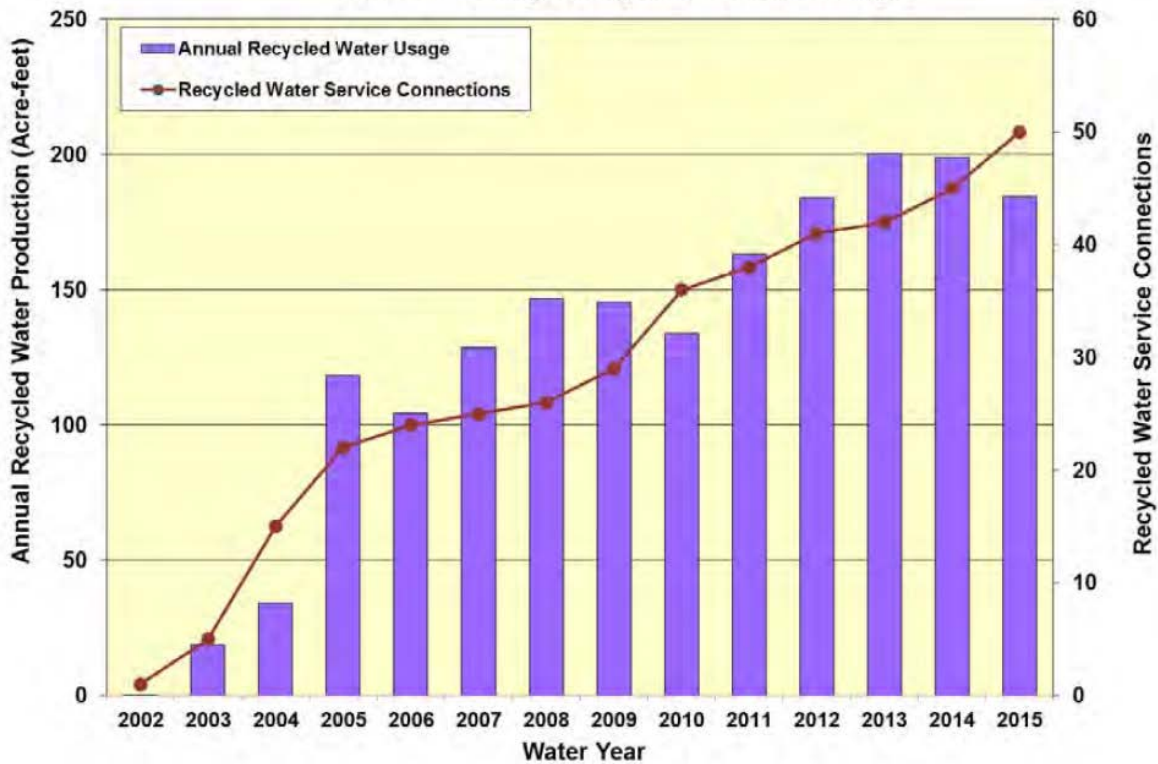


The Scotts Valley Water District was formed in 1961 and operates pursuant to the County Water District Act, which starts at Water Code section 30000. The District provides water service to approximately 3,800 connections, in a six square-mile service area covering most of the City of Scotts Valley and several unincorporated areas. Residential customers represent approximately 90% of the District’s customer base and consume approximately 70% of the water produced annually by the District. The District has 6 groundwater wells with a maximum production capability of 1,400 gallons per minute. The following chart shows the increase in customers and the amount of the District’s groundwater pumping since 1976.



The District also distributes recycled water from the Tertiary Treatment Plant of the City of Scotts Valley. As of June 30, 2014, there were 50 connections with an annual demand of 10 million gallons for irrigation purposes. During FY 2014-15, 4 new meters and 11 potable users converted to recycled water. As of June 30, 2015, there were 61 users of recycled water with an annual demand of 14.5 million gallons. The following chart show the number of recycled water customers and the amount of recycled water sold since 2002.

Scotts Valley Recycled Water Usage



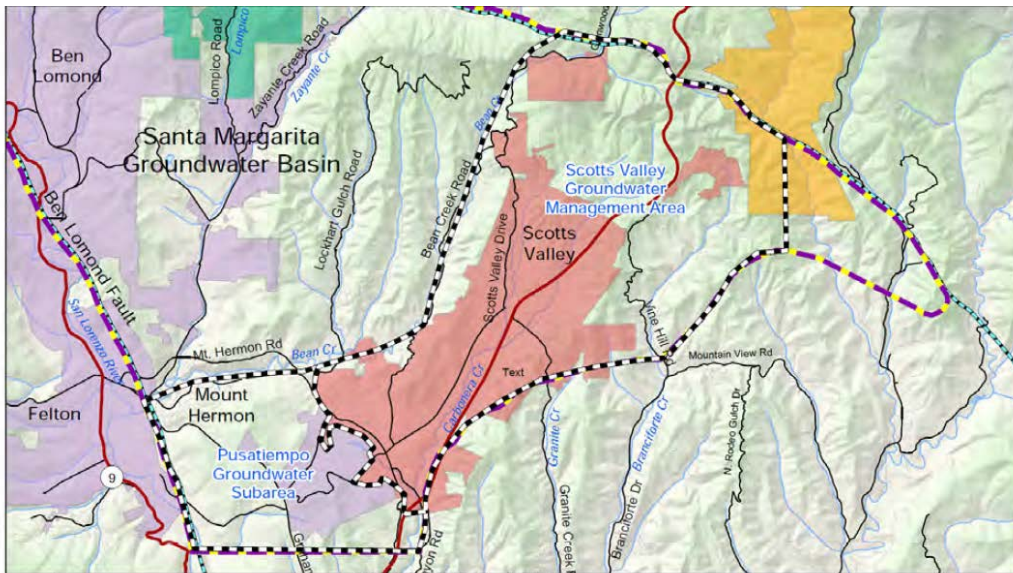
The District’s 2015 Urban Water Management Plan projects the future demand for potable and recycled water in their service area:

SVWD DEMANDS FOR POTABLE AND RECYCLED WATER (acre-feet per year)

Use Type	2015 ^(a)	2020	2025	2030	2035	2040
Single-family	627	788	790	791	793	795
Multi-family	76	105	118	131	143	156
Commercial	178	186	186	186	186	186
Industrial	38	45	45	45	45	45
Institutional/governmental	26	40	40	40	40	40
Landscape (Potable Irrigation)	49	70	70	70	70	70
Losses ^(b)	138	111	113	114	115	116
Other (Fire Service)	1	2	2	2	2	2
Total Potable Water Demand (AFY)	1,133	1,348	1,364	1,380	1,395	1,411
Landscape (Recycled Water Irrigation)	200	210	220	230	240	250
Groundwater Recharge ^(c)	--	--	--	--	--	--
Total Recycled Water Demand (AFY)	200	210	220	230	240	250
Total Water Demand (AFY)	1,333	1,558	1,584	1,610	1,635	1,661

The District is a major user of the aquifers in the Santa Margarita Groundwater Basin. The four formations underlying the Scotts Valley area are (from shallow to deep): Santa Margarita, Monterey, Lompico, and Butano. The Santa Margarita formation is the shallow sandy layer that is visible at the surface. Due to historic pumping, the Santa Margarita formation has been largely de-watered. It is not used by the District in any of its production wells. The next deeper layer is the Monterey formation. It is dense sandstone and does not yield much groundwater. The third formation, the Lompico formation, is the District’s principal aquifer. The deepest formation, the Butano yields a significant amount of water for District use.

MAP OF SANTA MARGARITA GROUNDWATER BASIN

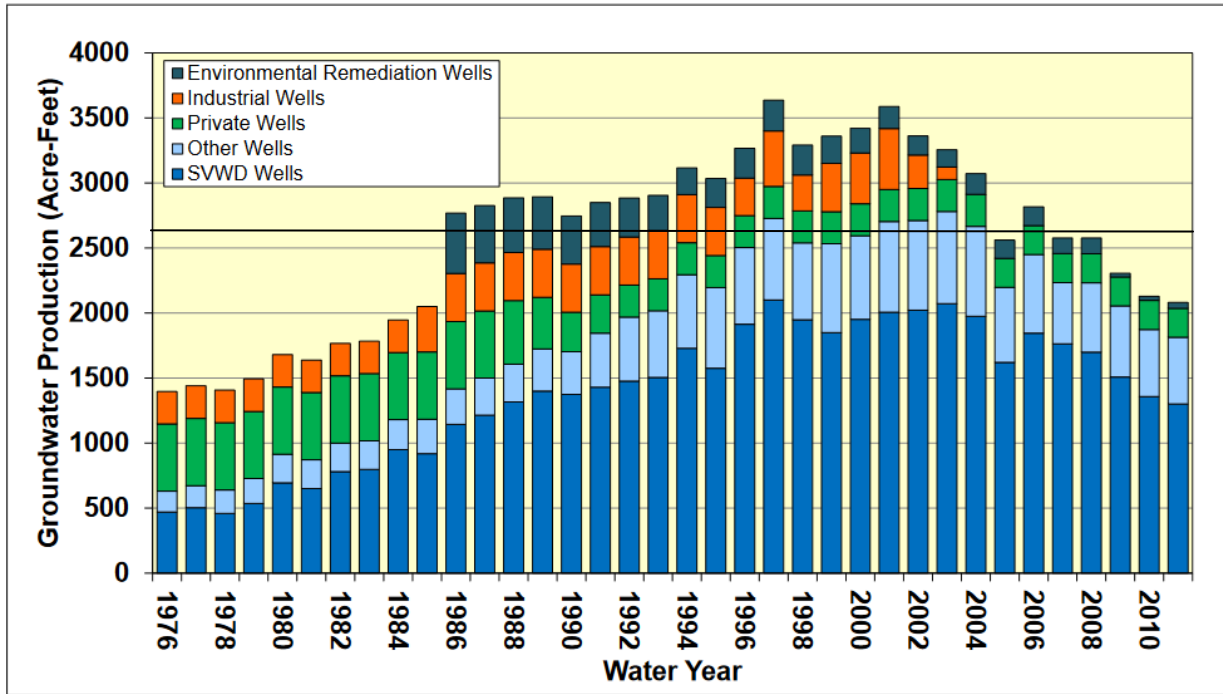


**GROUNDWATER PUMPED BY SVWD IN LAST FIVE YEARS
(acre-feet)**

Aquifer	WY2011	WY2012	WY2013	WY2014	WY2015
Monterey	3	4	35	23	0
Lompico	975	972	1,020	989	895
Butano	323	386	345	365	238
Total	1,301	1,362	1,400	1,377	1,133

The SVWD pumps approximately 62% of the groundwater that is pumped from Scotts Valley and Pasatiempo Subareas.

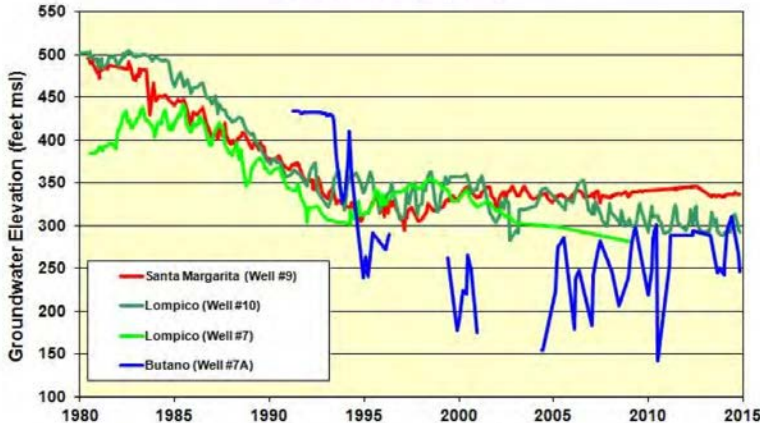
REGIONAL GROUNDWATER PRODUCTION IN SCOTTS VALLEY AND PASATIEMPO SUBAREAS



Kennedy/Jenks Consultants
 2011 Annual Report
 Scotts Valley Water District
 Regional Groundwater Production in
 Scotts Valley and Pasatiempo GW
 Subareas by User Type

As shown on the following figure, groundwater levels in all aquifers have dropped over the last 35 years, but have leveled off over the last 15 years.²

Representative Groundwater Elevations for Different Aquifers



² Scotts Valley Water District, 2015 Urban Water Management Plan, Kennedy-Jenks Engineers.

The current models estimate that the sustainable yield of the Subareas is 2,600 acre-feet per year.³ The District projects an additional demand of approximately 280 in 2040.

SVWD PROJECTED WATER DEMAND 2015 - 2040

Water Supply Sources	2015	2020	2025	2030	2035	2040
Wholesale (Imported) Water	0	0	0	0	0	0
SVWD Produced Potable Groundwater from Santa Margarita Basin	1,133	1,348	1,364	1,380	1,395	1,411
Transfer In/Out	0	0	0	0	0	0
Exchange In (Potable projected use)	0	0	0	0	0	0
Recycled Water (Non-potable local use, existing and projected) ^(a)	200	210	220	230	240	250
Desalination ^(b)	0	0	0	0	0	0
Total Water Supply	1,333	1,558	1,584	1,610	1,635	1,661
Total Pumping Amount Potentially Available to SVWD and Other Pumpers (Sustainable Yield) Near Scotts Valley ^(c)	2,600	2,600	2,600	2,600	2,600	2,600

Notes:

- ^(a) SVWD's Recycled Water Program is anticipated to expand gradually to provide 250 AFY of irrigation demand by 2040. SVWD is evaluating a SMBG groundwater recharge project to utilize remaining available effluent.
- ^(b) SVWD currently does not have water supply through desalination.
- ^(c) Based on the sustainable yield estimate for the portion of the basin (Scotts Valley portion of the Santa Margarita Basin) underlying Scotts Valley, as provided by the modeling analysis (ETIC, 2006). Sustainable yield is shared with the SLVWD and other small public and private pumpers

The District has several programs to reduce future demand for groundwater. These include offering conservation rebates, increasing customers' use of re-cycled water, increasing stormwater recharge, selling wastewater to the Pasatiempo Golf Course for irrigation, and studying the injection of purified water⁴ (recycled wastewater that has received full advanced treatment) to increase recharge of the aquifer in the El Pueblo well field in north Scotts Valley.

³ ETIC Engineering, Inc., Groundwater Modeling Study of the Santa Margarita Groundwater Basin Final Report, Prepared for: Scotts Valley Water District, May 2006.

⁴ May 11, 2016 agenda of the Santa Margarita Groundwater Advisory Committee:

<http://www.svwd.org/sites/default/files/documents/5-11-16%20Meeting%20Report%20SMGWBAC.pdf>

SERVICE REVIEW CHECKLIST

**SUMMARY OF POTENTIALLY SIGNIFICANT
SERVICE REVIEW DETERMINATIONS**

SUMMARY

- 1. Growth and Population
- 2. Disadvantaged Unincorporated Communities
- 3. Capacity, Adequacy & Infrastructure to Provide Services
- 4. Financial Ability
- 5. Shared Services
- 6. Accountability
- 7. Other

1. GROWTH AND POPULATION

Growth and population projections for the affected area.

	YES	MAYBE	NO
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a) Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Will population changes have an impact on your agency’s service needs and demands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Will projected growth require a change in the agency’s sphere of influence boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

The District’s 2015 Urban Water Management Plan expects modest population growth within the District’s service area, as follows:

POPULATION WITHIN SVWD SERVICE AREA

2010	2015	2020	2025	2030	2035	2040
10,309*	10,774	11,383	11,655	11,927	12,198	12,470

*From 2010 UWMP based on Geographic Information System Analysis prepared by Association of Monterey Bay Area Governments using 2010 Census Data

Concerning potential land use changes in the Glen Canyon/El Rancho area, the general plans of the County of Santa Cruz and the City of Scotts Valley have similar designations for rural residential uses along the frontage of Glen Canyon Drive and changing to mountain residential as the hillside get steeper to the east of Glen Canyon Drive. The initial environmental study⁵ prepared by LAFCO staff estimates that the maximum potential change in land uses is 2 homes and 4 acre-feet of water use if the area is annexed following a sphere amendment. West of Highway 17 in the Monte Fiore/La Madrona area, there is no change in potential land use or water use as a result of the sphere amendments.

2. DISADVANTAGED UNINCORPORATED COMMUNITIES

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

	YES	MAYBE	NO
a) Does your agency provide water or sanitary sewer service? If no, skip questions b) and c).	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Is your agency aware of any area(s) within or adjacent to your agency's sphere of influence that is considered "disadvantaged" (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is it is feasible for your agency to extend service to the disadvantaged unincorporated community?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion: There are no disadvantaged communities within or adjacent to the Scotts Valley Water District Sphere of Influence, according to the California Disadvantaged Communities Mapping Tool:

http://www.water.ca.gov/irwm/grants/resources_dac.cfm as accessed on October 3, 2016.

⁵ Initial Environmental Study/Negative Declaration; 2016 Service and Sphere of Influence Reviews for City of Scotts Valley and Scotts Valley Water District; Santa Cruz LAFCO; October 3, 2016.

3. CAPACITY AND ADEQUACY OF PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding your agency's capacity to meet the service demand of reasonably foreseeable future growth?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c) Are there any concerns regarding public services provided by the agency being considered adequate?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Are there any significant infrastructure needs or deficiencies to be addressed?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there changes in state regulations on the horizon that will require significant facility and/or infrastructure upgrades?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- b) As discussed above in the Agency Profile, the groundwater levels in the Scotts Valley aquifers have dropped significantly over the last 40 years, but have generally stabilized in the last 10 years. The District is continuing to address the most cost-effective manner in which to meet the project demands over the next 25 years, and is cooperating with the City and the other regional water purveyors to implement water-conserving programs.

4. FINANCIAL ABILITY

Financial ability of agencies to provide services.

	YES	MAYBE	NO
a) In the last five years, has your agency failed to obtain an independent audit, or adopted its budget late?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Is your agency lacking adequate reserves to protect against unexpected events or upcoming significant costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Is your agency's rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is your agency unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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

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

Discussion: A summary of the District's budget is presented below.

Finances					
	FY 12-13 Est. Actual	FY 13-14 Est. Actual	FY 14-15 Est. Actual	FY 15-16 Est. Act.	FY 16-17 Budget
Fund Balance, start of year		6,101,106	6,201,354	5,426,889	3,477,365
Revenue					
Water Sales	3,898,500	4,304,682	3,337,150	3,014,271	2,988,840
Services Charges and Other Revenue	892,007	1,400,665	1,859,085	1,387,687	1,320,830
Non-operating Revenue	24,000	43,937	326,632	271,767	1,361,098
Property Tax	700,000	700,000	710,000	703,680	718,000
Total Revenue	5,514,507	6,449,284	\$6,232,867	5,377,406	7,138,768
Expenditures					
Administration		632,353	546,468	590,182	774,220
Water Use Division			304,654	218,252	189,165
Finances Division		581,901	548,986	736,131	674,910
Operations Division		3,182,822	2,336,107	2,177,701	2,638,540
Engineering Division		176,950	258,429	136,316	190,515
Board		95,725	110,717	99,272	122,760
Operating Expenditures	4,061,764				
Debt Service	807,412	795,716	793,989	995,000	619,568
Capital Facilities Plan	773,967	810,000		1,469,000	2,545,000
Recycling Expenditures				534,070	
Total Expenditures	5,643,143	6,275,467	4,889,349	6,171,931	7,754,696
Net Surplus/(Deficit)	(128,636)	173,718	1,343,518	(794,525)	
Fund Balance, end of year	6,101,106	6,201,354	5,426,899	3,477,365	

Source: Scotts Valley Water District Budgets FY 2013 – FY 2017

While the general fund balance has gone down in the last 3 years, the District has completed a series of infrastructure repairs and improvements, and is preparing a rate study in FY 2016-17. As with other local water districts during the drought, the District realized water savings and reduced revenues. The District has adequate reserves to carry it forward until rate changes are implemented.

The audit for the fiscal year ending June 30, 2014 was prepared by Charles Z. Fedak and Company. It is available on the District's website at:

www.svwd.org/sites/default/files/documents/fy_2013-14_audited_financial_statements.pdf.

The audit identified no serious deficiency in the District's financial procedures.

5. SHARED SERVICES AND FACILITIES

Status of, and opportunities for, shared facilities.

	YES	MAYBE	NO
a) Are there any opportunities for your agency to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b) Are there any governance options that may produce economies of scale and/or improve buying power in order to reduce costs?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- a) The District is cooperating with the City of Scotts Valley, the City of Santa Cruz, and the Pasatiempo Golf Club to facilitate using wastewater to be treated and then irrigate the gold course, which is currently being irrigated with potable Santa Cruz Water Department Water. The District is participating with other water agencies to complete a series of interties among the agencies so that water can be shared in emergencies. The District is cooperating in the Santa Margarita Groundwater Basin Advisory Committee and the formation of a Sustainable Groundwater Management Agency in northern Santa Cruz County. Also, the District is discussing the feasibility of the City of Santa Cruz selling the Scotts Valley Water District surplus water in the winter so that Scotts Valley can rest their wells and get greater groundwater level recoveries in the winter.

6. ACCOUNTABILITY, STRUCTURE AND EFFICIENCIES

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

	YES	MAYBE	NO
a) Are there any issues with your agency's meetings being accessible and well publicized? Are there any issues with your agency failing to comply with financial disclosure laws and the Brown Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues with filling board vacancies and maintaining board members?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Are there any issues with staff turnover or operational efficiencies?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Is your agency's budget unavailable to the public via the internet?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any recommended changes to your agency's structure that will increase accountability and efficiency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
g) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- f) The current Sphere of Influence for the Scotts Valley Water District assumes that the District's governance will eventually be taken over by the City of Scotts Valley. The Scotts Valley Water District should be open to studying two long-term governance options: (1) becoming a dependent district of the City of Scotts Valley and sharing board guidance and administrative services, and (2) becoming part of a regional north Santa Cruz County water agency that would facilitate optimum utilization of water resources.
- g) The City of Scotts Valley and the Scotts Valley Water District have proposed adding the Monte Fiore/La Madrona area to the water district's sphere of influence. This area is currently outside the District boundaries, but receives water service from the District. Adding this area to the District's Sphere of Influence and subsequently annexing it to the District would eliminate confusion and allow the Monte Fiore residents to vote in District elections.

7. OTHER ISSUES

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

	YES	MAYBE	NO
a) Are there any other service delivery issues that the agency wants addressed in the service and sphere review process?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

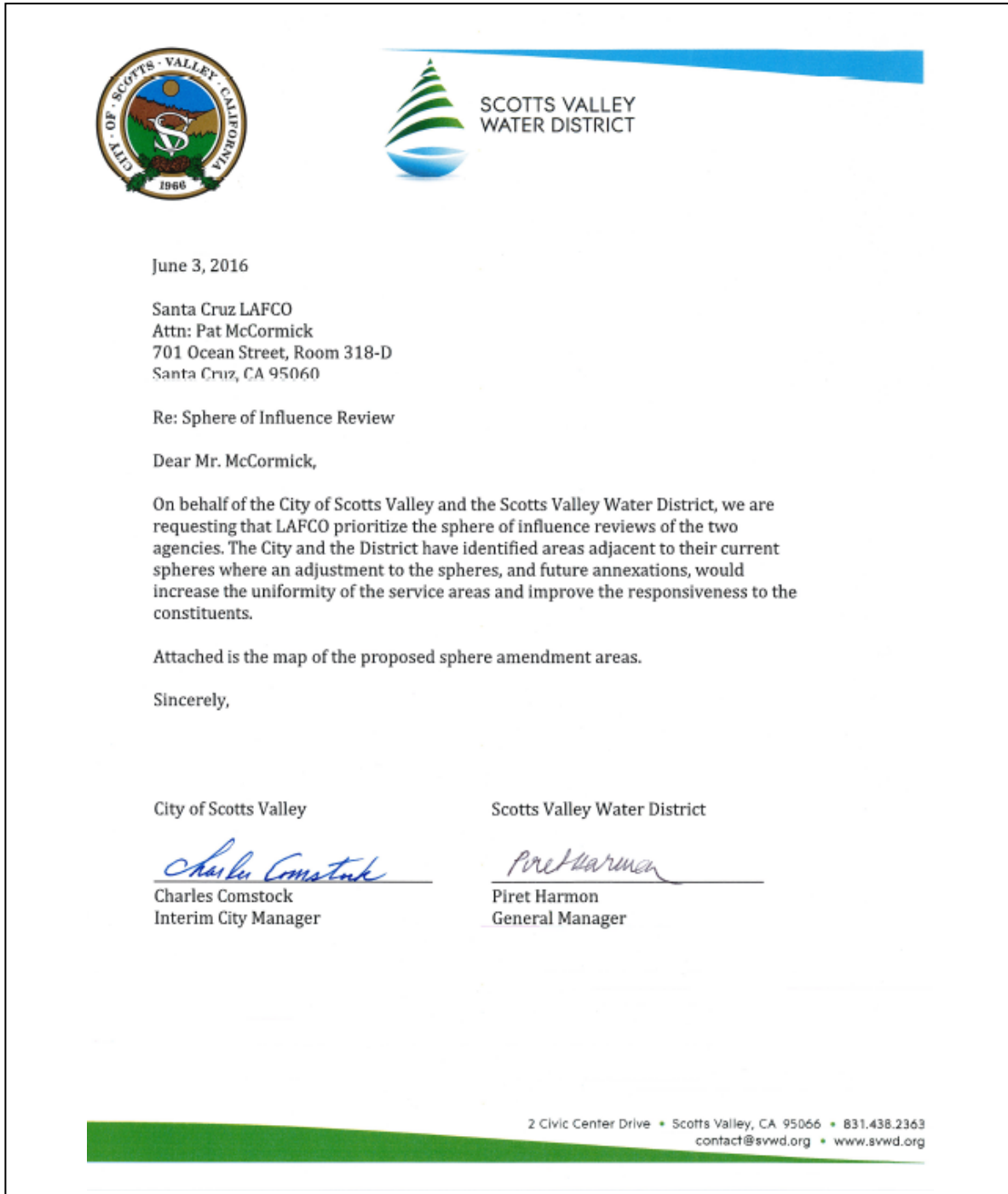
END OF SERVICE REVIEW



SPHERE OF INFLUENCE STUDY FOR SCOTTS VALLEY WATER DISTRICT

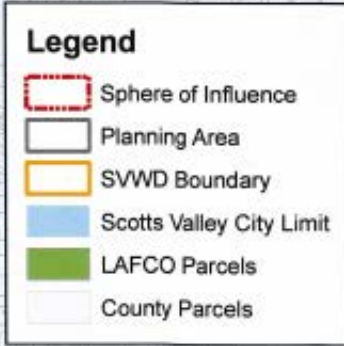
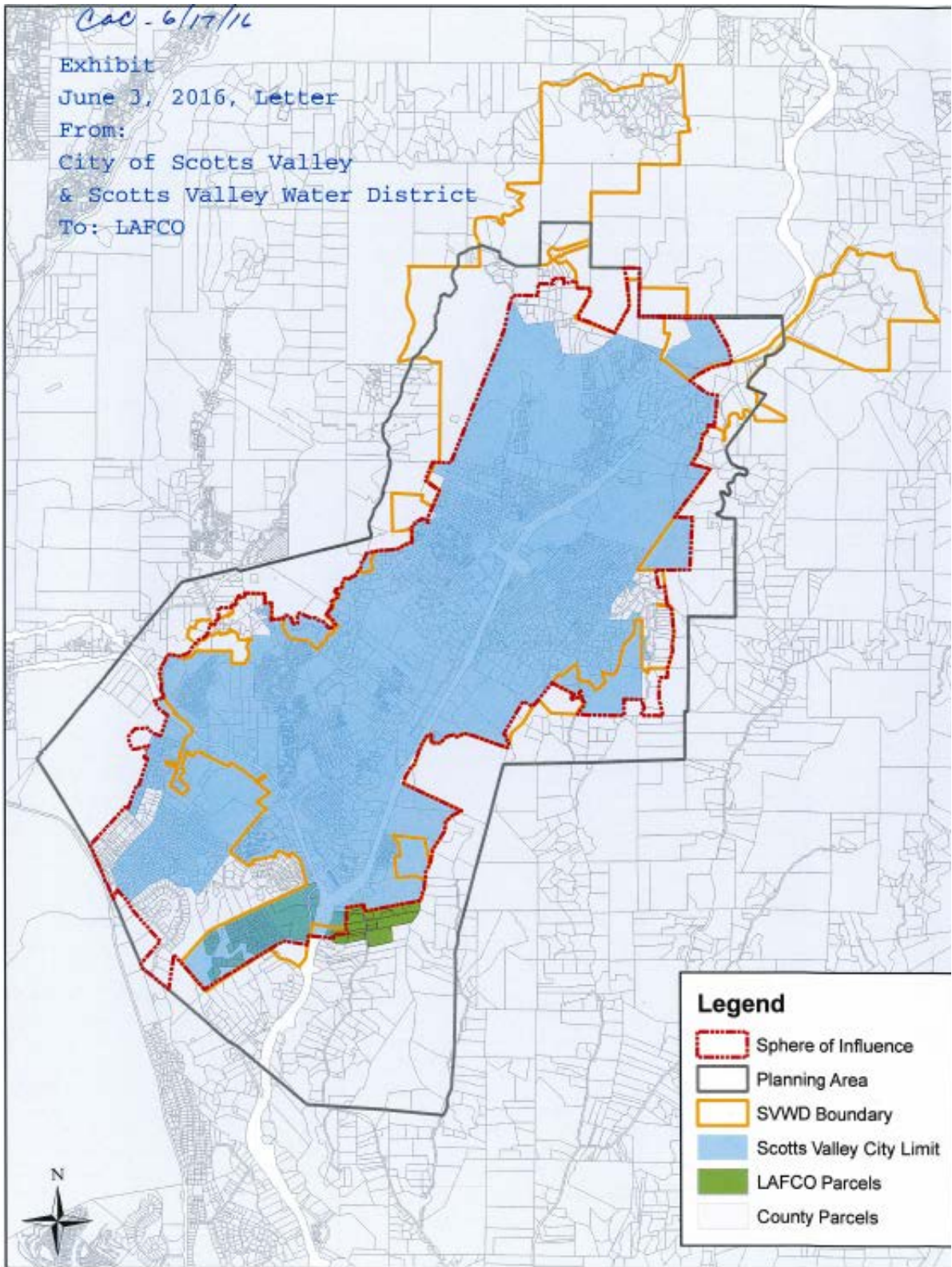
- The Scotts Valley Water District is proposing changes in the adopted sphere of influence map; please attach a map and justification.

The letter of request from the City of Scotts Valley and the Scotts Valley Water District is printed below.

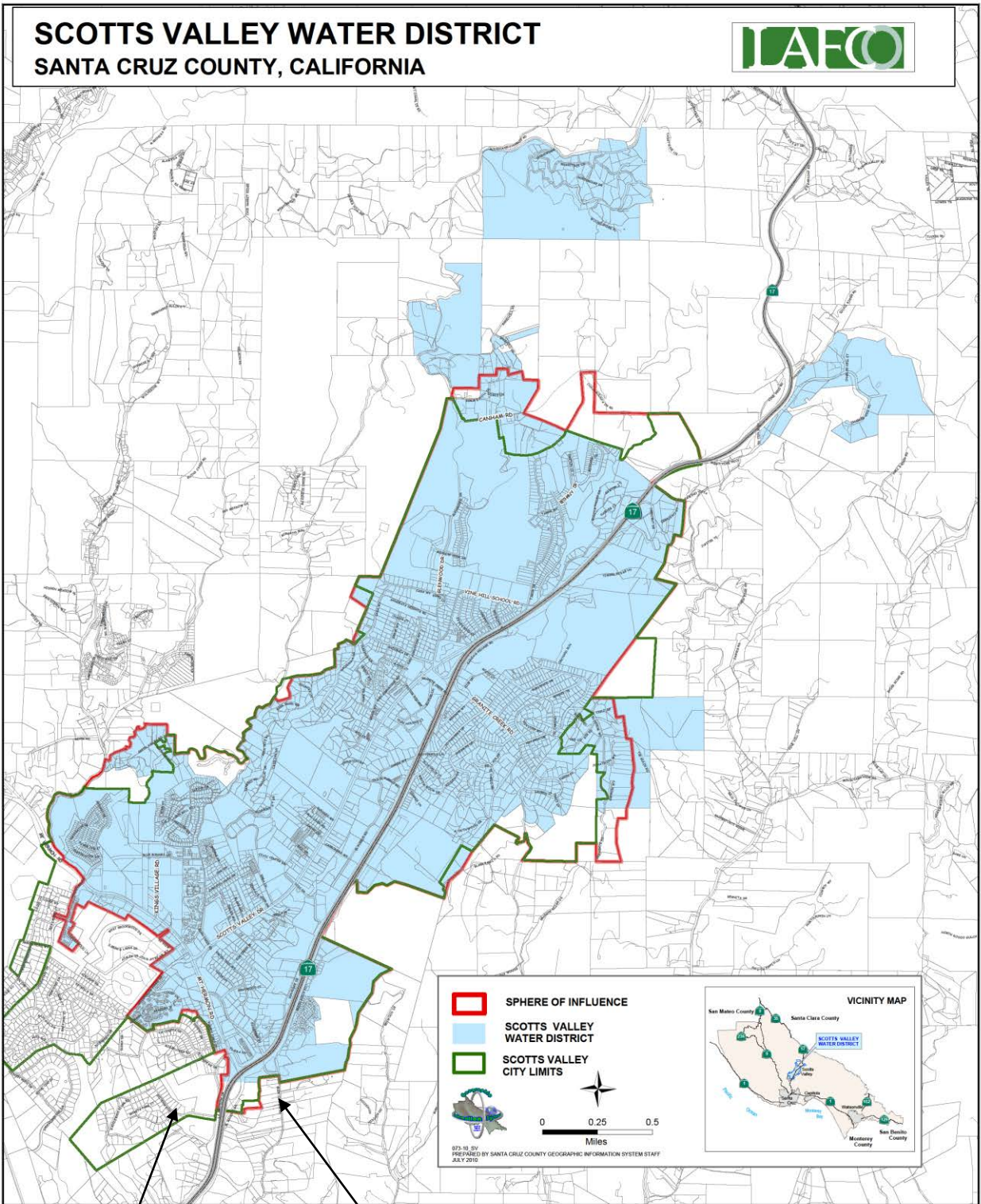


CAC - 6/17/16

Exhibit
June 3, 2016, Letter
From:
City of Scotts Valley
& Scotts Valley Water District
To: LAFCO

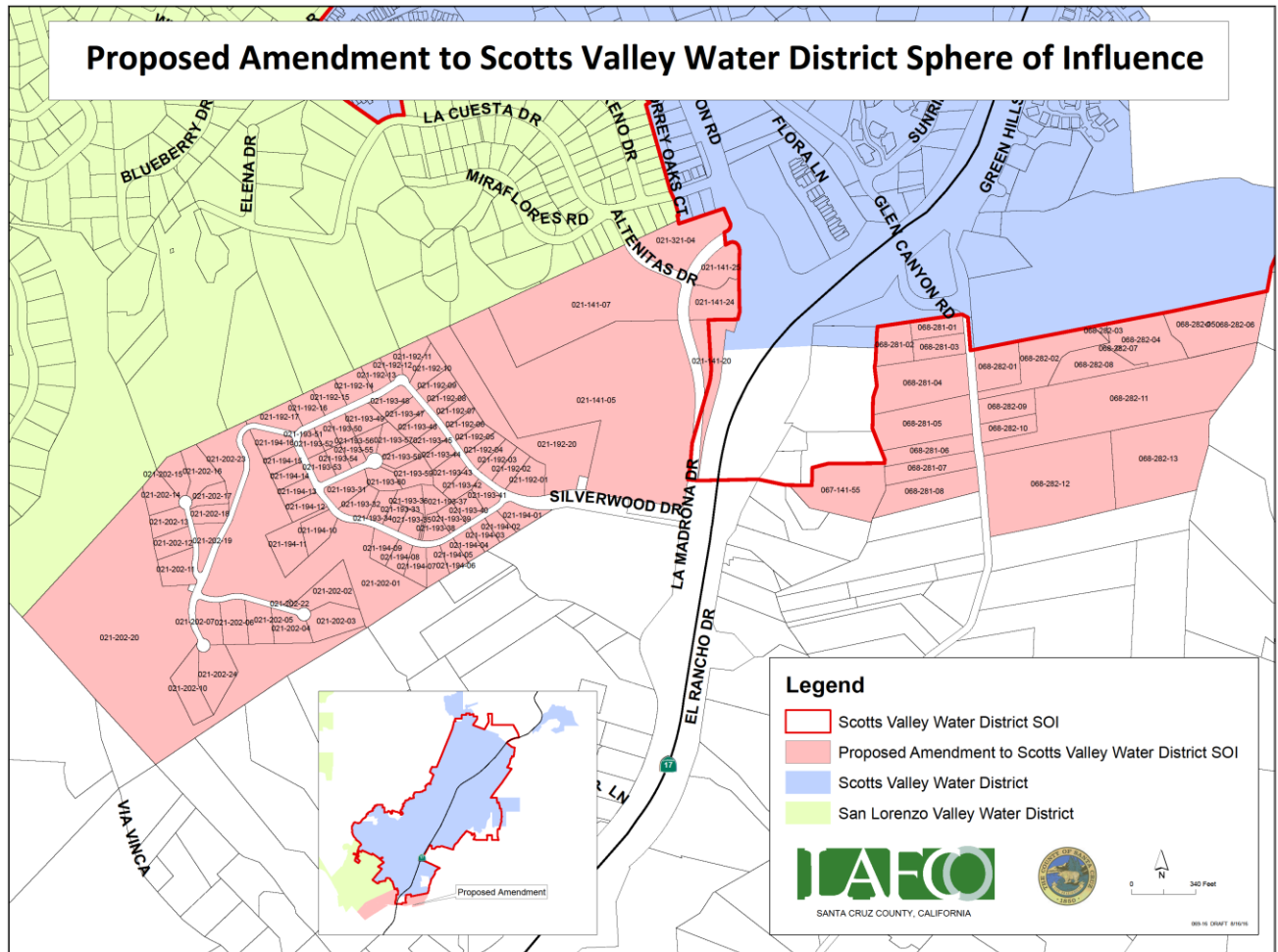


ADOPTED SPHERE OF INFLUENCE MAP



WEST OF HIGHWAY EAST OF HIGHWAY PROPOSED ADDITIONS

PROPOSED SPHERE OF INFLUENCE MAP



SUMMARY OF POTENTIALLY SIGNIFICANT SPHERE DETERMINATIONS

The sphere determinations below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist and corresponding discussion on the following pages.

- 1. Present and Planned Land Uses
- 2. Need for Public Facilities and Services
- 3. Capacity and Adequacy of Provide Services
- 4. Social or Economic Communities of Interest
- 5. Disadvantaged Unincorporated Communities

1. PRESENT AND PLANNED LAND USES

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

	YES	MAYBE	NO
a) Are there any present or planned land uses in the area that would create the need for an expanded service area?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the amended sphere conflict with planned, orderly and efficient patterns of urban development?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Would the amended sphere result in the loss of prime agricultural land or open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Would the amended sphere impact the identity of any existing communities; e.g. would it conflict with existing postal zones, school, library, sewer, water, census, fire, parks and recreation boundaries?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any natural or made-made obstructions that would impact where services can reasonably be extended or should otherwise be used as a logical sphere boundary?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

Concerning potential land use changes in the Glen Canyon/El Rancho area, the general plans of the County of Santa Cruz and the City of Scotts Valley have similar designations for rural residential uses along the frontage of Glen Canyon Drive and changing to mountain residential as the hillside get steeper to the east of Glen Canyon Drive. The initial environmental study⁶ prepared by LAFCO staff estimates that the maximum potential change in land uses is 2 homes and 4 acre-feet of water use if the area is annexed following a sphere amendment. West of Highway 17 in the Monte Fiore/La Madrona area, there is no change in potential land use or water use as a result of the sphere amendments.

⁶ Initial Environmental Study/Negative Declaration; 2016 Service and Sphere of Influence Reviews for City of Scotts Valley and Scotts Valley Water District; Santa Cruz LAFCO; October 3, 2016.

2. NEED FOR PUBLIC FACILITIES AND SERVICES

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

	YES	MAYBE	NO
a) Would the amended conflict with the Commission's goal to increase efficiency and conservation of resources by providing essential services within a framework of controlled growth?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Would the amended sphere expand services that could be better provided by a city or another agency?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c) Would the amended sphere represent premature inducement of growth or facilitate conversion of agriculture or open space lands?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d) Would the amended sphere conflict with the Regional Housing Needs Allocation Plan adopted by the Association of Monterey Bay Governments (RHNA)?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e) Are there any areas that should be removed from the sphere because existing circumstances make development unlikely, there is not sufficient demand to support it or important open space/prime agricultural land should be removed from urbanization?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
f) Have any agency commitments been predicated on expanding the agency's sphere such as roadway projects, shopping centers, educational facilities, economic development or acquisition of parks and open space?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- f) County Environmental Health has not identified the Glen Canyon area as an area with concentrated septic or well failures.

3. CAPACITY AND ADEQUACY OF PROVIDED SERVICES

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

	YES	MAYBE	NO
a) Are there any issues regarding the agency's capacity to provide services in the proposed sphere territory?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b) Are there any issues regarding the agency's willingness and ability to extend services?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

- b) The Scotts Valley Water District has the capacity to continue to serve the proposed sphere amendment areas. The District is currently serving the proposed amendment area west of Highway 17, and would serve the Glen Canyon area via a water main extension down Glen Canyon Drive from the end of the current main in the 3100 block of Glen Canyon Drive. Based upon its letter of request, the District is willing to extend services.

4. SOCIAL OR ECONOMIC COMMUNITIES OF INTEREST

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

	YES	MAYBE	NO
a) Are there particular neighborhoods or areas that should be added or excluded from your agency's sphere because those areas function as part of your community or another community socially or economically?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Discussion:

- a) The Monte Fiore/La Madrona neighborhood is within the City limits, is served by City sewer, and is served by SVWD water and function as an integrated neighborhood of the City and the Scotts Valley community. Adding this area to the Scotts Valley Water District Sphere of Influence will allow it to be considered for annexation to the District at a later date.

5. DISADVANTAGED UNINCORPORATED COMMUNITIES

For an update of an sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. Additional smaller areas may be identified by LAFCO, the County, or a City in the future.

	YES	MAYBE	NO
a) Does the subject agency provide public services related to water, sanitary sewers, or structural fire protection?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) If yes, does the proposed sphere exclude any nearby disadvantaged unincorporated community (80% or less of the statewide median household income) that does not already have access to public water or sanitary sewer service?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Discussion:

There are no disadvantaged communities within or adjacent to the Scotts Valley Water District Sphere of Influence, according to the California Disadvantaged Communities Mapping Tool:

http://www.water.ca.gov/irwm/grants/resources_dac.cfm as accessed on October 3, 2016.

END OF SPHERE REVIEW

